

4 February 2022

Mr Thomas Watt
Director, Accelerated Projects Delivery
Department of Planning and Environment
4 Parramatta Square, 12 Darcy Street
Parramatta NSW

Dear Thomas,

SUBMISSION TO THE PYRMONT PENINULA SUB-PRECINCT MASTER PLANS

Thank you for providing the opportunity to make a submission on the draft Pyrmont Peninsula Sub-Precinct Master Plans and accompanying documents. This submission has been prepared by Ethos Urban on behalf of Poulos Bros, as owner of the site at 21-28 Bank Street, Pyrmont.

Poulos Bros. Group is a family owned and operated business established in 1967. Their operations have been primarily based at the Bank Street site when it was purchased in 1985 prior to the construction of the Anzac Bridge. The Poulos Bros Group business includes:

- Headquarters and distribution centre at the Bank Street site;
- Two wholesale operations in the Sydney Fish Market; and
- A processing and distribution centre in Brisbane and Melbourne.

Poulos Bros have been engaged with the NSW State Government, City of Sydney and other key stakeholders since 2017 on the redevelopment and renewal of the Bays Market Precinct.

For reference, this submission is also accompanied by the following documents:

- Submission to the Blackwattle Bay State Significant Precinct exhibition (**Attachment A**);
- Submission to the draft Pyrmont Peninsula Place Strategy (**Attachment B**); and

1.0 KEY AMENDMENTS / CLARIFICATIONS SOUGHT

The key list of items raised in this submission are:

- There is concern that 5 years of engagement with the NSW Government has been lost in the new Pyrmont Place Strategy process and fear that this process is at variance with the previous work done at a far more detailed scale than the Peninsula-wide approach of the Place Strategy.
- The landowner has consistently put forward a position that without a viable developable footprint, the site will not be developed and the delivery of 'Big Move 1' will have failed.
- We seek that the final Sub-Precinct Masterplans directly cite the RL90 established by Jacksons Landing for context.
- We seek amendment to the Blackwattle Bay Precinct Plan in terms of open space as it results in a loss of developable site area notwithstanding the adjacent public open space areas to the site.
- Clarification is sought on the foreshore setback as 20m minimum foreshore walkway width will impact considerably the viability of a site that has min. 50m lot depth from waterline to Anzac Bridge alignment.

- We seek the clarification in the Precinct Plan that the site is part of a predominantly residential and tourism-related precinct. Poulos remain unconvinced that there has been any justification for the land use mix proposed in any State Government documents to date.
- Clarification is sought regarding the timing of when the SIC would be transitioned into the RIC framework (as a Transport Project Component).
 - Poulos also requires further clarification on whether the base contribution of the RIC will still apply once the SIC is incorporated into the RIC.
- Reconsideration of the Wind Analysis supporting the exhibition documents is required as it is based on incorrect baseline data.
- We seek clarification that the proposed City of Sydney target of 35/30dB(A) do not apply to road traffic noise.

2.0 PROCESS AND ENGAGEMENT

Poulos Bros have been engaged with the State Government, City of Sydney and other key stakeholders since 2017 on the renewal of the Bays Market District. It has held a consistent position for its site:

- Planning outcomes for the site must incentivise the relocation of the Poulos Bros operations adjacent the established synergies with the Fish Markets.
- Building Heights based on the adjacent Jacksons Landing at RL89 (c. 26 storeys) is supportable on urban design grounds.
- There is little market justification for a large proportion of non-residential uses at this relatively remote, and slender, site that will struggle to accommodate a viable commercial floorplate.

Further, Poulos have some concern that the Sub-Precinct Masterplans can be at variance to a more detailed rezoning study that has gone into far greater detail, over a greater length of time – and been subject to more in depth engagement.

We implore the DPE to review the Poulos Submission to the Blackwattle Bay State Significant Precinct exhibition (Attachment A) and submission to the draft Pyrmont Peninsula Place Strategy (Attachment B) to understand the work that has been put into engaging with Government on this site and the position taken by the landowner to date.

3.0 REALISATION OF BIG MOVE 1 – “A HARBOUR FORESHORE WALK”

Poulos Bros have continued to stress the importance of the anticipated planning controls allowing adequate development to stimulate their move – and have requested a building height of up to RL89. Without achieving a viable redevelopment opportunity (now lessened with the release of the infrastructure funding regime), it has been made clear that Poulos may have no alternative but to continue their food processing, warehousing and distribution function at the Bank Street site.

The HASSELL Urban Design Report has identified the Poulos Site as “Active Recreation Interface Character”. Whilst giving little detail, it cites the following directives:

- *Waterfront spaces that achieve less direct sun access due to orientation used primarily for active recreation and support of on-water activities through landside facilities including marinas and boat storage.*
- *Movement space for pedestrians and cyclists to be as wide as possible and not compromised by movement between landside uses and potential on-water marinas*
- *Opportunity for direct access to and engagement with water*

The documents note a foreshore promenade width and, while there isn't an indicative section for the 'Active Recreation Character' area (see 'Figure 2.3.4 Indicative passive recreation interface (Hassell)'), there is a consistent theme of a 20m minimum foreshore walkway width that appears to be carried through (dwelling, movement, dining zones). Again, this has been discussed at length and considering the site has a maximum 50m from the shoreline to the motorway area, a 20m foreshore setback is yet another impediment to the feasible redevelopment of the site.

Without a viable developable footprint, the site will not be developed and the delivery of 'Big Move 1' will have failed.

4.0 BUILDING HEIGHTS

FJMT Architects, engaged on behalf of Government in 2017 established the following key principles to guide redevelopment of the Precinct:

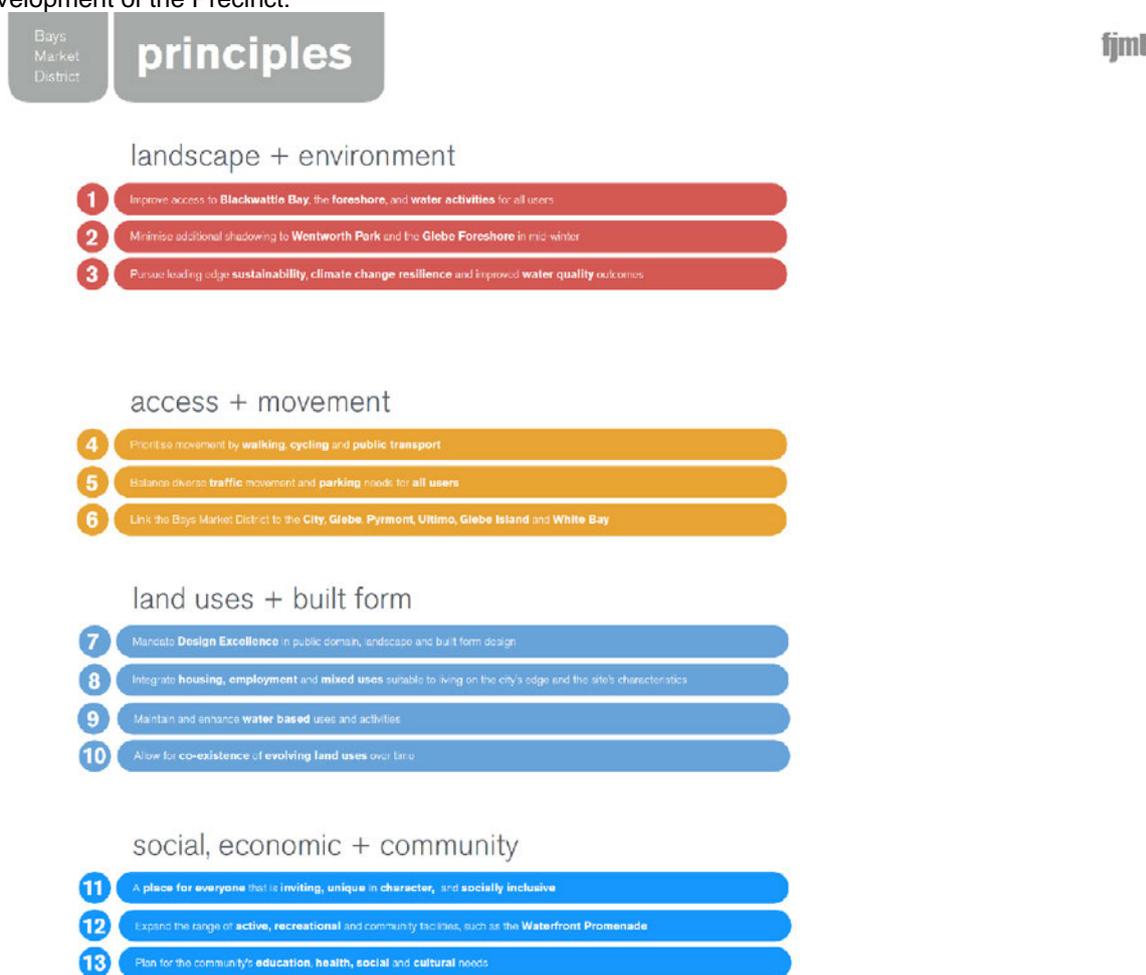


Figure 1 UrbanGrowth Design Principles

Source: NSW Government, 2017

The key defining principle regarding height was “*minimise overshadowing to Wentworth Park and the Glebe Foreshore in mid winter*”.

And so, the opening statement in the HASSELL Urban Design document that “*an approach to the location, form and height of new buildings has been developed to ensure that the Pyrmont Peninsula can deliver new housing and jobs without significant impact on its amenity and character.*” is not notably at variance with the 2017 State Government vision. However the outcome in the draft Precincts Plans we believe leave some opportunity for misinterpretation.

We are of the opinion that the Place Strategy does not successfully transfer the work by Government since 2017, in consult with the City of Sydney, key stakeholders and landowners through the identification of much of the private landowner sites being in a “Bay Interface Zone” which seeks “a more intensified urban experience of the harbour edge that **engages with the existing character**”. The term interface itself infers a mid point between low and high.

Further, there is concern regarding the terminology of ‘existing character’. If by existing character, the Sub-precinct Master Plans refer to the RLs established by Distillery Hill / Jacksons Landing, then this is a position that Poulos Bros have long held. See Figure 2 below for the suggested approach to building heights and land use for the Precinct:

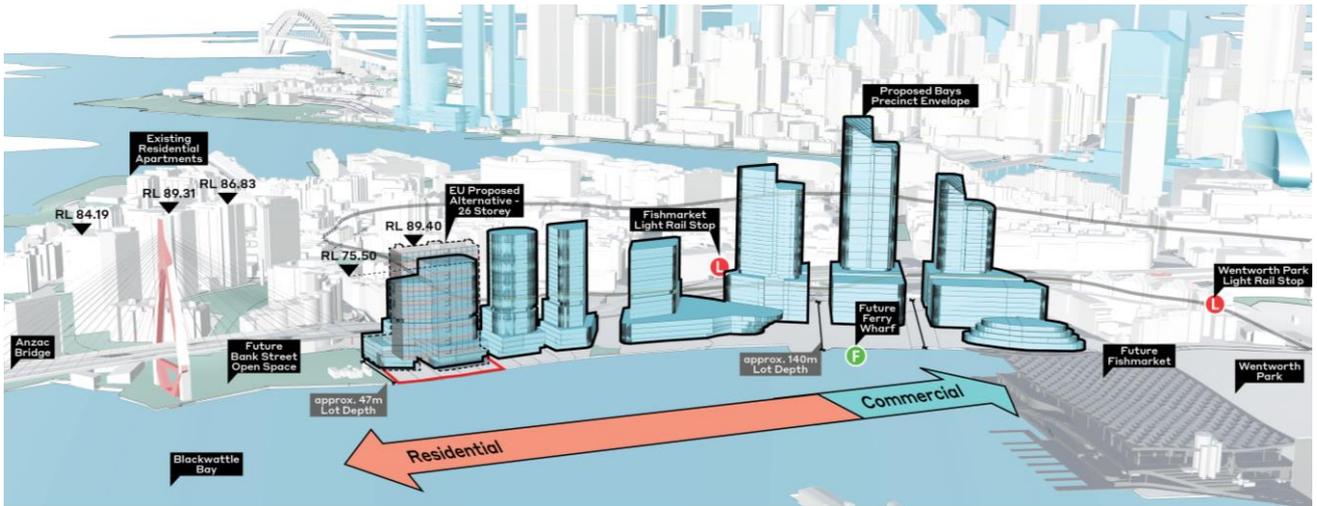


Figure 2 Suggested Master Plan approach to land use
 Source: Ethos Urban

We therefore seek that the final Sub-Precinct Masterplans directly cite the RLs established by Jacksons Landing for context. We refer you to the submission made to the SSP at Appendix A for further detail and justification of this point.

5.0 OPEN SPACE

We seek clarification of the HASSELL Urban Design document that perhaps misinterprets land ownership patterns in its Figure 4.8.1 below, particularly when compared with the land ownership of Poulos shown adjacent

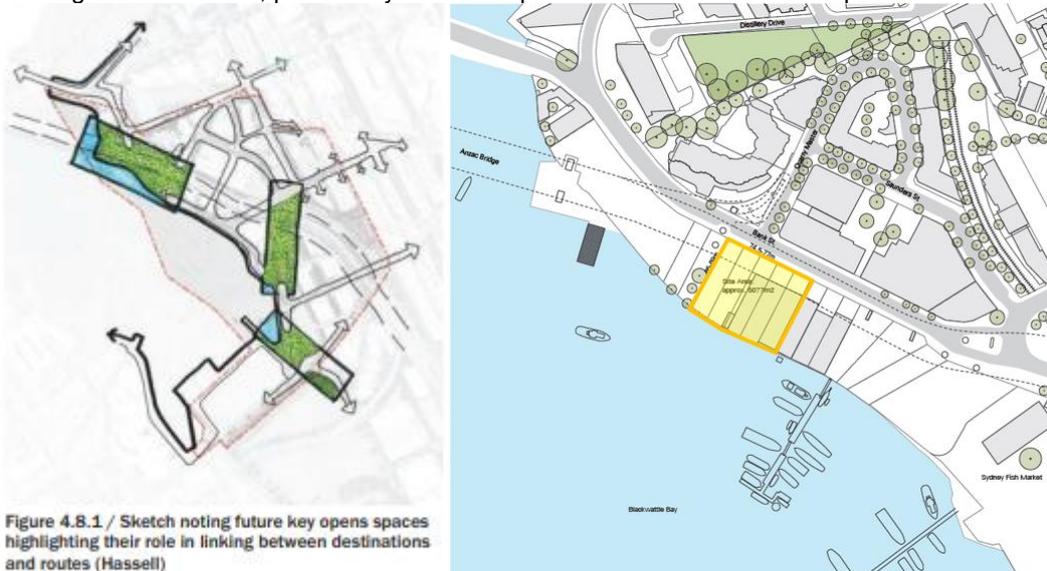


Figure 4.8.1 / Sketch noting future key opens spaces highlighting their role in linking between destinations and routes (Hassell)

Figure 3 Open Space identification

Source: HASSELL, Ethos Urban

This then is transferred to the Blackwattle Bay Sub-Precinct Structure Plan (Figure 4.8.4) which then places a large swathe of open space over the Poulos site.



Figure 4 Blackwattle Bay Sub-Precinct Structure Plan

Source: HASSELL

The combination of this loss of developable space, in concert with the increased foreshore setbacks reduce the developable footprint considerably. It is not supported.

6.0 ECONOMIC ITEMS

6.1 Commercial Floor Space

The City West Development Corporation was constituted in 1992 under the Growth Centres (Development Corporations) Act, 1974 with Sydney Regional Environmental Plan No 26 – City West (1992 EPI 564) (SREP No.26) being created to implement the plan. Division 3 outlined the Planning Principles for Precincts and Part 1 referred to the Ultimo-Pyrmont Precinct. Under ‘Role and Land Use Activities’, the first defining principle is:

“Development in the Precinct is to provide for a significant increase in residential population in a mixed use development pattern also accommodating employment, educational and other uses.

...

Where possible, development is to make use of existing under-utilised buildings and large areas of land which are either vacant or occupied by out of date facilities.

Development is to take full advantage of the Precinct’s existing facilities, proximity to Darling Harbour, Central Station and other facilities of the city centre, and the extensive Pyrmont waterfront.”

We believe that the direction to emphasise jobs growth at this location is counter to the intent of the planning for the Peninsula.

The Place Strategy indicates that Pyrmont will continue to grow and remain a key employment destination in the future. The Place Strategy indicates that by 2041 the Peninsula will support 60,000 workers, representing an increase of around 23,000 workers over the period from 2017 to 2041. It is important to consider this employment target against others across Central Sydney, where a number of existing and future precincts are also projected to accommodate large levels of future employment. Some of these precincts include the CBD but also emerging corridors and precincts such as Central to Eveleigh and Botany Road Corridor.

The City of Sydney Local Strategic Planning Statement (LSPS) indicates that over 100,000 jobs are planned within Central Sydney over the period to 2036 (Central Sydney encompasses the CBD and extends south and west to include Darling Harbour, Central and UTS). In total, the Eastern City District Plan has identified targets for the City of Sydney to deliver at least 165,000 jobs and up to 266,000 jobs by 2036.

With regard to commercial office floorspace, based on known developments and future projects, it is estimated that there is around 1,000,000m² of commercial office supply either planned or underway within the Sydney CBD, that is due to complete over the next 10 years. This includes a large proportion of development focused around Barangaroo, Circular Quay and Central Station. These developments will support significant jobs growth within Central Sydney, in addition to other emerging markets. As a result, while it is clear that Pyrmont will support a level of future employment growth and commercial floorspace in the future, the Sydney CBD and Central Precinct will remain the key focus areas for major commercial office development based on the substantial provision of future supply. Government policy and market demand will continue to support growth in in these key precincts, along with other emerging office and innovation precincts on the fringe of the CBD.

Market conditions within the commercial office sector are challenging, and while the long term implications of COVID-19 are yet to fully understood, it is likely that the high profile, well connected, CBDs and core commercial markets will remain the key destinations for the majority of commercial occupiers in the future. This is particularly true for major anchor tenants who are often required to be secured prior to commencement of a major development.

It is clear that commercial floorspace in Pyrmont will operate within a highly competitive market, whereby future developments will attempt to attract small to medium occupiers from other larger CBD markets, including the Sydney CBD and other emerging fringe locations. This will be particularly difficult in subdued market conditions, or against the planned wave of future supply. As such, it is likely that commercial office stock in Pyrmont may remain challenging, with long term delays or vacancies likely until such time as stock in the CBD and other emerging fringe locations is development and absorbed.

Further, the Poulos site is both (a) distant from established commercial office locations and trunk transport links and (b) not of a size that would allow a feasible office or commercial footprint.

Poulos remain unconvinced that there has been any justification for the land use mix proposed in any State Government documents to date and requests that the Sub-precinct Plans clarify that this site is part of a predominantly residential and tourism-related precinct.

6.2 SIC and Other Levies

In October and November 2021, the Department released details on the new framework for State infrastructure contributions (referred to as Regional Infrastructure Contributions or RIC) along with the proposed Special Infrastructure Contribution (SIC) for the Pyrmont Peninsula respectively. It is noted that the SIC/RIC are intended to be phased in over three years and therefore the financial impact will be dependent on lodgement timing and determination of future DAs. Regardless, the suite of contributions will be as per the below:

- a standard broad-based contribution for regional infrastructure: \$12,000 per dwelling and \$30/sqm of new commercial / retail gross floor area (GFA);
- a Transport Project Component for specified areas serviced by major transport investment (i.e. this current SIC being notified): \$15,000 per new dwelling and \$200/sqm of non-residential GFA; and
- a Strategic Biodiversity Component in biodiversity certified areas: likely not applicable to Peninsula.

In addition to this, there will be a City of Sydney Affordable Rental Housing Section 7.13 contribution of 1% of total floor area of non-residential floor space and 3% of residential floor space (the current contribution rate is \$10,588/sqm). This is then added to a new contribution, the 'Planning Proposal land contributions', whereby Sites that benefit from an increase in residential floor space ratio (FSR) would be subject to a supplemental contribution of 9% on the additional residential GFA.

- Clarification is sought regarding the timing of when the SIC would be transitioned into the RIC framework (as a Transport Project Component).
- Poulos also requires further clarification on whether the base contribution of the RIC will still apply once the SIC is incorporated into the RIC.
- It is also recommended DPE introduce transitional provisions as it is unclear at what point the phased reductions are applicable to the development proposal, whether that be at lodgement or at approval.

7.0 TECHNICAL ANALYSIS

7.1 Wind Analysis and Reporting

On initial review there are a number of concerns with regards to the wind report that has been undertaken for the Pyrmont Precinct. Primarily, that the wrong wind climate was used as an input.

The report based the assessment on the wind data from Fort Denison in Sydney Harbour. This location, while advantageous for the harbour conditions, is not suitable for the Sydney region, including Pyrmont. It can be noted that Fort Denison states the Sydney wind climate is largely east-west due to the harbour alignment, which is certainly not a true representation of Sydney, nor Pyrmont. As such this report is misleading and based on incorrect assumptions.

7.2 Noise

We accept and agree with the position that there are sites within the Peninsula that should be prohibited from residential development on account of road traffic noise. The supporting PPS acoustic document simply identifies relevant planning controls and suggests noise mitigation strategies (section 3.1 and 4.1).

However it is unclear if the 35dB(A) (living areas) and 30dB(A) (bedroom) noise targets from *City of Sydney An Open and Creative City* document (Appendix E to Noise Study) are intended to be applied for road traffic noise or just for site impacted by entertainment noise. If applied to road traffic noise, this is a significant departure from typical acoustic guidelines (Development Near Busy Roads) and overly stringent and expensive façade implications to Poulos site.

We seek clarification that the proposed City of Sydney target of 35/30dB(A) do NOT apply to road traffic noise.

8.0 SUMMARY

We ask that the Department meet with the landowner, and Infrastructure NSW as part of their SSP process to run through the history of master planning at the site to understand the process to date.

If you have any queries in relation to this submission, please contact the undersigned at [REDACTED]

Regards,



Tom Goode
Director

Attachment A

Submission to the Blackwattle Bay State Significant Precinct exhibition

ETHOS URBAN

Poulos Bros. Bank Street

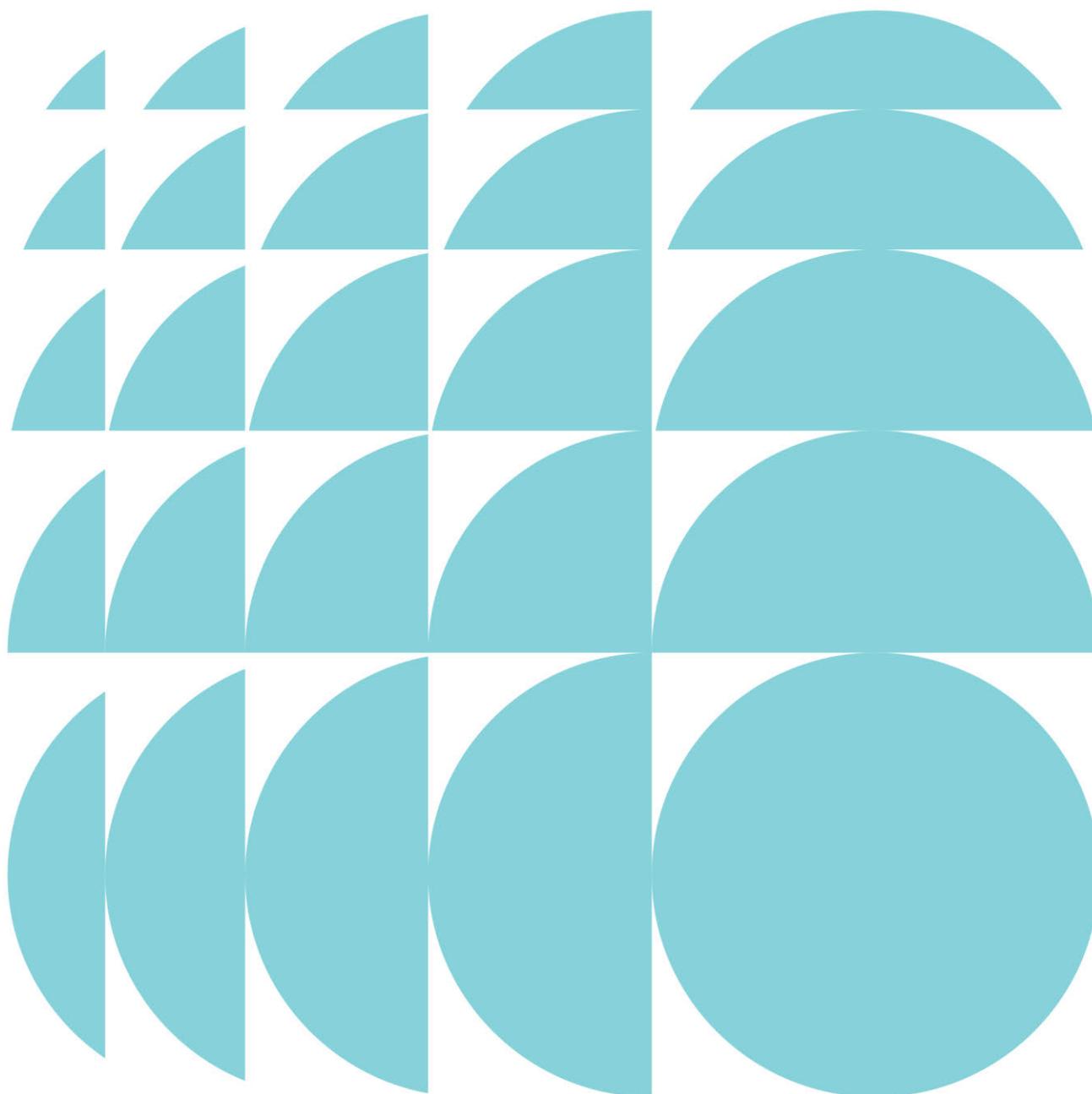
21-29 Bank Street, Pyrmont

Blackwattle Bay SSP - Submission

Submitted to NSW Department of Planning,
Infrastructure & Environment

On behalf of Poulos Bros.

20 August 2021 | 15695



CONTACT

Tom Goode Director tgoode@ethosurban.com

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This document has been prepared by:



Tom Goode 20.08.21

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Contents

1.0	Executive Summary	3
2.0	Introduction	4
2.1	Background to Poulos Bros	4
<hr/>		
3.0	Background	5
3.1	Blackwattle Bay Precinct Planning Process (INSW)	5
3.2	The Pymont Place Strategy (DPIE)	6
<hr/>		
4.0	Summary of key issues	9
4.1	Structure Planning	10
4.2	Building heights	13
4.3	Floorspace	17
4.4	Land use mix	18
4.5	Over-Prescriptive controls	20
4.6	Delivery on the Pymont Place Strategy Big Moves	22
<hr/>		
5.0	Amendments Sought	23

Contents

Figures

Figure 1	Site context	4
Figure 2	The Poulos Bros site harbour interface	7
Figure 3	Sites capable of change & Taller Building clusters	8
Figure 4	Proposed Development Blocks	9
Figure 5	Precinct Plan Character Areas	10
Figure 6	Precinct Plan Proposed Zoning	10
Figure 7	Land Use Mix	11
Figure 8	Light Rail proximity	12
Figure 9	Suggested Master Plan approach to land use	12
Figure 10	Height Study: Revitalising Blackwattle Bay	13
Figure 11	Shadow Analysis	14
Figure 12	Height Profile	15
Figure 13	Height Profile considering further Bays renewal	15
Figure 14	Jacksons Landing height reference	16
Figure 15	Jacksons Landing height reference	16
Figure 16	SSP Study Requirements	18
Figure 17	Proposed Alternative – Ground Floor Plan	Figure
	18 Proposed Alternative – Apartment layout	20
Figure 19	Proposed Alternative – Section	21

Appendices

- A** Architectural Concept
Ethos Urban
- B** Economic Assessment
Ethos Urban
- C** Noise Assessment
Renzo Tonin
- D** Air Quality Assessment
RWDI

1.0 Executive Summary

This submission has been prepared on behalf of Poulos Brothers Seafood, a private landowner in the Bays Market District, who have been working closely with Infrastructure NSW ('INSW') since 2017 on the redevelopment and renewal of this strategically important land.

Poulos Bros have worked closely with INSW (formerly Urban Growth NSW) over the last five years on the master planning of the precinct. Their position has not changed - redevelopment needs to be commercially viable to facilitate a relocation to an alternate site in reasonable proximity to the new Sydney Fish Market. To date the proposed reasoning does not facilitate a relocation of Poulos Bros.

Specifically, the key concerns are:

- Structure planning: the height limit on the Government Site is over 140m, whereas the private landowners is nearly a third of that at 50m. The Government land is proximate the key road infrastructure, the light rail, and the key activity node of the Sydney Fish Markets. The land is far better suited to accommodate commercial uses than the private land holdings.
- The building heights allocated to the sites are inequitable and are inconsistent with the design principles established early in the process. There is little evidence to support the significantly lower heights on the private landholdings than that of the current Fish Markets site.
- INSW have taken an 'equitable FSR' approach across all sites. This is not a sound planning and design approach. FSR is a final output of a design process
- The FSRs proposed are retrograde, and less than the comparable sites in Jacksons Landing – which were master planned in the 1990s.
- The land use mix proposed is unfeasible. The proportionately high non- residential FSR in this location has not been tested from a viability perspective, nor has it considered the delivery of commercial floor space in the remaining Pyrmont Peninsula and wider Sydney CBD, is not commercially viable..
- The SSP sets prescriptive controls based on questionable assumptions. Independent air and noise assessments show that there is little basis for the land use mix and design outcomes that have been prescribed.
- As a result of the above, we question the ability of this site – a key site in the context of the urban renewal precinct that connects the Fish Market precinct to the important headland park – to be redeveloped and therefore enable the delivery of the Big Move 1 of the Draft Pyrmont Peninsula Place Strategy (July 2020) to *“secure the final links of the Sydney Harbour foreshore link at Blackwattle Bay and Darling Island”* and deliver a *“World Class Harbour Foreshore Walk”*.

The site presents an opportunity for urban renewal in response to the strategic direction for new housing and jobs within a '30-minute city' as established by the GSC and DPIE. Further, this site holds high strategic value; positioned adjacent to Blackwattle Bay and the future open space proposed in the Plan – being the last private landholding on the western part of the land that forms the Bays Market District. To enable this, we seek the following amendment to the SSP:

- Reduce the quantum of non-commercial floor space to refocus the Government site for the main delivery of commercial space.
 - It is considered that a minimum requirement of 2-3 storey of non-residential uses to provide for possible street level activation such as food and beverage as well as two levels of local employment, business or maritime related uses is suitable.
- Delete specific maximum GFA requirements.
- Reconsider building height to allow buildings up RL90 (30 storeys) akin to the Jacksons Landing RLs and more balanced with the Government lands.
- Delete specific built form provisions as they relate to the shape and form of the buildings.

2.0 Introduction

This submission has been prepared by Ethos Urban on behalf of Poulos Bros, owners of the site at 21-28 Bank Street, Pyrmont. The site context and comprised lots is illustrated in **Figure 1** below.

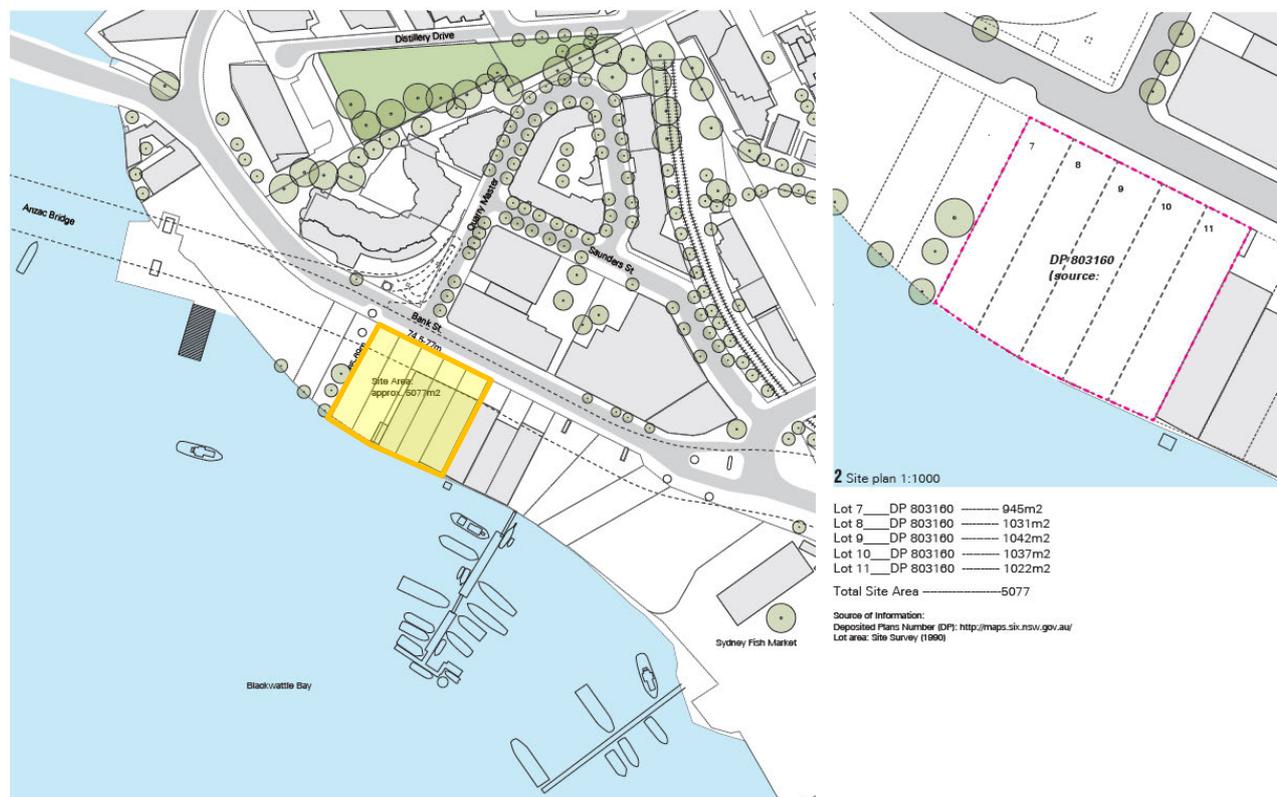


Figure 1 Site context

Source: Ethos Urban

Poulos Bros welcome the release of the State Significant Precinct after over five years of engagement w INSW. They seek to work with the DPIE in finalisation of the rezoning to ensure that 5 years of planning does not amount to nothing – and the plans realise the latent opportunity for this Poulos Site.

2.1 Background to Poulos Bros

Poulos Bros. Group is a family owned and operated business established in 1967. Their operations have been primarily based at the Bank Street site when it was purchased in 1985 prior to the construction of the Anzac Bridge. The Poulos Bros Group business includes:

- Headquarters and distribution centre at the Bank Street site;
- Two wholesale operations in the Sydney Fish Market; and
- A processing and distribution centre in Brisbane and Melbourne.

The business is among the largest independent wholesaler of fish in Australia, operating a fleet of 30 vehicles with around 150 vehicle movements daily. It is a major contributor to the local economy, supplying to restaurants, hotels and the casino in Sydney’s CBD and employs over 100 people on site. Poulos Bros operate at the Bank Street site as they rely on access to the harbour foreshore and the surrounding arterial road network to distribute supplies.

Importantly for the context of this submission, Poulos Bros. are a shareholder in Sydney Fish Market Pty Ltd and as such, the synergies between the Bank Street site and the Fish Markets for the group are considerable. There is strategic benefit in Poulos Bros being at the site and as such, the viability of any redevelopment of the site must consider the significant sunk costs of relocating their operations away from this Precinct. However, Poulos are mindful of the impact to operations that will result in the wider renewal of the area.

3.0 Background

Various documents have been released over this period guiding a development vision for the area which is now known as the Bays Market District. Poulos Bros have been involved with the Urban Growth and Infrastructure NSW planning process for a number of years.

Throughout the process of planning for the wider Bays precinct, plans prepared by the INSW / Urban Growth have changed little as they relate to the Poulos site since the original concept was presented in 2017. However, the site's context has.

The strategic direction for growing a Global City established by the GSC has evolved greatly since this time – as outlined in the Eastern City District Plan. In addition, the DPIE have released the Pyrmont Place Strategy which seeks to “*plan for the continuing evolution in ways that maximise its economic and social potential, while protecting the area’s unique heritage, liveability and long-term sustainability*”.

Pyrmont Peninsula was identified in the 1988 Central Sydney Planning Strategy as a suitable place for mixed residential and commercial uses. In the late 1990’s, the Pyrmont peninsula underwent significant urban renewal of the former working harbour.

The City West Development Corporation was constituted in 1992 under the Growth Centres Act to redevelop 300 Ha of land, funded through the Building Better Cities Programme whereby the overall purpose was “*to promote improvements in the efficiency, equity and sustainability of Australian cities*” and critically, the objectives were economic growth, ecologically sustainable development, improved urban environments and more liveable cities. The Commonwealth Government provided around \$816 million towards the program between 1991 and 1996 to meet these objectives. The area resulted in a substantial increase in the local population through the delivery of high-density residential buildings. It was clearly a residential precinct, proximate the Global CBD of Sydney.

Since this period, planning for the subject site and wider Bays precinct has evolved over time with the NSW Government creating greater focus on the strategic direction of Global Sydney. In addition, these lands are unique: underutilised, urban fringe lands that are part of a greater urban renewal focus for the NSW State Government.

3.1 Blackwattle Bay Precinct Planning Process (INSW)

In June 2020, after three years of engagement with Infrastructure NSW and the steering committee including the City of Sydney, Poulos Bros made a submission to the draft Precinct Plan.

The submission acknowledged the works to date, and welcomed the collaborative, place-based, approach to deliver a solution that responded to the site’s potential that was appropriate in both local and state contexts – particularly in light of the work by the DPIE on the Pyrmont Peninsula Place Strategy and broader city-shaping work by the GSC that reinforces the Sydney CBD as Australia’s only Global City. Further, Poulos Brothers agreed with the vision for the site as a vibrant, mixed use precinct, however, believed that the Precinct Plan did not go far enough on many aspects. Their concerns were:

- A strategic opportunity lost. the Bays Market District is part of a broader Bays Precinct renewal and part of the Pyrmont Place strategy which is currently under consideration for greater renewal and redevelopment in the Precinct. The Precinct Plan should consider the site in its context – which will likely consider high rise redevelopment of lands further west of the Precinct at Glebe Island and Bays West. Building Heights should not be scaled down to the west and should consider 30+ storeys for the entire precinct.
- Adhere to the principles established and endorsed by the Project Working Group and stakeholders in the initial stages of the project. Critically, there was never a principle based on ‘FSR equity’ – which clearly benefits the Government site. The key design objective as it related to height was based on “*minimise additional overshadowing to Wentworth Park and the Glebe Foreshore in mid-winter*”. This would allow buildings far greater than that currently envisaged.
- Building Heights: in addition to the above, the plan now references the pylon for Anzac Bridge as a height datum. This has never been an established principle and is immediately flawed when considering the heights of buildings already established in Jacksons Landing to the immediate north. The established principle of Glebe

Foreshore solar access should drive building height. We are of the opinion that 35+ storeys at these sites is supportable.

- Floor Space Ratios and proposed land use mixes do not appear to be justified with any supporting market commentary. Particularly in the current economic context, flexibility in design and land use mix should be sought if the Plan is to be an achievable one.
- Commercial floor space: again, there seems little in terms of justification for the quantum of proposed commercial floor space. In light of the Poulos Brothers site that is the furthest from the only public transport and allied key activity node of the Fish Markets site, we believe there is little justification for this level of non-residential floor space.
- Establish an Infrastructure Contributions plan or framework to aid in the funding of critical infrastructure such as the Metro West and other key transport initiatives.
- Formalise TfNSW's position for Sydney Metro West's future presence within Pyrmont, mindful of TfNSW's plans for improved multimodal transport connectivity to the precinct, including light rail, ferries, buses, and active transport with a specific focus on the role of a future Metro West project and station in Pyrmont. This Plan provides the opportunity to consider and pursue wider reforms in terms of public transport and accessibility for the Peninsula.
- Consider Pyrmont more broadly as a State Significant Precinct, whereby development of a specified capital investment value (i.e. \$10 million) is classified as State significant development under *SEPP (State and Regional Development) 2011*.
- Finally, Poulos Bros. are a shareholder in Sydney Fish Market Pty Ltd and as such, the synergies between the Bank Street site and the Fish Markets are considerable. Therefore, the viability of any redevelopment of the site must consider the significant sunk cost – and opportunity costs of additional transportation and operation costs of relocating their operations away from this Precinct. At present, the redevelopment metrics for Poulos do not 'stack up'.

It is evident from a review of the above in light of the comments in the following sections that despite years of engagement – little has changed.

3.2 The Pyrmont Place Strategy (DPIE)

The draft Pyrmont Peninsula Place Strategy, released in December 2020, established a clear vision for Pyrmont Peninsula:

In 2041, the Pyrmont Peninsula will be an innovative, creative and cultural precinct and an engine room of the Eastern Harbour CBD. It will connect to the Innovation Corridor and other innovation and job precincts via Sydney Metro and complement the Sydney CBD.

The 10 Directions identified to guide growth to 2041 had the intent of addressing matters of strategic economic, social and environmental significance in the Pyrmont Peninsula are all supported. These are supplemented by 5 Big Moves that are seen as broader and more strategic in their delivery that are again supported at a high level.

The Poulos Bros site is located in the Blackwattle Bay sub-precinct. In response to the strategic directions established by DPIE, Poulos Bros raised the following concerns, which are still held.

3.2.1 Big Move #1 and Strategic directions for a harbour foreshore walk

Under Big Move 1, DPIE focuses on achieving “a world class harbour foreshore walk”. As the most western lot in the Blackwattle Bay area immediately adjacent the future open space, achieving a continuous harbour foreshore walk will require access to the Poulos Bros site, otherwise the vision cannot be achieved.

Urban renewal of the Poulos Bros site, including the delivery of a harbour foreshore walk, will increase visual and physical links to the wider Bays precinct and Sydney Harbour, enhancing connections to nearby residential locations, widening access to the labour catchment and a strategic opportunity for the Innovation Corridor. It will also create immense tourism benefits for the NSW Government and the local economy.

As shown in **Figure 2**, should redevelopment of the Poulos Bros site not occur, any hope of a continuous and connected harbour foreshore walk may not be achieved. If a feasible outcome is not reached, Poulos Bros will continue to operate at the site.

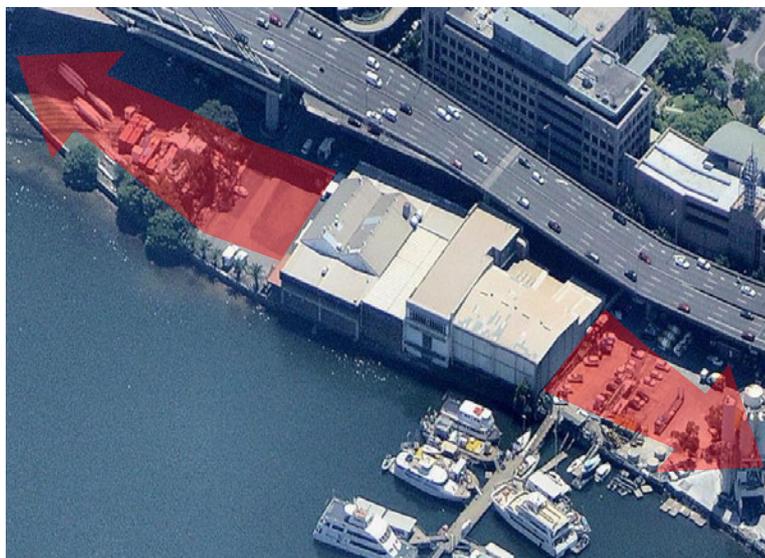


Figure 2 The Poulos Bros site harbour interface

Source: Nearmap, Ethos Urban

Further, Poulos Bros understand that INSW are investigating a floating pontoon as an alternative to a foreshore walkway link. This is clearly an indication of Government’s tacit recognition of the questionable viability of the Poulos Bros site.

3.2.2 Framework for Key Sites

The Framework for Key Sites identifies the Star, Harbourside Shopping Centre, UTS Ultimo/Haymarket and Blackwattle Bay as Key Sites. These sites have been selected by DPIE under the assumption they will experience the greatest growth and change over the next 20 years.

The identified Blackwattle Bay Key Site includes the Poulos Bros site. DPIE note the principles of transparency, equity and probity have formed the basis for developing the Framework for Key Sites.

The draft framework outlines the following opportunities for additional public benefits for Blackwattle Bay Key Site:

- deliver ‘low-line’ beneath the Anzac Bridge pylons and the Western Distributor overpass
- a ribbon of activated, public open and recreational space, including formalised recreational boat facilities for Dragon Boats delivery of cultural and/or entertainment floorspace for recreation, meetings, events and new attractions.

The Poulos Site can deliver public benefit to the precinct through the potential of incorporating the Dragon Boat facility into any development, therefore freeing up much valued public open space. This has been discussed with INSW.

The following special considerations are identified for Blackwattle Bay, including:

- Sun access plane not breached, diversity of building heights with upper ranges limited to RL120-RL 156
- Prioritisation of the delivery of employment floorspace.

Importantly, the site is not affected by any heritage or character overlays and, as such, is relatively unencumbered to deliver greater GFA.

3.2.3 Tower clusters

The Urban Design technical report undertaken by Hassell (July 2020) has informed DPIE’s position on opportunities for tower clusters the draft Pyrmont Peninsula Place Strategy (2020). **Figure 3** illustrates that the Poulos Bros site has been identified as a site capable of change and this aligns with the vision for Blackwattle Bay as a media hub, tourist destination and new mixed use quarter as outlined in the Structure Plan.

Given the draft Strategy (2020) intends to deliver high rates of growth across Pyrmont Peninsula by 2041, there is clear opportunity for the Poulos Bros site, as recognised as a site capable of change, to accommodate some of this demand given the high strategic value and foreshore amenity.

However, the capability to accommodate change has not translated to the opportunity areas for taller building clusters (**Figure 3**). The taller building cluster excludes the Poulos Bros site, including land immediately opposite, on the northern boundary of Bank Street. There is no technical evidence that supports this direction. The northern part of Bank Street upholds the same level of strategic value and is exposed to the same accessibility constraints as the Poulos Bros site. This land is also within the vicinity of the Anzac Bridge pylons and therefore should be treated equally in terms of respect for heritage.

It is evident that this is not the case and therefore Poulos Bros question why their site has been excluded from the tower cluster when DPIE have recognised the site is capable of change.

Poulos Bros note that the harbour foreshore walk has been included in the tower cluster opportunity map. Again, if a feasible outcome is not reached, Poulos Bros will continue to operate at the site and a harbour foreshore walk cannot be delivered. Further, the under-bridge activation sought in the plan, as well as the activation of the foreshore will not be delivered if adequate GFA is not allowed at the site.

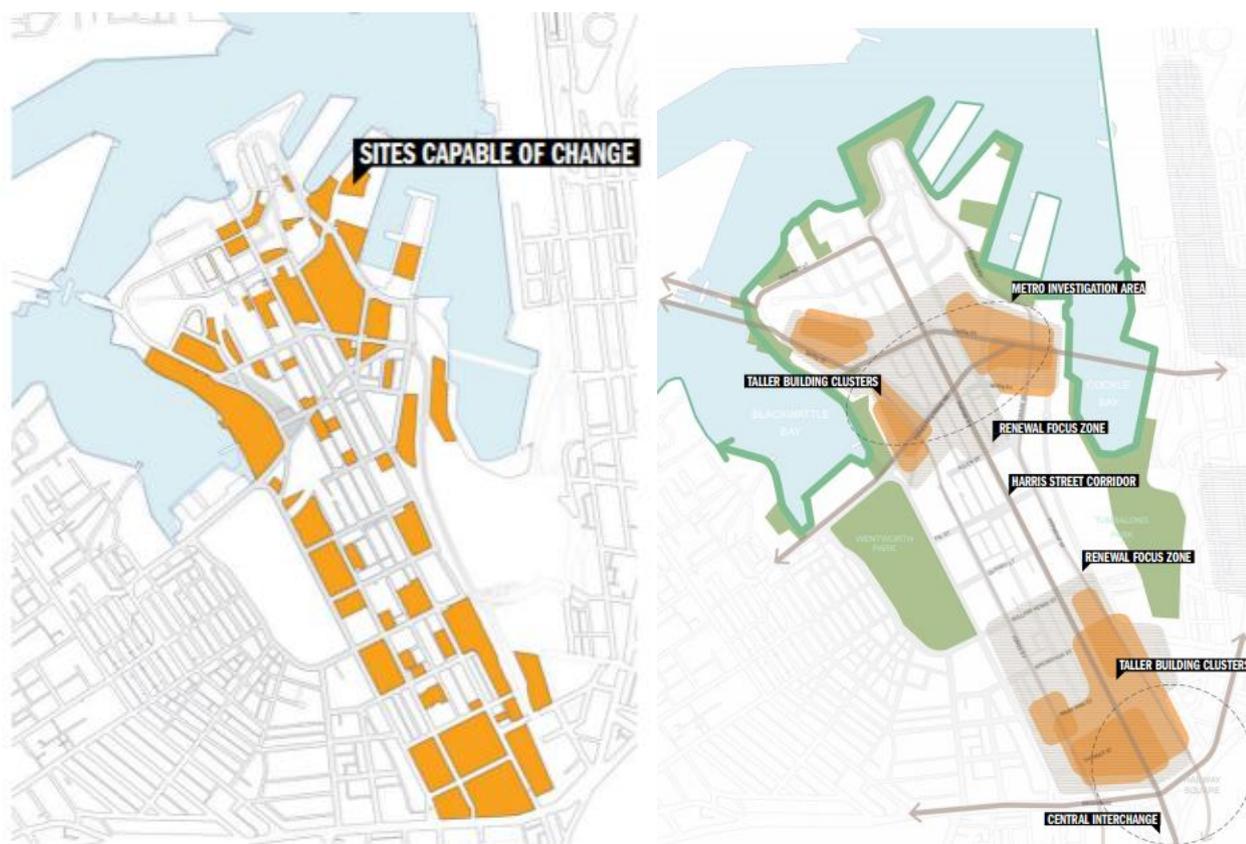


Figure 3 Sites capable of change & Taller Building clusters
 Source: Hassell, July 2020

4.0 Summary of key issues

The Blackwattle Bay SSP is currently on exhibition and there are a number of key issues associated with the Poulos Bros land identified as PLO 1-1 and PLO 1-2 in **Figure 4** below.

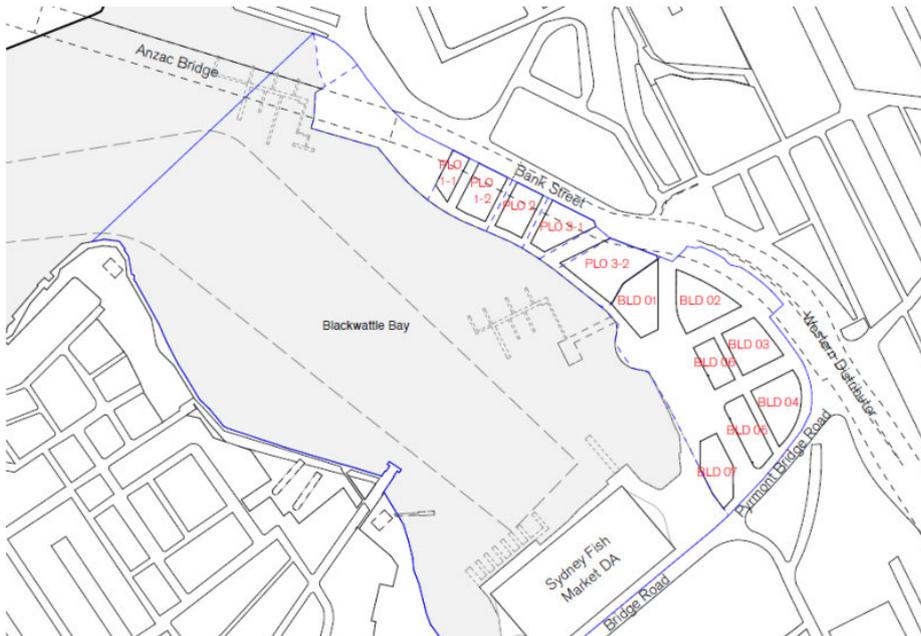


Figure 4 Proposed Development Blocks
Source: *Explanation of Intended Effect, DPIE, June 2021*

The key issues of concern regarding the proposed scheme for Blackwattle Bay SSP include:

- Structure planning;
- Building height;
- Floorspace;
- Land use mix;
- Prescriptive planning controls;
- Delivery of the Pyrmont Place Strategy Key Move #1.

4.1 Structure Planning

The SSP Study correctly identifies thematic precincts within the Study area. Simply, it can be broken down into the Government land, and the non-Government (private landowners) land. The Government land is identifiable as being larger, of wider dimensions and more centrally located. Contrastingly, the private landowner’s land is smaller, thinner and locationally more remote. **Figure 5** below shows the character areas identified in the Study.

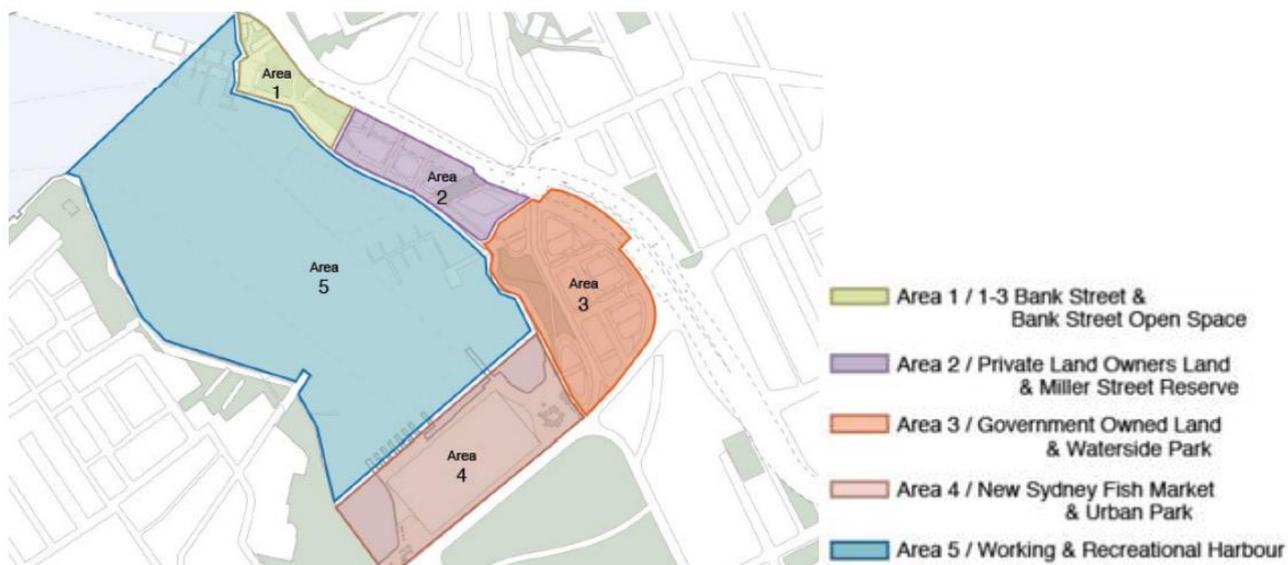


Figure 5 Precinct Plan Character Areas
 Source: Blackwattle Bay SPP Study, DPIE, June 2021

Despite the identification of areas of differing character, the plan then implements a ‘one size fits all’ approach to the master planning. Effectively, every site is to be zoned B4 Mixed Use as per **Figure 6** below, and then floor space allocated as per **Figure 7**.



Figure 6 Precinct Plan Proposed Zoning
 Source: SSP Study, DPIE, June 2021

	New SFM	Poulos	Celestino	Hymix 1	Hymix 2	Exist SFM	TOTAL
Retail GFA (sqm)	11,105m2	1,334m2	804m2	1,058m2	334m2	7,283m2	21,918m2
Office GFA (sqm)	15,646m2	11,680m2	6,235m2	5,706m2	10,357m2	50,790m2	100,414m2
Hotel / Serviced Apts GFA		0m2	0m2	0m2	0m2	9,000m2	9,000m2
Residential GFA (sqm)		10,064m2	8,910m2	6,394m2	8,505m2	94,169m2	128,042m2
No. of Apartments*	0	124	110	79	105	1,163	1,581
Total GFA (sqm)	26,751m2	23,078m2	15,949m2	13,158m2	19,196m2	161,242m2	259,374m2
Site Area (sqm)	38,450m2	5,073m2	2,971m2	3,024m2	4,667m2	41,863m2	96,048m2
FSR	0.7	4.5	5.4	4.4	4.1	3.9	2.7
Residential as % of total	0%	44%	56%	49%	44%	58%	49%
Employment Uses % total	100%	56%	44%	51%	56%	42%	51%
No. of Jobs (FTE)**	725	701	377	354	598	3,152	5,907
No. of Residents***	0	224	199	143	190	2,099	2,854

Source: * Based on an assumed average dwelling size of 81sqm GFA

Source: ** Assumes 32sqm GLAR per worker in retail (assuming 60% of GLAR is food, groceries and food services) and 16sqm GLA per worker in the office space (sourced from City of Sydney Floor Space and Employment Survey 2017)

Also includes jobs in hotel at 0.75 per room and serviced apartments at 1 job per 3.5 rooms

Source: *** Assumes 2.09 residents per apartment (Forecast.ID) and 94% occupancy.

Figure 7 Land Use Mix

Source: Hill PDA, June 2021

As can be seen from Figure 7, the Poulos site provides more employment uses as a percentage of the total gross floor area than particularly the Government site.

We therefore question the basis for the urban structure for the following critical reasons.

- Commercial floor space should be centralised to establish 'precincts' or centres.
 - This can be accommodated on the larger footprint of the Government site, which is well suited to delivery of sought-after large floorplate offices, rather than 'strung out' between the Western Distributor and the water's edge along the private landholdings, which can only fit smaller floorplates.
 - Further, the western part of Pyrmont is residential in nature – with Jacksons Landing populating the western part of the peninsula proximate the private landholdings. Conversely, the Government land is proximate the future tourism and retail destination of the Sydney Fish Markets – one of Australia's most visited tourist destinations.
- Commercial land uses should be located proximate transport linkages. This is a long standing and undisputed integrated land use and transport planning principle. The Government land is nearer the planned Metro at Union Street and the existing Light Rail stops as well as the planned ferry and existing major road network. This is demonstrated in **Figure 8** below.

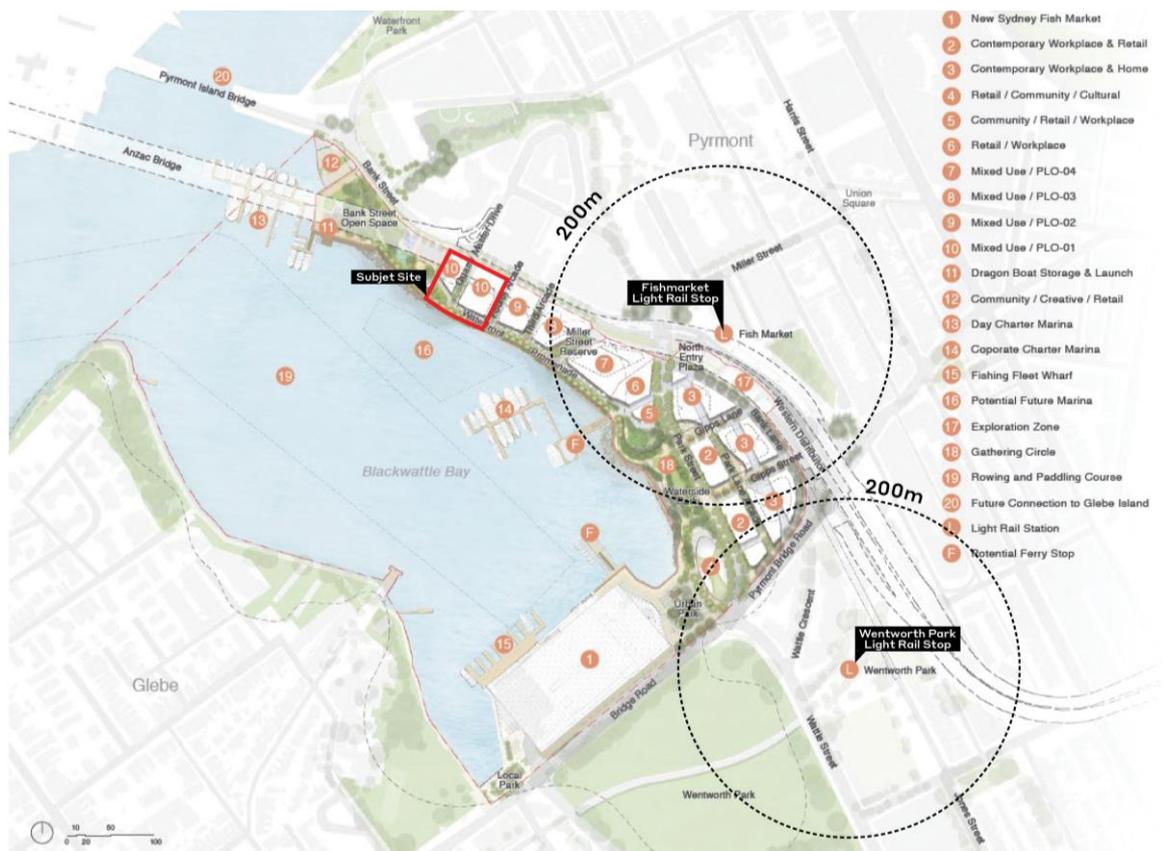


Figure 8 Light Rail proximity
 Source: Ethos Urban

- Finally, the larger Government site has a greater ability to accommodate large footprint buildings required for commercial land uses (refer Ethos Urban Property Economics Report as **Appendix B**), additionally Government is better placed to attract commercial tenants to its sites. Conversely, the private landowner sites are not as deep and therefore better suited to taller, slender towers as sought by the City of Sydney.
 - This is shown in the below **Figure 9**, which shows that the Government site is up to 140m deep, with the ability to therefore accommodate larger footprint buildings, as well as the associated break out and circulation spaces required of a commercial precinct. Conversely, the private landholdings are only 50m deep (approx.) which makes the provision of a viable commercial floorplate, plus outdoor areas and the new promenade difficult.

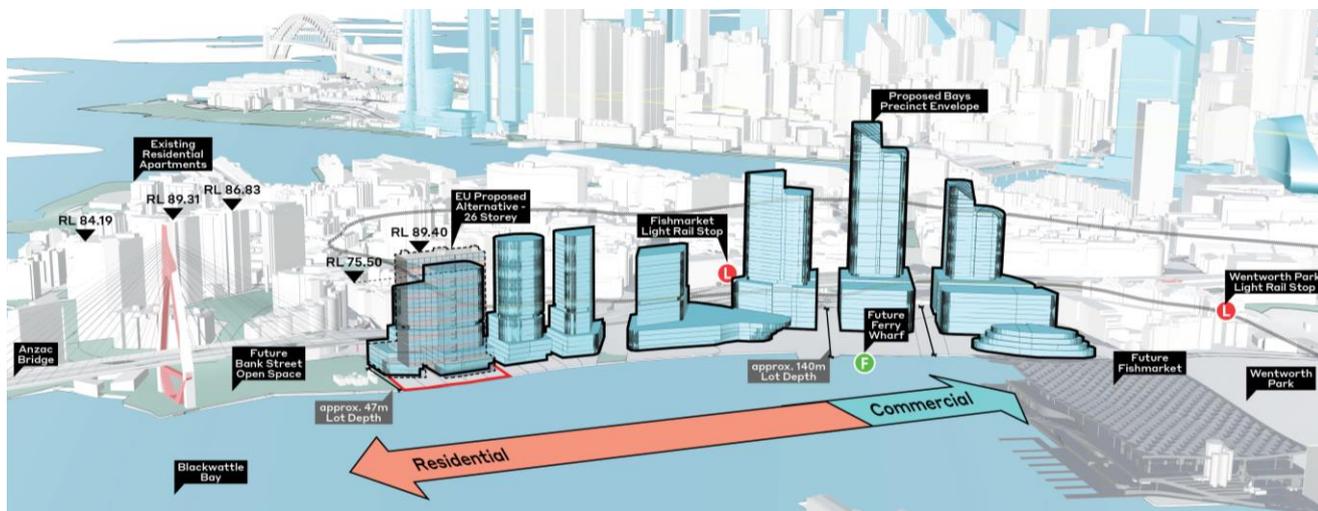


Figure 9 Suggested Master Plan approach to land use
 Source: Ethos Urban

4.2 Building heights

The building heights allocated to the sites are inequitable and inconsistent with the starting design principles established early in the process. There is little evidence to support the significantly lower heights on the private landholdings than that of the current fish markets site.

4.2.1 Building Height Principles

The original principle of no overshadow to the foreshore/parks seems to have been reinvented. **Figure 10** below is taken from the June 2020 INSW document “Revitalising Blackwattle Bay”, which again put forward the key principle guiding height being to ‘Minimise additional overshadowing to Wentworth Park and Glebe Foreshore between 9am and 3pm on the winter solstice’

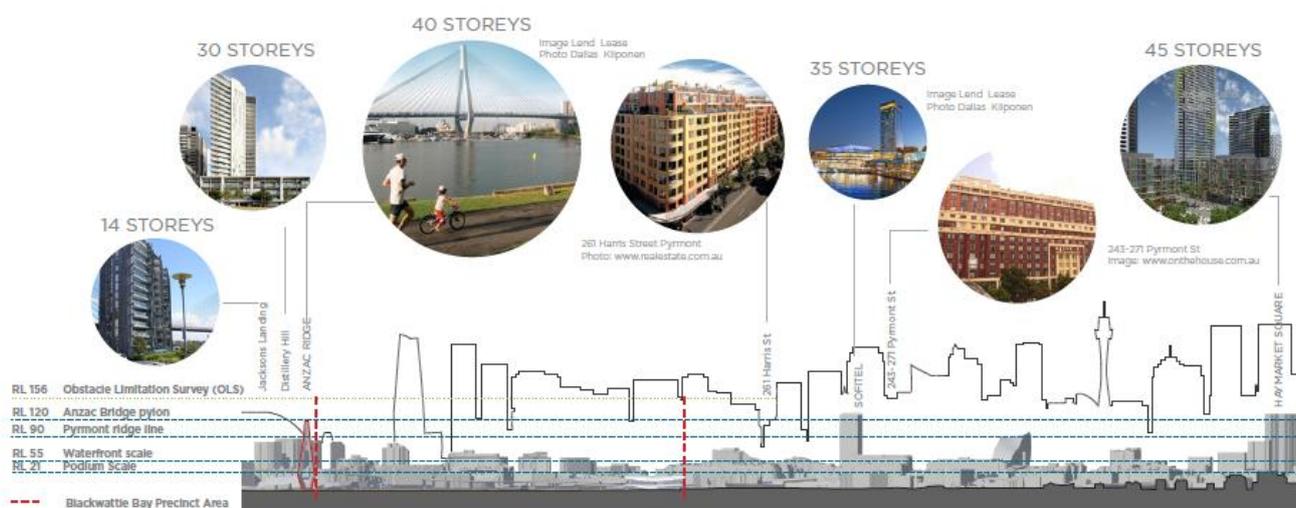


Figure 10 Height Study: Revitalising Blackwattle Bay

Source: Infrastructure NSW

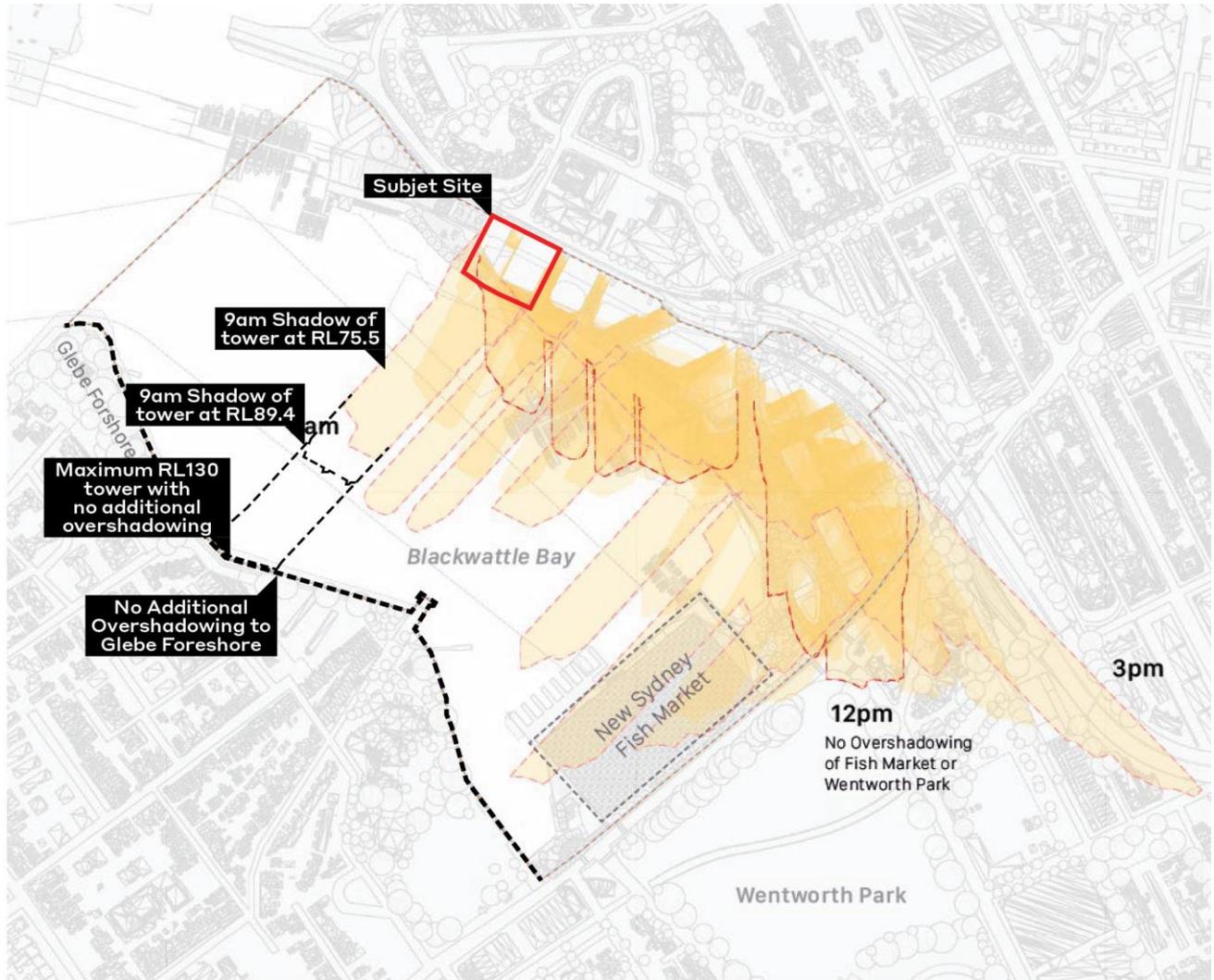
The height strategy developed by Hassell in the urban design analysis (July 2020) underpinning the Pyrmont Place Strategy considers the following attributes:

- Reinforcing the special historic character of the peninsula
- Protecting the amenity of key spaces and streets
- Recognising that many sites across the peninsula are unlikely to undergo renewal.

The site is not encumbered by any of these issues.

4.2.2 Shadow Impact

Based on this agreed principle, the site could accommodate a building up to RL130, as shown in **Figure 11** below.



Source: Blackwattle Bay SSP Study Figure 41: Shadow overlay – 9am/12pm/3pm on 21 June Source: FJMT

Figure 11 Shadow Analysis

Source: Ethos Urban, FJMT

4.2.3 Height Profile

Further, there is little or no consideration of the emerging context for waterfront renewal in Sydney. For example, recent development approvals and proposals on the other side of the Pyrmont Peninsula, at Barangaroo, and on the Cockle Bay and Harbourside sites at Darling Harbour have much larger towers located very close to the waterfront. These towers are set on approximately six storey podiums, which are aiming to reduce the impact of the height of the towers on the amenity at ground level.

These principles could translate, with some adjustments, appropriately to the other side of the very same peninsula – to Blackwattle Bay. This is relevant as this whole area is classified by the Greater Sydney Commission as being part of the Eastern Harbour CBD, formerly known as Global Sydney, and the ability of this area to cater for the growth and change in Sydney’s most important centre is key to the economic, social and environmental success of the whole city.

Importantly, in terms of ‘height profile’, the private landowner’s sites can accommodate comfortably additional height without affecting the height profile of the precinct at a micro-level – even when considering the RLs of the Pyrmont Bridge pylons (a new concept introduced late in the design iterations of INSW) and adjoining development, but also at a macro scale when considering the broader Sydney skyline beyond the site as shown in **Figure 12**, which also shows the increasing height profile of Barangaroo as development nears the public open space areas. We note that INSW have chosen the opposite height profile to support the objective of greater height on the Government lands.

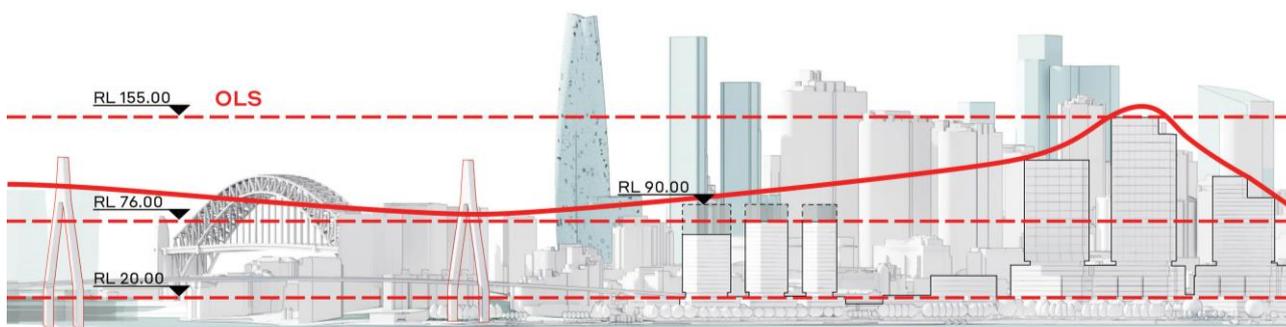


Figure 12 Height Profile
Source: Ethos Urban

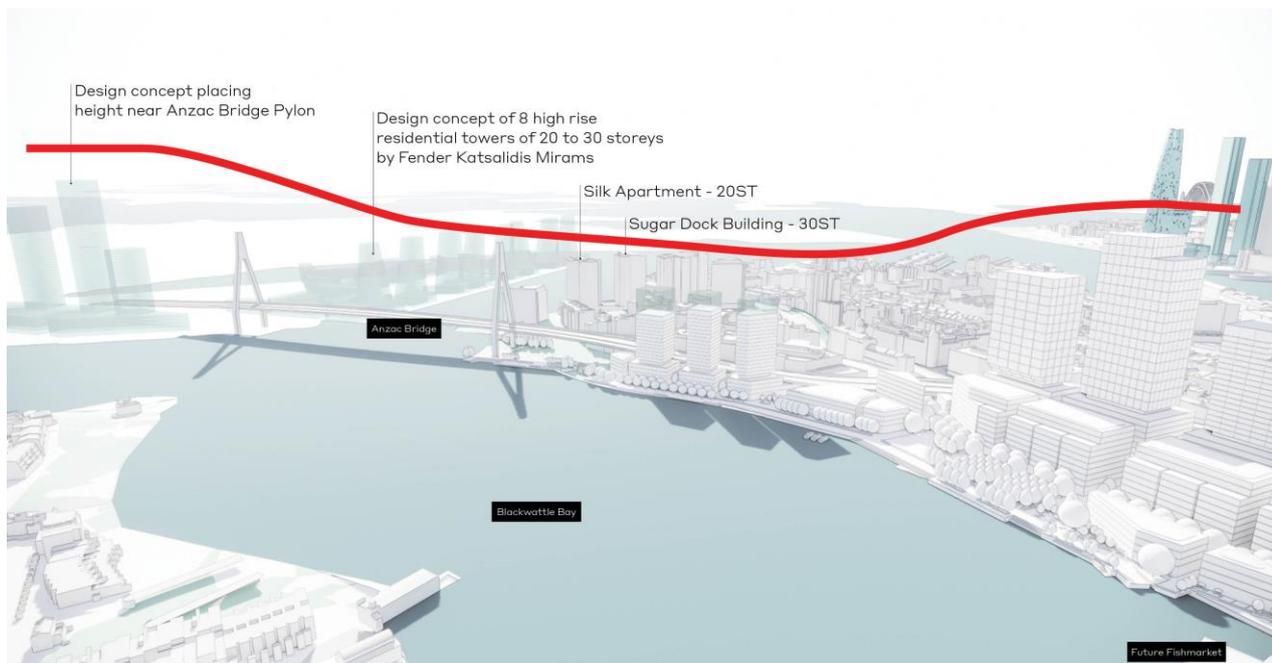


Figure 13 Height Profile considering further Bays renewal
Source: Ethos Urban

4.2.4 Local Context for Height

As discussed, there is no adequate justification for the reduction in height for the Poulos site. In terms of local context, the site can accommodate RL90 and comfortably sit amongst the tall building cluster of Jacksons Landing. It is worth noting that these buildings were approved some 30 years ago – and that an evolving international City such as Sydney would anticipate greater heights than those approved 30 years ago. This is shown clearly in **Figure 14** and **Figure 15** below.



Figure 14 Jacksons Landing height reference
Source: Ethos Urban

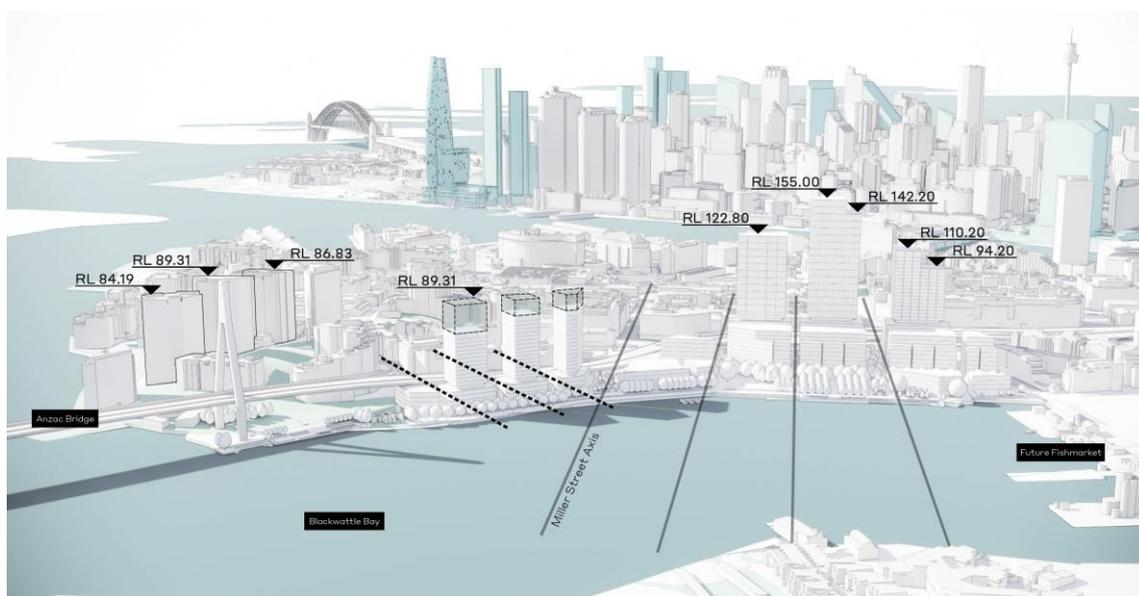


Figure 15 Jacksons Landing height reference
Source: Ethos Urban

Considering the height profile of the buildings beyond the site, being Barangaroo and the Crown Tower, as well as the buildings proposed for the former Fish Markets site, a building of minimum 30+ storeys for the site would:

- Achieve better context with the building heights on the Government land;
- Provide suitable development feasibility to enable renewal;
- Activate the foreshore and adjacent park and activate the (lesser) non-residential uses such as commercial and retail activities within and surrounding the site;
- Be in context with other tower sites across the peninsula, as well as other waterfront sites from Circular Quay, Barangaroo, Cockle Bay and Darling Harbour.
- Allow additional social and affordable housing that could be delivered in the scheme;
- Result in a far lesser car park generation than the three options presented by INSW in terms of land use mix.

Achieving this growth is consistent with recent urban renewal precincts within the vicinity of Blackwattle Bay, and mindful of the site's position as part of the Eastern Gateway

4.3 Floorspace

4.3.1 Prescriptive Controls

Having such stringent controls on development blocks completely disregards the opportunity for merit based on detailed assessment and analysis of all aspects of this complex site. Broadly however, the proposed yields are retrograde, and less than the comparable sites in Jacksons Landing – which were master planned in the 1990s.

Further, our client objects to the 'micro' level of planning proposed for each site that has been put forward for the private landowners by INSW, including Block controls prepared for development lots in a new draft Design Code for Blackwattle Bay (refer Attachment 14 of SSP Study). The block controls specify maximum heights, podium heights, setbacks and gross floor area (GFA) for each development lot.

Having such stringent controls on blocks, as well as total maximum GFAs for each land use completely disregards the opportunity for a merit assessment based on new or more detailed information. For example, Poulos Bros have engaged independent reviews of both the Acoustic Assessment and Air Quality Assessment which have shown that residential uses can be supported below Level 8 in the podium subject to certain mitigation measures. This is discussed more in **Section 0**, however the proponent seeks the deletion of prescriptive GFA controls by land use.

4.3.2 Equitable FSR as a Principle

The landowner raises the inequality of the FSR approach put forward by INSW in their detailed master planning. It appears that there has been an introduced guiding principle for equity of floor space ratio (FSR) applied across all sites. There is also concern at the ratio of residential to non-residential FSRs for each site. This is discussed in **Section 0** below.

This is far from a sound approach to an integrated or holistic master planning process for a renewal precinct such as the Bays Market District for a number of reasons:

- It does not follow a sound planning and design-based approach. FSR controls should be a result of a first principles, design led process that firstly allocates heights, building forms and land uses that respond, on merit, to each site's unique attributes. The FSR is then an output of well-considered master planning.
- Given the size of the former Fish Markets site, an equitable FSR results in a disproportionate amount of gross floor area allocated to that site. Conversely, it results in unviable – and incongruous – building forms on the remaining, smaller sites held in private ownership.

4.4 Land use mix

The land use mix proposes a high proportion of non-residential FSR however floorspace demand modelling has not considered planned growth or future demand in competitive fringe locations, particularly the broader Pyrmont Peninsula, the Sydney CBD, the Central SSP, Central to Eveleigh and nor has it quantified the COVID-19 demand implications.

The SSP Study Requirements did not request the feasibility of future development, only testing ability to contribute towards local, state and regional infrastructure. This is a short sighted approach, as project viability is a key driver to a long term landholder such as Poulos Bros, but also for the delivery of the requisite public benefits anticipated from this renewal.

TASK	Section in Report
18. Feasibility and Economic Benefits	
18.1. Provide an analysis of the market demand for the proposal	Sec. 5
18.2. Demonstrate that the development can be delivered in the context of prevailing market demand and supply trends, achievable uptake rates relating to development staging and product mix.	Sec. 5
18.3. Provide an economic assessment of the proposal, including the likely wider economic benefits.	Sec. 8
18.4. Provide an assessment of the likely economic impacts of the rezoning of industrial and maritime related land.	Sec. 8
18.5. Undertake an economic analysis testing feasibility of future development to contribute towards local, State and regional infrastructure.	Sec. 8.6
18.6. Investigate the potential for visitor accommodation within the precinct and consider an appropriate target, taking into account access and connectivity to existing and planned nearby visitor accommodation including in the wider Bays Precinct.	Sec. 5.4 and 8.4

Figure 16 SSP Study Requirements

In short, the Poulos Site is identified to accommodate 11,680sqm of commercial floorspace, which accounts for 12% of the total 1000,000sqm proposed commercial floorspace for Blackwattle Bay SSP. This is significantly greater than the other private landowners, Celestino (6,235sqm or 6% of total), Hymix 1 (5,706sqm or 6% of total) and Hymix 2 (10,357sqm or 10% of total) as well as the Government site.

The Executive Summary of the Hill PDA Economic Development Study highlights that Blackwattle Bay has the capacity to accommodate the NSW Government’s proposed 100,000sqm of commercial floorspace, yet the body of the report does not demonstrate that there is demand, nor has market feasibility testing been undertaken. The Ethos Urban Economics Assessment attached as **Appendix B** notes the considerable headwinds facing commercial development at this location.

For example, The Pyrmont Place Strategy alone intends to increase the supply of commercial buildings across Pyrmont, identifying that an additional 600,000–800,000 sqm of floorspace will be required across the Peninsula by 2041 with the City’s CSPA adding a further 2,900,000sqm of floor space. With the unknowns of the long term impact of COVID-19, we request that the Department consider a reduction in the non-residential GFA proposed.

Hill PDA note the Sydney Fringe market achieved a net absorption rate of almost 8,900sqm per annum over the past ten years and 17,800sqm over the past five years. Assuming a rate of 13,500sqm per annum, the amount of office space planned for Blackwattle Bay meets 40% of the Sydney fringe. At this rate, it would take 17 years to absorb that space. However, Hill PDA report 20-25 years is a more likely timeframe. Therefore, redevelopment is unlikely in the short to medium term and the renewal of the precinct unrealistic and items such as the foreshore boardwalk undeliverable. We question the justification of a plan with a 25 year delivery timeframe.

Despite reporting in the Executive Summary that Blackwattle Bay can accommodate 100,000sqm of commercial floorspace, the report notes there are opportunities to retain some of the working harbour uses that occur in Blackwattle Bay and integrate these with office-based uses. This suggests acknowledgement demand is not as high

as reported and non-commercial floorspace uses would be appropriate. In summary, the Economic Development Study does not present a strong case for 100,000sqm of commercial floorspace demand. The SSP study shows no consideration of equity. None of the technical studies demonstrate why the Poulos Bros site contains the greatest proportion of overall commercial floorspace.

Further, feasibility testing shows that non-residential floorspace on the site is unviable and will therefore inhibit the funding of infrastructure and rejuvenation of the waterfront promenade. This is referred to in Section 4.6, which discusses the delivery of the Place Strategy Key Move 1: Delivery of a World Class Harbour Foreshore Walk.

Finally, in terms of car parking and traffic and considering the location of the site that is furthest from the main road network and public transport nodes, residential uses would result in far less car parking demand and traffic generation than commercial uses. We believe the decision to install this quantum of commercial floorspace is questionable and will require greater levels of car parking to make up for this poor public transport accessibility. This will result in poor urban outcomes, namely:

- Higher traffic generation and impact on the pedestrian and cycle environment, as well as Green Links sought in the draft Place Strategy design principles.
- Exacerbation of the current traffic issues facing the area – resulting in a further perverse impact on the viability of the commercial floorspace.

Basement car parking will be highly costly considering the location of the site, and likely be required to be delivered above ground (sleaved) which is troublesome when needing to deliver large amounts of car parking and results in a poor urban outcome.

We refer you to **Appendix B** attached that provides an independent assessment of the Economic Market and Impacts anticipated. It does not support the proposed development as currently before the Department.

4.5 Over-Prescriptive controls

The proponent has serious concern with the nature of the prescriptive controls put forward by INSW over the private landowner sites, without their input or ability to feed into. These controls are at a level of Concept DA and not suitable for higher level rezoning purposes.

Specifically, the basis for these controls is questioned.

In response, Ethos Urban have prepared alternative design options that were tested by industry leading experts for suitability.

4.5.1 Alternative options considered

Ethos Urban designers have prepared an alternative scenario in consultation with the technical experts in air quality and acoustic impact. These are provided as **Appendix A** however reproduced in the below

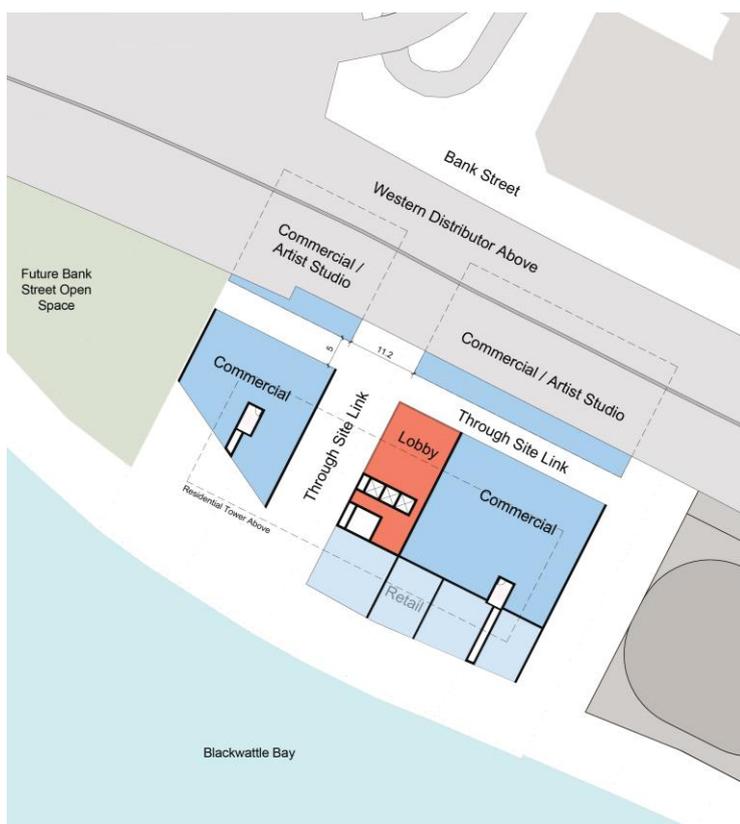


Figure 17 Proposed Alternative – Ground Floor Plan
Source: Ethos Urban

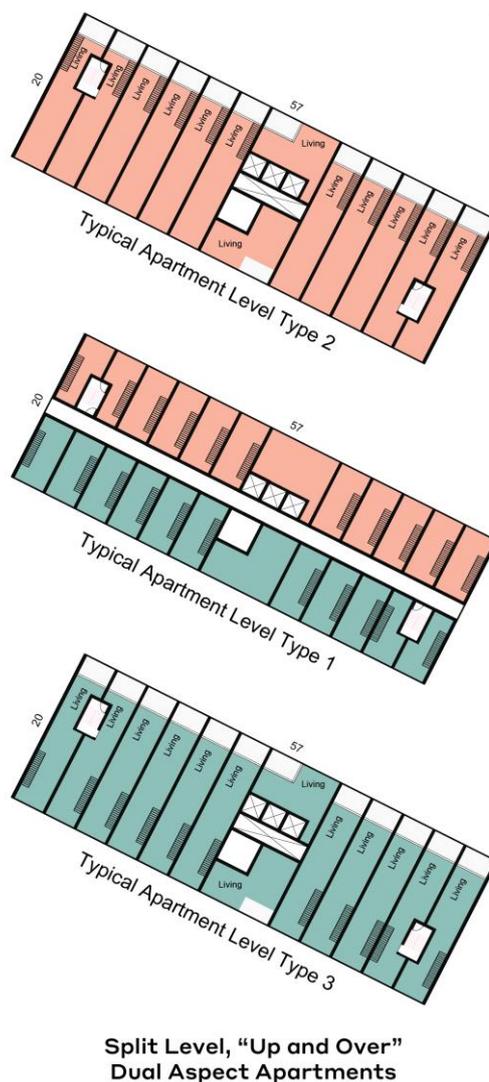
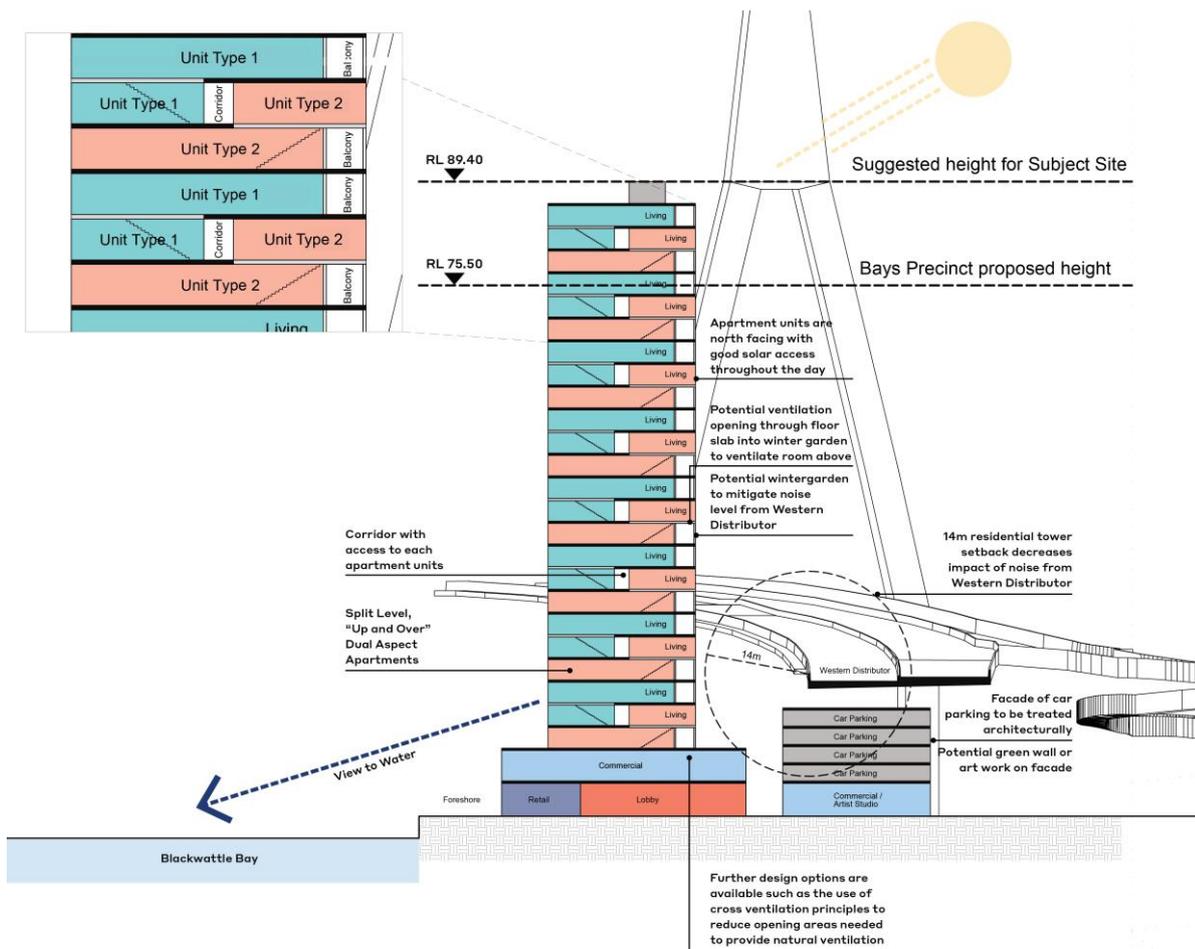


Figure 18 Proposed Alternative – Apartment layout



Indicative Section of Split Level, "Up and Over" Dual Aspect Apartments

Figure 19 Proposed Alternative – Section
Source: Ethos Urban

4.5.2 Acoustic Impacts

The Proponent has engaged Renzo Tonin and Associates to peer review the work undertaken by INSW in relation to acoustic impact and provide advice on possible alternatives. The report is attached as **Appendix C**.

The report found that there are in fact alternative means of achieving the requisite standards at the Poulos Site and that the measures put forward in the INSW scheme are but one way of achieving suitable amenity. The alternative means include:

- Set Backs, Apartment Layout and Building Orientation.
- Winter Gardens and Sliding Door Design.
- Balcony Design.
- Passive Acoustic Ventilators.
- Use of Cross Ventilation to Reduce Window Opening Sizes.
- A combination of treatments.

Further, Renzo Tonin provided advice on the Ethos Urban design alternatives considered above and were able to support these from an acoustic impact perspective. Specifically, Renzo Tonin can support residential uses below Level 8 – which we were advised by INSW as not achievable.

4.5.3 Air Quality

The Proponent has engaged RWDI to peer review the work undertaken by INSW and provide advice in relation to air quality and advise on possible alternatives. The report is attached as **Appendix D**.

The report found:

- There are no impediments to delivering residential uses below L8 – as long as openings are oriented away from the Western Distributor – under current modelling forecasts, however:
 - There are discrepancies in the weather simulation that impacts on the results for the Poulos site
 - There is a lack of consideration of motor vehicle emissions – which are decreasing considerably. The modelling considers outdated data.
- There are alternative design approaches that will result in achievable air quality measures.

Further, RWDI provided advice on the Ethos Urban design alternatives considered above and were able to support these from a noise quality perspective. Specifically, RWDI can support residential uses below Level 8 – which we were advised by INSW as not achievable.

4.6 Delivery on the Pyrmont Place Strategy Big Moves

Big Move 1 of the Draft Pyrmont Peninsula Place Strategy (July 2020) is to “*secure the final links of the Sydney Harbour foreshore link at Blackwattle Bay and Darling Island*”. A World Class Harbour Foreshore Walk.

Poulos Bros supported this key action of the draft Plan; acknowledging that it is part of Government’s broader initiatives for coastal access and connections, as well as well consider public spaces. However, achieving a continuous waterfront promenade will require access to the privately held sites; otherwise the vision simply cannot be achieved.

As such, the proposed planning controls for the sites must be viable in the short term to enable activation.

The Place Strategy recognises that “*this represents a significant placemaking outcome that can only be secured through collaborative partnership between NSW Government, the City of Sydney, landowners, businesses and community*”. To date, the collaborative partnership has not been evident. There has been many meetings and workshops, however there is little evidence to suggest that the current INSW proposal is a viable outcome for the private landowners, despite a consistent message being put forward by the landowners – that this is not a viable proposition. The landholders have not seen any viability testing undertaken by INSW.

In response, we understand that INSW have put forward a floating pontoon as an alternative to a foreshore walkway link. This is clearly an indication of Government’s tacit recognition of the questionable viability of the private landholdings and a sub-optimal outcome when considering the existing operations it wishes to circumvent.

This is a far cry from the regionally significant placemaking opportunity sought in the Plan and is clearly counter to the intent for this to be “*a new global destination for Greater Sydney*”.

5.0 Amendments Sought

As discussed, the position of Poulos Bros has varied little since the initial engagement with INSW.

This submission, and those previous, seeks the following amendment to the SSP:

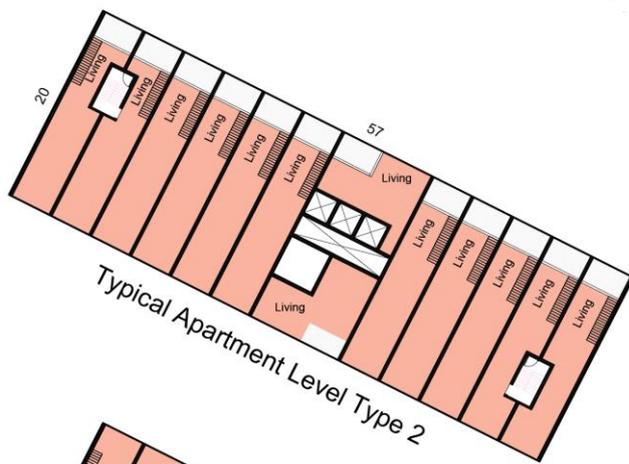
- Reduce the quantum of non-commercial floor space to refocus the Government site for the main delivery of commercial space.
 - It is considered that a minimum requirement of 2-3 storey of non-residential uses to provide for possible street level activation such as food and beverage as well as two levels of local employment, business or maritime related uses is suitable. If it proves feasible to provide more, then the minimum non-residential floor space requirement allows more to be delivered.
- Delete specific maximum GFA requirements.
- Reconsider building height to allow buildings up RL90 (30 storeys) akin to the Jacksons Landing RLs and more balanced with the Government lands.
- Delete specific built form provisions as they relate to the shape and form of the buildings.

We thank the NSW Department of Planning, Industry and Environment for the opportunity to engage on the draft SSP for the Blackwattle Bay precinct. Considering that Poulos Bros have been involved in the planning process since its inception, we would welcome the opportunity to meet and discuss the concerns raised in this submission in a face to face meeting.

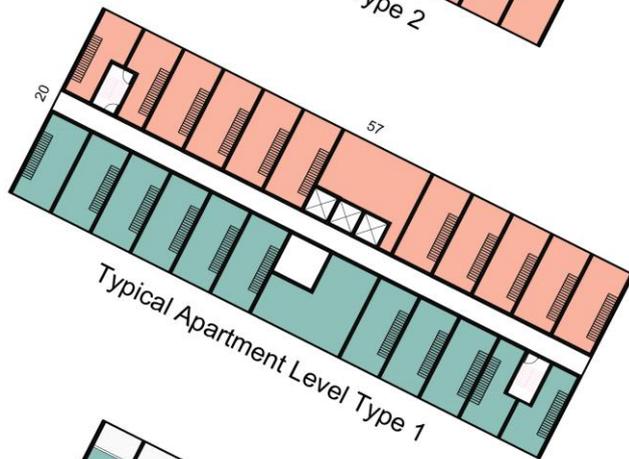
Please contact Tom Goode at [REDACTED]

Appendix A. Architectural Concepts

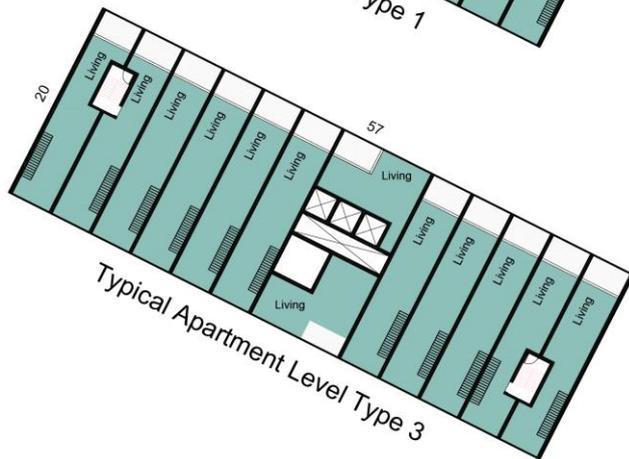




Typical Apartment Level Type 2

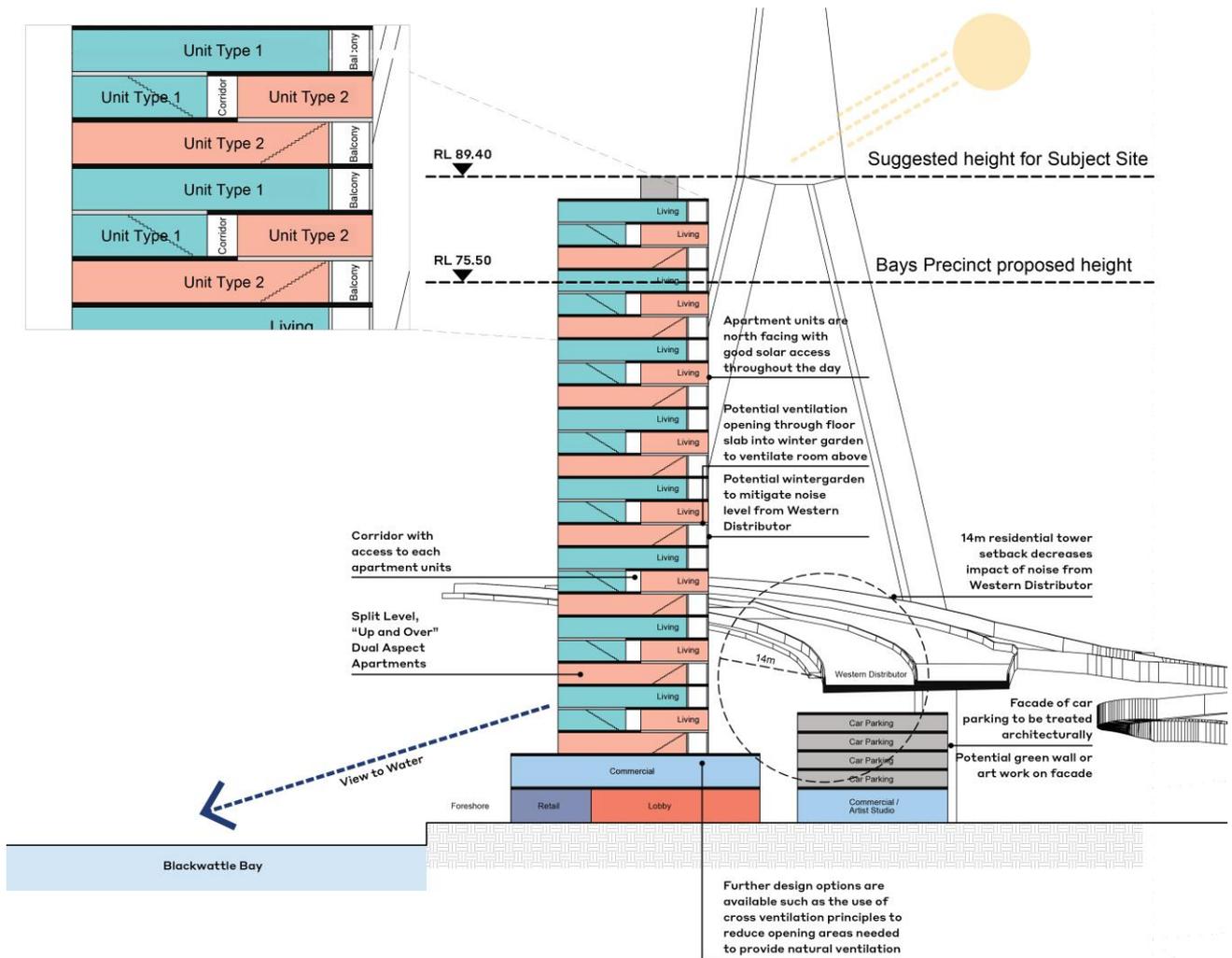


Typical Apartment Level Type 1



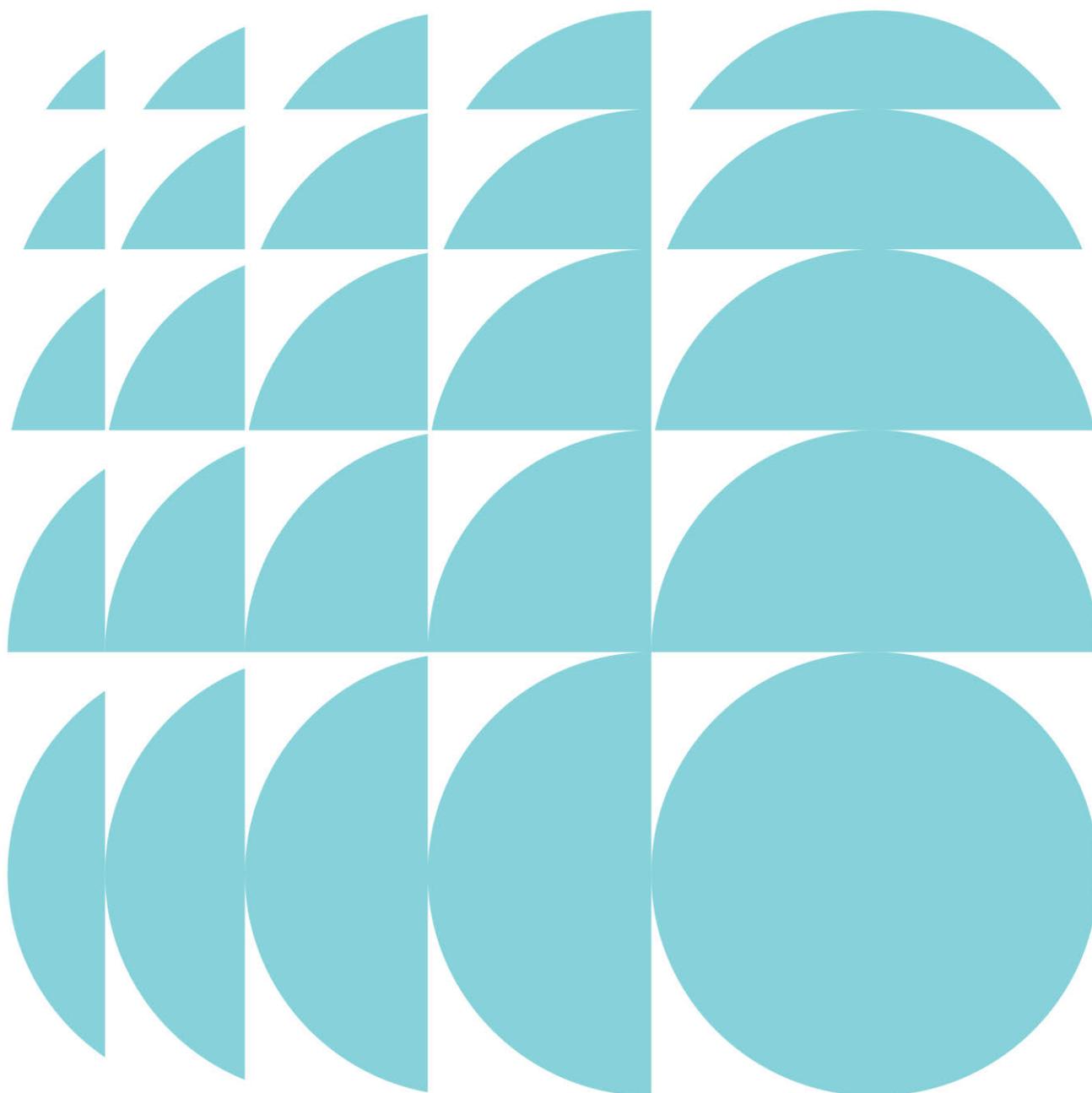
Typical Apartment Level Type 3

**Split Level, "Up and Over"
Dual Aspect Apartments**



Indicative Section of Split Level, "Up and Over" Dual Aspect Apartments

Appendix B. Economic Assessment



Contents

1.0	Introduction	2
2.0	Office Market Overview	3
2.1	Office Market Summary	3
2.2	Future Competition	4

3.0	Market Outlook	6
3.1	Modern Office Tenant Requirements	6
3.2	Location requirements	7
3.3	COVID-19 Implications	8

4.0	Summary	10
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Tables

Table 1	Total Office Stock – Key Markets	4
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1.0 Introduction

This report has been prepared on behalf of Poulos Brothers (Poulos Bro's), a private landowner in the Bays Market Precinct, and forms part of the broader planning submission for 21-29 Bank Street, Pyrmont (the Site) in response to the public exhibition of the Blackwattle Bay State Significant Precinct (SSP) Study.

The Site is situated within the Bays Market Precinct, a strategic area identified for renewal under the broader Bays Precinct renewal and Pyrmont Place Strategy. The Bays Market Precinct is positioned within a relatively enclosed part of Pyrmont, west of Bank Street. The newly announced Pyrmont Metro Station is located some 800m east of the Precinct.

The Bays Precinct renewal strategy is ultimately planned to deliver a mix of residential, community and business uses, incorporating around 1,550 dwellings and 138,000m² of non-residential floorspace. This non-residential floorspace is planned to comprise commercial, retail and community uses, and is estimated to support around 5,600 new jobs within the precinct.

In relation to private landholdings within the precinct (including the Site), the SSP Study requires a land use mix for any future development to allocate no more than 44% of floorspace to residential uses and at least 56% of floorspace to non-residential uses. The non-residential uses have been outlined to primarily comprise commercial office, along with smaller retail uses. Adopting the recommended mix at the Site would result in the following composition:

- Total Gross Floor Area (GFA) of just over 23,000m²
- Of the total GFA, a minimum non-residential GFA of 13,000m² is required. The majority for commercial office use, along with a small provision of retail floorspace.
- The remaining 10,000m² can be allocated to residential uses.

Private landowners within the Bays Market Precinct, including the Poulos Bros are concerned over the commercial viability associated with the proposed allocation of uses proposed in the SSP, particularly in relation to the minimum provision of non-residential floorspace required. Under the proposed requirements the Poulos Bros site is required to deliver the equal highest amount of non-residential floorspace out of all sites within the precinct. This is despite the fact that even larger, more central landholdings, such as the Government controlled site at the Fish Markets allows for 58% residential in comparison.

This report provides a high-level review and commentary on the likely viability for non-residential uses (and specifically commercial uses) at 21-29 Bank Street, Pyrmont having regard to the market context and economic conditions.

This report sets out the following:

- Office market overview, including a review of the existing size and performance of relevant commercial office markets.
- Market outlook, providing commentary on contemporary office tenant requirements, locational success factors and implications of COVID-19.
- Summary, highlighting key findings and the implications for the 21-29 Bank Street, Pyrmont site.

2.0 Office Market Overview

2.1 Office Market Summary

Metropolitan office markets are continually changing, characterised by increasing demand requirements for high-quality stock, supply challenges, and changing workspace requirements. This is particularly evident within the context of Greater Sydney, which has seen further changes in the past year in response to COVID-19 and the implications for commercial office uses.

A summary of office market performance and key market indicators across the Sydney CBD are highlighted below:

- Existing stock:** An overview of existing levels of office stock by market is shown below in **Table 1**.

Over 5,100,000m² of office stock is provided within the Sydney CBD as at July 2021. This represents an increase from 4,977,938m² in July 2020, following an increase in supply.

Increasing office supply in the past 12 months has been a consistent trend across most Sydney markets, with close to +100,000m² of additional supply added in North Sydney, and around +70,000m² in Parramatta. These established office markets will continue to evolve in the coming years.

With an estimated 270,000m² of commercial office floorspace Pyrmont represents a small office market as compared to other commercial centres across Sydney, including Sydney CBD, North Sydney, Parramatta and Macquarie Park - with each of these markets being between 4-20 times larger than Pyrmont.

It is worth noting that the majority of Pyrmont office floorspace is supported at the northern peninsula of Pyrmont, close to the Sydney CBD at Darling Island, Jones Bay Wharf, and John Street. These precincts are located some distance from the planned Bays Market District.
- Vacancy:** As at July 2021, the vacancy rate within Sydney CBD was 9.2%, this represents a solid increase from the previous year of 5.6%, reflecting impacts of COVID-19 on occupancy rates. Other major commercial markets in Sydney are also recording vacancy rates of between 9%-17%. This high level of vacancy, representing an increase in office vacancy over the past year, has been a consistent trend across all office markets, driven by work from home (WFH) requirements following the public health response to COVID-19. Rising vacancy has also been attributed to new supply additions that have been completed in the past year in centres including North Sydney, Sydney CBD and Parramatta which are yet to be absorbed by the weaker demand conditions
- Net absorption:** Demand for commercial office floorspace has been subdued, reflecting challenging economic conditions associated with the COVID-19 pandemic. Net absorption across the Sydney CBD office market was recorded at -24,402m² over the year to July 2021. Negative net absorption was also recorded in Macquarie Park and Chatswood, while markets like North Sydney and Parramatta experienced mildly positive net absorption figures, reflecting the completion of new developments that were leased pre-COVID.

A review of net absorption figures shows that demand is strongest in prime grade stock (stock classified as Premium or A grade). This demand for prime grade stock is driven by evolving modern office tenant requirements for high quality office spaces that provide large and efficient floorplate designs, and premium office amenities and services to enhance user experiences.
- Rents:** CBD rents have increased significantly over the past decade, particularly within the core commercial markets. As of January 2021, Sydney CBD rents for prime spaces were at \$1,385/m², with average rents for secondary stock at \$1,017/m². While face rents have remained relatively stable during COVID-19, incentives being offered to tenants have increased substantially, resulting in a decline in net effective rent in the order of -15 to -20% (*Knight Frank March 2021*).

Property Council Australia – Office Market Report July 2021

Table 1 Office Stock and Vacancy Rate – Key Markets July 2021

Office Market	Office Stock (m ²)	Total Vacancy (%)
Sydney CBD	5,149,548	9.2%
North Sydney	922,793	16.4%
Macquarie Park	904,710	9.7%
Parramatta	836,026	10.2%
St Leonards/Crow's Nest	338,435	15.1%
Chatswood	273,454	15.2%
Pymont	270,000	N/A

Source: Ethos Urban, Knight Frank, PCA OMR July 2021

2.2 Future Competition

Government strategy indicates that Pymont will continue to grow and remain a key employment destination in the future. The Pymont Peninsula Place Strategy indicates that by 2041 the Peninsula will support 60,000 workers, representing an increase of around 23,000 workers over the period from 2017 to 2041.

It is important to consider this employment target against others across central Sydney, where a number of existing and future precincts are also projected to accommodate large levels of future employment. Some of these precincts include the CBD but also emerging corridors and precincts such as Central to Eveleigh and Botany Road Corridor.

The City of Sydney Local Strategic Planning Statement indicates that over 100,000 jobs are planned within Central Sydney over the period to 2036 (Central Sydney encompasses the CBD and extends south and west to include Darling Harbour, Central and UTS). In total, the Eastern City District Plan has identified targets for the City of Sydney to deliver at least 165,000 jobs and up to 266,000 jobs by 2036.

With regard to commercial office floorspace, based on known developments and future projects, it is estimated that there is around 1,000,000m² of commercial office supply either planned or underway within the Sydney CBD, that is due to complete over the next 10 years. This includes a large proportion of development focused around Barangaroo, Circular Quay and Central Station. These developments will support significant jobs growth within Central Sydney, in addition to other emerging markets.

The Pymont Peninsula Place Strategy outlines that around 23,000 jobs are planned to be provided, with the Pymont Peninsula Economic Development Strategy (EDS) indicating that up to 823,000m² of additional Net Lettable Area (NLA) floorspace would be required, of which around 377,000m² is suggested to be designated for office use.

In the longer term, additional commercial development is likely to be associated in close proximity to the future Metro West station developments, including around the future Pymont Metro Station, which is planned to be located around Union Street and Edward Street. This infrastructure is seen as a catalyst for additional commercial office development within the region including the Bays Market Precinct and the subject site. While the precinct will support additional commercial uses, research associated with the proposed commercial office space requirements for the precinct appear largely untested; this includes results from the Pymont Peninsula EDS as well as the study undertaken by HillPDA which investigated floorspace requirements in Blackwattle Bay (which includes the subject site).

The HillPDA Economic Development, Local Retail and Services Study, which was prepared in early 2021, does not include a thorough commercial market assessment to justify the quantum and mix of uses allocated to the various sites across Blackwattle Bay. The Study notes that demand in Pymont is largely from small to medium-sized businesses, attracted to the lower rents offered in fringe-CBD markets and outlines this is a driver for future demand in the precinct. However, this is not considered against commercial viability of development, which often requires securing larger anchor tenants, at a moderate rent, to reduce leasing risk and secure a future income stream before commencing development. In determining the quantum and composition of commercial floorspace the Study has not adequately considered the implications of new supply planned in fringe locations (e.g. Central to Eveleigh and Botany Road Corridor) combined with the subdued conditions post COVID-19 (despite referencing these factors). Furthermore, while highlighting the potential appeal of the precinct to small to medium-sized innovation tenants, the Study also notes the 'weak' potential for

Blackwattle Bay to attract anchor institutions or firms – which it notes is a key success factor for innovation precincts and ‘would be critical for the precinct’s success’.

As a result, while it is clear that Pyrmont will support a level of future employment growth and commercial floorspace in the future, the Sydney CBD and Central Precinct will remain the key focus areas for major commercial office development based on the substantial provision of future supply. Government policy and market demand will continue to support growth in in these key precincts, along with other emerging office and innovation precincts on the fringe of the CBD.

Market conditions within the commercial office sector are challenging, and while the long term implications of COVID-19 are yet to fully understood, it is likely that the high profile, well connected, CBDs and core commercial markets will remain the key destinations for the majority of commercial occupiers in the future. This is particularly true for major anchor tenants who are often required to be secured prior to commencement of a major development.

While there is likely to be some demand for commercial office uses in Pyrmont in the longer term, it is clear that commercial floorspace in Pyrmont will operate within a highly competitive market, whereby future developments will attempt to attract small to medium occupiers from other larger CBD markets, including the Sydney CBD and other emerging fringe locations. This will be particularly difficult in subdued market conditions, or against the planned wave of future supply. As such, it is likely that commercial office stock in Pyrmont may remain challenging, with long term delays or vacancies likely until such time as stock in the CBD and other emerging fringe locations is development and absorbed.

3.0 Market Outlook

3.1 Market Outlook Modern Office Tenant Requirements

Tenant demands and requirements within the commercial office market are continually evolving. In recent times, there has been a move towards more open plan, flexible spaces that provide collaborative workspaces, seamless integration with technology and incorporate sustainability initiatives.

Market sounding and research undertaken by this office across Sydney metropolitan office markets relating to tenant and occupier requirements indicate the following:

- Occupiers have a preference for prime quality buildings with available space that provides large contiguous floorplates with efficient building layouts and high quality design.
- Preferred floorplates for major occupiers are whole floors with large floorplates of at least 1,500m² or larger.
- Occupiers seek high-quality spaces that typically achieve sustainable and wellness outcomes including NABERS, Green Star and WELL ratings.
- Tenants want flexible spaces that allow for up and down scaling, active working spaces that enable collaboration internally and externally, and 24-hour access.
- Co-location and clustering benefits are important, including being within activated spaces that offer retail amenities, outdoor open space, and accessibility to public transport.
- There is a strong need for flexibility including:
 - Floorplates that are efficient and flexible – enabling more collaborative spaces
 - Adjustable spaces based on changing requirements
 - Best in class technology to support a mobile workforce
- Need for sustainability and wellness initiatives.

A key demand driver in metropolitan office markets is the provision of prime office stock across large contiguous floorplates. This is due to requirements of modern occupiers and businesses that typically prefer large contiguous spaces, allowing a company to locate on one, or more interconnected floors rather than across multiple levels. This is beneficial for corporate headquarters and major occupiers who seek to establish a head office and seek improved connectivity, collaboration as well as workplace flexibility that appeals to their broad workforce. This is evident at Google's Australian Headquarters, located at 'Workplace 6' in Pyrmont across multiple levels with a typical floor area of 3,600m².

In metropolitan office markets the benefits offered to tenants include large floorplates to enable 'campus style' corporate facilities, including customised fit-outs and experiences that align with the desired corporate culture and vision, all for a more affordable price point. In the Sydney CBD and North Sydney, typical floorplates for modern developments are in the order of 1,300-1,500m². For commercial office uses at the Bays Market Precinct, this will mean providing facilities that can compete with other metropolitan office markets and emerging technology precinct such as South Eveleigh and Tech Central, where larger floorplates are provided. In the case of Macquarie Park and South Eveleigh, floorplates can be in excess of 3,000m², and are aimed at attracting large businesses seeking 'campus' style facilities in a fringe or suburban market. This is evident through the establishment of Commonwealth Bank as the anchor tenant at South Eveleigh, which consolidated a number of offices across Sydney into a single location and leased around 90,000m² at the precinct.

There is a requirement to attract and retain occupiers and employee talent from across Sydney, not just within Pyrmont. A review of recent major tenant precommitments across Sydney office markets suggest the following trends and requirements:

- Need for large, efficient floorplates (open plan and flexible spaces) to support a central headquarters for business over fewer but larger contiguous levels.
- Need for excellent access and amenity in the building and immediate area in order to attract and retain occupiers and staff.

- A unique built form and physical environment provides a key attractor and point of difference for some businesses.

These attributes are even more important in a post-COVID environment where larger, flexible floorplates will enable businesses to create safe 'return to work' environments and enable maximum flexibility for workspace layouts and collaboration areas.

The implication for the subject site, which incorporates a smaller land area compared to other locations throughout Sydney (and Pyrmont), is that the ability to secure a major anchor tenant would be substantially diminished. This would have significant implications on the delivery and overall development viability of the site in the future.

3.2 Location requirements

There are a range of locational drivers and attributes that act as key success factors for commercial development including:

- Proximity to public transport
- Proximity to other businesses for clustering/knowledge hubs
- Proximity to retail and amenities
- Proximity to public open space
- Proximity to workforce

While Pyrmont responds positively to the majority of these attributes, the Sydney CBD provides higher appeal in a large number of areas, further highlighting the attraction of centrally located markets such as the Sydney CBD as compared to fringe markets such as Pyrmont.

Overtime Pyrmont has transitioned away from commercial uses towards a true mixed-use precinct including a higher provision of residential dwellings. This shift is reflective of Pyrmont's role as an important inner-city destination that supports the live, work and play objectives outlined by a range of government policies and strategies.

Creative and technology companies form a large component of tenant demand in Sydney fringe markets such as Pyrmont, with these types of occupiers often seeking large 'campus' style offices including existing tenants such as Google. These types of occupiers can prioritise establishing a 'hub' in a central location for their workforce rather than focus on clustering benefits with other businesses.

It is noted that the location of the Pyrmont Metro Station was recently announced at 37-69 Union Street. While this will significantly improve Pyrmont's accessibility and locational attributes more broadly, it will still remain secondary to other core commercial office markets such as Sydney CBD, and North Sydney. Commercial office floorspace has been identified within the Bays Market Precinct as a key use in the longer term, with much of the justification for this use due to the improved transport infrastructure associated with the future metro. The State Government controls land to the south of the subject site and has also announced plans to accommodate a substantial provision of commercial office floorspace on this land in the future.

In relation to the Poulos Bros site, this will be further from public transport links including the future Pyrmont Metro Station, and the main intersection and activity node to the south that is situated on Government landholdings.

In its current proposed form, the subject site is also more constrained by its physical position and layout and as such, the ability to deliver larger floorplates that are able to accommodate "campus" style facilities will be compromised. This compares to the larger size and high profile location of the adjoining Government landholdings which is considered a more desirable commercial office destination due to stronger locational attributes, including closer and more direct access to the future metro station.

The Government owned landholdings are more appropriate to offer the required office design and configuration that appeals to major occupiers in this type of location. This is due to the larger site area and therefore capability to offer large campus style facilities on these sites, as well as the stronger locational attributes, including positioning on a high-profile corner, close to open space, excellent site accessibility and within close walking distance to Pyrmont Metro Station. As such, a more flexible floorplate use, design and configuration should be considered at the subject site in order to attract and appeal to the types of residents and occupiers more likely to locate in Pyrmont in the future.

3.3 COVID-19 Implications

Office tenant requirements in the post-COVID-19 environment remain uncertain. However, several trends are unlikely to change, including the importance of technology enabled workspaces and the ability to provide a safe and healthy work environment, which will remain more important than ever in the post-COVID world.

The current global pandemic has had a significant impact and transformation on commercial office working environments. COVID-19 has resulted in the requirement to work from home for many industries, particularly during the height of the pandemic, with impacts to commercial office market demand.

The result of COVID-19 will mean that the way businesses and office tenants use their space will continue to evolve. In response to the pandemic, commercial office buildings will play a central role in the recovery and enhance opportunities to improve the way we work in a safe environment.

A review of key changes and future tenant requirements resulting from COVID-19 are now highlighted. Data has been sourced with reference to industry publications including a recent tenant survey conducted by CBRE in July 2021 which focused on the future of office spaces and tenant requirements.

Key findings include:

- More companies are adopting hybrid working, where close to 50% of respondents indicated that they will encourage employees to work in the office, however allow them to work from home if desired.
- Less employees are wanting to work in the office 'all the time', down from 37% in 2020 to 26% in 2021, with many of these respondents wanting to work from home 1-2 days per month.
- Flexible workspaces are at the forefront of office design, with many tenants seeking to increase use of flexible office spaces (30-35%) or seek a 'flight to quality' for more prime grade building spaces (20-25%).
- Around 10% of respondents indicated a desire to relocate to CBD fringe markets and decentralised locations to diversify portfolios by establishing 'satellite' offices.
- Physical workplaces are outlined as more important than remote working for productivity, collaboration, company culture and engagement, innovation and employee learning. Remote working is considered 'better' for employee health and wellbeing. This lends itself to a 'hybrid' model in the future.
- Tenants are seeking changes to physical workspaces, including more collaborative and communal spaces for informal communication and socialising, meeting rooms for five people or less, and dedicated team areas.
- Despite short term changes to workspace densities from social distancing, anecdotal evidence suggests that office space densities per capita will remain similar to existing levels, however, the same space will be used differently. . In the City of Sydney LGA, workspace densities were as low as 10.1m² per worker for open plan and partitioned office space pre-COVID (*City of Sydney Floor Space and Employment Survey 2017*).
- Australian based companies are seeking more open plan offices, with "hot desking" and different work settings throughout, highlighting the demand for flexible and collaborative workspaces.
- Increased focus on technology, wellness and sustainability to enhance user experiences within a building are a key driver.

Results sourced from CBRE July 2021 Future of Office Survey

These changing tenant requirements highlight that hybrid models, including remote working are likely to be the way of the future. Higher quality, prime spaces that offer high levels of flexibility, amenity and services to occupiers are critically important in attracting workers back to physical workspaces. Creating destination workspaces that seamlessly integrate technology, sustainability, collaboration and tenant wellness under one roof will be critical. The importance of large floorplates that offer workspace efficiency and flexibility in an office are increasingly important in achieving a modern office environment that is sought by major occupiers.

Market uncertainty associated with COVID-19 is also evident through recent occupier activity, with some examples in Sydney over the last 18 months including investigations or actions by larger corporate occupiers such as Westpac, Telstra, QBE, Norton Rose and Ashurst to consolidate offices, or reduce their floorspace requirements by subletting space.

The results from the above indicate that the subject site within the Bays Market Precinct is less likely to be able to deliver the large campus style floorplates required in Pymont and in order to adequately secure major anchor tenants or compete with other markets and new supply. When combined with uncertainty associated with COVID-19 and the implications on current and future market conditions, imposing a minimum requirement for commercial office floorspace on the Poulos Bros site would appear to represent a real risk to future development of the site.

4.0 Summary

This high level economic review of the potential for commercial office floorspace at the Poulos Bros site outlines a number of key implications associated with a strict requirement of commercial floorspace at the site proposed under the Bays Market Precinct SSP. These are summarised as follows:

- The Bays Market Precinct is positioned within a relatively isolated precinct, west of Bank Street and with limited nearby commercial office hubs nearby. The newly announced Pyrmont Metro Station is located some 800m east of the precinct.
- Pyrmont is a small office market, with around 270,000m² of commercial office floorspace estimated to be provided. The majority of this floorspace is supported at the northern peninsula of Pyrmont, close to the Sydney CBD, with smaller hubs are located at Darling Island, Jones Bay Wharf, and John Street. It is worth noting that these precincts are located some distance from the planned Bays Market District. The current Place Strategy proposes significant amounts of additional commercial office floorspace in the future, however, the viability and justification for this future requirement, and the allocation across sites in Blackwattle Bay, is largely untested.
- Over the past 12 months, metropolitan office markets including within Greater Sydney have deteriorated in response to ongoing public health orders to 'work from home' due to the COVID-19 crisis. The first two quarter of 2021 in Sydney resulted in some respite within the office market as workers returned to physical office spaces, however the latest lockdown in NSW coupled with major supply completions has seen an increase in vacancy which is approaching 10% in the Sydney CBD. Similarly, across other fringe markets, vacancy remains elevated.
- Established and emerging office markets across Sydney will continue to play a prominent role in the delivery of employment and economic recovery post COVID, and will be key in bringing people back to physical workspaces. Several major markets have strong employment growth targets and large development pipelines, particularly within the Central to Eveleigh Corridor and the Sydney CBD, which combined account for around 1,000,000m² of proposed commercial office floorspace. These markets will remain key competitors for Pyrmont and specifically for future office development within the Bays Market Precinct.
- While the long term implications of COVID-19 are yet to be fully understood, it is clear that the pandemic has emphasised the evolution of traditional workplaces, with an increased desire by modern occupiers for flexible workspaces that enable hybrid working models, with a key focus on collaboration, open plan working, technology and staff wellness.
- The Poulos Bros site is unlikely to represent a key location for commercial office floorspace. This is attributed to the fact that the site does not align as strongly as other sites or markets with typical success factors for commercial office space, including locational requirements of being close to an established workforce, public transport and in fringe and suburban markets that cater for large "campus" style facilities.
- The Government owned landholdings within the precinct, to the south of the subject site, would appear to have stronger locational attributes, including being in a higher profile location, closer to the future Pyrmont Metro Station, and therefore more capable of providing larger floorplates across the site. Accordingly, a greater proportion of overall commercial office space within the Bays Market Precinct could be considered for this landholding, which could provide higher levels of amenity and more effectively appeal to future occupiers compared to the subject site.
- Imposing a restrictive floorspace requirement on the subject site may impact on the future redevelopment potential of the site due to limited commercial tenant interest (particularly in the short to medium term) and therefore limited commercial viability. The result may be an underutilised site, or undeveloped site, in the longer term. A more flexible range of uses and approach should be considered whereby private landowners will be able to adapt and respond to market demand in order to deliver future development that aligns with the government vision for the precinct in the longer term.

The Bays Market Precinct plan represents a visionary project for Pyrmont that will embody a contemporary non-CBD precinct, delivering not only commercial office floorspace, but also supporting community uses and housing that will create an active, vibrant destination for a range of users and residents. However, as highlighted in this report, there remains ongoing uncertainty and instability in Sydney's commercial office market, and at a broader level, Pyrmont represents a relatively small commercial office market in a highly competitive sector.

As such, there is a need for greater flexibility at the subject site in order to allow the site to adapt and respond to market demand as it continues to evolve over time, particularly in a post-COVID environment. Imposing a 56%

floorspace requirement for non-residential uses at the site will increase commercial risk and the viability of any future redevelopment due to the challenge of successfully leasing commercial office floorspace, including to major occupiers. Such a requirement would have implications on the broader targets and success of the Bays Market Precinct.

Reflecting the uncertainty in the commercial office market, and the location of the Site in a non-CBD market, adding flexibility in terms of uses will ensure the development has a greater chance of being delivered sooner, and remaining viable over the longer term, for the benefit of strengthening the role of this strategic location. By providing greater flexibility of uses at the Site, the development will have the ability to provide commercial office floorspace that is aligned to inner-city fringe market demand and tenant needs at any given time, while also enabling the delivery of other uses that may better respond to market demand as required.

The review outlines that the future of the Sydney commercial office market remains uncertain and is evolving, and that more flexibility in terms of uses at the Site would be better suited to respond to occupier needs over time, or enable the effective delivery of other uses that align with market demand, particularly in the short to medium term. Providing flexibility in terms of uses at the site will ensure better longevity and viability into the long term for both the Site and the precinct, creating enhanced built form and community outcomes that align with the strategic vision for the Bays Market Precinct.

Appendix C. Acoustic Assessment

BAYS MARKET PRECINCT REDEVELOPMENT (POULOS BUILDING)

Acoustic Advice Regarding Land Use

20 August 2021

Ethos Urban

TM263-01F01 Acoustic Advice Regarding Residential Use (r1)

Document details

Detail	Reference
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Prepared for:	Ethos Urban
Address:	
Attention:	Tom Goode

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Important Disclaimer:

The work presented in this document was carried out in accordance with the Renzo Tonin & Associates Quality Assurance System, which is based on Australian Standard / NZS ISO 9001.

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In preparing this report, we have relied upon, and presumed accurate, any information (or confirmation of the absence thereof) provided by the Client and/or from other sources. Except as otherwise stated in the report, we have not attempted to verify the accuracy or completeness of any such information. If the information is subsequently determined to be false, inaccurate or incomplete then it is possible that our observations and conclusions as expressed in this report may change.

We have derived data in this report from information sourced from the Client (if any) and/or available in the public domain at the time or times outlined in this report. The passage of time, manifestation of latent conditions or impacts of future events may require further examination and re-evaluation of the data, findings, observations and conclusions expressed in this report.

We have prepared this report in accordance with the usual care and thoroughness of the consulting profession, for the sole purpose described above and by reference to applicable standards, guidelines, procedures and practices at the date of issue of this report. For the reasons outlined above, however, no other warranty or guarantee, whether expressed or implied, is made as to the data, observations and findings expressed in this report, to the extent permitted by law.

The information contained herein is for the purpose of acoustics only. No claims are made and no liability is accepted in respect of design and construction issues falling outside of the specialist field of acoustics engineering including and not limited to structural integrity, fire rating, architectural buildability and fit-for-purpose, waterproofing and the like.

Supplementary professional advice should be sought in respect of these issues.

Contents

1	Introduction	4
2	Site Description	5
3	External Noise Intrusion Criteria	6
3.1	ISEPP/ DoP Guideline	6
3.2	Apartment Design Guideline	7
3.3	City of Sydney	8
3.4	Proposed Design Approach	8
4	Noise Level Survey	10
5	Commentary / Discussion	11
5.1	General Design Options.	11
5.1.1	Set Back, Apartment Layout and Building Orientation	12
5.1.2	Winter Garden and Sliding Door Design.	12
5.1.3	Balcony Design	13
5.1.4	Passive Acoustic Ventilators	13
5.1.5	Use of Cross Ventilation to Reduce Window Opening Sizes	13
5.1.6	Combination of Treatments	13
5.2	Design Options Appropriate for This Site.	14
5.2.1	South, East and Western Facades - Apartment layout and building form design.	14
	15	
5.2.2	Northern Façade - Set back, Winter Garden and Acoustic Plenums	16
5.3	Ethos Urban Concept Plans.	17
6	Closure	19
APPENDIX A	Glossary of terminology	20
APPENDIX B	Extract from SLR Noise and Vibration Assessment, 41/5/2021 – Noise Logging Result Summary (Western Distributor)	22
APPENDIX C	Extract from SLR Noise and Vibration Assessment, 31/5/2021 (Façade Noise Mapping)	23

List of tables

Table 1:	ISEPP Internal Noise Criteria	6
Table 2:	Department of Planning Trigger for Provision of Supplementary Ventilation	6
Table 3:	City of Sydney Internal Noise Criteria	8
Table 4:	External Noise Levels	10

1 Introduction

Renzo Tonin & Associates was engaged to provide acoustic advice with respect to the Poulos Building within the Bays Market District redevelopment project.

Specifically, we have been asked to comment on whether a residential use can be accommodated on lower levels (below level 9) without resulting in unacceptable adverse impact on the acoustic amenity of a future occupant. (At present, we understand that any floor level below Level 9 will be required to have a non-residential use).

In short:

- The purpose of this letter is to demonstrate that there will be design options available for the Ground to Level 8 spaces that can enable some degree of residential use without excessive noise impact. Design options such as building footprint shape, orientation of windows, wintergarden/balcony design and setback all can be used to address road traffic noise to meet appropriate residential acoustic standards.
- Most importantly, these standards can be met without relying simply on a “windows closed/air-conditioning on” design. There are design options available that consider both the noise impact and the provision of natural ventilation to the apartments.
- That being the case, residential use should be included as a potential permissible use from ground floor to level 8 (with a detailed design to be determined at Stage 2 Development Application). It should be open to the proponent to include residential uses on these levels provided that issues of acoustic amenity are addressed suitable at stage 2 Development Application.

This report also provides commentary on a concept plan for the site by Ethos Urban

2 Site Description

The Poulos Building lies on the northern edge of the Bays Market Precinct (Blackwattle Bay, Pyrmont). It is the western most of a series of proposed towers that will lie adjacent to the Western Distributor.

Being a major arterial road, the Western Distributor generates high levels of road traffic noise and will impact the northern (and to a lesser degree eastern and western facades of the Poulos Building).

To the south of the site lies Blackwattle Bay, and includes both a fish market (proposed to be developed) and marina, which will also have operational noise impacts, but to a much lesser degree.

At present, we understand that any floor level below Level 9 will be required to have a non-residential use.

Location of Poulos Building and its precinct context is shown below:

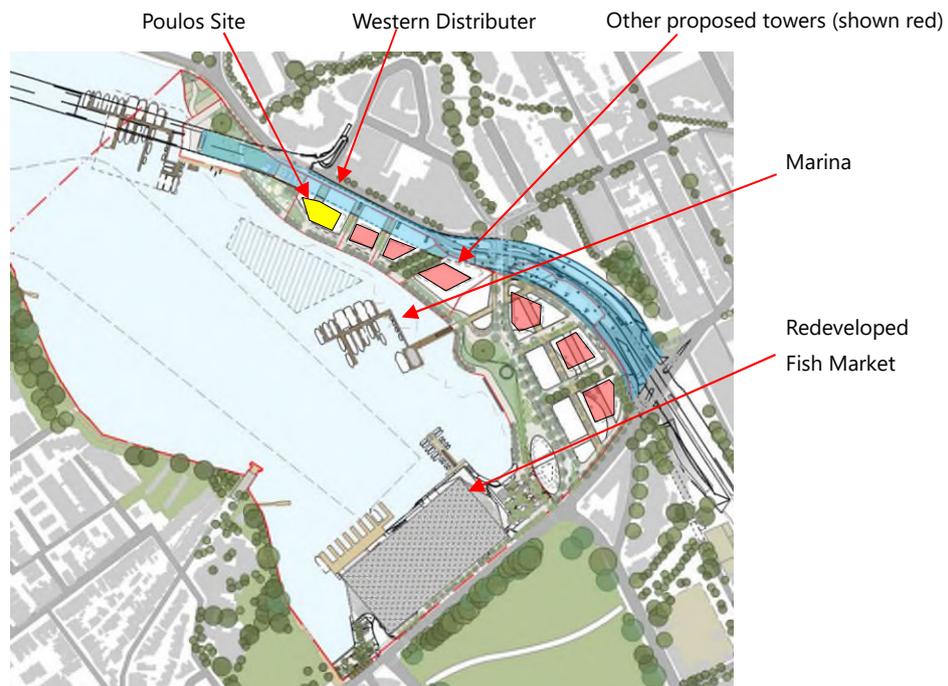


Figure 1 – Poulos Building/Site Context

3 External Noise Intrusion Criteria

The following acoustic standards and guidelines will be considered:

- State Environment Planning Policy (Infrastructure) 2007 ('ISEPP') and Department of Planning (DoP) publication "*Development Near Rail Corridors & Busy Roads – Interim Guideline*" 2008 ('DoP Guideline')
- Sydney Council Development Control Plan 2012 (effective 14 December 2012).
- The Apartment Design Guideline.

These documents provide standards and guidance for residential development in areas affected by external noise, including road traffic.

3.1 ISEPP/ DoP Guideline

Given the average daily traffic volume on the Western Distributor exceeds 40,000, the requirements set out by the ISEPP are applicable to the site.

Table 1: ISEPP Internal Noise Criteria

Condition	Occupancy	Design Internal Noise Level
Windows closed	Bedroom (10pm – 7am)	35dB(A) _{Leq(9hr)}
	Living / Dining /Kitchen (24 hours)	40dB(A) _{Leq(15hr)}

In addition, Department of Planning Guideline identifies internal noise goals under window open conditions. In the event that this noise goal is exceeded when windows are left open, supplementary ventilation (natural or provided by fan) should be provided.

Table 2: Department of Planning Trigger for Provision of Supplementary Ventilation

Condition	Occupancy	Design Internal Noise Level
Trigger for provision of supplementary ventilation	Bedroom (10pm – 7am)	45dB(A) _{Leq(9hr)}
	Living / Dining /Kitchen (24 hours)	50dB(A) _{Leq(15hr)}

3.2 Apartment Design Guideline

The Apartment Design Guideline (Section 4J) provides significant design guidance with respect to the design of buildings in noise affected areas.

With respect to the application of the ADG:

- Although there are sections in the ADG that set numerical performance targets, there is no numerical performance requirement with respect to noise levels in section 4J. This must be considered a deliberate decision.
- The introduction of the ADG states that demonstration of compliance for sections not containing numerical targets is shown through adopting the Design Guidance. The fact that the introduction to the ADG explains how to demonstrate compliance for sections that do not set performance requirements is further evidence that not applying a numerical performance requirement was a deliberate decision, and not an omission.
- To apply a numerical target for an internal noise level that is based on a DCP or some other document is clearly not consistent with the ADG. Pursuant to clause 6A of SEPP65:

6A Development control plans cannot be inconsistent with the Apartment Design Guide.

(1) This clause applies in respect to the objectives, design criteria and design guidance set out in Parts 3 and 4 of the Apartment Design Guide for the following...

(g) natural ventilation

(2) If a development control plan contains provisions that specify requirements, standards of controls in relation to a matter to which this clause applies, those provisions are of no effect

Specific design guidance is summarised below.

Objective 4J1 – Design Guidance and Response:

To minimise impacts the following design solutions may be used:

- *Physical separation between buildings and the noise or pollution source.* This could include set back or a physical obstacle (noise screen).
- *Residential uses are located perpendicular to the noise source and where possible buffered by other uses.*
- *Non-residential buildings are sited to be parallel with the noise source to provide a continuous building that shields residential uses and communal open space.*
- *Non-residential uses are located at lower levels vertically separating the residential component from the noise or pollution source.*
- *Buildings should respond to both solar access and noise. Where solar access is away from the noise source, dual aspect apartments with shallow building depths are preferable.*

- *Landscape design reduces the perception of noise and acts as a filter for air pollution generated by traffic and industry.*

Objective 4J2 – Design Guidance and Response:

Design solutions to mitigate noise include:

- *Limiting the number and size of openings facing noise sources.*
- *Providing seals to prevent noise transfer through gaps.*
- *Using double or acoustic glazing, acoustic louvres or enclosed balconies.*
- *Using materials with mass and or sound insulation or absorption properties eg solid balcony balustrades, external screens and soffits.*

3.3 City of Sydney

Given the project is a State Significant Development, the Local Council (City of Sydney) is not the consent authority.

Relevant sections in the Sydney City Council DCP (section 4.2.3.11) are presented below for information purposes (the ISEPP, Department of Planning Guidelines and ADG would be considered to be higher order documents).

Relevant acoustic criteria from the City of Sydney DCP are as follows:

Table 3: City of Sydney Internal Noise Criteria

Condition	Occupancy	Design Internal Noise Level
Windows closed	Bedroom (10pm – 7am)	35dB(A) _{Leq worst 1hr}
	Living / Dining /Kitchen (24 hours)	45dB(A) _{Leq worst 1hr}
Windows open	Bedroom (10pm – 7am)	45dB(A) _{Leq worst 1hr}
	Living / Dining /Kitchen (24 hours)	55dB(A) _{Leq worst 1hr}
Windows closed and air-conditioning on*	Bedroom (10pm – 7am)	38dB(A) _{Leq worst 1hr}
	Living / Dining /Kitchen (24 hours)	48dB(A) _{Leq worst 1hr}

*Applies in the event that the “windows open” noise goal cannot be met at a particular site.

3.4 Proposed Design Approach

Proposed approach for any design relating to residential use below level 8 in order to address the above standards is as follows:

- Façade design (glass thicknesses) must be sufficient to ensure that internal noise levels with windows closed complies with the ISEPP (table 1).

- Acoustic design should adopt *design guidance* from the Apartment Design Guideline, where feasible.
- Acoustic design should be conducted with a view to providing a natural/passive ventilation path to apartments while minimising external noise transmission.
- An internal noise goal of 45dB(A) (bedrooms) and 50dB(A) (living areas) under naturally ventilated conditions will be targeted (being consistent with the *Development Near Rail Corridors and Major Roads* trigger level for supplementary ventilation). This is adopted as a "natural ventilation" noise target as implicitly the DoP trigger level implies that it is acceptable to have internal noise levels of up to 45/50dB(A) in situations where a natural fresh air source is provided. However, this is a guideline, but not an enforceable criteria. (To make a numerical (noise level) outcome mandatory cannot be enforceable pursuant to SEPP 65 clause 6A).
- Apartments would also be provided with mechanically supplied supplementary mechanical ventilation.

Not all design ADG guidance options would be applied in all instances. Appropriate design guidance items would be adopted where appropriate. At the subject site:

- The most pertinent item will be that window orientation and use of wintergardens designs will be far more effective than a simple prohibition on residential use below Level 9.
- This is because window orientation/winter garden designs can provide more 10dB(A) benefit, where as a simple restriction on levels where residential use is permitted will provide a 2-3dB(A) improvement at most (as noise level does not decay very quickly with building height).
- A commercial podium design (as effectively becomes required by prohibiting residential development below level 9) is less effective at sites where the noise source is elevated (as is the case at the subject site). Other acoustic design options are more appropriate at this site.

4 Noise Level Survey

An acoustic survey of existing and future noise impacts within the precinct was undertaken as part of a *State Significant Precinct Study* (June 2021). An acoustic report was included in Attachment 18 of that report – the *Noise and Vibration Assessment* (SLR report, dated 31/5/2021). Key findings in the *Noise and Vibration Assessment* were as follows:

Table 4: External Noise Levels

Condition	Noise Source	Noise Level	
		Day (dB(A) $L_{eq}(15hr)$)	Night (dB(A) $L_{eq}(9hr)$)
North Façade (approx. 7m from nearest lane)	Road Traffic	75 – above Western distributor deck level*	72 – above Western distributor deck level*
		71 – below Western distributor deck level*	67 – below Western distributor deck level*
South Façade	Road Traffic.	50-69**	50-66**
	Marina Noise, Fish Market Operational Noise	50-63**	<50**

*Refer to noise logging data in pdf page 110 of SLR Report (extracted, Appendix 1, also Figures C1, C3 in Appendix B).

**Refer Figures C5, C7, C10 and C12 in SLR report (extracted in Appendix C).

These noise levels are used in the assessment of the viability of residential uses for the lower levels of the Poulos Building, discussed below.

5 Commentary / Discussion

Strictly speaking, there is no planning control prohibiting a design where the building façade is provided with a level of acoustic treatment to ensure that there are suitable internal noise levels (double glazed system):

- With windows closed, façade glass/materials would be provided such that an internal noise level of 40dB(A) in living rooms and 35dB(A) in sleeping areas will be achieved.
- Precise glass thicknesses to meet acoustic requirements depend on window size and position in the building, and would be determined at Sage 2 DA.
- Fresh air is provided by a mechanical ventilation system. The occupant would still be free to open a window, at which time they would become noise impacted.

However in addition to this, consideration will be made with respect to the provision of natural ventilation and its acoustic impact. The Stage 2 design would be conducted reduce reliance on a “windows closed/air-conditioner on” design and provide the occupants with both natural provided fresh air without excessive road noise impacts.

Design options are detailed below. The discussion below is broken into two sections:

- Firstly, some general design principals are outlined. These relate to set back, balcony design, acoustic/passive ventilators, and use of cross ventilation in order to more efficiently ventilate apartments using small window opening sizes (and therefore getting acoustic benefit as a result of the small window opening size).
- Secondly, the general design principles are then applied to the site to demonstrate their viability specifically to the Poulos Building.

5.1 General Design Options.

Typically, there is a 10dB(A) noise reduction between the outside noise level and the inside noise level (assuming the window is open to naturally ventilate the apartment). This will be referred to as the “open window” design.

This 10dB(A) outside/inside noise reduction can be improved through additional design elements such as set back, building/window orientation and balcony design.

Given the high external noise levels at the site, more than 10dB(A) noise reduction between outside and inside is needed in order to maintain reasonable acoustic amenity when still providing window openings for natural ventilation. The following sections indicate how the further improvement achieved through good acoustic design.

5.1.1 Set Back, Apartment Layout and Building Orientation

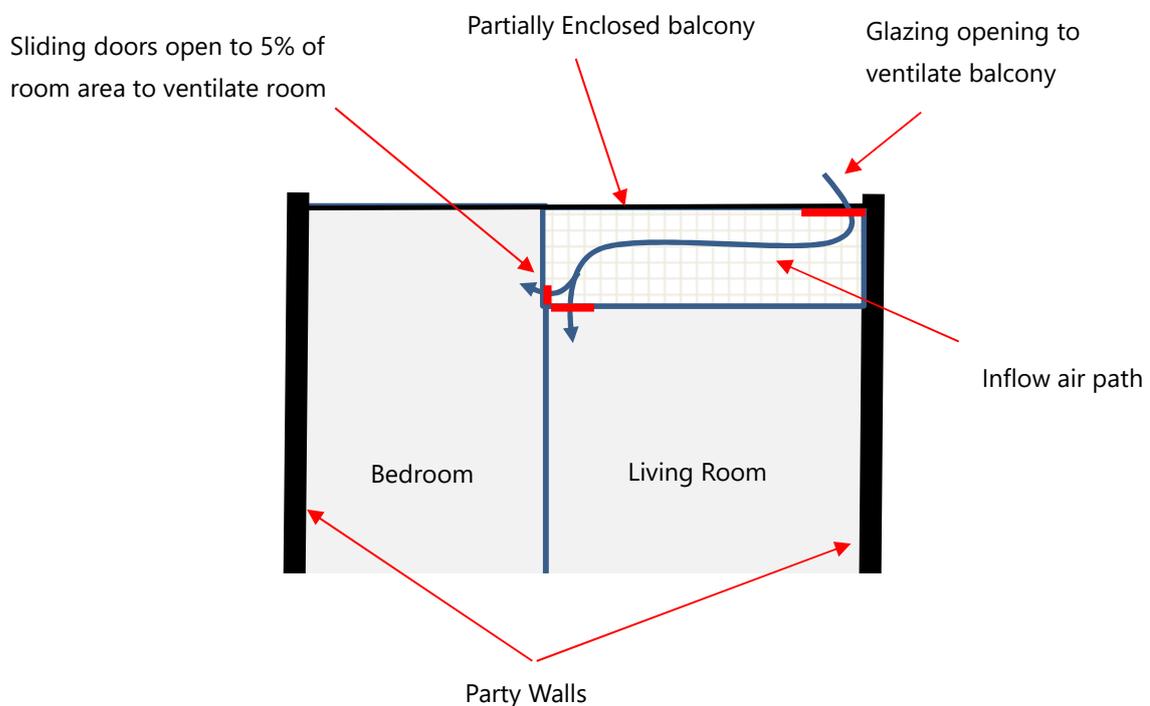
Set back provides a small acoustic benefit. Typically, there will be a 2-3dB(A) improvement achieved by doubling the setback from road to building façade.

Building shape plays an important role in noise screening. Facades perpendicular to the road typically experience 3dB(A) less noise exposure compared to one directly incident to the road. As the orientation turns further away than 90 degree (ie – it is facing slightly away from the road), the benefit gets even more pronounced (3-10dB(A), depending on angle).

Finally, apartment layout is important. Locating rooms such as bathrooms or storage on the noise affected façade and locating noise sensitive spaces on the more protected facades can provide significant acoustic benefit. For a site such as this, where there is only one primary noise source, this simple design measure will be very effective.

5.1.2 Winter Garden and Sliding Door Design.

Having a wide (4-5m) shallow balcony outside an apartment living room creates a natural ventilation opportunity. Passive ventilation in this scenario is provided by having the wintergarden to external window open at one end of the balcony, and the sliding door from living room to balcony open at the opposite end of the balcony area. An indicative sketch for a one-bedroom apartment is shown below. Design such as this will provide a further 5-7dB(A) benefit compared to a simple "open window" design.



5.1.3 Balcony Design

Using the balcony balustrade to act as a noise screen and providing ventilation via a low height window to the room (below balustrade level) is a further design option. This can be used for apartments with a relatively deep balcony (more than 2m). The design requires use of a solid balustrade (no gaps), a noise absorptive lining to underside of balcony over (50mm Echosoft) and a low level openable window to the room (below balustrade height for the purpose of ventilating). Typically, this approach can be used for apartments 6 levels or further above road deck and is of limited use for apartments on Levels 0 to 8.

5.1.4 Passive Acoustic Ventilators

A passive acoustic ventilator allows fresh airflow into an apartment without relying on a fan. By incorporating noise absorptive elements into the ventilator, the airflow can be provided while still reducing noise from outside to inside.

An acoustic ventilator (often called an acoustic plenum) will often consist of a length of internally insulated ducting or similar running from a façade opening and into the apartment ceiling space (allowing airflow from outside to inside). The longer the plenum, the more noise it removes (however the greater the spatial problems to incorporate it, and the greater the necessity to ensure that the airflow through the plenum is not restrained to the degree that natural airflow stops occurring).

This requires coordination with a ventilation consultant, however plenums provide up to 12dB(A) improvement compared to a simple "window open" solution (meaning a 22dB(A) outside/inside noise reduction).

5.1.5 Use of Cross Ventilation to Reduce Window Opening Sizes

Typically an apartment bedroom will require an open window area of approximately 5% of the floor area of the room. However, in the event that apartment is cross ventilated, the size of this opening can be reduced while maintaining suitable airflow to ventilate the room. Commonly, this open area will become approximately 1.25% of the floor area of the room. This provides 6dB(A) benefit compared to a "window open" scenario.

5.1.6 Combination of Treatments

Both the most part – the above treatments can be combined to provide further benefit. A winter garden + acoustic ventilator design in particular can provide very significant acoustic benefit (approximately 30dB(A) outside inside/noise reduction).

5.2 Design Options Appropriate for This Site.

With windows closed, façade glass/materials would be provided such that an internal noise level of 40dB(A) in living rooms and 35dB(A) in sleeping areas will be achieved (as required by ISEPP). Precise glass thicknesses to meet acoustic requirements depend on window size and position in the building, and would be determined at Sage 2 DA.

Natural ventilation design options are reviewed below.

5.2.1 South, East and Western Facades - Apartment layout and building form design.

The noise level incident on the southern façade (overlooking the Market Precinct) is significantly less compared to the northern façade (overlooking the Western Distributor). See below. For the purpose of discussion, the noise levels discussed below are Daytime noise levels. Night time noise levels will be approximately 3dB(A) quieter again,

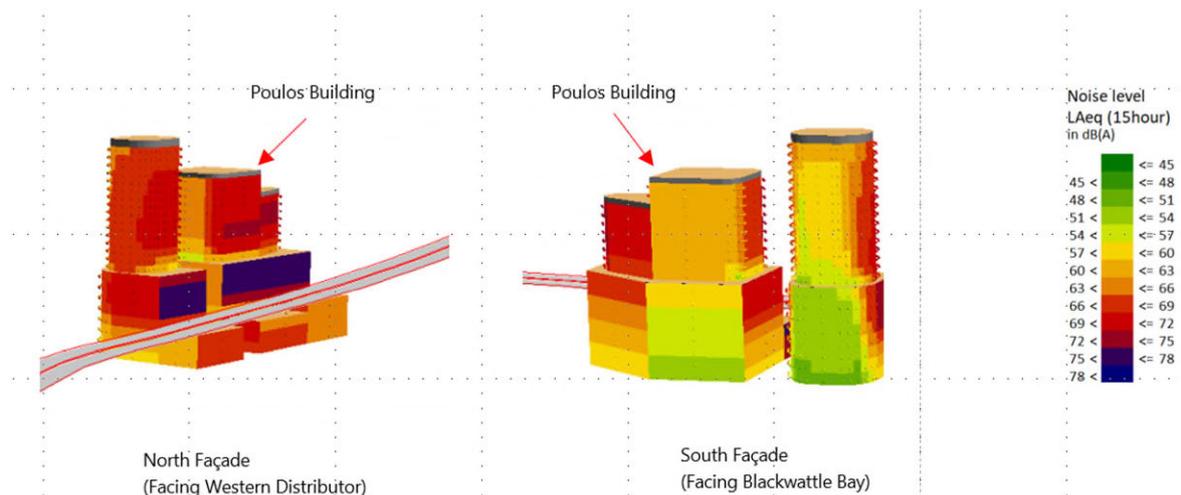
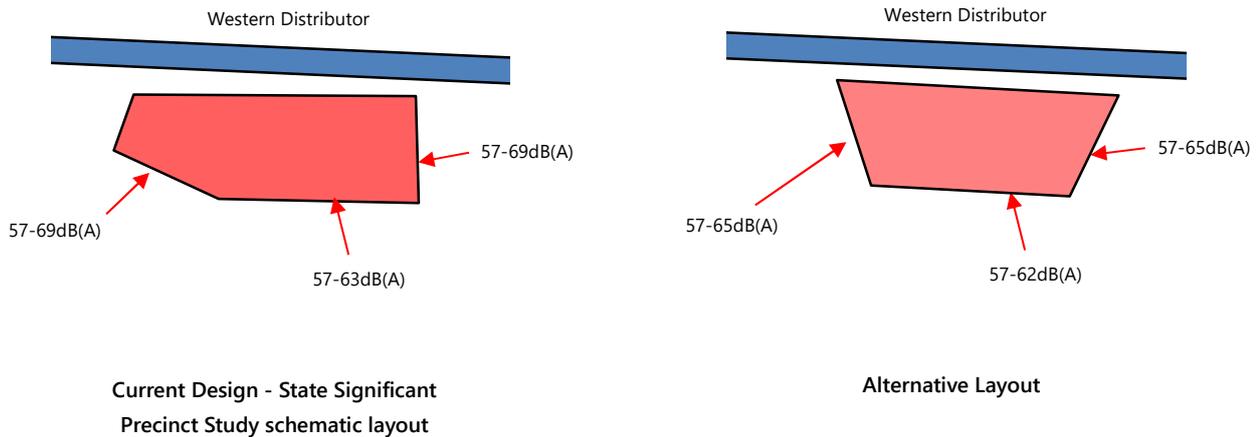


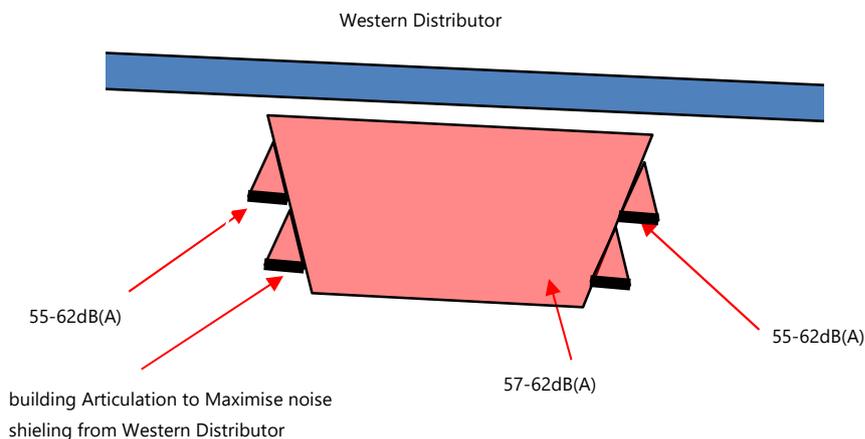
Figure 1 – Façade Noise Map (Extracted from SLR *Noise and Vibration Assessment* dated 31/5/2021.

As shown, noise levels on the southern façade range between 51-69dB(A) (daytime levels). ON the southern façade, the higher noise levels (shown in red) are arise primarily as a result of the angled building form (creating a greater degree of exposure to Western Distributor noise. The more shielded parts of the southern façade have much lower noise level 51-63dB(A), *with the quieter areas being below level 9*. At 51dB(A), a simple “open window” design becomes feasible (ie – suitable internal noise levels are achieved even if windows are just left open in order to ventilate the apartment)

An amended building footprint can be used to improve natural ventilation opppurtunities:



Further, the design of the east and west façades can further mitigate external noise:



Articulation Design to East/West Facades

With respect to the above:

- The noise level identified above change depending on the level within the building. The lower the level within the building, the lower the noise level.
- For apartments on Level 8 or below, noise levels of below 60dB(A) are anticipated through changes in building foot print design. This means a “windows open” solution (ie – ventilation via standard window opening, and no acoustic plenum and achieving an internal noise level of no more than 50dB(A)) is likely to be viable.
- There also remains further design options such as use of winter gardens, use of cross ventilation to reduce open window areas or acoustic plenums if necessary.

5.2.2 Northern Façade - Set back, Winter Garden and Acoustic Plenums

This façade faces the Western Distributor (both above and below road deck level).

At present, the noise levels indicated in table 1 are based on a 7-8m setback from road edge to building façade. It is proposed to increase this setback to 14m. While this is by no means a complete solution:

- It will provide approx. 2dB(A) benefit.
- More importantly, it will provide a setback similar to other residential towers in the Bay Market Precinct where the restriction on residential use from Level 9 and above is not applied.

With respect to the northern façade:

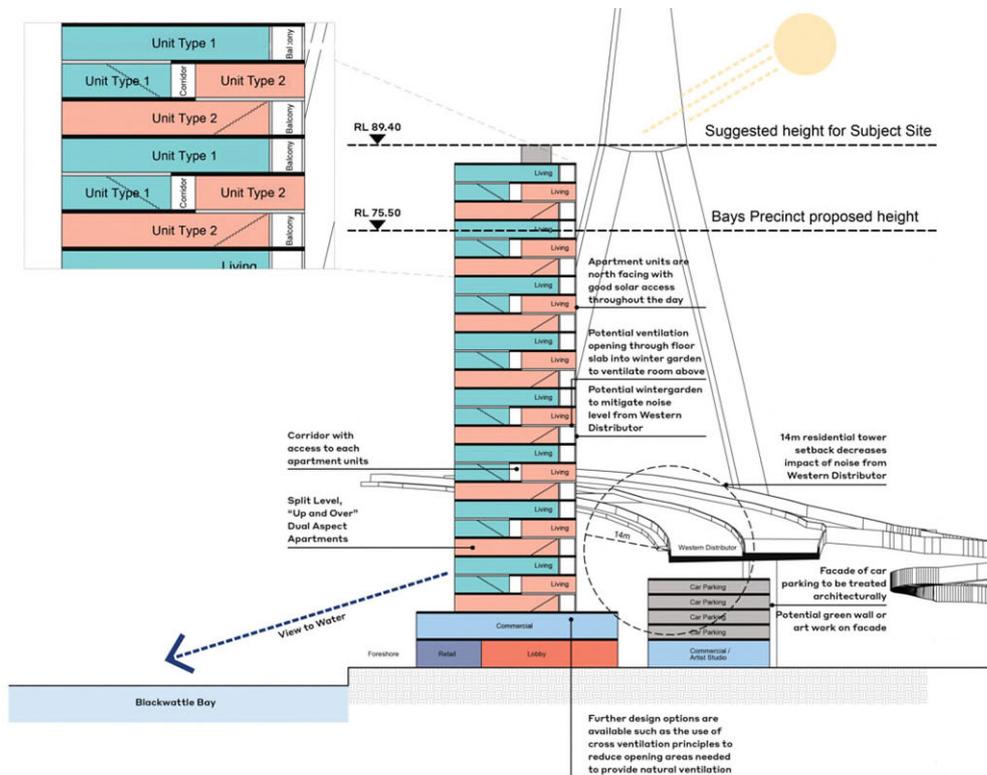
- Obviously one design option will be to simply locate apartment amenity or storage areas (or common areas) on this façade and have bedroom and living areas located on the eastern, western or southern facades. A residential use below level 9 is obviously feasible if this is adopted.
- However, it is not necessary to restrict rooms on the northern façade to residential amenities, storage or common spaces on the northern façade.

The SLR report documented noise level for the Western Distributor was 75dB(A)_{Leq(15hr)} during the daytime and 72dB(A)_{eq(9hr)} at night (pdf page 110 of the SLR report). With respect to this:

- This measured noise level was recorded approximately 7-8m from the edge of the nearest lane.
- In the event that the Poulos Building is set back 14m from the nearest lane, the noise level will reduce to approximately 73dB(A)_{Leq(15hr)} (day) and 70dB(A)_{Leq(9hr)} (night).
- If then incorporating a semi-enclosed winter garden *and* an acoustic plenum design (as discussed in sections 5.1.2 and 5.1.4) the noise level would then become approximately:
 - 43dB(A)_{Leq(15hr)} in living areas and
 - 40dB(A)_{eq(9hr)} in sleeping areas.
- This is compliant with the mechanical ventilation trigger in the *Development Near Rail Corridors and Busy Roads* guideline (45dB(A) in bedrooms, 50dB(A) in living rooms). As discussed in sections 3.1 and 3.4 and table 2, a naturally ventilated apartment complying with these noise levels is implicitly considered quiet enough to not warrant supplementary ventilation. This is a reasonable standard to adopt when considering the acoustic amenity of the apartment under naturally ventilated conditions.
- If needed, there would also remain further design options available, such as using cross ventilation principles to reduce the opening areas needed to provide natural ventilation.

5.3 Ethos Urban Concept Plans.

A section drawing of a concept plan for the site is shown below.



With respect to the Ethos Urban concept plans:

- The apartments at double fronted. All apartments have a south facing façade. As discussed above, the south facing façade is significantly less noise impacted, and provision of natural ventilation on the southern façade without excessive noise impact is readily viable. Further, the more orthogonal building foot print (as opposed to the tapered footprint design in the *State Significant Precinct Study*) means the southern façade will be less noise impacted in the Ethos Urban concept design.
- With respect to the northern façade (adjacent to Western Distributor):
 - The set back of the tower is increased to 14m, making it consistent with other residential towers in the precinct where residential use at podium levels is expected to be permitted.
 - Being dual fronted, there will be cross ventilation opportunities. As discussed in the sections above, this creates an opportunity to utilised reduced open window sizes while still meeting suitable airflow requirements (due to pressure differential between one side of the building and the other). This reduced open window size provides acoustic benefit – a smaller window opening means less noise ingress even though the necessary air volume is still achieved.

- The apartments have balconies facing the Western Distributor. As discussed above, a winter garden or semi-enclosed balcony design creates further opportunities to reduce noise impact on north facing apartments.
- There will also remain the opportunity to incorporate acoustic plenums to draw air from balcony areas to internal spaces of apartments.
- These four acoustic design measures have a cumulative benefit – all of the measures can be incorporated to provide benefit to the apartments when operating under naturally ventilated conditions. The acoustic benefit that would be provided will be very high such that the apartment could be used under naturally ventilated conditions while maintaining reasonable acoustic amenity for the occupant.

The Ethos Urban design adopts the design guidance from section 4J that will provide the most acoustic benefit at the subject site and demonstrates that a residential use below level 8 is feasible from an acoustic viewpoint.

6 Closure

Looking at the above, permitting residential land use on Levels 0 to 8 should be permitted from an acoustic viewpoint, as opposed to only from Level 9 and above:

- Façade glass can be selected such that ISEPP compliant noise levels are achieved when apartment windows are closed.
- For Levels 0-8 on the the south façade, these areas are in fact the quietest locations in the building. It is illogical that these spaces be considered unacceptable for residential use from an acoustic viewpoint when it is considered acceptable for Level 9 and above. Similarly, the lower levels on the northern façade (below deck level on the Western Distributor) are quieter than levels about deck level (where residential use is permitted).
- Most critically, there are acoustic design options such that typically adopted acoustic performance requirements under naturally ventilated conditions (Department of Planning, ADG etc) can be achieved on Levels 0-8.

Provided that a suitable acoustic design is adopted as part of Stage 2 DA documentation, there is no reason from an acoustic viewpoint that residential use on Levels 0-8 be prohibited on the site.

APPENDIX A Glossary of terminology

The following is a brief description of the technical terms used to describe noise to assist in understanding the technical issues presented.

Adverse weather	Weather effects that enhance noise (that is, wind and temperature inversions) that occur at a site for a significant period of time (that is, wind occurring more than 30% of the time in any assessment period in any season and/or temperature inversions occurring more than 30% of the nights in winter).
Ambient noise	The all-encompassing noise associated within a given environment at a given time, usually composed of sound from all sources near and far.
Assessment period	The period in a day over which assessments are made.
Assessment point	A point at which noise measurements are taken or estimated. A point at which noise measurements are taken or estimated.
Background noise	Background noise is the term used to describe the underlying level of noise present in the ambient noise, measured in the absence of the noise under investigation, when extraneous noise is removed. It is described as the average of the minimum noise levels measured on a sound level meter and is measured statistically as the A-weighted noise level exceeded for ninety percent of a sample period. This is represented as the L90 noise level (see below).
Decibel [dB]	The units that sound is measured in. The following are examples of the decibel readings of every day sounds: 0dB The faintest sound we can hear 30dB A quiet library or in a quiet location in the country 45dB Typical office space. Ambience in the city at night 60dB CBD mall at lunch time 70dB The sound of a car passing on the street 80dB Loud music played at home 90dB The sound of a truck passing on the street 100dB The sound of a rock band 115dB Limit of sound permitted in industry 120dB Deafening
dB(A)	A-weighted decibels. The A-weighting noise filter simulates the response of the human ear at relatively low levels, where the ear is not as effective in hearing low frequency sounds as it is in hearing high frequency sounds. That is, low frequency sounds of the same dB level are not heard as loud as high frequency sounds. The sound level meter replicates the human response of the ear by using an electronic filter which is called the "A" filter. A sound level measured with this filter switched on is denoted as dB(A). Practically all noise is measured using the A filter.
dB(C)	C-weighted decibels. The C-weighting noise filter simulates the response of the human ear at relatively high levels, where the human ear is nearly equally effective at hearing from mid-low frequency (63Hz) to mid-high frequency (4kHz), but is less effective outside these frequencies.
Frequency	Frequency is synonymous to pitch. Sounds have a pitch which is peculiar to the nature of the sound generator. For example, the sound of a tiny bell has a high pitch and the sound of a bass drum has a low pitch. Frequency or pitch can be measured on a scale in units of Hertz or Hz.
Impulsive noise	Having a high peak of short duration or a sequence of such peaks. A sequence of impulses in rapid succession is termed repetitive impulsive noise.
Intermittent noise	The level suddenly drops to that of the background noise several times during the period of observation. The time during which the noise remains at levels different from that of the ambient is one second or more.
L _{Max}	The maximum sound pressure level measured over a given period.
L _{Min}	The minimum sound pressure level measured over a given period.

L ₁	The sound pressure level that is exceeded for 1% of the time for which the given sound is measured.
L ₁₀	The sound pressure level that is exceeded for 10% of the time for which the given sound is measured.
L ₉₀	The level of noise exceeded for 90% of the time. The bottom 10% of the sample is the L90 noise level expressed in units of dB(A).
L _{eq}	The "equivalent noise level" is the summation of noise events and integrated over a selected period of time.
Reflection	Sound wave changed in direction of propagation due to a solid object obscuring its path.
SEL	Sound Exposure Level (SEL) is the constant sound level which, if maintained for a period of 1 second would have the same acoustic energy as the measured noise event. SEL noise measurements are useful as they can be converted to obtain Leq sound levels over any period of time and can be used for predicting noise at various locations.
Sound	A fluctuation of air pressure which is propagated as a wave through air.
Sound absorption	The ability of a material to absorb sound energy through its conversion into thermal energy.
Sound level meter	An instrument consisting of a microphone, amplifier and indicating device, having a declared performance and designed to measure sound pressure levels.
Sound pressure level	The level of noise, usually expressed in decibels, as measured by a standard sound level meter with a microphone.
Sound power level	Ten times the logarithm to the base 10 of the ratio of the sound power of the source to the reference sound power.
Tonal noise	Containing a prominent frequency and characterised by a definite pitch.

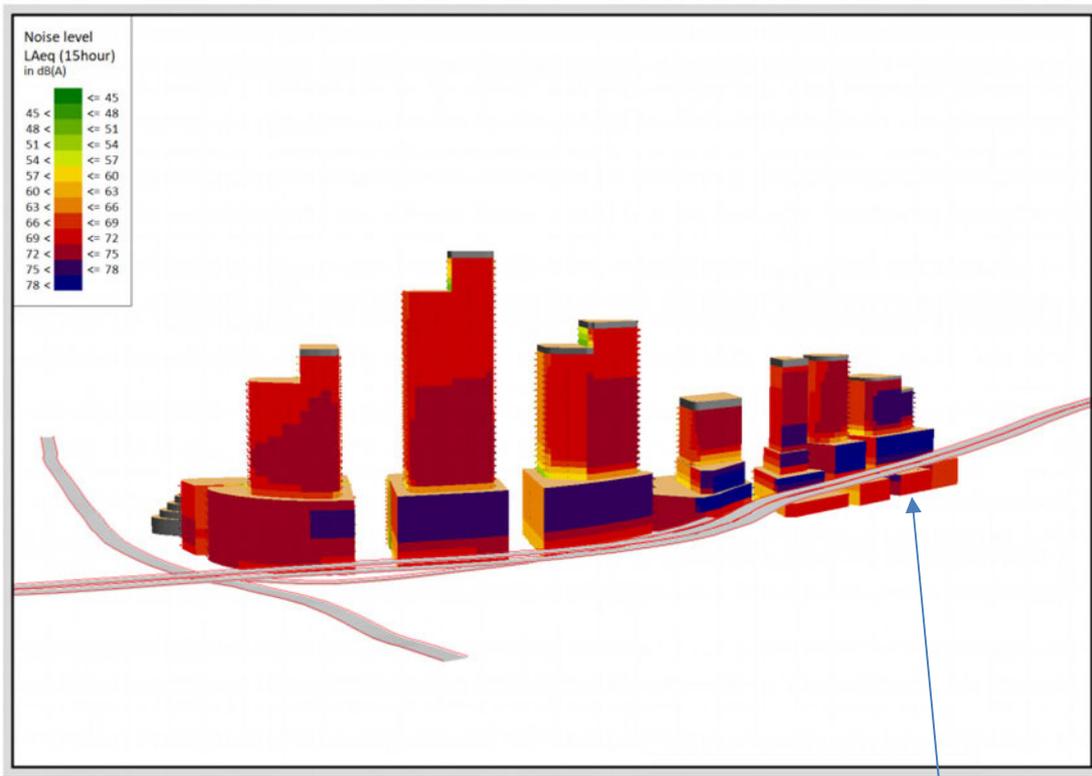
APPENDIX B Extract from SLR Noise and Vibration Assessment, 41/5/2021 – Noise Logging Result Summary (Western Distributor)

L.01 – Ambient Noise Monitoring Results Report 610.17565-R01 Page 1

<p>Noise Monitoring Location: L.02</p> <p>Noise Monitoring Address: 132 Bank Street</p> <p>Logger Device Type: Brüel and Kjær 2250, Logger Serial No: 3005908 Sound Level Meter Device Type: Brüel and Kjær 2250, Sound Level Meter Serial No: 2487418</p> <p>Ambient noise logger deployed at commercial address 132 Bank Street, Pyrmont. Logger located at Goodman, Level 2, in line with the height of the Western Distributor.</p> <p>Attended noise measurements indicate the ambient noise environment at this location is dominated by continuous road traffic noise from Western Distributor with intermittent operational noise emissions from nearby industrial premises at ground level also contributed to the LAeq at this monitoring position.</p> <p>Recorded Noise Levels: (LAmax): 15/02/18: Light-vehicle traffic (Bank Street): 72 - 73 dBA, Heavy-vehicle traffic (Bank Street): 78 dBA, Light-vehicle traffic (Western Distributor): 75 - 82 dBA, Heavy-vehicle traffic (Western Distributor): 81 - 82 dBA, Operational noise: 75 76 dBA</p>	<p style="text-align: center;">Map of Noise Monitoring Location</p> 																																																
<p>Ambient Noise Logging Results – NPfl Defined Time Periods</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Monitoring Period</th> <th colspan="4">Noise Level (dBA)</th> </tr> <tr> <th>RBL</th> <th>LAeq</th> <th>L10</th> <th>L1</th> </tr> </thead> <tbody> <tr> <td>Daytime</td> <td>70</td> <td>75</td> <td>76</td> <td>79</td> </tr> <tr> <td>Evening</td> <td>70</td> <td>74</td> <td>75</td> <td>78</td> </tr> <tr> <td>Night-time</td> <td>61</td> <td>72</td> <td>72</td> <td>76</td> </tr> </tbody> </table> <p>Ambient Noise Logging Results – RNP Defined Time Periods</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Monitoring Period</th> <th colspan="2">Noise Level (dBA)</th> </tr> <tr> <th>LAeq(Period)</th> <th>LAeq(1hour)</th> </tr> </thead> <tbody> <tr> <td>Daytime (7am-10pm)</td> <td>74</td> <td>76</td> </tr> <tr> <td>Night-time (10pm-7am)</td> <td>72</td> <td>76</td> </tr> </tbody> </table> <p>Attended Noise Measurement Results</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Date</th> <th rowspan="2">Start Time</th> <th colspan="3">Measured Noise Level (dBA)</th> </tr> <tr> <th>LA90</th> <th>LAeq</th> <th>LAmax</th> </tr> </thead> <tbody> <tr> <td>15/02/2018</td> <td>7:40am</td> <td>67</td> <td>71</td> <td>82</td> </tr> </tbody> </table>	Monitoring Period	Noise Level (dBA)				RBL	LAeq	L10	L1	Daytime	70	75	76	79	Evening	70	74	75	78	Night-time	61	72	72	76	Monitoring Period	Noise Level (dBA)		LAeq(Period)	LAeq(1hour)	Daytime (7am-10pm)	74	76	Night-time (10pm-7am)	72	76	Date	Start Time	Measured Noise Level (dBA)			LA90	LAeq	LAmax	15/02/2018	7:40am	67	71	82	<p style="text-align: center;">Photo of Noise Monitoring Location</p> 
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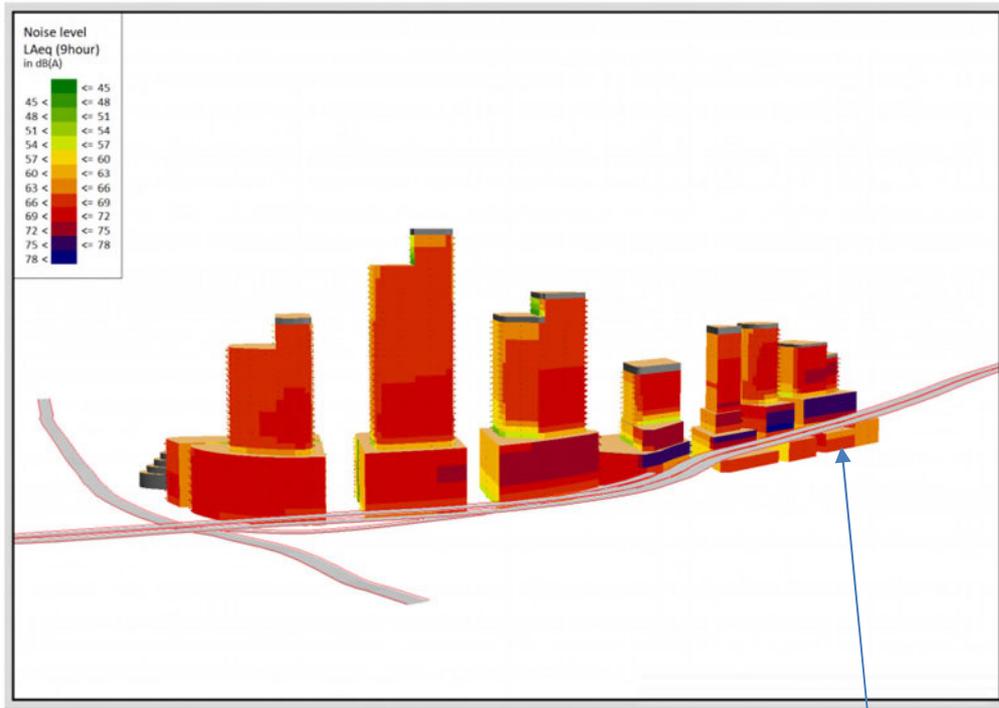
APPENDIX C Extract from SLR Noise and Vibration Assessment, 31/5/2021 (Façade Noise Mapping)

Figure C1 Eastern/North-eastern Façade Road Traffic Façade Noise Map – Daytime (Hymix site redeveloped)



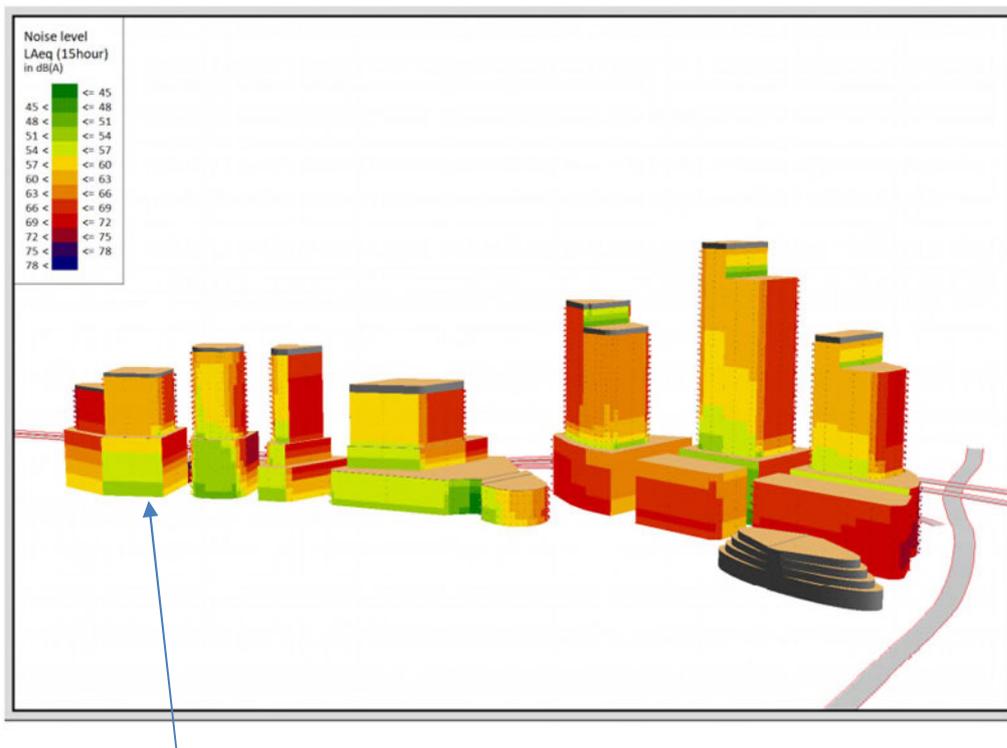
Poulos Site – Viewed from North

Figure C3 Eastern/North-eastern Facade Road Traffic Façade Noise Map – Night-time (Hymix site redeveloped)



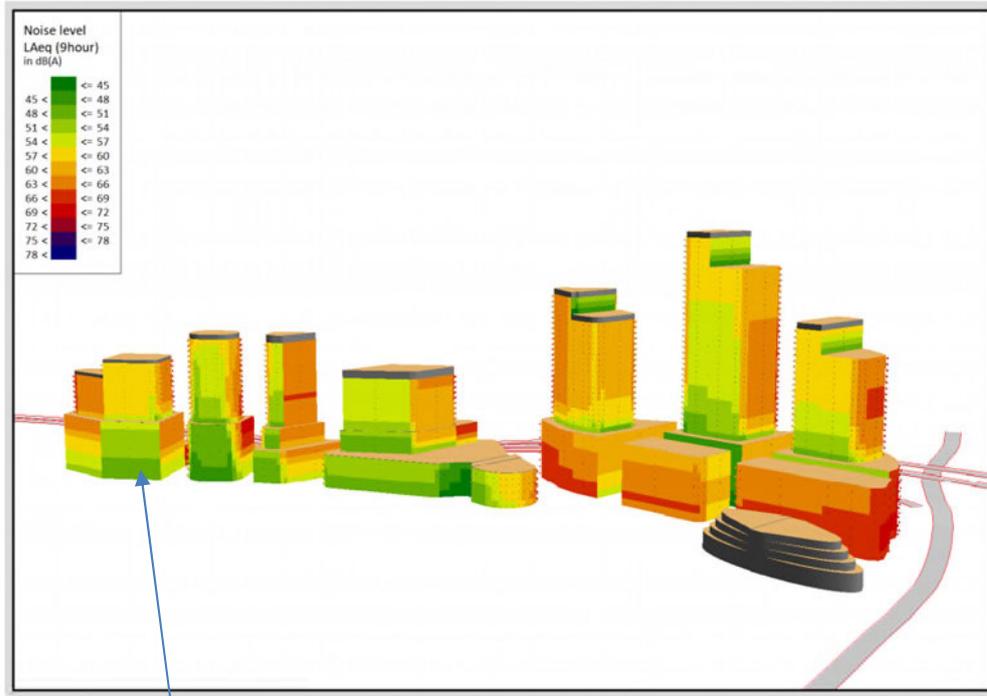
Poulos Site – Viewed from North

Figure C5 Western/South-western Facade Road Traffic Façade Noise Map – Daytime (Hymix site redeveloped)



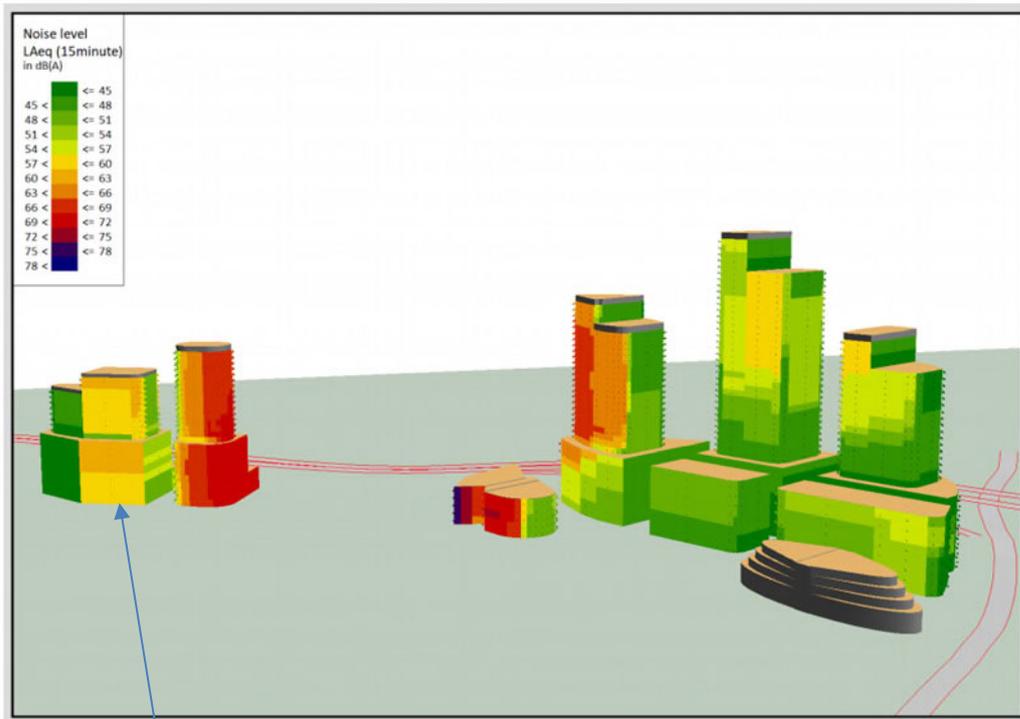
Poulos Site – Viewed from South

Figure C7 Western/South-western Facade Road Traffic Façade Noise Map – Night-time (Hymix site redeveloped)



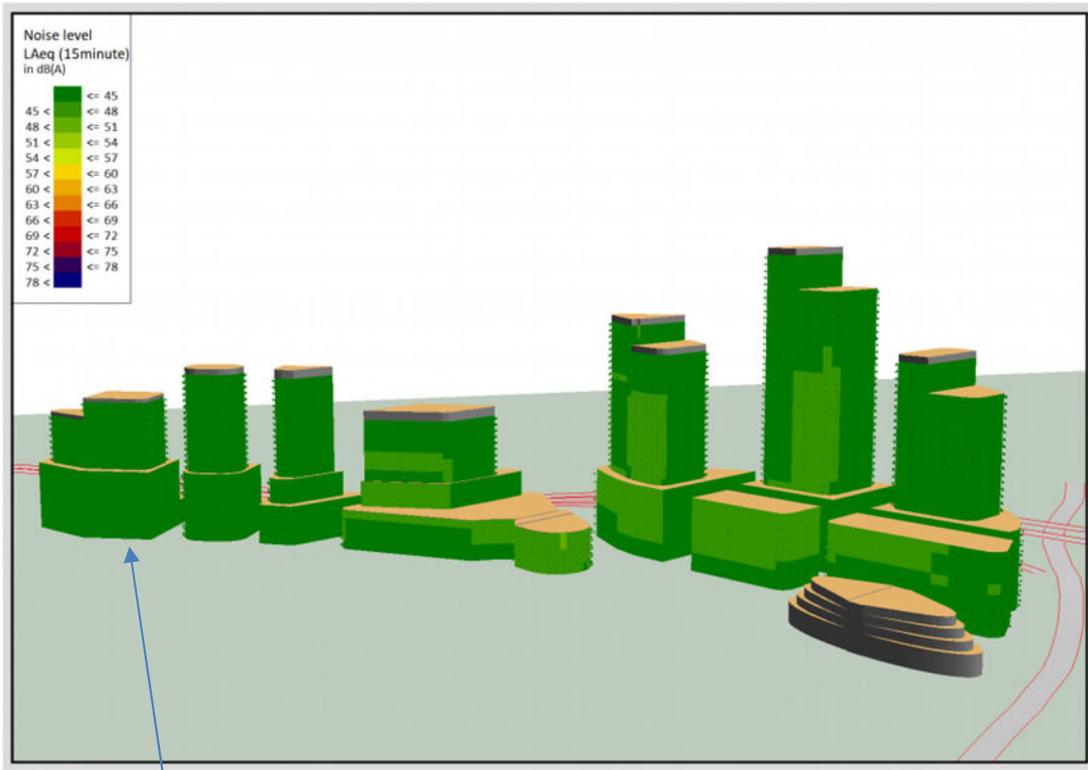
Poulos Site – Viewed from South

Figure C10 Western/South-western Facade Industrial Façade Noise Map – Night-time (Hymix & New Sydney Fish Market)



Poulos Site – Viewed from South

Figure C12 Western/South-western Facade Industrial Façade Noise Map – Night-time (New Sydney Fish Market only)



Poulos Site – Viewed from South

Appendix D. Air Quality Assessment



DATE:	August 19, 2021	RWDI REFERENCE #: 2105734
TO:	Con J. Liaros	Poulos Bros Seafoods
CC:	Tom Goode	Ethos Urban
FROM:	Kevin Peddie	Email: kevin.peddie@rwdi.com
	Michael Pieterse	michael.pieterse@rwdi.com
	Mike Lepage	mike.lepage@rwdi.com
RE:	Poulos Bros Bank Street Site – Bays Market District Building Air Quality	

RWDI has reviewed the report entitled “Blackwattle Bay State Significant Precinct, Attachment 17: Air Quality Assessment”, which is dated June 2021. The report was produced to support development of a new planning framework for Blackwattle Bay.

1 Precinct Plan

The Precinct Plan building layout on which the study was based consists of 11 buildings (BLD01 to BLD07, PL01-Poulos, PL02-Celestine, PL03-Hymix 1 and PL03-Hymix 2), of which 7 are podium-mounted, high-rise towers. The Precinct Plan is stated to include the following mitigation measures for air quality:

- Stepped-back design to minimize urban street canyon effects;
- No sensitive receptors within 20m of major roadways;
- No residential uses on the lower 8 floors of the buildings, except for BLD02, which has residential uses on all floors except the ground floor.

2 Assessment Approach

2.1 Overall Approach

The overall approach to the assessment was consistent with widespread practice in the field of air quality. It consisted of the following components.

- Numerical weather simulation for one representative year.
- Published emissions factors and databases to estimate emissions from significant emission sources.
- Numerical simulation of pollutant dispersal for the significant sources, as a function of meteorological conditions.
- Use of historical air quality monitoring data to represent background air pollutant levels.
- Integration of the monitoring data and the numerical simulation output.

- Comparison of cumulative pollutant levels to relevant standards and/or assessment goals.

2.2 Emission Sources in the Assessment

The significant emission sources included in the simulation were traffic on the Western Distributor, traffic on other local roads with AM peak-hour traffic flow greater than 500 vehicles, and the Hymix concrete batching plant. Emissions from more distant industries, port operations, marine traffic and lesser roads in the Blackwattle Bay area were not included in the simulation and, instead, were assumed to be accounted for in the historical monitoring data. The report assessed the Sydney Fish Market as a source of odours, by a separate assessment. The fish market was not included as a source of air emissions in the numerical simulations. The above approach is reasonable and appropriate.

Due to limitations of the computer programme used to calculate motor vehicle emissions on the modelled sections of roadways, the emissions were based on 2010 fleet characteristics. However, fleet-averaged motor vehicle emissions in Australia have declined since 2010 and are expected to decline further in the future. This approach, therefore, overestimates the roadway emissions that will be experienced by the development once it is completed. To address this issue, the report includes a section dealing with the effect of future vehicle emission reductions. This approach is satisfactory with further modelling during the design phase to understand this difference.

The assessment was carried out for two scenarios: (1) full development of Precinct Plan, with the Hymix facility replaced by mixed-use development; and (2) partial development of the Precinct Plan, with the Hymix facility still in place and operating.

2.3 Weather Simulation

The development of 3-dimensional weather data was accomplished using CSIRO's prognostic weather model, TAPM, whose output was fed into the US EPA's diagnostic weather model, CALMET, and from there to a mesoscale meteorological model known as GRAMM, developed by GRAZ University of Technology, Austria. The latter model generates the 3-dimensional meteorological output in a suitable format for the dispersion model, GRAL. This approach appears to be reasonable and appropriate although does not appear to align with local meteorological weather stations or the wind rose noted in the wind report for the precinct. The effect of this difference should be investigated in further detail and refined to focus on the Poulos Bros Bank Street Site.

2.4 Simulation of Pollutant Dispersal and Selected Air Pollutants

The GRAL dispersion model is understood to have been selected as it has the capability to account for the localised effects of buildings and obstacles, and low wind speed conditions, making it a suitable choice for modelling the urban environment.

The simulation was performed only for oxides of nitrogen (specifically NO₂) and airborne particulate matter. Other air pollutants (VOC species, SO₂) were not simulated as the historical monitoring data indicated a very low likelihood for exceedances of relevant air quality criteria for these pollutants. This approach is sufficient.

2.5 Comments on the Approach

The approach meets or exceeds general practice in the field of air quality. The selection of sources, sensitive receptors, representative meteorological year, air pollutant species and the simulation software all appears to be appropriate to the situation. Two issues were identified that bear further examination:

1. No comparison was made of the simulated weather fields to actual weather observations made at one or more weather stations in the surrounding area. This would give a sense of the suitability of the simulated weather fields and whether, for instance, wind speeds might be generally overestimated or underestimated, etc..
2. In the pictorial results (e.g., in Figures 26, 27, 28, and 29), the results for the lower levels of building BLD02 are out of line with those for adjacent buildings and with the tabular results for BLD02.

3 Results

The results indicate acceptable air quality conditions for sensitive uses at levels above the first 8 floors on facades that have a line of sight to the major roadways, and at all levels on facades that face away from the roadways. The main exception occurs for fine particulate matter (PM_{2.5}), in which case the long-term exposure criteria are exceeded on all facades within the first 8 floors, even those facing away from the roadways. However, it is likely that the degree of the exceedance is small on facades facing away from the freeway.

On the lower levels of facades with a line of sight to the highway, the air quality conditions improve with increasing setback from the freeway, with the results being more favourable on the freeway-facing facades of BLD02 through BLD04, which have a larger setback from the highway than PLO01 through PLO03.

Overall, the results appear to be credible. They indicate that having commercial and retail uses in the lower 8 floors is an appropriate mitigation measure for facades with a line of sight to the major roadways. However, residential uses on lower floors appear to be generally appropriate at sides of the buildings that face away from the roadways and may also be appropriate if suitable setbacks or other mitigation measures are achieved on sides facing the major roadways. This could be confirmed during detailed assessments that the air quality report recommends be undertaken on final building configurations.

A preliminary indicative plan and sectional view (Image 1) have been reviewed of a design being developed for the Poulos Brothers site on Bank Street. The preliminary

design consists of residential units starting at the second level of the tower, which is below the level of the freeway deck. On the other hand, the air quality study of the Precinct Plan was based on 8 levels of commercial, with the lowest residential levels being several levels above the level freeway deck. In addition, the lower residential units in the preliminary plan appear to be separated from the freeway by less than 20m, which means they are within the area where the NSW interim guideline on Development Near Rail Corridors and Busy Roads recommends air quality be a design consideration.

This does not necessarily mean that residential uses are not feasible below the 9th floor level. However, for these residential units, it would be desirable to avoid balconies and operable windows on the freeway side of the apartments. Fresh air for ventilation of the apartments should be provided from openings at the water side or, if a central air system is to be used for ventilation, it could be provided from louvres on a mechanical floor located higher up on the building. As noted, the air quality levels can be confirmed during a detailed assessment for the final building configuration which could also capture the comments noted in Section 2.5.

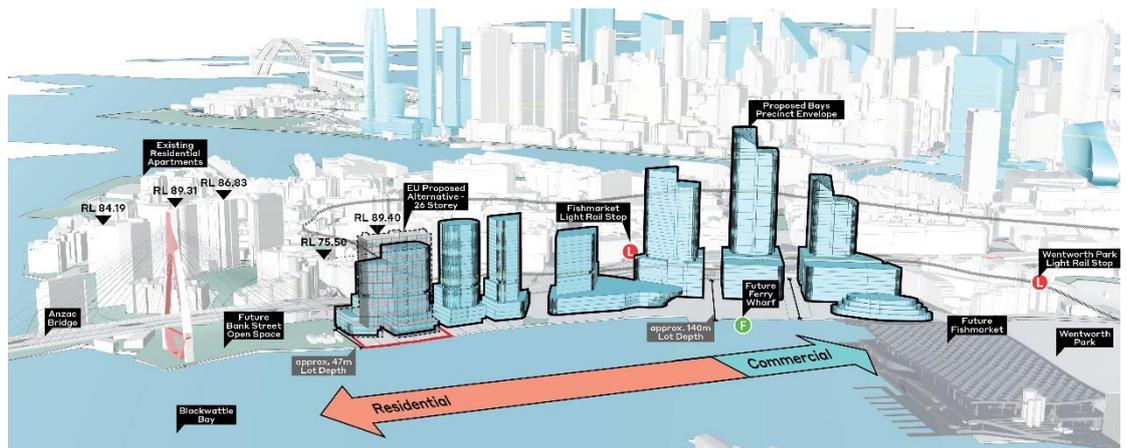


Image 1: Blackwattle Bay Development Precinct

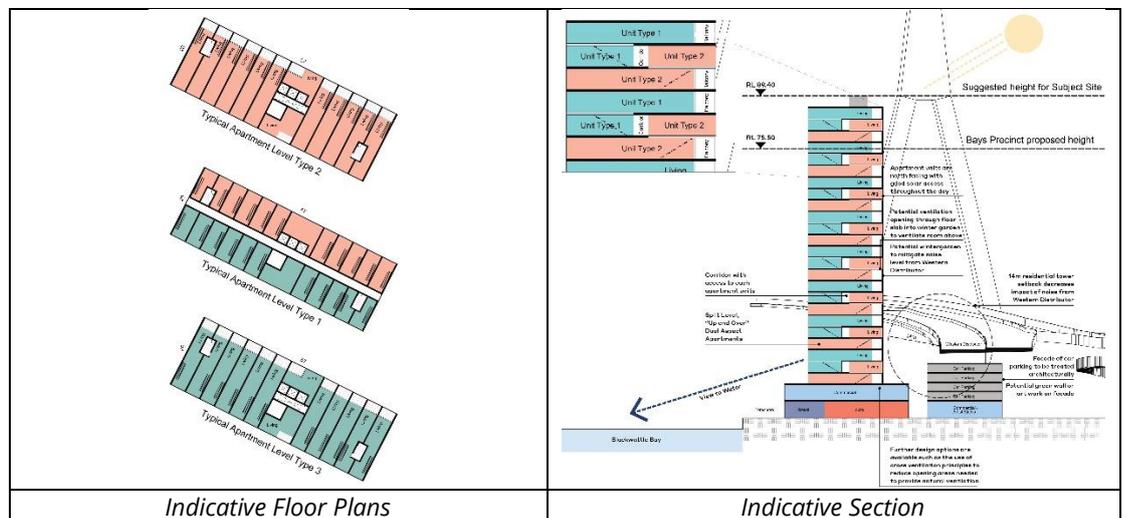


Image 2: Indicative Floor Plans and Section of the Poulos Bros Bank Street Site

Attachment B

Submission to the draft Pyrmont Peninsula Place Strategy

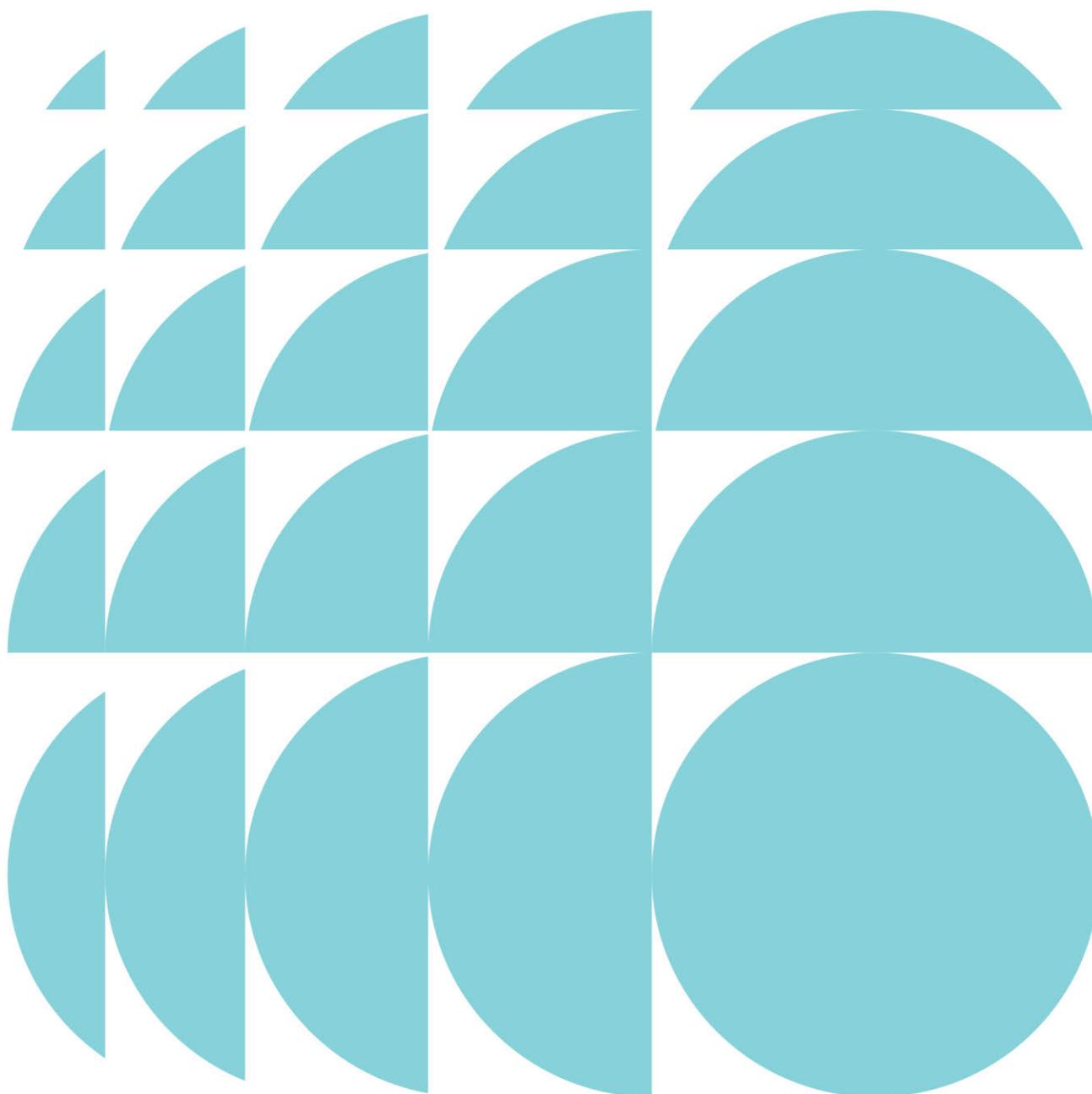
ETHOS URBAN

Submission to the draft Pyrmont Peninsula Place Strategy

Submitted to NSW Department of Industry,
Environment and Planning

On behalf of Poulos Brothers Seafoods

13 September 2020 | 15695



CONTACT

Tom Goode Director tgoode@ethosurban.com 9409 4926

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This document has been reviewed by:



Hannah McDonald

11 September 2020

Tom Goode

11 September 2020

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VERSION NO.

DATE OF ISSUE

REVISION BY

APPROVED BY

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Contents

1.0	Introduction	2
2.0	Poulos Bros and the site	4
3.0	The Broad Vision and Strategic Directions	5
3.1	Big Move #1 and Strategic directions for a harbour foreshore walk	5
3.2	Strategic directions for commercial floorspace	6

4.0	Structure Plan	7
5.0	Framework for Key Sites	8
5.1	Response 1: Building Heights based on Anzac Bridge pylons	8
5.2	Response 2: Tower clusters	9
5.3	Response 3: Principle of “stepping down of building heights”	10
5.4	Response 4: Equity of FSR	13

6.0	Conclusion	14
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Figures

Figure 1	Site context	4
Figure 2	The Poulos Bros site harbour interface	5
Figure 3	Pymont Peninsula Structure Plan	7
Figure 4	Sites capable of change & Taller Building clusters	9
Figure 5	Height Strategy	10
Figure 6	Jacksons Landing height reference	11
Figure 7	Jacksons Landing height reference	12

1.0 Introduction

This submission has been prepared by Ethos Urban on behalf of Poulos Bros Seafoods (Poulos Bros). Poulos Bros have operated at 21-29 Bank Street, Pyrmont since 1985. They are a shareholder in Sydney Fish Market Pty Ltd and as such, the synergies between the Bank Street site and the Fish Markets for the group are considerable.

This document responds directly to the draft Pyrmont Peninsula Place Strategy (**The Place Strategy**) released for consultation by the NSW Department of Planning, Infrastructure and Environment (**DPIE**).

Poulos Bros welcomes the release of the release of the Place Strategy and looks forward to working closely with DPIE and Infrastructure NSW on the Sub-Precinct Master Plans / State Significant Precinct plan that will provide the critical detail and subsequent planning framework.

Poulos Bros recognise that planning for the Place Strategy is running concurrently with detailed planning for the Market District undertaken by Infrastructure NSW and emphasise that the direction of the Place Strategy should inform detailed design of the market district. It appears that the current Place Strategy does not take a 'top down' approach to the Bays Market District, but has been informed by the INSW works to date.

To inform the next steps by DPIE, we make the following points for consideration in the finalisation of the Place Strategy:

- **A waterfront promenade:** Big Move 1 in the draft Pyrmont Peninsula Place Strategy (2020) focuses on delivering a “world-class harbour foreshore walk”. As the most western lot in Blackwattle Bay, achieving a continuous waterfront promenade will require access to the Poulos Bros site otherwise the vision cannot be achieved. The position of Poulos Bros has always been clear, the proposed development outcomes for the site must enable the disposal of the site and the relocation of the Poulos Bros operations to a suitable location.
- **FSR equity:** The initial unwritten principle in the draft Pyrmont Peninsula Place Strategy (2020) was the equity of floor space ratio (FSR). The draft Strategy has not established a principle-based approach to ‘FSR equity’ and the current position clearly benefits the Government site. FSR controls should be a result of a principles, design led process to allocate heights, densities and land uses that respond, on merit, to each site’s unique attributes.
- **Building Heights:** The relationship of development and the Anzac Bridge pylons has never been established as a principle to guide the redevelopment in the Precinct, however is being applied by INSW in its precinct planning which has subsequently informed the Place Strategy built forms. For example, the building heights established at Jacksons Landing, immediately north of the Poulos Bros site does not accord with this principle. The established principle of protecting Glebe Foreshore solar access should drive building height. We are of the opinion that 35+ storeys at these sites is supportable – particularly considering the proposed building heights of the government controlled lands at the existing Fish Markets site.
- **Commercial floor space:** The draft Strategy (2020) intends to increase the supply of commercial buildings across Pyrmont, identifying that an additional 600,000-800,000 sqm of floorspace will be required across the peninsula by 2041. The Framework for Key Sites identifies the prioritisation of the delivery of employment floorspace as a special consideration for Blackwattle Bay. Overall, there seems to be a lack of justification for the quantum of proposed commercial floorspace, particularly as it relates to the Poulos Bros site which is the furthest from public transport and key activity nodes. In addition to this, the current response to the COVID pandemic is for workplace flexibility and as such, there is no surety in the commercial market going forward.
- **Infrastructure contributions plan:** There needs to be an infrastructure contributions plan or framework to aid in the funding of critical infrastructure such as the Metro West and other key transport initiatives.
- **A new Metro station:** Formalise TfNSW’s position for Sydney Metro West’s future presence within Pyrmont, mindful of TfNSW’s plans for improved multimodal transport connectivity to the precinct, including light rail, ferries, buses, and active transport with a specific focus on the role of a future Metro West project and station in Pyrmont. The draft Strategy provides the opportunity to consider and pursue wider reforms in terms of public transport and accessibility for the peninsula.

- **Tower clusters:** The tower cluster analysis prepared by Hassell (2020) does not include the Poulos Bros site, however, identifies an opportunity for a new tower cluster on the northern boundary of Bank Street, immediately opposite the subject site. The justification of this is challenged as both sides of Bank Street uphold equal strategic value and currently face the same accessibility challenges, yet the Poulos Bros site benefits from greater amenity from the harbour foreshore location.
- **A strategic opportunity lost:** In addition to being part of the study area forming the draft Pyrmont Peninsula Place Strategy, the Poulos Bros site forms part of the Blackwattle Bay precinct which is currently under consideration for greater renewal and redevelopment by Infrastructure NSW. There needs to be consistency with the strategic direction in planning for the Blackwattle Bay precinct and Pyrmont Peninsula. The draft Pyrmont Peninsula Place Strategy should also consider the site in its broader context, as planning for the Blackwattle Bay precinct will likely consider high rise redevelopment of lands at Glebe Island and Bays West. Building Heights should not be scaled down to the west and should consider 35+ storeys for the Blackwattle Bay precinct. Furthermore, the Place Strategy should set the context for the INSW Bays Market Precinct, and not the other way around.

Finally, Poulos Bros. are a shareholder in Sydney Fish Market Pty Ltd and as such, the synergies between the Bank Street site and the Fish Markets are considerable. Therefore, the viability of any redevelopment of the site must consider the significant sunk cost – and opportunity costs of additional transportation and operation costs of relocating their operations away from this Precinct.

At present, the redevelopment metrics for Poulos Bros do not 'stack up'.

2.0 Poulos Bros and the site

Poulos Bros own the site at 21-28 Bank Street, Pyrmont. The site context and comprised lots is illustrated in **Figure 1** below.

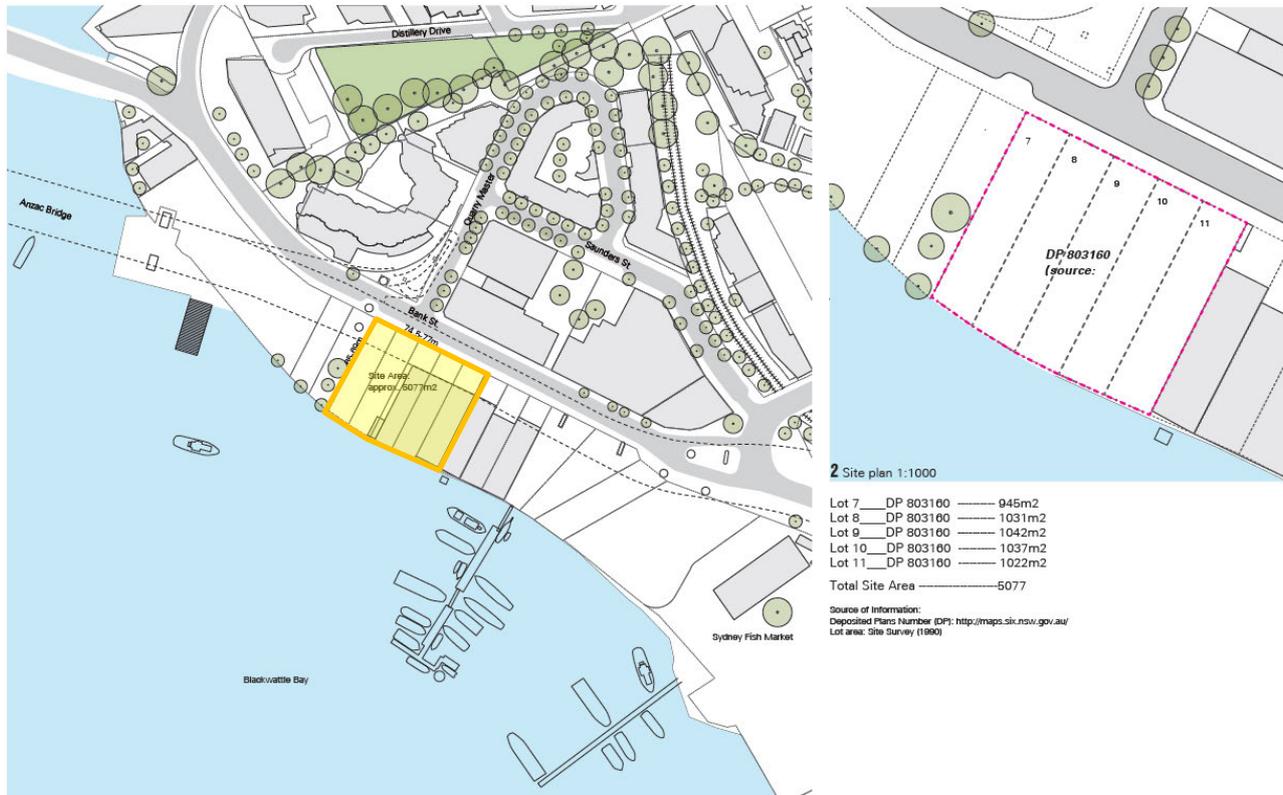


Figure 1 Site context

Source: Ethos Urban

- Poulos Bros. Group is a family owned and operated business established in 1967. Their operations have been primarily based at the Bank Street site when it was purchased in 1985 prior to the construction of the Anzac Bridge. The Poulos Bros Group business includes:
 - Headquarters and distribution centre at the Bank Street site;
 - Two wholesale operations in the Sydney Fish Market; and
 - A processing and distribution centre in Brisbane and Melbourne.
- The business is among the largest independent wholesaler of fish in Australia, operating a fleet of 30 vehicles with around 150 vehicle movements daily. It is a major contributor to the local economy, supplying to restaurants, hotels and the casino in Sydney’s CBD and employs over 100 people on site.
- Poulos Bros operate at the Bank Street site as they rely on access to the harbour foreshore and the surrounding arterial road network to distribute supplies.
- The site presents an opportunity for urban renewal in response to the strategic direction for new housing and jobs within a ‘30-minute city’ as established by the GSC and DPIE. Further, this site holds high strategic value; positioned adjacent to Blackwattle Bay and the future open space proposed in the Plan – being the last private landholding on the western part of the land that forms the Bays Market District.

3.0 The Broad Vision and Strategic Directions

The draft Pyrmont Peninsula Place Strategy (2020) establishes a clear vision for Pyrmont Peninsula:

In 2041, the Pyrmont Peninsula will be an innovative, creative and cultural precinct and an engine room of the Eastern Harbour CBD. It will connect to the Innovation Corridor and other innovation and job precincts via Sydney Metro and complement the Sydney CBD.

The 10 Directions that have been identified to guide growth to 2041, with the intent of addressing matters of strategic economic, social and environmental significance in the Pyrmont Peninsula are all supported. These are supplemented by 5 Big Moves that are seen as broader and more strategic in their delivery that are again supported at a high level.

It is evident however that many of the established 10 Directions to guide growth in Pyrmont Peninsula broadly cascade from the delivery of a new Metro station – one of the 5 Big Moves. Strategic opportunities derived from the 10 Directions are established at a finer grain, with the draft Pyrmont Peninsula Place Strategy (2020) identifying sub-precincts. The Poulos Bros site is located in the Blackwattle Bay sub-precinct.

In response to the strategic directions established by DPIE, Poulos Bros raise the following concerns.

3.1 Big Move #1 and Strategic directions for a harbour foreshore walk

Under Big Move 1, DPIE focuses on achieving “a world class harbour foreshore walk”. As the most western lot in the Blackwattle Bay area immediately adjacent the future open space, achieving a continuous harbour foreshore walk will require access to the Poulos Bros site, otherwise the vision cannot be achieved.

Urban renewal of the Poulos Bros site, including the delivery of a harbour foreshore walk, will increase visual and physical links to the wider Bays precinct and Sydney Harbour, enhancing connections to nearby residential locations, widening access to the labour catchment and a strategic opportunity for the Innovation Corridor. It will also create immense tourism benefits for the NSW Government and the local economy.

As shown in **Figure 2**, should redevelopment of the Poulos Bros site not occur, any hope of a continuous and connected harbour foreshore walk will be lost. If a feasible outcome is not reached, Poulos Bros will continue to operate at the site and a harbour foreshore walk cannot be delivered.

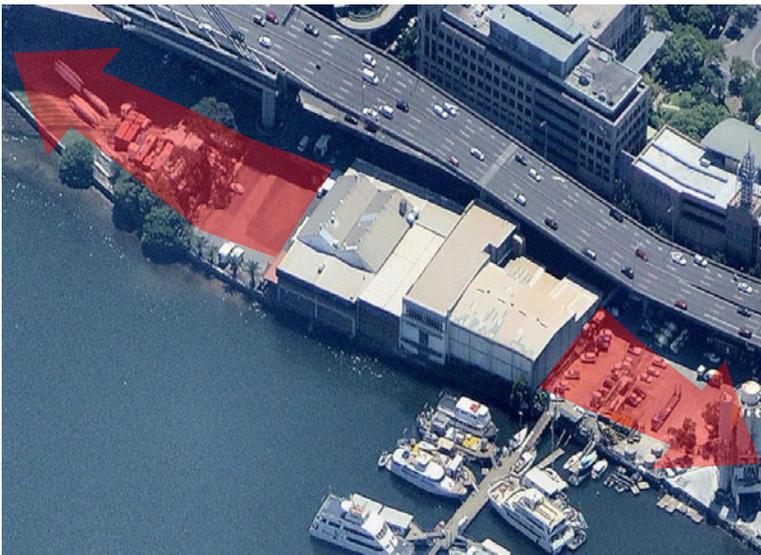


Figure 2 The Poulos Bros site harbour interface

Source: Nearmap

Further, Poulos Bros understand that INSW are investigating a floating pontoon as an alternative to a foreshore walkway link. This is clearly an indication of Government’s tacit recognition of the questionable viability of the Poulos Bros site.

3.2 Strategic directions for commercial floorspace

Poulos Bros raise concern regarding the context of job growth established in the vision and 10 Directions for Pyrmont Peninsula. The draft Strategy intends to increase the supply of commercial buildings across Pyrmont, identifying that an additional 600,000-800,000 sqm of floorspace will be required across the peninsula by 2041.

This is in the context of over 1,000,000sqm of additional commercial floor space as anticipated in the Central Sydney Planning Scheme.

Poulos Bros acknowledge that an integration of land use activity is critical to the success of Pyrmont. With this, it is also recognised that job growth is critical to Pyrmont, however Poulos Bros emphasis that place-based nuances regarding the location of new jobs, need to be carefully considered.

The Poulos Bros site is clearly not suited to a high proportion of non-residential floorspace.

For example, due to the site's distance from existing and planned transport infrastructure, any commercial land uses will likely generate capacity impacts on the local road network as will generate greater traffic than a residential use. The Poulos Bros site and the immediate surrounds are relatively isolated and disconnected from activity nodes and public transport. Future growth at this part of Blackwattle Bay will need to address connectivity and access constraints before significant volume of commercial floorspace aspirations are applied.

Further, allocating a quantum of floorspace aspiration needs to consider market dynamics in terms of the location of the Poulos Bros site within the context of city fringe centres. Future commercial floorspace at Blackwattle Bay will compete with more desirable city fringe locations. For instance, there is already a well-established media and innovation cluster on the eastern fringe of Pyrmont, with strong public transport and pedestrian access to the CBD. Another contributing factor to market dynamics is the need to secure pre-commitment in order to deliver large commercial floorplates and in this current market and the shift in the way people work, it will take some time to generate demand. Particularly if rental values and occupancy rates in Sydney CBD start to decline, this will have flow on impacts to the Blackwattle Bay market.

Finally, in the current circumstances of the COVID pandemic – there is no certainty as to the long term commercial market. This submission seeks a reduction in the non-residential floor space requirements of the plan.

4.0 Structure Plan

Shown in **Figure 3** below, the draft Structure Plan sets out the spatial interpretation of the vision and 10 Directions. The draft Structure Plan establishes a framework of the Peninsula with movement and open space networks linking neighbourhoods and places, whilst setting the context for the future sub-precinct master planning.



Figure 3 Pyrmont Peninsula Structure Plan

Source: NSW Department of Planning, Industry and Environment

The draft Structure Plan “sets the foundations to take the Peninsula to the next level as a jobs hub, while ensuring key placemaking and public benefit outcomes are secured with growth and change”. DPIE indicate that this is intended to be achieved through the delivery of:

- A diverse, connected, restorative public domain;
- An integrated movement network;
- Ridgetop village character and community;
- Significant renewal sites at parks and harbour edge.

Poulos Bros broadly support the draft Structure Plan, particularly DPIE’s outlined focus on “significant renewal sites at parks and harbour edge”. Though, Poulos Bros note that this focus is not reflected in HASELL document showing location opportunities for ‘tower clusters’. This is further discussed in the Framework for Key Sites below.

5.0 Framework for Key Sites

The Framework for Key Sites identifies the Star, Harbourside Shopping Centre, UTS Ultimo/Haymarket and Blackwattle Bay as Key Sites. These sites have been selected by DPIE under the assumption they will experience the greatest growth and change over the next 20 years.

The identified Blackwattle Bay Key Site includes the Poulos Bros site. DPIE note the principles of transparency, equity and probity have formed the basis for developing the Framework for Key Sites.

The draft framework outlines the following opportunities for additional public benefits for Blackwattle Bay Key Site:

- deliver 'low-line' beneath the Anzac Bridge pylons and the Western Distributor overpass
- a ribbon of activated, public open and recreational space, including formalised recreational boat facilities for Dragon Boats delivery of cultural and/or entertainment floorspace for recreation, meetings, events and new attractions.

The Poulos Site can deliver public benefit to the precinct through the potential of incorporating the Dragon Boat facility into any development, therefore freeing up much valued public open space. This has been discussed with INSW.

The following special considerations are identified for Blackwattle Bay, including:

- Sun access plane not breached, diversity of building heights with upper ranges limited to RL120-RL 156
- Prioritisation of the delivery of employment floorspace.

Importantly, the site is not affected by any heritage or character overlays and, as such, is relatively unencumbered to deliver greater GFA.

Poulos Bros do not agree with the special considerations, and are of the opinion that they, therefore, will encumber the ability for these sites to deliver the desired public benefit. These matters are discussed below.

5.1 Response 1: Building Heights based on Anzac Bridge pylons

It is clear that DPIE are moving away from increasing density at the northern end of Blackwattle Bay, where Poulos Bros site is located.

Poulos Bros suggest this further testing is needed as the heritage significance of these pylons and the implications for protecting the visual amenity is not backed up by evidence in the urban design technical reports.

There is inequality across Pyrmont peninsula with government lands identified as key catalysts of growth. This has been seen at Barangaroo whereby height was no obstacle to growth at the harbour foreshore. The NSW Government's view on respecting the heritage pylons of the Anzac Bridge is a position that has not been applied on development sites within the immediate vicinity, including Jacksons Landing.

Previous plans and strategies for Pyrmont and Blackwattle Bay have not specified the importance of height responding to the heritage pylons of Anzac Bridge (40 storeys). The focus on height disregards the economic role of the precinct and the employment floorspace that could be contributed within the context of Global Sydney.

Considering the building heights proposed for the government-controlled Fish Markets site, as well as existing heights of waterfront precincts such as Darling Harbour, Barangaroo, Circular Quay and Cockle Bay, we are of the opinion that additional height at the Poulos site is acceptable.

5.2 Response 2: Tower clusters

The Urban Design technical report undertaken by Hassell (July 2020) has informed DPIE’s position on opportunities for tower clusters the draft Pyrmont Peninsula Place Strategy (2020). **Figure 4** illustrates that the Poulos Bros site has been identified as a site capable of change and this aligns with the vision for Blackwattle Bay as a media hub, tourist destination and new mixed use quarter as outlined in the Structure Plan.

Given the draft Strategy (2020) intends to deliver high rates of growth across Pyrmont Peninsula by 2041, there is clear opportunity for the Poulos Bros site, as recognised as a site capable of change, to accommodate some of this demand given the high strategic value and foreshore amenity.

However, the capability to accommodate change has not translated to the opportunity areas for taller building clusters (Figure 4). The taller building cluster excludes the Poulos Bros site, including land immediately opposite, on the northern boundary of Bank Street. There is no technical evidence that supports this direction. The northern part of Bank Street upholds the same level of strategic value and is exposed to the same accessibility constraints as the Poulos Bros site. This land is also within the vicinity of the Anzac Bridge pylons and therefore should be treated equally in terms of respect for heritage.

It is evident that this is not the case and therefore Poulos Bros question why their site has been excluded from the tower cluster when DPIE have recognised the site is capable of change.

Poulos Bros note that the harbour foreshore walk has been included in the tower cluster opportunity map. Again, if a feasible outcome is not reached, Poulos Bros will continue to operate at the site and a harbour foreshore walk cannot be delivered. Further, the under-bridge activation sought in the plan, as well as the activation of the foreshore will not be delivered if adequate GFA is not allowed at the site.

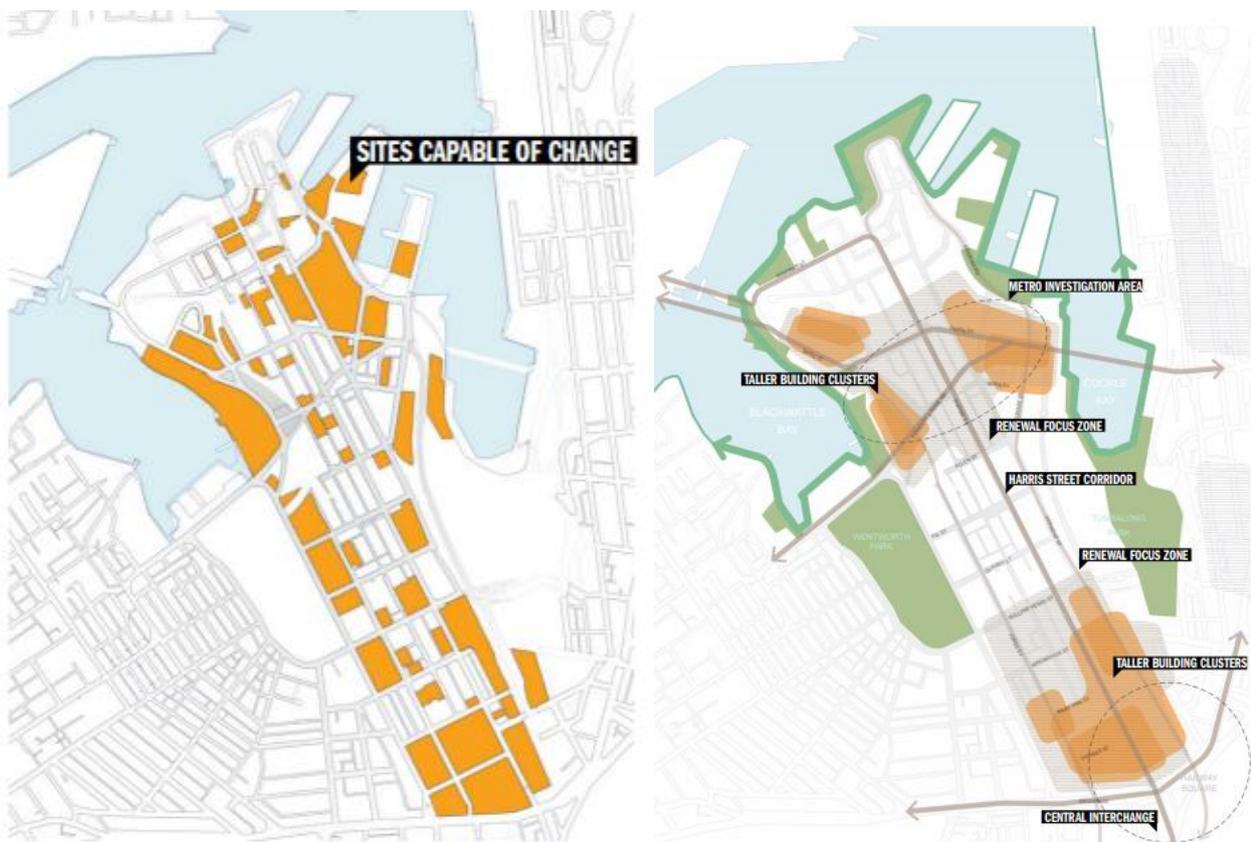


Figure 4 Sites capable of change & Taller Building clusters

Source: Hassell, July 2020

5.3 Response 3: Principle of “stepping down of building heights”

The Framework for Key sites proposes building heights with upper ranges limited to RL120-RL156 for Blackwattle Bay Key Site. It is believed the basis of this has been informed by the height strategy developed by Hassell in the urban design analysis (July 2020). The height strategy has applied a “stepping down” approach (see Figure 5) which considers the following attributes:

- Reinforcing the special historic character of the peninsula
- Protecting the amenity of key spaces and streets
- Recognising that many sites across the peninsula are unlikely to undergo renewal.

It is believed the approach of the height strategy takes a stepping down of building heights from the topographic high points within the peninsula to the harbour edge to protect the character. The analysis notes this is a key differentiator of the place and an attractor of workers and residents. However, it is unclear how the “stepping down” approach to building heights outweighs opportunity to deliver new homes and create jobs, whilst celebrating and protecting the amenity.

The height strategy notes solar access planes have been applied to new buildings to protect sunlight into the peninsula’s parks, plazas and main streets, however capacity testing has not been tested.

Overshadowing analysis undertaken demonstrates no overshadowing of the Glebe Harbour Foreshore for buildings of over 35+ storeys without solar impact implications. Given this, Poulos Bros extend the question of how basis for building heights has been determined.

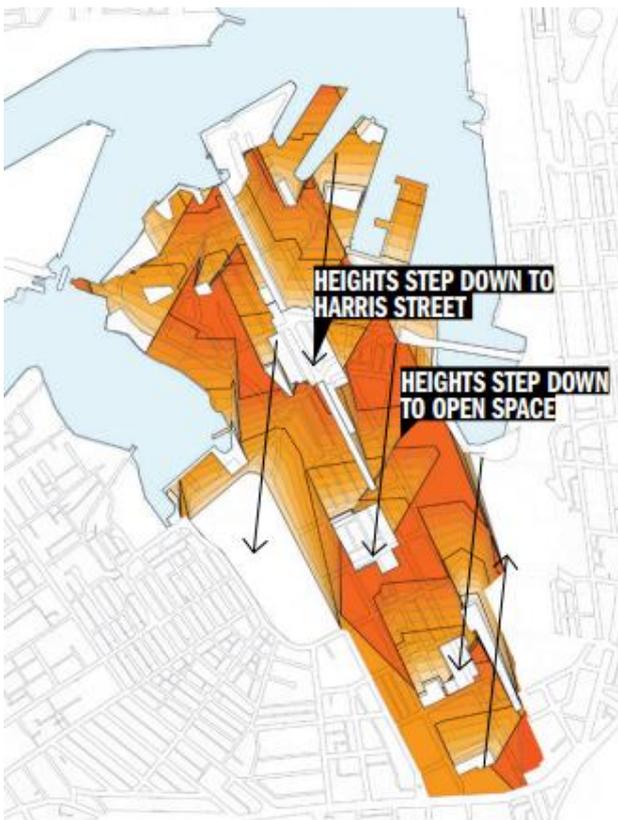


Figure 5 Height Strategy
 Source: Hassell, July 2020

Poulos Bros site has the potential to deliver densities greater than what has been proposed in the draft Pyrmont Peninsula Place Strategy (2020).

Considering the height profile of the buildings beyond the site, being Barangaroo and the Crown Tower, a building of minimum 35+ storeys at Poulos Bros site would:

- Achieve better context with the building heights on the Government land and the future renewal of areas west of the site;
- Provide suitable development feasibility to enable Poulos Bros relocation;
- Activate the foreshore and adjacent park and activate the (lesser) non-residential uses such as commercial and retail activities within and surrounding the site;
- Be in context with other tower sites across the peninsula, as well as other waterfront sites from Circular Quay, Barangaroo, Cockle Bay and Darling Harbour.
- Allow additional social and affordable housing that could be delivered in the scheme;
- Result in a far lesser car park generation than the three options presented by INSW in terms of land use mix.

Achieving this growth is consistent with recent urban renewal precincts within the vicinity of Blackwattle Bay as illustrated in **Figure 6** and **Figure 7** below.

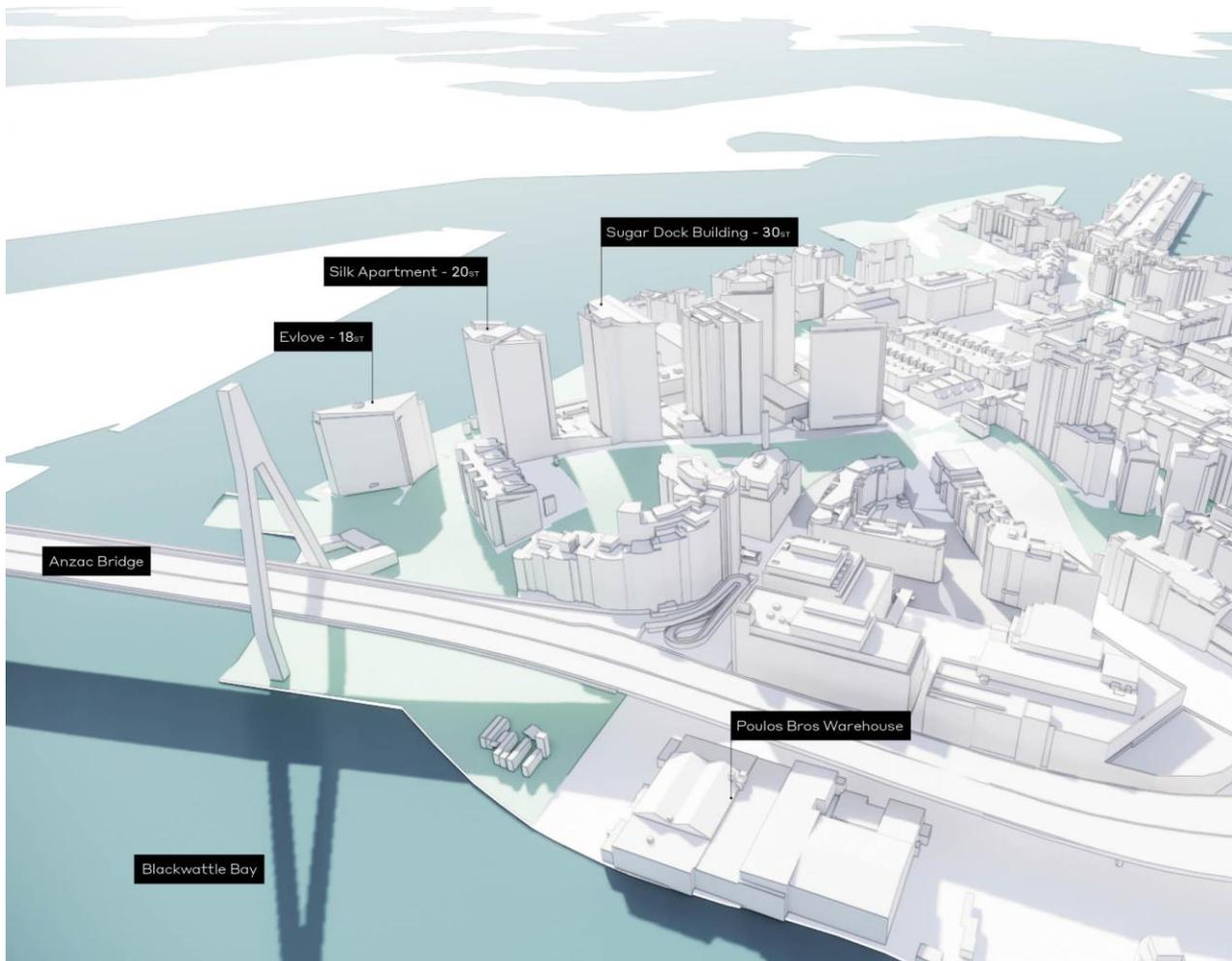


Figure 6 Jacksons Landing height reference

Source: Ethos Urban

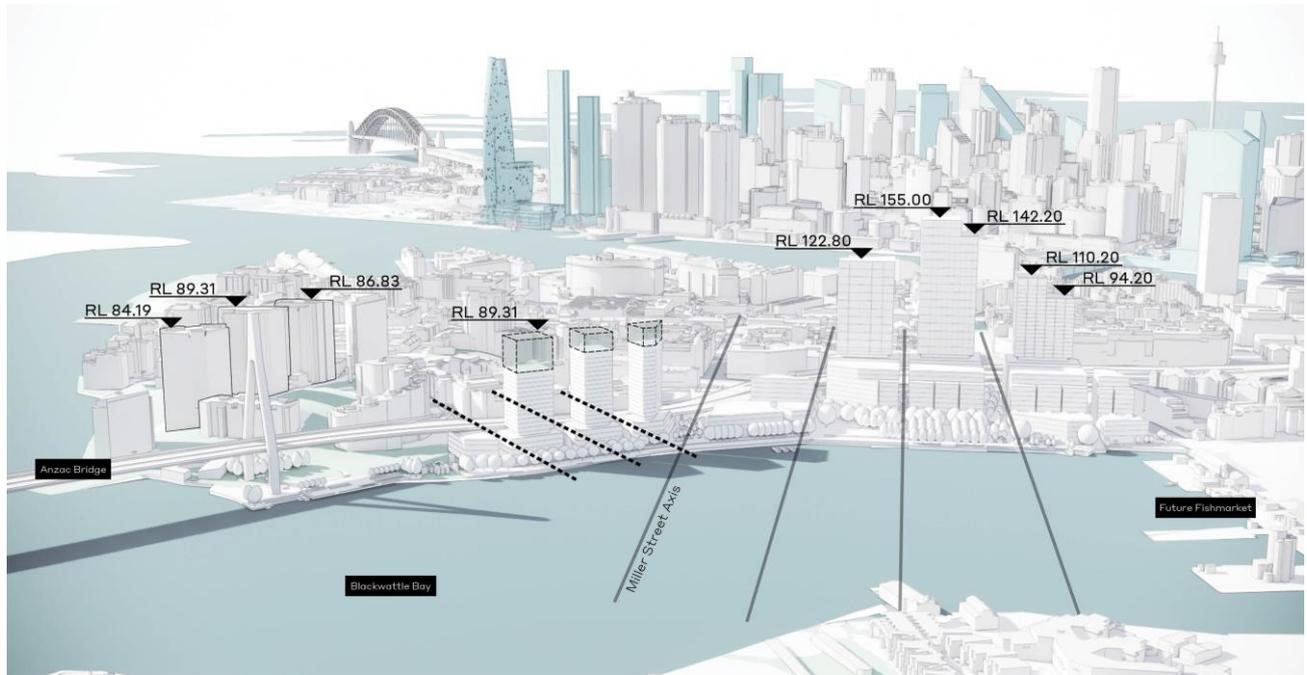


Figure 7 Jacksons Landing height reference
Source: Ethos Urban

5.4 Response 4: Equity of FSR

Poulos Bros raise the inequality of FSR approach put forward by INSW in their detailed master planning that has subsequently informed the draft Strategy. The initial unwritten principle was the equity of floor space ratio (FSR). Given the size of the government site, the principle put forward for FSR is illogical and does not follow sound planning and design-based principles.

FSR controls should be a result of a first principles, design led process to allocate heights, densities and land uses that respond, on merit, to each site's unique attributes. It is not a considered approach to lead from an 'FSR equity' principle to guide good development.

The FSR for the Poulos Bros site is meagre when compared to those adjacent and near the site as part of Global Sydney. This is emphasised within the context of the current form and heights of buildings on the Pyrmont peninsula. Poulos Bros support a range of options for height and form (and resultant FSR) across the new precinct, based on principles that have been established by the review and or adjusted by our approach.

Poulos Bros note that the allocation of FSR principles needs to consider the distribution of non-residential floorspace. The draft Pyrmont Peninsula Place Strategy (2020) is not supported by viability studies demonstrating support for non-residential floorspace in a location that is isolated from public transport and main office floorspace on the eastern boundary of the precinct.

Our feasibility testing shows that non-residential floorspace on the site is unviable and will therefore inhibit the funding of infrastructure and rejuvenation of the waterfront promenade.

In terms of car parking and traffic, considering the location of the site it would be expected that residential uses would have far less car parking demand and traffic generation than commercial uses of the yields put forward by INSW. We believe the decision to install this quantum of commercial floorspace without any immediate public transport accessibility is questionable and will require greater levels of car parking to make up for this poor public transport accessibility. This will result in poor urban outcomes, namely:

- Higher traffic generation and impact on the pedestrian environment sought in the design principles.
- Exacerbation of the current traffic issues facing the site – resulting in a further perverse impact on the viability of the commercial floorspace.
- Basement car parking will be highly costly considering the location of the site, and likely be required to be delivered above ground (sleaved) which is troublesome when needing to deliver large amounts of car parking.

We are of the opinion that the preferred land use should reflect the broad trend of the area and suggest residential with ground floor activation and some minor and ancillary non-residential spaces that have inherent flexibility to allow commercial uses over time.

6.0 Conclusion

Poulos Bros welcomes the opportunity to work with DPIE on the refinement of the Pyrmont Place Strategy and look forward to ongoing dialogue on the subsequent detailed master planning and planning control implementation.

We acknowledge that the purpose of the strategy is to develop a vision and plan which will while protect the area's unique heritage, liveability and long-term sustainability, however balance must be struck to allow the Peninsula's continuing evolution that maximises its economic and social potential. In this regard, the amendments sought in this proposal speak to the overarching driver for the Peninsula to become the attractor for global investment.

The Greater Sydney Region Plan identifies the Western Harbour Precinct and Pyrmont Peninsula as an emerging innovation corridor and a western a gateway to the global Sydney CBD. With some inherent flexibility, the aspirations for high job numbers and homes within the 30-minute city catchment can and will be delivered at this strategically important Key Site.

We welcome the opportunity to provide further information to the Department as it finalises the Strategy and look forward to a continued dialogue.