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Australia's property industry

Creating for Generations

2 November 2020

Mr Brett Newman
Chief Executive Officer
Attention: Parramatta CBD Planning Proposal (Ref: F2020/02641)
City of Parramatta
PO Box 32
PARRAMATTA NSW 2124

Email – parracbdplanning@cityofparramatta.nsw.gov.au

Dear Mr Newman

Parramatta CBD Planning Proposal

The Property Council of Australia welcomes the opportunity to provide comments to City of Parramatta in the CBD Planning Proposal.

As Australia's peak representative of the property and construction industry, the Property Council's members include investors, owners, manager and developers of property across all asset classes. The attached comments are provided for your consideration.

The Parramatta CBD serves as the metropolitan centre of the Central City District and is a major employment centre for Western Sydney. Recent years have seen an expansion of jobs and housing in the CBD and the current proposal seeks to update the provisions of Parramatta Local Environmental Plan 2011 to strengthen the role of the CBD within the Greater Sydney region. The strategic intention of the planning proposal is appropriate and supported.

Whilst we agree with the majority of the changes set out in the planning proposal, we do not support the prohibition of serviced apartments in the B3 Commercial Core zone. Serviced apartments along with other types of tourist and visitor accommodation provide an important service to a strong metropolitan centre for business and tourist travellers.

We look forward to continuing our close engagement with the City of Parramatta as these planning changes are finalised and implemented in early 2021.

Should you have any questions regarding the content of this submission please contact Troy Loveday, NSW Policy Manager, on 0414 265 152 or tloveday@propertycouncil.com.au

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Adina Cirson'.

Adina Cirson
ACT Executive Director
Property Council of Australia

Submission to City of Parramatta

Parramatta CBD Planning Proposal

2 November 2020

1.0 General Comments

The Property Council broadly supports the Council's policy intent set out in the Parramatta CBD Planning Proposal, which will amend *Parramatta Local Environmental Plan 2011* (Parramatta LEP 2011) to give effect to the *Parramatta CBD Planning Strategy 2015*. The CBD Planning Proposal updates the planning controls that were in the most part developed about 15 years ago and reflected in the *Parramatta City Centre Local Environmental Plan 2007*.

We agree that Parramatta's CBD plays a crucial economic, social and cultural role within the Central City District and Western Sydney more generally. It is important that the planning controls support the CBD's continued growth. Since 2019 the size of the Parramatta CBD has grown from 716,000m² to over 765,000m² and more commercial floor space is currently in the pipeline for completion during 2021.

The Property Council and its members have a long-term interest in the growth and prosperity of Greater Parramatta. Our members own, manage and develop both office space and residential apartment developments within the Parramatta CBD and surrounding areas. The changes underway within the Parramatta CBD are significant and exciting.

We acknowledge the planning proposal is consistent with the State Government's strategic planning framework, including the *Central City District Plan*, as it will strengthen the significant economic function of the Parramatta CBD and its role in providing a high-density form of housing choice to promote more efficient land use outcomes. The proposal adopts the District Plans jobs and housing targets and aims to deliver an additional 50,200 jobs and 15,900 dwellings over the life of the plan.

The CBD Planning Proposal implements the aims and objectives of the District and City's strategic planning framework through changes to the relevant statutory planning controls, including building densities, building heights and other planning controls. The changes to the City's planning controls are considered in more detail below.

We understand that the City of Parramatta has invested considerable time and resources on the CBD Planning Proposal and a conditional Gateway determination was issued by the Department of Planning, Industry and Environment (DPIE) in December 2018. The Gateway determination required Council to undertake updated and further supporting studies before public exhibition could commence. An updated planning proposal was referred to DPIE in March 2020 and approval to commence exhibition was given on 27 July 2020. Given the considerable amount of information associated with the CBD Planning Proposal, we support the extended notification of the plan between 21 September and 2 November 2020.

2.0 Recommendations

Having given consideration to the Proposal, the Property Council recommends Council;

1. Consider reviewing and updating the 2015 CBD Planning Strategy at regular intervals to align with the Central Sydney District Plan and Council's Local Strategic Planning Statements.
2. Not proceed with the proposal to prohibit Serviced Apartments in the B3 Commercial Core. Should Council proceed to prohibit Serviced Apartments, it should satisfy itself that there is sufficient land zoned for tourist and business traveller accommodation in other parts of the CBD to ensure future demand for this use can be met.
3. Ensure that the amendments made to the LEP clearly inform landowners and proponents that the maximum density and building heights will not always be achieved.
4. Indicate in the Development Guideline for Community Infrastructure, the arrangements for the future ownership and responsibility for management and maintenance of items of community infrastructure.
5. Provide clear information regarding the requirements to be satisfied in order to gain access to the High-Performance Buildings bonus floor space.
6. Undertake further targeted consultation regarding the reduced carparking rates once they have been refined during the post-exhibition process.
7. Provide for off-street loading, waste collection and car sharing vehicles in its DCP parking controls.
8. Use the DCP to provide examples of how the developments can achieve the required flood protection standards, being shelter in place and emergency egress about the 1% AEP.
9. Liaise with DPIE regarding the proposed Satisfactory Arrangements Clause to achieve a more transparent approach to funding regional infrastructure.

3.0 Key Issues

3.1 Alignment to Regional and District Plans

3.1.1 Parramatta CBD Planning Strategy (2015)

It is noted that the CBD Planning Proposal has been developed to give effect to the Parramatta CBD Planning Strategy which was adopted by Council on 27 April 2015. We accept that the planning proposal generally conforms with the vision and principles of the CBD Planning Strategy. Council should consider reviewing and updating the strategy at regular intervals to align with the Central Sydney District Plan and Council's Local Strategic Planning Statements.

3.1.2 Employment and Dwelling Projections

Consideration of employment and dwelling projections are set out on page 26 the CBD Planning Proposal. The planning proposal has adopted dwelling and employment projections that are consistent with targets set out in the Central City District Plan. Between 2011 (baseline) and 2036 an additional 27,000 jobs and 7,500 dwellings are expected to be delivered. This will involve an additional 972,000m² of commercial floorspace and 1,125,000m² of residential floor space. These are reasonable projections for Parramatta's CBD which form part of the larger targets for the wider City of Parramatta.

The CBD Planning Proposal provides the opportunity for the provision of 50,250 jobs and 14,350 dwellings based on a capacity analysis prepared by the City. However, current planning controls will not allow for sufficient housing supply within the CBD to meet these targets. We support the actions taken by Council to meet the housing and jobs targets set by the Greater Sydney Commission as part of the Local Strategic Planning Statement assurance process.

3.2 Land Use Zoning

The CBD Planning Proposal involves several changes to the current land use zones within the CBD boundary, primarily relating to the B3 Commercial Core zone and B4 Mixed Use zones.

It is proposed that serviced apartments will become a prohibited use within the B3 Commercial Core. The policy intent of this change is acknowledged however serviced apartments operate as a commercial business, being defined as tourist and visitor accommodation and are not a form of residential accommodation. A large CBD with the presence of national and multi-national corporations and major cultural institutions should offer suitable accommodation for business travellers and tourists alike. We do not support the proposal to prohibit serviced apartment from the B3 Commercial Core.

If the Council decides to proceed with prohibiting this use, we recommend Council satisfy itself that there is sufficient land zoned for tourist and business traveller accommodation in other parts of the CBD to ensure future demand for this use can be met.

Several proposals involving the rezoning of land on the periphery of the CBD are included in the planning proposal. Several sites will be rezoned B3 Commercial Core from the current B5 Business Development along Church Street (Auto Alley), some sites along Church Street and the Great Western Highway will be rezoned B4 Mixed Use and land near Wigram, Ada and Kendall Streets will be zoned B4 Mixed Use from B1 Neighbourhood Centre.

These changes are supported.

3.3 Floor Space and Height of Buildings

3.3.1 Floor Space Ratio

Numerous changes to builtform planning controls within the CBD have been proposed on page 45 of the CBD Planning Proposal. These changes include floor space ratios (FSR) and height of building controls. The planning proposal will establish a layer of two FSR controls for B4 Mixed Use zoned sites, where there will be a base FSR and an incentive FSR.

Similar to the planning provisions that operate within the City of Sydney, the CBD Planning Proposal will establish a bonus FSR scheme where developments will be entitled to gain access to additional density where certain conditions are met. These include bonuses for design excellence, provision of additional non-residential development, high environmental performance and for opportunity sites.

These aspects of the CBD Planning Proposal are supported.

3.3.2 Building Heights

The CBD Planning Proposal indicates that the regulation of building heights within the Parramatta CBD have been guided by sun access protection and airspace operations determined by Sydney Airport.

As with the FSR development standard, an incentive approach for building height has been adopted. Land within the B4 Mixed Use zone will have a base and incentive maximum height control. Access to the incentive maximum heights is subject to the provision of community infrastructure.

It is noted that achievement of the incentive FSR and height controls will not always be achievable due to a range of factors including sun access protection, airspace operation controls and site frontage requirements that must also be satisfied. The planning proposal must ensure that the amendments made to the LEP make this clear to landowners and proponents.

3.3.3 Opportunity Sites

In addition to incentive FSR and building height, the planning proposal includes an Opportunity Sites clause that provides an additional bonus FSR of 3:1 where certain preconditions are satisfied. This floor space is in addition to that available through other LEP provisions (eg. design excellence, high performance buildings). The intention of Opportunity Sites clause is to provide a pathway for tall and slender towers capable of improving the quality of the public domain and delivering additional community infrastructure.

It is understood that the number of opportunity sites within the CBD has been reduced following changes made at the request of DPIE during satisfaction of conditions forming the Gateway determination. Appendix 11a of the planning proposal explains the changes that have been made to the Opportunity Sites Map. Where sites have been removed as opportunity sites, they have been excluded because of adverse impacts on the significance of heritage items within the Parramatta CBD.

The Property Council welcomes the introduction of opportunity sites into the planning provisions for the Parramatta CBD and the associated additional development potential available.

3.3.4 Sun access protection control

A sun access protection control will apply to certain public spaces under changes proposed within the CBD Planning Proposal. It is understood that there will be several requirements applying to different parts of the CBD as follows:

- Development located within certain 'sun access areas' must not result in additional overshadowing of the Parramatta River foreshore, Prince Alfred Square, Lancer Barracks and Jubilee Park in mid-winter between 12 midday and 2pm.
- Development located on 'sun access areas' must not result in additional overshadowing in mid-winter between 10am and 2pm to the Experiment Park.
- Future development located on 'sun access areas' must not result in additional overshadowing of the Protected Area of Parramatta Square between 12 midday and 2pm in mid-winter.

The Property Council generally supports the introduction of sun access protection requirements into the LEP to protect significant public places from additional overshadowing impact. A proposed clause has been drafted and included in Appendix 2(a). This clause

identifies the land to which the clause applies and the public land it serves to protect from additional overshadowing.

Each of the sun access planes identified in this clause serves an important purpose to protect solar access to the city's main green/civic spaces. We recognise that these provide significant amenity to the city's workers and residents and it is important that all reasonable steps are taken to protect the useability of these spaces.

We provide in-principle support to the six (6) proposed sun access planes.

3.3.5 A-Grade Commercial Office Space

One objective of the CBD Planning Proposal is for the Parramatta CBD to fulfil its functions as one of Sydney's three metropolitan centres. Policies that encourage an on-going supply of A-Grade commercial office space development and retaining the commercial core seek to achieve this objective.

As part of meeting the Gateway determinations conditions imposed by DPIE, Council commissioned a study titled "*Achieving A-Grade Office Space in the Parramatta CBD*". The study has recommended:

"Residential development only be considered within the Commercial Core by exception, and this is on the condition that a development will be able to increase the supply of office floor space by at least 20,000 sqm on the development site and any residential component is to be supplied in a separate tower (horizontal mixed-use development). The study's findings also support applying a minimum 1,800 sqm site size to development before allowing unlimited office space on the basis of urban design and floorplate requirements that will result in A-Grade office space being provided, a position which is consistent with the condition of the Gateway determination".

The Property Council supports these changes that will be implemented by clause 7.6D.

3.4 Contributions for community Infrastructure

The CBD Planning Proposal will allow development to be consistent with the Incentive FSR and/or Incentive Height where a mixed use or residential development includes community infrastructure.

The planning proposal defines Community infrastructure to include the following items:-

Community facilities, cycleways, environmental facilities, footways, information and education facilities, public administration buildings, public carparks, public roads, public places, public reserves, public utility undertakings, recreation areas, recreation facilities (indoor), recreation facilities (major) and recreation facilities (outdoor).

We welcome the opportunity to review and comment on the separate "Development Guideline" that will be prepared and issued to explain the amount of community infrastructure that must be included in a development to achieve the Incentive FSR and Incentive Height. The guideline should indicate the arrangements for the future ownership and responsibility for management and maintenance of items of community infrastructure.

It is understood that participation in the community infrastructure scheme through the provision of Incentive FSR and Incentive Height is separate to and on top of the existing 3% contributions for local infrastructure levied under Council's *Parramatta CBD Development Contribution Plan 2007 (Amendment 5)*.

3.5 Traffic, Transport and Parking

Traffic, transport and parking issues are addressed on pages 29, 52, 59 and 101 of the CBD Planning Proposal and supported by a Strategic Transport Study and other related studies at Appendix 13a to 13d.

These studies have found that the Parramatta CBD currently accommodates a total of 26,800 parking spaces, comprising on-street and off-street, paid and unpaid, private and public

parking. New developments proposed in the CBD propose a further 13,800 spaces which will increase the total car parking spaces to 37,600. Without a change in policy, the current increase in parking and traffic generation will prevent Council from achieving its vision for the CBD.

Following benchmarking of the carparking rates with other CBD locations in Sydney, the planning proposal will reduce the maximum car parking rates for various land uses to same levels used by the City of Sydney. This change has been made to acknowledge of the high degree of access to public transport, cycling and walking within the Parramatta CBD, which will soon be increased with the Parramatta Light Rail and the Sydney West Metro.

It is important that the CBD planning controls, which will be contained in the Development Control Plan, maintain off-site loading facilities, facilities for waste collection, and parking spaces for car share company vehicles.

The Property Council generally supports a reduction to the CBD's carparking rates and we understand that Council will be refining the parking rates post exhibition of the planning proposal. This process will involve further engagement with Transport for NSW regarding the preparation of a mesoscopic model and Integrated Transport Plan prior to finalisation of the planning proposal. We would welcome the opportunity to review these changes on behalf of our members before they are finalised and adopted.

3.6 Design Excellence

The CBD Planning Proposal proposes some changes to the existing design excellence provisions contained within Parramatta LEP 2011 and other provisions will be retained.

A number of changes are proposed to the current arrangements, including applying the competitive design process to:

- Buildings over 40 metres where currently the requirement applies to buildings over 55 metres.
- New development involving or directly adjoining a heritage item seeking to achieve a FSR of 3:1 or greater must also be subject to a competitive design process.
- Developments seeking the maximum FSR shown on the FSR map including the FSR permitted by the sliding scale.
- Sites in the B4 Mixed Use zone which are identified as Opportunity Sites and are seeking any bonus FSR in addition to the incentive FSR.

It is proposed that a 15% bonus be applied to either the Base FSR or Base Height or the Incentive FSR or Incentive Height.

The Property Council supports this in recognition of the costs associated with meeting the requirements of a competitive design process.

3.7 Stormwater and Flooding

Section 2.15 of the CBD Planning Proposal introduces new floodplain risk management provisions into the LEP that go beyond the current floor planning level that apply to the City of Parramatta. Appendix 14 of the planning proposal provides further detailed consideration of the flooding issue affecting land within the Parramatta CBD. Given the high density of development that will result from the planning proposal, we support the action taken by Council to manage the risks creating by flooding.

Based on the technical studies prepared for Council, a new clause will be included in the Parramatta LEP 2011 that will apply to sites in the CBD affected by flood events up to the Probably Maximum Flood (PMF). As a significant proportion of the Parramatta CBD is affected by the PMF, many sites will be subject to these requirements.

The Property Council understands that buildings subject to the PMF must provide a shelter within a building that is above the PMF level, or that people can evacuate safely to land located above the PMF (otherwise known as 'shelter in place'). Appendix 2a of the Planning Proposal provides indicative clauses that have been drafted to address flooding (condition 7.6L

addresses floodplain risk management). The clause requires the consent authority for the erection of a new building or significant alterations and additions to an existing building to be satisfied that the building is capable of providing refuge to all occupants of the building (residents, workers and visitors) or flood-free pedestrian access to land that is above the PMF level.

Additionally, developments must have an emergency access point for pedestrians to land that is above the 1% AEP event (100-year flood event). Buildings must be designed and constructed to withstand the forces of floodwaters, debris and buoyancy resulting from a PMF event. These provisions are reviewed by the consent authority at the development application stage of a proposal. Council should use its DCP to provide examples of how these requirements can be satisfied to guide the design of affected buildings.

3.8 Sustainability and Infrastructure

3.8.1 High Performing Buildings Requirements

Requirements for new high-performance buildings are set out on page 60 of the CBD Planning Proposal. The requirements are aimed at encouraging efficient and sustainable use of energy and resources that minimise new buildings' consumption of energy and water. These provisions are supported.

Mixed use (containing residential accommodation) and residential development with a FSR of 6:1 or more with a site area greater than 1,800m² and front building line greater than 24m, can access a 5% FSR bonus. Developments are entitled to the bonus where they achieve water and energy targets greater than the current BASIX targets. Separate requirements apply for office and commercial developments seeking to access this bonus. It is important that Council provide clear information regarding the requirements to be satisfied in order to gain access to this bonus floor space. This aspect of the planning proposal is supported.

Commercial office and mixed-use developments will be required to provide end of journey facilities (such as showers, lockers, change rooms and bicycle parking) in new provisions to be included in the planning proposal. It is noted that satisfying this provision also will enable office buildings to meet the requirements for A-Grade rated office space.

We support these changes.

3.9 Satisfactory Arrangements Clause

The Gateway determination issued to Council by DPIE requires the CBD Planning Proposal to include a new clause requiring that satisfactory arrangements to be made for the provision of 'designated State public infrastructure' before the development of land for residential or commercial premises.

Proponents will be required to negotiate planning agreements with the State Government to deliver funding for regional infrastructure such as State and regional roads, bus interchanges and bus lanes, land required for regional open space, social infrastructure, facilities and light rail infrastructure. The clause will apply where a development proposes an increase in residential or commercial floor space.

The Property Council notes that DPIE is frequently using satisfactory arrangements clauses (SAC) or Special Infrastructure Contributions (SIC) for funding infrastructure in urban release areas and intensive urban development areas. There are many examples of SAC clauses being used including precincts such as Liverpool CBD, parts of the Parramatta Road Urban Transformation Corridor, parts of the City of Parramatta including Telopea and Cumberland Council including Granville.

We accept this mechanism provides infrastructure funding to the State Government but there is very little transparency over the costs and how they are derived. We would recommend a more open and transparent process for identifying and funding essential regional infrastructure such as through the preparation of a SIC. During the current COVID-19 induced economic downturn, it is important that costs and charges imposed on development are minimised to

stimulate jobs and investment. Given Council is currently collecting a 3% contribution under Section 7.12 of the EP&A Act, consideration should be given to either delaying or reducing the monetary contributions that are collected under the SAC.

3.10 Affected Areas

The CBD Planning Proposal applies to most parts of the Parramatta CBD except for:

- (a) the “Park Edge (Highly Sensitive)” area on the western edge of the CBD adjacent to the World Heritage listed Old Government House and Domain, where the current planning controls applying to land in the area will be retained,
- (b) certain land zoned B5 Business Development west of Church Street (behind Auto Alley) where further heritage analysis will be undertaken, and
- (c) certain land zoned B4 Mixed Use at the intersection of Church Street and Pennant Hills Road where further heritage analysis will be undertaken.

It is acknowledged that the three (3) areas identified above are within the Parramatta City Centre boundary and subject to the current planning controls in Part 7 of Parramatta LEP 2011. The planning proposal makes it clear that only existing planning controls apply to these areas instead of the suite of new controls set out in the planning proposal.

4.0 Conclusion

The Property Council broadly supports the intent of the CBD Planning Proposal and the additional development potential that it will unlock. Changes proposed to be made to the Parramatta LEP 2011 will deliver development incentives for the provision of certain public benefits including community infrastructure, design excellence and environmental sustainability improvements.

Council should consider providing landowners and proponents with more clarification regarding the implementation of key aspects of the planning proposal including, the community infrastructure provisions, obligations needed to comply with flood protection during the PMF, higher environmental sustainability obligations and reduced carparking rates.

We welcome the finalisation of this planning proposal which will assist deliver on the vision of the 2015 Parramatta CBD Planning Strategy.