



Australia's property industry

**Creating for Generations**

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3 June 2022

Mr Michael Cassel  
Secretary - Department of Planning and Environment  
Locked Bag 5022  
PARRAMATTA NSW 2124  
Sent via [Grant.Knoetze@planning.nsw.gov.au](mailto:Grant.Knoetze@planning.nsw.gov.au)

Dear Mr Cassel

## Bays West Stage 1 Draft Master Plan Exhibition

The Property Council of Australia welcomes the opportunity to provide comments on the Bays West Stage 1 Draft Master Plan Exhibition.

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 considered the views of many of our members feedback and provides comments for consideration.

The Property Council is supportive of the NSW Government's intention to unlock the development potential the Bays West Precinct, however the Draft Master Plan falls short of realising the precinct's potential. The current proposal requires substantial amendment to maximise the commercial and residential opportunities presented by the NSW Government's investment in Bays West as a destination along the Sydney Metro West.

Further emphasis should be on ensuring the White Bay Power Station becomes a global icon, amplifies density to support station development and activation, delivers housing outcomes appropriate for a metro investment of this scale, expectations on delivery scale is set for community through a bold first stage, and governance is defined to maximise commercial and delivery capability.

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

A handwritten signature in black ink, appearing to read 'L. Conceicao', with a stylized flourish at the end.

**Lauren Conceicao**  
**NSW Deputy Executive Director**  
**Property Council of Australia**

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

## **Bays West Stage 1 Draft Master Plan Exhibition**

**3 June 2022**

## 1.0 Introduction - Bays West Stage 1 Draft Master Plan

The Property Council welcomes the opportunity to provide comments to the Department of Planning and Environment (the Department) on the Bays West Stage 1 Draft Master Plan.

The Property Council acknowledges the work of the NSW Government in preparing a framework for the Bays West Precinct, noting the planned opening of the Metro Station in 2030 at The Bays, located near the White Bay Power Station. Following attempts to revitalise this area in 2016/17, it is pleasing to see this precinct once again on the agenda of government.

While we recognise that the previously exhibited draft strategy covers a broader 30–40-year span, it is critically important that there is primarily a focus on Stage 1 of the project and the first 10 years of development to set the framework and anchors for future development.

Investment to renew this precinct needs to provide a commercially viable value proposition 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 in particular for Stage 1 Master Plan, 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.

The proposed Draft Master plan is a fabulous plan for a precinct of a smaller scale but fails to generate economic development yields that are proportionate to what is reasonably expected for a new Metro station. More ambitious housing, commercial and aggressive global attraction are required to activate and to get the most of out this precinct.

## 2.0 Previous recommendations

Previous recommendations from the Property Council in relation the broader Bays West Strategy included:

1. For procurement process for Sydney Metro West early industry engagement is required to ensure it is designed for success.
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.
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.
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.
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.
6. The agency must also have the capacity for global procurement and attraction, and the remit to deliver on the vision of the strategy.

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.
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.
9. Responsibility for the preparation and implementation of new planning controls, including housing strategies, should rest with the State Government.
10. Provide an outline of how existing sub-precincts and suburbs bordering on the proposed White Bay precincts will integrate.
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.
12. Clarify proposed dwelling yield for the precinct, and which sub-precincts will be allocated residential development.
13. Provide clarity on what costs will be associated with the delivery of affordable housing.
14. Prioritise the infrastructure strategy and associated funding and contributions plans to give confidence to investors considering Bays West.

## 3.0 The highlights of the Stage 1 Draft Master Plan

### 3.1 Retention of the Power station

The Property Council commends the NSW Government on committing to the retention and restoration of the White Bay Power Station, recognising its significance to the precinct, the embodied carbon savings in the reuse and the opportunity this provides to the state. Please see notes under 4.1 in relation to further considerations for the power station.

### 3.2 Open space

The plan for consolidated open space as part of the public waterfront, centred on the Power Station is a great use of space and will seek to meet the desired of the public for greater greening of the city and inner city urban areas.

### 3.3 Metro investment

The delivery of the Metro Station by 2030 is a critical and applauded step in connecting the precinct and opening it up to development, public and private use.

The *Sydney Metro 'Transforming Sydney' paper (April 2021)* explains that Sydney Metro has formal responsibility for the delivery of great places around metro stations so that precincts are designed, developed and activated in alignment with the metro system to ensure the best outcomes for customers and communities. Suggestions on how this can be strengthened are included in section 4.0.

## 4.0 Strengthening the Stage 1 Master Plan

### 4.1 Strengthening the definition of the precinct

The White Bay Power Station is an important asset and provides an anchor to the precinct. The strategy broadly refers to the Power Station asset as a community facility. Further emphasis on the attraction of a key anchor tenant of global significance is encouraged to ensure that this facility fulfils its capacity to house a global icon, in the same vein that the Tate Modern in London asset was repurposed.

Landmark redevelopments of iconic buildings present a significant economic and precinct-branding opportunity but also come at a significant cost, which is why the incentive-drivers of the surrounding precinct must be proportionate to the challenges on-site.

***Previous Property Council recommendations that remain relevant:***

*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.*

Further development of an economic development strategy would strengthen the purpose and intent for the commercial GFA. In the absence of an economic development strategy, the considerable size of this is potentially difficult to lease.

**Recommendation:**

The Property Council recommends that details on the future of the White Bay Power Station be further clarified, with a specific focus on ensuring key tenants of global significance are secured for the facility.

The Property Council recommends that an economic development strategy be developed to strengthen the purpose and intent for the commercial GFA to support targeted tenant leasing for the new precinct.

## **4.2 Maximising the opportunity provided by the Metro investment**

The Metro investment by state government is a significant opportunity to harness infrastructure to deliver on ambitious housing and commercial opportunities in this waterfront location. In order to support the development and activation of the precinct surrounding the station, increased height and density is encouraged in order to achieve the objectives of this sub-precinct being the “key activity centre for the broader Bays West precinct, providing for employment, recreation, retailing, civic, cultural and living opportunities for new and existing communities” (p18-19 of the Draft Bays West Stage 1 Master Plan).

The current urban design principles for Bays West are not sufficiently flexible to ensure the Metro station precinct is activated, well patronised and there is sufficient funding for public domain, remediation and infrastructure. Specifically, the requirements to preserve view corridors to the Power Station and to limit surrounding development to the height of the smokestacks may have been subjectively appropriate before a Metro station was incorporated into the precinct. However with the inclusion of a Metro station at Bays West, we believe these urban design principles should be relaxed in favour of supporting greater density and mixed-use outcomes. There are many examples in other global cities where heritage assets have been sympathetically surrounded by taller buildings. This is certainly possible at Bays West.

The Bays West precinct heights and density is likely to set a planning precedent for community expectations towards future stages of the precinct. Exhibiting this low-density scheme sets unfeasible community expectations which makes the task of consulting on amended plans more challenging in the future.

By way of comparison, Stage 1 of the Parramatta Light Rail has seen the preparation of a Place Strategy for the Camelia precinct that enables buildings up to 40 storeys. This precinct does not have the benefit of a Metro station, yet it has higher buildings and more density. See comparative images below:





Source: DPE Place Strategy for Camellia

#### **Recommendation:**

The Property Council recommends that the heights, densities and land-uses surrounding the Power Station be reviewed to ensure the Metro station precinct is activated, well patronised and there are adequate commercial offsets to pay for public domain, infrastructure and remediation. This may require a relaxation of the subjective urban design principles relating to view corridors and building heights. We note there are many examples in other global cities where heritage assets have been sympathetically surrounded by taller buildings.

#### **4.3 Opportunity to maximise commercial offsets**

Maximising height and density will provide an increase in commercial offsets that will in turn assist in funding infrastructure and remediation needs.

In addition to maximising heights and density, consideration should be given to the allocation of assets mixes within the precinct, with a preference for the mixed-use allocations to sit with the commercial decision makers, reflecting the market preferences.

In terms of land release, we also believe there is a need to review the **Working Harbour Strategy** and use of land for ports activity after time. Transitioning the use of ports land to support future development will be important. Greater certainty is required to ensure there is a clear program for land-release and future development around the Metro station, and that the precinct has access and connections through to Pyrmont and Rozelle Bay from the outset. Further consultation with industry to finalise heights, scale, land-use and massing is required to ensure the opportunity for successful public-private procurement.

#### **Recommendation:**

The Property Council recommends that the breakdown of uses within the allocated height and density be flexible to respond to market demands.

The Property Council recommends further consultation with industry to finalise heights, scale, land-use and massing to maximise the opportunity for successful public-private procurement.

The Property Council recommends reviewing the **Working Harbour Strategy** and providing certainty regarding the program for land-release and future development to support a 'rolling program' of urban renewal that is kick-started by the investment in the Metro station.

#### **4.4 Housing outcomes should be a priority**

Housing supply and affordability continue to be a major challenge for the people of New South Wales. The Bays West precinct provides a unique opportunity for government to maximise the land potential and provide housing supply through a genuine mixed-use precinct. 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 current target of 250 homes is insufficient for a mixed-use precinct that provides the benefits of off-peak activation and casual surveillance. An increase in density will directly result in greater capacity to provide greater diversity in the mix of housing solutions. More specifically, we believe that a greater proportion of residential is required to activate the precinct after hours. Without more residential, there is a risk that the precinct will be unsafe and unwelcoming after hours. This will have implications for the success of the public domain and for the patronage of the Metro station.

The housing target also falls short of meeting a direction within the *Draft Bays West Place Strategy*, namely to “*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.*”

This precinct should also seek to utilise modern housing solutions such as Build-to-Rent and co-living to build out the precinct. By increasing the diversity and density of housing, a genuine opportunity to open inner city living options to the people of New South Wales exists.

Within the *Draft Bays West Place Strategy*, exhibited in April 2021, was the including of 'Enabling theme 1: Land and use function, that address further land uses of Bays West and the role it will play in Sydney's future' citing *Direction 2: 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* within the Strategy. The 250 home target in this stage is not reflective of this ambition.

Sydney is currently experiencing a deterioration in the affordability of housing. There are many factors that contribute to this issue including declining supply and rising costs.



At this time, Inner West Council has not implemented an affordable housing contribution scheme within its local environment plan and it is not clear if there is 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 further clarity is provided in terms of what is expected by way of requirements for the provision of affordable housing throughout the precinct and how it will be administered.

***Previous recommendations from the Property Council (that are still relevant):***

*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.*

*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:**

The Property Council recommends the target of 250 homes for Stage 1 of the Bays West precinct be significantly increased to reflect the current housing supply needs of the state. Consideration for diverse housing options to support affordable and social housing, co-living and Build-to-Rent should be prioritised to maximise the public transport hub connection.

**4.5 Connections through and around the site**

Within the *Draft Bays West Place Strategy*, exhibited in April 2021, was the inclusion of 'Enabling theme 3: Transport and movement that recognise the constrained nature of Bays West and establish how the precinct will move people and goods to, from and through Bays West.' citing *Direction 9: 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* and *Direction 10: 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.*

Connections through the site and to surrounding areas will be critical. The Roberts Road access into the site is required as an alternate to James Craig Road. Considered connections from the Metro to Rozelle Bay, Pyrmont and The Rozelle Railyards will promote active transport connections.

**Recommendation:**

The Property Council recommends that access to the site be made available through Roberts Road as an alternative to James Craig Road.

## 4.6 Governance

Within the *Draft Bays West Place Strategy*, exhibited in April 2021, was the inclusion of 'Enabling theme 5: Infrastructure delivery and governance that recognise that the precinct will evolve over time and that multiple stakeholders are required to ensure that Bays West is successfully delivered' citing *Direction 13: Use a whole-of-government approach to deliver strong and coordinated place outcomes for Bays West over time*.

Within this Stage 1 Strategy there is a lack of clarity as to how the development will be delivered. The exhibited governance appears to lack commercial and delivery capability, as evidenced through the restricted land-use and density plans.

## 5.0 Recommendations list

1. The Property Council recommends that details on the future of the White Bay Power Station be further clarified, with a specific focus on ensuring key tenants of global significance are secured for the facility.
2. The Property Council recommends that an economic development strategy be developed to strengthen the purpose and intent for the commercial GFA to support targeted tenant leasing for the new precinct.
3. The Property Council recommends that the heights, densities and land-uses surrounding the Power Station be reviewed to ensure the Metro station precinct is activated, well patronised and there are adequate commercial offsets to pay for public domain, infrastructure and remediation. This may require a relaxation of the subjective urban design principles relating to view corridors and building heights. We note there are many examples in other global cities where heritage assets have been sympathetically surrounded by taller buildings.
4. The Property Council recommends that the breakdown of uses within the allocated height and density be flexible to respond to market demands.
5. The Property Council recommends further consultation with industry to finalise heights, scale, land-use and massing to maximise the opportunity for successful public-private procurement.
6. The Property Council recommends reviewing the **Working Harbour Strategy** and providing certainty regarding the program for land-release and future development to support a 'rolling program' of urban renewal that is kick-started by the investment in the Metro station.
7. The Property Council recommends the target of 250 homes for Stage 1 of the Bays West precinct be significantly increased to reflect the current housing supply needs of the state. Consideration for diverse housing options to support affordable and social housing, co-living and Build-to-Rent should be prioritised to maximise the public transport hub connection.
8. The Property Council recommends that access to the site be made available through Roberts Road as an alternative to James Craig Road.

### Previous recommendations that remain relevant:

1. 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.
2. Provide an outline of how existing sub-precincts and suburbs bordering on the proposed White Bay precincts will integrate.
3. 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.

4. Clarify proposed dwelling yield for the precinct, and which sub-precincts will be allocated residential development.
5. Provide clarity on what costs will be associated with the delivery of affordable housing.
6. 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.