

Australia's property industry

## Creating for Generations

4 May 2021

Grant Knoetze  
Executive Director, Portfolio Management and Strategic Projects  
Department of Planning, Industry and Environment  
Locked Bag 5022  
PARRAMATTA NSW 2124

Dear Mr Knoetze

### Explanation of Intended Effects Bays West Draft Place Strategy

The Property Council of Australia welcomes the opportunity to provide comments on the Draft Bays West Draft Place Strategy.

As Australia's peak representative of the property and construction industry, the Property Council's members include investors, owners, managers and developers of property across all asset classes. This submission has incorporated the views of many of our members and provides comments for consideration.

The Property Council is supportive of the strategy to unlock the development potential in the Bays West Precinct, and welcomes the bold vision put forward by Government. In order to deliver this vision, critical success factors must be prioritised. These should include a globally recognised and inspiring redevelopment of the White Bay Power Station with appropriate anchor institutions, seamless transport connectivity to the precinct, the right diversity and density of assets, clearly outlined infrastructure plans and contribution requirements, and an appropriately tasked and empowered agency within Government to act as the delivery counterpart on this project.

With the right planning, this precinct has the capacity to utilise its unique heritage, location and maritime links to create a global attraction, and we encourage the Government to continue to consult on each stage of delivery to ensure success.

Should you have any questions regarding this submission please contact Lauren Conceicao, NSW Deputy Executive Director, on 0499 774 356 or [lconceicao@propertycouncil.com.au](mailto:lconceicao@propertycouncil.com.au).

Yours sincerely



**Jane Fitzgerald**  
NSW Executive Director  
Property Council of Australia

# **Submission to Department of Planning, Industry and Environment**

## **Draft Bays West Place Strategy**

**4 May 2021**

## 1.0 Introduction - Bays West Draft Place Strategy Priorities

The Property Council welcomes the opportunity to provide comments to the Department of Planning, Industry and Environment (the Department) on the Explanation of Intended Effects (EIE) for the Draft Bays West Place Strategy (the draft strategy).

The Property Council commends the Government for preparing a framework towards ensuring the Bays West Precinct is planned, developed and progresses in line with timelines for the planned opening of the Metro Station in 2030 at The Bays, located near the White Bay Power Station. Following a disappointing attempt to revitalise this area in 2016/17, it is promising to see work being undertaken around this anchor project of the Metro West to capitalise on the location and potential of the precinct.

While we recognise that this draft strategy covers a broader 30–40-year span, it is critically important that there is primarily a focus on the commencement of the project and the first 10 years of development in order to set the framework and anchors for future development.

Investment to renew this precinct needs to be a commercially viable value proposition in order to ensure the right parties collectively and collaboratively buy in to make the precinct enlivened and appropriate amenity is provided. This relies on key design and delivery successes such as:

- a world-class, adaptive redevelopment of the White Bay Power Station with appropriate anchor institutions and a complementary cluster of assets to truly define the precinct,
- the right transport modes and pathways delivered to make it an attractive precinct to visit, work and live,
- the right balance of asset types to appropriately fund the infrastructure and amenity needed to provide community assets and places,
- the governance of the project requires the appointment of the right lead agency to oversee the precinct development.

## 2.0 Five enabling themes

The five enabling themes and subsequent 14 directions outlined in the Strategy are broadly supported by the Property Council, with further detail required on the delivery plans for some directions as outlined in the table below.

Proposed five enabling themes	Property Council Response
<p><b>1. <u>Land and use function</u>, that address further land uses of Bays West and the role it will play in Sydney's future</b></p> <p><b>Directions:</b></p> <ul style="list-style-type: none"> <li>- <b>Direction 1</b> Deliver diverse employment spaces that can support knowledge intensive industries, which are a key contributor to the success of the innovation corridor</li> <li>- <b>Direction 2</b> Deliver a range of housing, including affordable housing, to support the jobs created in the precinct and the ongoing growth of the Eastern Harbour City</li> <li>- <b>Direction 3</b> Retain, manage and allow the essential strategic port and maritime industry uses to grow and evolve, to ensure they continue to support the NSW economy.</li> </ul>	<p>The Property Council supports directions 1 through 3, in particular the diversity of industries and housing required to revitalise this region.</p> <p>Further comments on diversity of industries (<i>Item 4.0 , Page 6</i>) and housing are provided below (<i>refer item 10.0, page 11, and Item 11.0, page 12</i>).</p>
<p><b>2. <u>Design of places and spaces</u> that provide guidance on how Bays West will feel to people and what is important in the design of buildings and public domain.</b></p> <p><b>Directions:</b></p> <ul style="list-style-type: none"> <li>- <b>Direction 4</b> A key focus of the precinct is the design of open space and social infrastructure, ensuring careful integration with the natural, industrial maritime and cultural heritage.</li> <li>- <b>Direction 5</b></li> </ul>	<p>The Property Council is in full support of directions 4 through 7.</p> <p>Further information on the infrastructure contributions and amenity provision is required (<i>refer item 12.0, page 12</i>), including housing plans and density diversity to understand how this will be funded.</p>

<p>Promote design excellence and embed a people-focused approach to deliver high quality and diverse build form and amenity outcomes.</p> <ul style="list-style-type: none"> <li>- <b>Direction 6</b> Promote biodiversity and improve water quality in the harbour whilst restoring and expanding the green and blue natural systems.</li> <li>- <b>Direction 7</b> Deliver a world class sustainable precinct which is carbon neutral and delivers efficient management of energy and water, and the elimination of waste.</li> </ul>	
<p><b>3. Transport and movement</b> that recognise the <u>constrained nature of Bays West and establish how the precinct will move people and goods to, from and through Bays West.</u></p> <p><b>Directions:</b></p> <ul style="list-style-type: none"> <li>- <b>Direction 8</b> Improve the precinct's connectivity and integration into its locality and surrounding areas</li> <li>- <b>Direction 9</b> Provide for new connections to existing places by removing existing barriers to allow connections through the site and convenient access to the new Metro station.</li> <li>- <b>Direction 10</b> Prioritise walking, cycling and public transport, by capitalising on the new Metro station, creating more convenient and direct active transport connections and investigate the reinstatement of a crossing from Bays West to Pyrmont.</li> </ul>	<p>The Property Council fully supports directions 8 through 10.</p> <p>In order to provide the housing required within the precinct (<i>refer item 10.0, page 11</i>), density of housing will need to be increased around key transport connections.</p>

<p><b><u>4. Heritage and culture</u></b> that recognise the importance of the past and how understanding history and culture is critical to creating a place with meaning.</p> <ul style="list-style-type: none"> <li>- <b>Direction 11</b> Bring new life to existing diverse assets and uses, integrating rich layers of creativity, heritage and culture across the precinct.</li> <li>- <b>Direction 12</b> Ensure that future developments recognise, embrace and create opportunities for deeper understanding of our culture and stories</li> </ul>	<p>The Property Council is supportive of directions 11 and 12.</p> <p>Further comments on the need for private consortia to enable the attraction of tenants to the heritage sites are made later in this document (<i>refer item 4.0, page 6</i>).</p>
<p><b><u>5. Infrastructure delivery and governance</u></b> that recognise that the precinct will evolve over time and that multiple stakeholders are required to ensure that Bays West is successfully delivered.</p> <ul style="list-style-type: none"> <li>- <b>Direction 13</b> Use a whole-of-government approach to deliver strong and coordinated place outcomes for Bays West over time.</li> <li>- <b>Direction 14</b> Provide services and infrastructure to support the needs of the existing and future community of Bays West and its surrounds as it grows over time.</li> </ul>	<p>The Property Council fully supports directions 13 and 14.</p> <p>Further clarity is required on the provision of infrastructure and amenity funding and plans.</p>

## 3.0 Sydney Metro West

The Government's commitment to build the Sydney Metro West is the critical first step in the transformational rejuvenation of this landmark precinct. The Metro station will provide the precinct with a superior level of connectivity to Parramatta and the Sydney CBD.

Future planning controls, including densities and building heights for land around the Metro Station should recognise the precinct's potential to support both a significant resident population and workforce.

### 3.1 Development around Metro Station

With the Sydney Metro West service due to be opened in 2030, significant decisions need to be made swiftly on the governance and delivery process. It is anticipated that for all delivery stages (procurement, negotiate, contract, delivery) the timeline of nine years means that we need to start discussing the procurement process soon, and with early industry engagement to ensure it is designed for success.

It will be important that the initial Metro Station precinct is activated when the Metro service opens. It will also be important that any civic or cultural land-uses and public domain is capable of being funded by complementary mixed-use and commercial development, otherwise the initial offering is unlikely to be self-funded. For this reason, the Robert Street sub-precinct, along with the Glebe Island Silos sub-precinct are critical areas to supporting the success of the White Bay Power Station (and Metro) sub-precinct. Further information on proposed funding and infrastructure contributions should be exhibited in the near future to allow industry to engage on likely SIC and local contributions.

In order to maximise these precincts and set the development trajectory for the White Bay precinct, a 200,000+ sqm development gross floor area (**GFA**) should be leveraged to a sufficient scale to create the 'place' envisioned for the precinct. This leverage should include an appropriate mix of uses, heights and density to provide a quality public domain offering, inclusive of a mix of housing types such as build-to-rent. Economic resilience comes from diverse communities.

The benefits of a model such as build-to-rent housing in this GFA is the potential for a refresh of the building in 30 years, allowing for a generational revitalisation of the region once the broader White Bay approaches completion. Alternatively, individual buildings would sterilise the site for future revitalisation.

Development should be brought forward in line with the metro delivery dates to provide funding for infrastructure and to ensure the metro precinct is activated when the station opens. This will require a strategic approach to land development rather than in a piecemeal approach that doesn't achieve the initial impact required.

#### **Recommendations:**

*For procurement process for Sydney Metro West early industry engagement is required to ensure it is designed for success.*

*A 200,000+ sqm development gross floor area (GFA) should be leveraged to a sufficient scale around the Metro station to create the 'place' envisioned for the precinct.*

*Development should be brought forward in line with the metro delivery dates to provide funding for infrastructure and to ensure the metro precinct is activated when the station opens.*

## 4.0 Attractive anchor institutions or tenant(s) required for the White Bay Power Station

In order to give the precinct the international recognition that the site has potential for, a globally recognised name is required to be the attractive anchor institution or tenant for the White Bay Power Station.

Government have a role in nominating the land uses and functions it is used for. In the case of the Power Station, Government need to nominate the function (profitable, cultural etc) and then allow for consortia to bring global partners to the table. This will require incentivisation or contribution by government.

Any full-self funded proposal will be surrounded by apartments due to the need for collection of infrastructure contributions and amenity provision. There needs to be a cluster of diversity to prevent the centre becoming surrounded by apartments.

The offering of the precinct needs to allow the private sector to assemble the best consortia with the most innovative proposals. Government intervention in tenant attraction will limit the capacity for innovation. Too many parameters will stifle innovation.

The risk is that the intervention preventing ambition will prevent the precinct becoming a global destination. For example, the Guggenheim Museum put Bilbao on the map as a must-see global destination. This is the type of opportunity that presents itself, to provide a powerful catalyst investment. This inevitably will come at a cost and therefore requires the need to excite the market with the opportunity.

#### **Recommendations:**

*Government need to nominate the function (profitable, cultural etc) and then allow for consortia to bring global partners to the table. This will require incentivisation or contribution by government.*

## **5.0 Appointment of lead agency with the right empowerment and capacity**

The successful rejuvenation of this precinct requires the appropriate governance structure, underpinned by capacity and empowerment. A lead agency with considerable experience and resources, needs to be appointed to this project such as Transport for NSW, Infrastructure NSW or Metro, or a hot team within one of these agencies.

A singular counter party in government with ownership or control over the land is required. For instance, Metro as the lead agency could be empowered to release 2-300,000sqm of GFA to take to market. Whichever agency is appointed, they should be empowered and have the capacity to manage land transactions. The agency must also have the capacity for global procurement and attraction, and the remit to deliver on the vision of the strategy.

#### **Recommendations:**

*A singular counter party in government with ownership or control over the land needs to be appointed and empowered to release 2-300,000sqm of GFA to take to market.*

*The agency must also have the capacity for global procurement and attraction, and the remit to deliver on the vision of the strategy.*

## **6.0 Integration with local precincts**

Glebe Island Bridge, as the primary connection to the Pyrmont peninsula precinct, which is undergoing a revitalisation of its own, is a critical element of this strategy. An active transport link between the two precincts is an important connector to ensure the White Bay Precinct isn't planned and built-in isolation of the surrounding precincts.

At present there is a risk that the western edge of the Glebe Island Bridge will land in an active port and will lack appropriate connectivity with the future Metro precinct until these longer-dated port areas are developed.

Blackwattle Bay sits on the doorstep of the White Bay precinct, however the strategy appears to lack a policy or statement on how the two precincts connect and integrate. A clear outline of responsibility for the contributions strategy is required.

## **7.0 Six big moves**



The six big moves are supported by the Property Council, clarity is sought on how these will be delivered considering the complexity and number of parties involved.

The delivery of these 'big moves' is critical to the success of the precinct's rejuvenation and a risk to the attraction of tenants and outcome if not successful, as outlined in the strategy.

For the avoidance of doubt, a clear implementation and procurement plan is required to supplement the high-level Place Strategy. This should involve specific dates and timeframes for procurement and industry engagement.

**Recommendations:**

*A clear implementation and procurement plan is required to supplement the high-level Place Strategy. This should involve specific dates and timeframes for procurement and industry engagement.*

## 8.0 Recognition of 'Country' and of industrial heritage

The 'Connecting to Country' focus within the strategy is noted, and shows commitment to this need beyond previous strategies for the precinct.

It is important that with the commitment to retain the White Bay Power Station, the commitment to the industrial heritage of the area is recognised and celebrated, whilst not preventing modern innovation in development within the precinct also.

Further details are needed on responsibility for meeting heritage and 'Country' requirements, which should not impose further costs on private industry. Flexibility of uses in this developing precinct is required, and as such any remediation works need to be financially viable for investors.

## 9.0 Breakdown of the sub-precincts

The Property Council supports the proposed breakdowns of the sub-precincts, however further detail on how each sub-precinct integrates into the surrounding lands is required.

Development potential is outlined in the strategy, however clear areas for residential development are not referenced, and will need to be clearly outlined, with medium to high density considered in key areas such as surrounding key transport links.

Given the limitations to residential development around the working port land, key residential areas should be clearly outlined to ensure the appropriate level of residential development is included in the precinct in order to address the housing supply desperately needed to support the Sydney's growing population and housing needs.

A key consideration for the development of the precinct will be a place making strategy that responds to the unique characteristics of the region. In addition, residential living brings a 24-hour presence to the precinct, bringing vibrancy and safety to the region and providing for the envisioned 18-hour economy.

The following table provides comments in respect of each of the ten (10) sub-precincts within the precinct.

**Recommendations:**

*Clear areas for residential development will need to be clearly outlined, with medium to high density considered in key areas such as surrounding key transport links.*

Sub-Precinct & Development potential for sub-precinct	Property Council Comments
<p><b>White Bay</b></p> <p>The strategic ports uses in this part of the precinct are to be retained.</p>	<p>How integration between an improved public transport opportunity (presumably a ferry stop or similar) will connect through to neighbouring Balmain needs to be clear.</p> <p>Housing densities surrounding strong public transport links will need to be considered, alongside challenges of proximity to working ports.</p>
<p><b>Robert Street</b></p> <p>This is the interface between the Balmain Peninsula and the port zone at White Bay.</p> <p>Proposed site for the development of a new approach for the White Bay Cruise Terminal</p>	<p>Consideration of the different housing diversity needs between Balmain (58.4% separate or semi-detached dwellings)<sup>1</sup> and alternate requirements of the residential development that may surround the a new cruise terminal. Medium density housing should be prioritised in areas where good public transport links are located.</p>
<p><b>White Bay Power Station (and Sydney Metro West)</b></p> <p>Key activity centre for the precinct, providing events, services, and infrastructure for existing and new communities.</p>	<p>Accessibility to these key areas will be critical for the success of the precinct. Decisions on the White Bay precinct should radiate from this cultural and transport core, making it accessible not just by Sydney Metro West but by other forms of transport (including active and local public transport services).</p>
<p><b>Rozelle Rail Yards</b></p> <p>Open spaces which will remain at the end of the WestConnex motorway project to provide active recreation and social infrastructure supporting both he existing suburbs and the future Bays West Community.</p>	<p>Consultation with existing bordering communities of Rozelle and Lilyfield should be undertaken to explore the use of this space and design of outcomes.</p> <p>In order to leverage construction and development in this sub-precinct it will need to be done through residential development, with the appropriate transition treatment as it bleed back into Glebe. High development should be prioritised, with sight line controls.</p>
<p><b>Rozelle Bay West</b></p>	<p>Ensuring traffic flows through to other sub-precincts will be critical for this sub-precinct. In addition, impacts on the surrounding areas, in particular the</p>

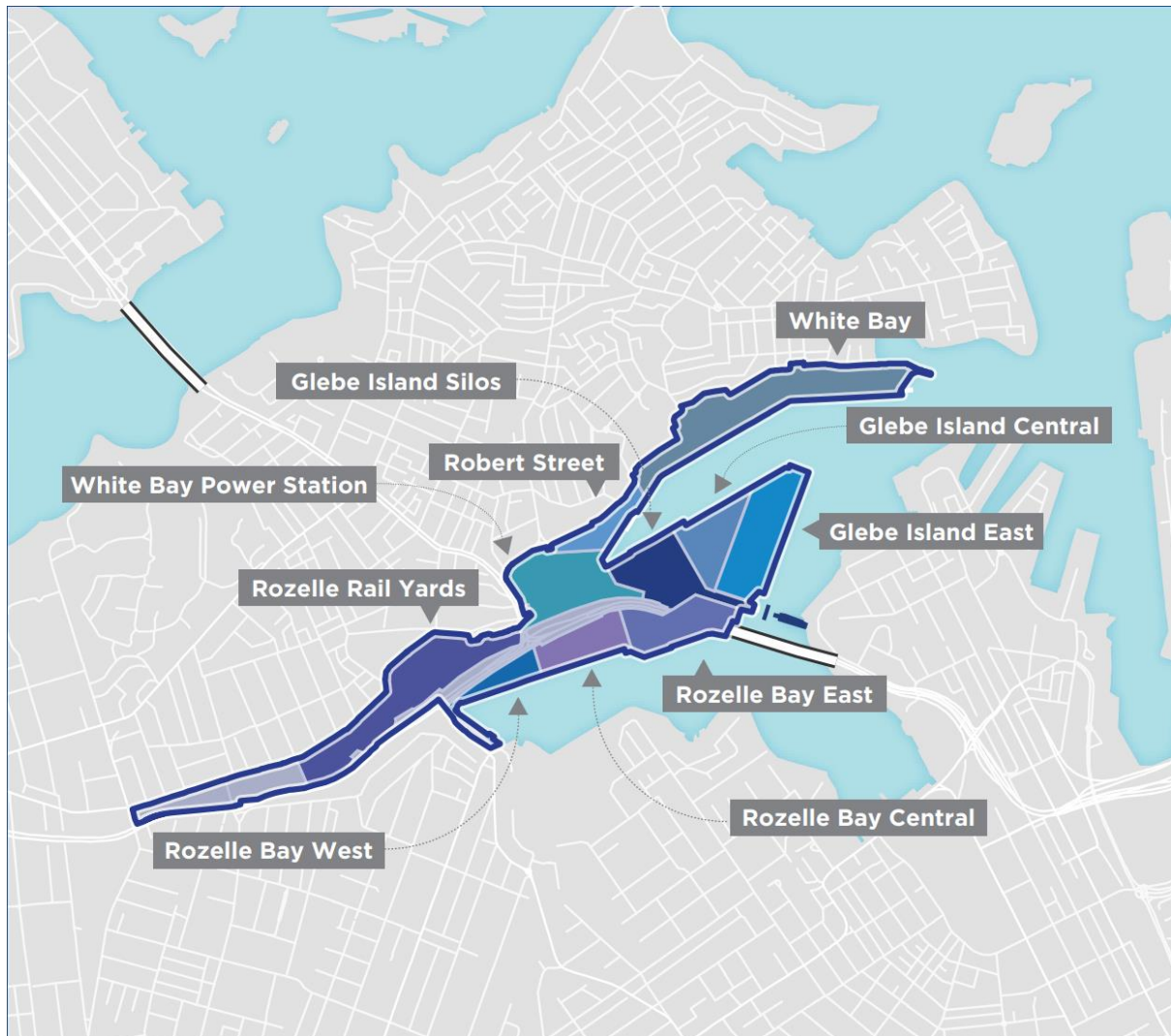
<sup>1</sup> [Australian Bureau of Statistics 2016 Census Quick Stats, Balmain](#)

<p>Hosts the major road access point into the precinct (James Craig Road) and with interfaces to large arterial roads, building buffering is required.</p>	<p>connection to major roads will need to be planned to ensure no disruption to traffic passing by White Bay.</p>
<p><b>Rozelle Bay Central</b></p> <p>The focus for this sub-precinct is the public foreshore and linkage through to the Power Station (and Metro) precinct, down to the water front.</p>	
<p><b>Rozelle Bay East</b></p> <p>Located under the ANZAC Bridge and adjacent to the bring off-ramp.</p> <p>Likely to retain Rozelle Bay working harbour uses, with public access diverted to the Glebe Island Bridge level.</p> <p>Buffering is required for users of this zone and those adjacent.</p>	<p>Residential development in sub-precincts surrounding Rozelle Bay East will need to be carefully considered to prevent challenges with the operations of the Port.</p>
<p><b>Glebe Island East</b></p> <p>An integrated facility that accommodates integral port uses is located in this sub-precinct.</p> <p>Potential for hosting significant events and pop-ups. Potential for an amphitheatre.</p> <p>Equal priority for intensifying port and maritime uses with broader public benefits.</p>	
<p><b>Glebe Island Central</b></p> <p>Careful consideration will be taken of the two distinct orientations and changes in level between remnant topography and the reclaimed flat deck. Development zones will be separated from surroundings, and view leveraged, utilising the amenity of adjacent sub-precincts.</p>	

**Glebe Island Silos**

The strategy lists potential uses for this sub-precinct as '*A range of activities and uses will create a sub-precinct that is a place to enjoy both new activities and the maritime heritage*'.

Further planning is required for this precinct, and the description is vague at best in the strategy.



Reference: *The sub-precincts of Bays West*, page 58 Draft Bays West Place Strategy

## 10.0 Inner West Housing Strategy

The Bays West precinct has been identified as a site for between 1,504 and 3,008 additional dwellings in the *Inner West Housing Strategy*<sup>2</sup>. It is important that this Draft Strategy consider the opportunities for the delivery of this level of housing.

The *Inner West Housing Strategy* states:

*“The site area nomination for residential in the Inner West is the eastern portion of the Bays Precinct... Diverse proposals outlining a range of land uses for The Bays Precinct has meant that it is difficult to assess the level of residential development that will occur in the locality. As such, an assumption has been made for this strategy that approximately 10% of the 94 hectares will be available for residential development... This assumption is based on the vision of the Bays Precinct Strategy undertaken by Urban Growth, to be established predominantly as an employment area”.*

<sup>2</sup> [Housing Strategy – Inner West Council – NSW Government, April 2020](#)

**Table 27 Potential additional dwellings in The Bays Precinct**

Estimate of current dwellings	Site Area*	Low case floorspace <i>2:1 residential FSR @ 70% efficiency</i>	Dwelling yield low case	High case floorspace <i>4:1 residential FSR @ 70% efficiency</i>	Dwelling yield high case	Yield per ha (Gross) <i>2:1</i>	Yield per ha (Gross) <i>4:1</i>
0	75200	105280	1504	210560	3008	160	320

Source: [Housing Strategy – Inner West Council – NSW Government, April 2020](#)

Planning for the redevelopment of the precinct should involve consultation with Inner West Council but the ultimate responsibility for the preparation and implementation of new planning controls should rest with the State Government.

### **Recommendations:**

*Responsibility for the preparation and implementation of new planning controls, including housing strategies, should rest with the State Government.*

## **11.0 Affordable Housing**

Sydney is currently experiencing a rapid deterioration in the affordability of housing. There are many factors that contribute to this issue including declining supply of affordable housing types for purchase and rising costs. Government response to this issue has involved setting targets of between 5 and 10% of development uplift for the supply of affordable rental housing as part of the preparation of Sydney's Regional Plan and each District Plan.

At this time, Inner West Council has not implemented an affordable housing contribution scheme within its local environment plan. It is not clear if Council has an intention to impose a levy on future development within the LGA.

As the Bays West precinct is being delivered on government land, industry requests that clarity is provided in terms of what costs are to be associated with affordable housing in order to plan appropriately.

### **Recommendation:**

*Provide an outline of how existing sub-precincts and suburbs bordering on the proposed White Bay precincts will integrate.*

*Outline proposed areas for residential development, and commitment to a varied residential density mix to maximise developable area, support the economy of the region and provide the surrounding infrastructure required.*

*Clarify proposed dwelling yield for the precinct, and which sub-precincts will be allocated residential development.*

*Provide clarity on what costs will be associated with the delivery of affordable housing and ensure that any policy incentivises affordable housing rather than asserts its delivery through an additional tax on housing or via inclusionary zoning.*

## **12.0 Infrastructure plans, funding and delivery**

The strategy outlines a set of actions sourced from the **Bays West Implementation Action** to achieve the directions outlined.

The actions relevant to the delivery of infrastructure include:

**Action 11** – Ongoing governance frameworks will be established to ensure all stakeholders will jointly guide the future of the precinct

**Action 2** – Undertake precinct-wide studies and strategies including

- Implementation and delivery strategy
- Supporting infrastructure plan

**Action 2c** – The supporting infrastructure plan will be developed to ensure that appropriate critical infrastructure is delivered in a timely manner to support new and existing communities.

**Action 7** – Develop an infrastructure contributions plan(s).

Understanding the infrastructure vision, strategies and contributions plans are critical to industry engaging and investing in the region. We welcome further consultation regarding the preparation of the Infrastructure Delivery Plan and potential mechanisms for the funding, staging and sequencing of important infrastructure items for the Bays West Precinct.

**Recommendation:**

*Prioritise the infrastructure strategy and associated funding and contributions plans to give confidence to investors considering Bays West.*

## 13.0 Recommendations

The following recommendations should be considered by the Department as part of its review of feedback on the Draft Strategy:

**Recommendation 1.**

For procurement process for Sydney Metro West early industry engagement is required to ensure it is designed for success.

**Recommendation 2.**

A 200,000+ sqm development gross floor area (GFA) should be leveraged to a sufficient scale around the Metro station to create the ‘place’ envisioned for the precinct.

**Recommendation 3.**

Development should be brought forward in line with the metro delivery dates to provide funding for infrastructure and to ensure the metro precinct is activated when the station opens.

**Recommendation 4.**

Government need to nominate the function (profitable, cultural etc) and then allow for consortia to bring global partners to the table. This will require incentivisation or contribution by government.

**Recommendation 5.**

A singular counter party in government with ownership or control over the land needs to be appointed and empowered to release 2-300,000sqm of GFA to take to market.

**Recommendation 6.**

The agency must also have the capacity for global procurement and attraction, and the remit to deliver on the vision of the strategy.

**Recommendation 7.**

A clear implementation and procurement plan is required to supplement the high-level Place Strategy. This should involve specific dates and timeframes for procurement and industry engagement.

**Recommendation 8.**

Clear areas for residential development will need to be clearly outlined, with medium to high density considered in key areas such as surrounding key transport links.

**Recommendation 9.**

Responsibility for the preparation and implementation of new planning controls, including housing strategies, should rest with the State Government.

**Recommendation 10.**

Provide an outline of how existing sub-precincts and suburbs bordering on the proposed White Bay precincts will integrate.

**Recommendation 11.**

Outline proposed areas for residential development, and commitment to a varied residential density mix to maximise developable area, support the economy of the region and provide the surrounding infrastructure required.

**Recommendation 12.**

Clarify proposed dwelling yield for the precinct, and which sub-precincts will be allocated residential development.

**Recommendation 13.**

Provide clarity on what costs will be associated with the delivery of affordable housing and ensure that any policy incentivises affordable housing rather than asserts its delivery through an additional tax on housing or via inclusionary zoning.

**Recommendation 14.**

Prioritise the infrastructure strategy and associated funding and contributions plans to give confidence to investors considering Bays West.