

23 August 2024

Kiersten Fishburn

Secretary

Department of Planning, Housing, and Infrastructure

 and via the NSW Planning Portal

Dear Kiersten,

**Staff submission - Macquarie Park Innovation District Stage 2 Rezoning Proposal (Transport Orientated Development)**

Thank you for the opportunity to provide feedback to the proposed Stage 2 rezoning of the Macquarie Park Innovation District (**MPID**). The City of Ryde (**CoR**) wants to continue collaborating with the Department of Planning, Housing, and Infrastructure (**DPHI**) to strike the right balance in the MPID – delivering an Innovation District that retains competitive and resilient employment lands alongside the need to resolve the ongoing housing crisis, with appropriate infrastructure provision.

This staff submission, which builds on Council's submission to the Stage 1 Rezoning Proposal, seeks to convey the following key points to key stakeholders:

- 1) The City of Ryde is not a NIMBY Council. Council is ready and willing to do its fair share in the delivery of housing across the City of Ryde Local Government Area (**LGA**) – including in MPID. Our caveat is that the City of Ryde is seeking to **strike the right balance between housing, employment and infrastructure**. A siloed focus on housing now will create a future employment problem, and in fact Council is concerned that this has already occurred with the loss of 9,000 jobs in the MPID within 5 years.
- 2) Staff support the inclusion of mandatory affordable housing contributions of between 10-15% in perpetuity for all new residential developments. However, both the public and the private sector need to collaborate on how we can ensure residential developments remain feasible when they're delivering 10-15% affordable housing.
- 3) Staff are opposed to the allowance of BTR housing on employment--zoned land for the following key reasons:
  - a. Businesses seeking innovation and enterprise employment spaces in MPID need certainty that residential development won't encroach on their operations.
  - b. Ratepayers across the City of Ryde will have to pick up the gap in the loss of rateable income required to service new residents in BTR housing, due to the inequitable advantages provided to developers in this respect.
  - c. Like Council, State Government agencies cannot effectively forecast the impact of BTR housing – MPID's infrastructure and services will not be able to

accommodate the additional impact of BTR residents that have the same needs as any other resident.

- d. BTR housing is a premium-priced product. Should proponents struggle to find tenants due to cost-of-living pressures, it is possible that the NSW Government will succumb to future pressures from developers to flip BTR housing into a strata development for market sales.
- 4) Staff request a moratorium on data centres (including those currently in the State Significant Development (**SSD**) pipeline) in MPID until the NSW Government develops a clear strategy guiding the permissibility of this critical infrastructure across NSW.
- a. We acknowledge that data centres are critical pieces of infrastructure for our evolving economy; however, there are better locations for data centres away from residential development, potentially co-located with current and former coal-fired power stations where there is sufficient access to water and electricity.
  - b. Council has serious concerns that the energy and water requirements associated with data centres will result in significant delays in the delivery of MPID's residential and employment potential and stymie the Government's efforts to tackle the State's housing crisis.
- 5) The NSW Government needs to fund the acquisition of the former Peter Board High School (144 Wicks Road) and TG Millner (144-150 Vimiera Road) for active regional open space. Unlocking these sites is critical to ensuring residents and local workers have access to quality local amenities and open space.

Council staff have always campaigned with DPHI and the NSW Government for the need to **strike the right balance in delivering housing, employment and infrastructure**. We urge the NSW Government to give careful consideration to the issues we've raised in this submission to ensure that together we protect and enhance MPID – unlocking its true potential as an innovation powerhouse—a place where people can live, work, rest, play, and **innovate**.

The staff submission includes a detailed assessment of these issues, in addition to technical insights from Council experts. I trust the NSW Government will give due consideration to the matters raised in our submission to ensure that together we can deliver the best outcomes.

If you have any questions or concerns in relation to our submission, please contact my office on (02) 9952 8222.

Kind regards,

*Wayne Rylands*

**Wayne Rylands**

Chief Executive Officer  
City of Ryde Council

# **City of Ryde Staff Submission: Macquarie Park Innovation District – Stage 2 Rezoning Proposal**

23 August 2024

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# Executive Summary

The Macquarie Park Innovation District (**MPID**) is currently subject to a State-led rezoning proposal. Stage 1 of the rezoning proposal was subject to consultation in late 2023, and the NSW Government is currently reviewing submissions to inform the final proposal.

In July 2024, the NSW Government publicly exhibited Stage 2 of the rezoning proposal – identifying the eastern portion of MPID (i.e., the lands surrounding the Macquarie Park and North Ryde metro stations) as a priority high-growth area under the Transport Orientated Development (**TOD**) program. This staff submission responds to the Stage 2 rezoning proposal public exhibition.

For nearly 60 years, all tiers of Government have invested heavily into MPID – Australia's original innovation district – making it an Australian leader in innovation, research and development (**R&D**) investment, education, and employment.

**MPID is already a globally competitive innovation district - making an annual economic contribution of \$13.6 billion to the NSW economy.** It is also estimated that every year over \$700 million is invested in R&D in MPID, translating to \$2.6 billion in benefits to the Australian economy.

However, the NSW Government's rezoning proposal, particularly the allowance of Built-to-Rent (**BTR**) housing in place of employment spaces used for innovation, will erode its competitiveness and make a significant negative hit on economic contributions and prosperity.

The NSW Government needs to understand that if spaces for innovation aren't protected, MPID is at risk of becoming a residential dormitory and data centre wasteland for Sydney. Losing MPID as an innovation district will lead to lasting negative economic impacts on the local, State, and National economies.

MPID is Australia's top postcode for IP registrations. The potential loss caused by BTR housing in place of innovation spaces is estimated to be a hit of up to \$3.1 billion to the Australian economy. **Furthermore, the potential loss of R&D completely within MPID is estimated to be over \$4 billion to the Australian economy.**

Investment into commercial spaces in MPID is dropping. As with nearly every other Australian commercial market, MPID was heavily impacted by the changing ways of work caused by the COVID-19 pandemic. Companies have reduced their demand for floor space and shifted to hybrid or even fully remote work practices for office-based staff. Companies are also leaving MPID for reasons such as:

- Lack of innovation spaces (i.e., warehousing, research spaces, spaces for laboratories, space for storage).
- Loss of elements of the innovation ecosystem relevant to their industry (e.g., software development) to other employment centres.

- A flight to better quality office spaces in other commercial districts across Sydney.
- A lack of State investment in R&D, resulting in companies relocating to Queensland and Victoria.
- A deterioration of the innovation ecosystem associated with companies in the technology sector relocating to North Sydney and Tech Central.
- A lack of urban amenity in MPID, and
- Residential encroachment on business operations.

The loss of companies in MPID is directly affecting employment. At the start of 2020 it was estimated that MPID was home to approximately 72,000 jobs. Analysis in 2024 found that MPID was home to approximately 63,000 jobs – a loss of **9,000 workers in four years since COVID**. The loss of jobs is devastating to the economy – employees working within MPID generated in excess of \$7.9 billion of income in 2023, or more than \$125,000 per worker. These 9,000 workers represent a loss of \$1.125 billion in income per annum.

Agencies like Investment NSW have failed MPID. Council has to share its portion of the blame, too – over the years not enough has been done by both the NSW Government and Council to attract new investment and retain existing investment in MPID. The new Executive and senior management team at Council has recognised this and have invested in a dedicated Business Development Officer for MPID, amongst other new measures implemented. This officer is already delivering positive outcomes, but Council staff can't do it alone.

Agencies like Investment NSW must step up to ensure we retain employment. They must also collaborate with the City of Ryde, local businesses and the Department of Planning, Housing and Infrastructure (**DPHI**) to ensure that MPID's planning controls are conducive to the innovation ecosystem.

The City of Ryde is committed to maintaining MPID's status as a globally competitive innovation district. Through public and private sector collaboration, we believe **MPID can deliver an increased supply of diverse housing options for current and future residents without compromising employment and infrastructure, but the balance must be right.**

This staff submission, which builds on Council's submission to the Stage 1 Rezoning Proposal, seeks to convey the following key points to key stakeholders:

- 1) The City of Ryde is not a NIMBY Council. Council is ready and willing to do its fair share in the delivery of housing across the City of Ryde Local Government Area (**LGA**) – including in MPID. Our caveat is that the City of Ryde is seeking to **strike the right balance between housing, employment and infrastructure**. A siloed focus on housing now will further exacerbate a future employment problem.
- 2) Staff support the inclusion of mandatory affordable housing contributions of between 10-15% in perpetuity for all new residential developments. However,

both the public and the private sector need to collaborate on how we can ensure residential developments remain feasible when they're delivering 10-15% affordable housing.

- 3) Staff are opposed to the allowance of BTR housing on employment-zoned land for the following key reasons:
  - a. Businesses seeking innovation and enterprise employment spaces in MPID need certainty that residential development won't encroach on their operations.
  - b. Ratepayers across the City of Ryde will have to pick up the gap in the loss of rateable income required to service new residents in BTR housing.
  - c. Like Council, State Government agencies cannot effectively forecast the impact of BTR housing – MPID's infrastructure and services will not be able to accommodate the additional impact of BTR residents.
  - d. BTR housing is a premium product. Should proponents struggle to find tenants due to cost-of-living pressures, it is likely that the NSW Government will succumb to future pressures from developers to flip BTR housing into a strata development for market sales.
- 4) Staff want a moratorium on data centres (including those currently in the State Significant Development (**SSD**) pipeline) in MPID until the NSW Government develops a clear strategy guiding the permissibility of this critical infrastructure across NSW.
  - a. We believe data centres are critical pieces of infrastructure for our evolving economy; however, there are better locations for data centres away from residential development, potentially co-located with current and former coal-fired power stations where there is sufficient access to water and electricity.
  - b. Council has serious concerns that the energy and water requirements associated with data centres will result in significant delays in the delivery of MPID's residential and employment potential and stymie the Government's efforts to tackle the State's housing crisis.
- 5) The NSW Government needs to fund the acquisition of the former Peter Board High School (144 Wicks Road) and TG Millner (144-150 Vimiera Road) for active regional open space. Unlocking these sites is critical to ensuring residents and local workers have access to quality local amenities and open space.

Council staff have always campaigned for the need to **strike the right balance in delivering housing, employment and infrastructure**. We urge the NSW Government to give careful consideration to the issues we've raised in this submission to ensure we protect and enhance MPID – unlocking its true potential as an innovation powerhouse—a place where people can live, work, rest, play, and **innovate**.

# 1 Introduction

## 1.1 Background information

The *Macquarie Park Innovation Precinct Place Strategy* (the Place Strategy), which was finalised and approved by the then NSW Government in August 2022, was supposed to guide the renewal of MPID through to 2035.

*“The Place Strategy will help Macquarie Park reach its potential as a world-class place for innovation and collaboration with a strong employment focus.”<sup>1</sup>*

The aim of the Place Strategy was to *“create a better place, improve connectivity and find new ways for people to share ideas and technology. In turn, this will increase the attractiveness of Macquarie Park as a place to do business, study and invest in.”<sup>2</sup>*

MPID is currently subject to a State-led rezoning proposal. Stage 1 of the rezoning proposal was subject to consultation in late 2023, and the NSW Government is currently reviewing submissions to inform the final proposal.

In July 2024, the NSW Government publicly exhibited Stage 2 of the rezoning proposal – identifying the eastern portion of MPID (i.e., the lands surrounding the Macquarie Park and North Ryde metro stations) as a priority high growth area under the TOD program.

## 1.2 Purpose

Prepared by staff from the City of Ryde Council, this submission builds on our previous advocacy regarding **Striking the Right Balance in MPID – delivering housing, employment, and infrastructure**.

Experts across the disciplines of urban and infrastructure planning, property, economic development, environmental sustainability and resilience, urban design, and transport planning have informed this submission.

**It is important to note that this is a submission from Council staff authorised by the Chief Executive Officer.** A Council-endorsed submission could not be prepared due to the DPHI not providing the extension to Friday, 30 August 2024, that Council requested in a letter to the Secretary. Council is yet to receive a formal response to that request.

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<sup>1</sup> NSW Department of Planning and Environment. (August 2022). *Macquarie Park Innovation Precinct Place Strategy*

<sup>2</sup> NSW Department of Planning and Environment. (August 2022). *Macquarie Park Innovation Precinct Place Strategy*



## 2 City of Ryde's vision for MPID

### 2.1 Snapshot

#### 2.1.1 Macquarie Park Innovation District

Established in the 1960s as a collaboration between the NSW and Federal Governments, MPID is Australia's original innovation district. MPID offers a range of advantages for businesses, including a strategic location, a dynamic business and innovation ecosystem and a highly skilled workforce. These factors have helped to establish MPID as a thriving and globally competitive destination to attract businesses, residents, and visitors alike. MPID is home to a diverse range of businesses, including global technology, pharmaceutical, automotive, defence, and biomedical companies, and it is recognised globally as Australia's leading hub for innovation.

MPID is home to Macquarie University, one of Australia's leading education institutions. A global leader in synthetic biology, Macquarie University has helped MPID become a hub for research and development through academic and industry partnerships. Multiple vocational education institutions and other world-leading universities are within a short commute, helping Macquarie University create a pipeline of talent for businesses located in MPID. Additionally, five of Macquarie University's researchers are in the top 1% of the world's scientific authors.

MPID offers a range of advantages for businesses, including a strategic location, a dynamic business and innovation ecosystem, a highly educated and skilled workforce, and a strong pipeline of talent linked to the world-class Macquarie University. These factors have helped to establish MPID as a thriving and globally competitive destination to attract businesses, workers, residents, students, and visitors.

##### 2.1.1.1 *Strategic location*

MPID is northern anchor of the 'Eastern Economic Corridor' that spreads south to the Sydney Airport<sup>3</sup>. MPID is easily accessible via public transport, including buses and Metro (18 minutes from the Sydney CBD), and is also serviced by major arterial roads, including the M2 and Lane Cove Tunnel, Lane Cove Road, and Epping Road – connecting MPID with everything Sydney has to offer.

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<sup>3</sup> NSW Department of Planning and Environment. (August 2022). *Macquarie Park Innovation Precinct Place Strategy*

Figure 1 - The Macquarie Park Innovation District (MPID)



#### 2.1.1.2 Business and innovation

MPID is home to a diverse range of businesses, including global technology, pharmaceutical, automotive, defence, and biomedical companies. It is globally recognised as Australia's leading hub for innovation (Australia's number one postcode for intellectual property) and is Australia's leading destination for the Life Sciences sector.



According to the NSW Greater Cities Commission<sup>4</sup>:

*“Innovation districts are geographically dense areas within or at the fringes of metropolitan centres where universities and other research and development institutions, both public and private, cluster and connect with investment and businesses of all stages and sizes.*

*Innovation districts in NSW are made up of several single sector focused precincts, allowing for ideas, technologies, and sectors to collide. These collisions result in multi-sectorial districts leading the creation of first world invention and new industries. They also stimulate new business model innovation and technology adoption in existing industries.*

*Innovation districts are physically compact, transit-accessible, and technically wired, offering mixed-use housing, office, and retail.*

*As magnets for investments, innovation districts will create new high growth companies, connect us globally and become sought-after places to live and work.”*

#### 2.1.1.3 Highly skilled workforce

As previously stated, MPID is home to one of Australia’s leading universities, Macquarie University. A global leader in synthetic biology, Macquarie University has been fundamental in ensuring that the MPID is a hub for research and development through academic and industry partnerships.

*“The concentration of companies in the professional, scientific and technical services industry in the MPID is 17.4 per cent – higher than any other region in NSW.”<sup>5</sup>*

Multiple vocational education institutions and other world-leading universities are within a short commute, helping Macquarie University create a pipeline of talent for businesses located within MPID. Additionally, five of Macquarie University’s researchers are in the top 1% of the world’s scientific authors.

#### 2.1.1.4 Amenities and lifestyle

MPID offers a high-quality lifestyle, with a range of parks, recreational facilities, retail, and dining options. MPID is also home to Macquarie Centre, one of the largest shopping centres in Sydney, and boasts a range of residential options, including apartments and houses.

Vibrancy is increasing within MPID, with the City of Ryde approving over 11,197 new dwellings over the last five years in and around MPID leading to an increased demand for lifestyle opportunities and enhanced local amenities.

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<sup>4</sup> Greater Cities Commission <<https://greatercities.au/innovation-districts>>; accessed 20 February 2024

<sup>5</sup> <https://www.mq.edu.au/partner/access-business-opportunities/innovation-entrepreneurship-and-it/incubator/news/news-items/we-are-the-most-innovative-postcode>

### 2.1.2 Stage 2 / TOD proposal

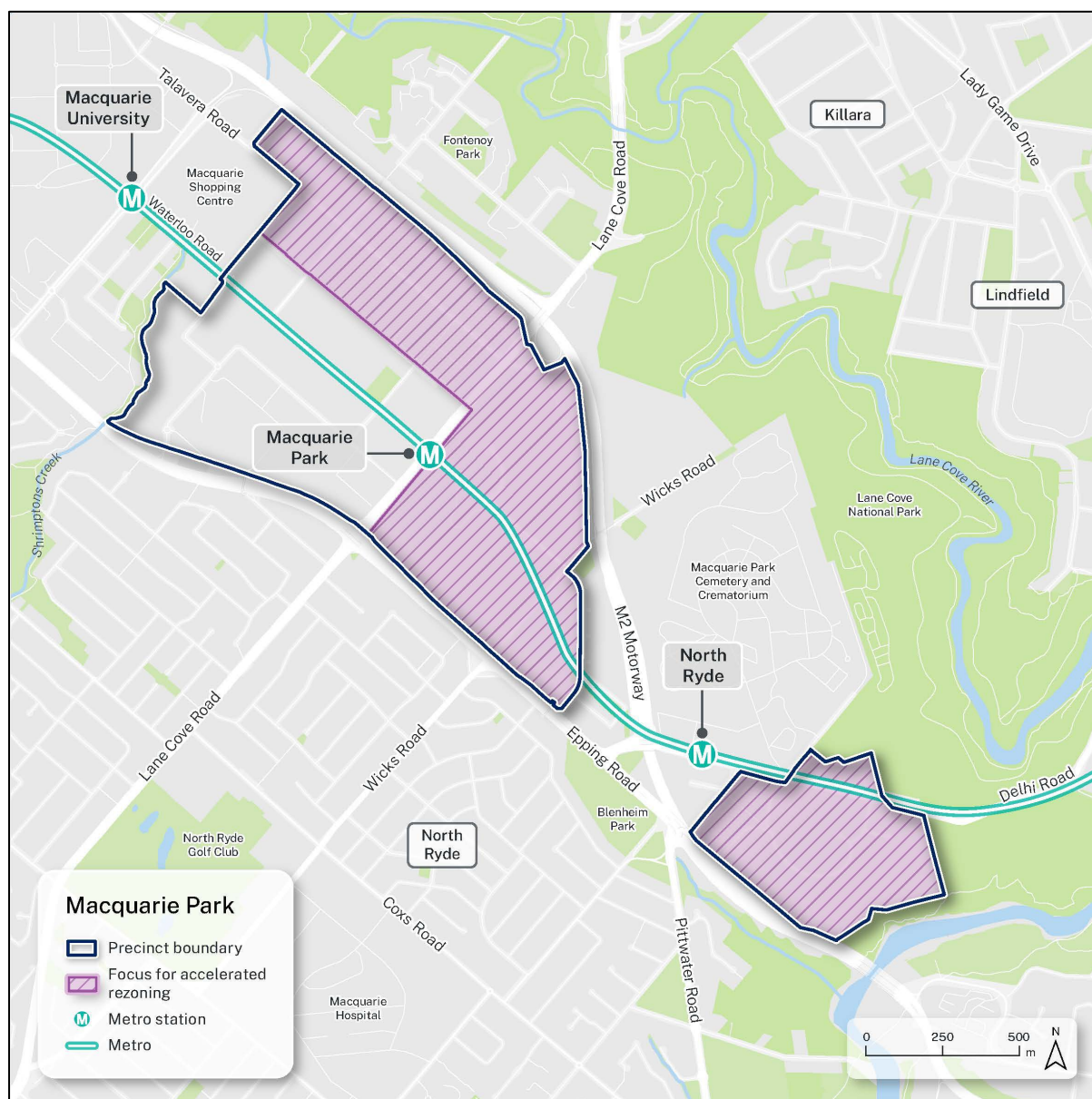
Stage 2 of the NSW Government's rezoning proposal covers the eastern portion of MPID (refer to Figure 2). This part of MPID is a prime location for urban renewal – a place where the public and private sectors collaborate on the delivery of fit-for-purpose housing, innovation and enterprise employment spaces, and infrastructure.

The lands surrounding the Macquarie Park Metro station offer the potential for mixed-use development alongside regionally significant active open space through the acquisition of the Peter Board High School site (144 Wicks Road). The lands surrounding the North Ryde Metro station offer the opportunity to unlock the revitalisation of the former CSIRO labs (Julius Avenue) alongside the surrounding employment lands while also delivering an uplift in diverse housing supply closer to the Metro station.

In contrast to Stage 1, Stage 2 reflects greater consideration by DPHI of the need to protect employment spaces. However, BTR continues to represent a major risk, with new SSD BTR developments already proposed for sites around both the Macquarie Park and North Ryde Metro stations.

The NSW Government must send a clear signal that it wants to protect employment while still delivering new housing and infrastructure at the front-end of development. It cannot allow the 'market to dictate the outcome' as it would undermine the broader strategic efforts of consecutive local, State and Federal Governments to further enhance MPID's position as a globally competitive innovation district.

Figure 2 – MPID Rezoning Proposal Stage 2 (Transit Orientated Development rezoning proposal) boundary



## 2.2 MPID's contribution to the NSW economy

The NSW economy is larger than Singapore, Malaysia or Hong Kong, contributing approximately 31% to Australia's national output<sup>6</sup>. The Sydney region is the number one startup ecosystem in the southern hemisphere, with MPID playing a critical role in supporting startups. MPID is the second largest commercial district in NSW and, prior to the Rezoning Proposal, was on track to become the fourth largest commercial district Australia-wide by 2030. It has been the core of Sydney's Eastern Economic Corridor<sup>7</sup>.

<sup>6</sup> Investment NSW, 2022; Technology Prospectus NSW

<sup>7</sup> Source: Greater Sydney Commission, 2018; North District Plan

MPID makes the second highest annual contribution to NSW Gross State Product after the Sydney CBD (**estimated at more than \$10 billion in 2023<sup>8</sup>**) and is home to approximately 63,365 workers<sup>9</sup> from across NSW (with the Place Strategy provisioning for a further 20,000 workers by 2036).

Nine of the world's top 100 companies (Australia Headquarters) choose to call MPID home, leveraging the area's comparative economic advantages of:

- **Education** – Macquarie University is one of Australia's top-ranking research institutions and has one of the highest-ranked MBA programs.
- **Research and development** – Many businesses and institutions operating within MPID invest in research, including in partnership with Macquarie University. The NSW Government has recently invested \$96 million on an RNA research and pilot manufacturing facility.
- **Health services** – MPID is home to Macquarie University Hospital – Australia's first and only fully integrated academic sciences centre – the preeminent destination for clinical trials in Australia.
- **Knowledge-intensive sectors** – nationally significant business clusters such as:
  - Medical and pharmaceutical
  - Media, technology, and telecommunications
  - Digital and eCommerce
  - Transport and logistics
  - Advanced manufacturing and high technology (inc. defence and aerospace), and
  - Health and wellbeing.

Output data represents the gross revenue generated by businesses/organisations in each of the industry sectors in a defined region. Gross revenue is also referred to as total sales or total income. The total output estimate for the Ryde LGA for 2023 was **\$45.7 billion**. MPID contributed approximately **\$34.7 billion** to the Ryde LGA's output – 75.9% of the total output.

For context, the total output for the Greater Sydney Statistical Area (which includes the Blue Mountains and the Central Coast) was \$1,080.6 billion<sup>10</sup> in 2023. **MPID alone makes up over 3% of this output.**

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<sup>8</sup> REMPLAN Economy, 2024. Data based on: ABS 2021 Census Place of Work Employment (Scaled)

<sup>9</sup> REMPLAN Economy, 2024. Data based on: ABS 2021 Census Place of Work Employment

<sup>10</sup> REMPLAN Economy, 2024. Data based on: ABS 2021 Census Output

The 2023 total employment estimate for the Ryde LGA is 91,764 jobs, of which 63,635<sup>11</sup> jobs are located within MPID (64.6% of jobs located in the Ryde LGA). The top five employment industries for the Ryde LGA (in 2023) were:

1. Wholesale Trade – 11,654 jobs
2. Professional, Scientific & Technical Services – 9,143 jobs
3. Information Media & Telecommunications – 7,299 jobs
4. Health Care & Social Assistance – 7,264 jobs, and
5. Manufacturing – 6,280 jobs.

Through the combination of highly skilled workers and 44,000 higher education students, MPID makes an annual economic contribution of **\$13.6 billion to the NSW economy**. It is also estimated that every year over \$700 million is invested into R&D in MPID, translating to at least **\$2.6 billion to the National economy**<sup>12</sup>.

## 2.3 Vision for the future

Stockland Group is a major land holder in MPID. They recognise the value of an innovation district.

*“Macquarie Park is already a nationally significant research and business centre that’s home to many of Australia’s ‘Top 100’ companies, research, and education institutions.*

*As one of the largest landowners in Macquarie Park, our vision is a renewed technology, innovation, and business precinct that maximises collaboration and wellbeing for workers, tailored to the needs of 21st-century business.”*

- John Schroder, Stockland Group Executive and CEO Commercial Property<sup>13</sup>

The Place Strategy’s vision for MPID recognised its role as a key contributor to the Australian economy.

*“A growing home to world-class businesses, innovation, research and education, Macquarie Park is competitive and resilient, with a stronger role within Greater Sydney’s and Australia’s economies.*

*It is a place for people, characterised by its connectivity and the unique setting of Wallumattagal County – a place of rivers and fertile wetlands with a deep history of learning, trade and culture.*

*Macquarie Park is a place where people go to share ideas; a place that fosters creativity through interconnected relationships between people, businesses, places of education and a renewed connection to Country.<sup>14</sup>”*

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<sup>11</sup> REMPLAN Economy, 2024. Data based on: ABS 2021 Census Place of Work Employment

<sup>12</sup> <https://www.biointelect.com/wp-content/uploads/2024/04/MPIDEconomicImportanceReport-Updated.pdf>

<sup>13</sup> <https://www.stockland.com.au/media-centre/media-releases/stockland-plans-for-the-future-of-work-with-major-office-renewal-at-macquarie-park>

<sup>14</sup> NSW Department of Planning and Environment. (August 2022). Macquarie Park Innovation Precinct Place Strategy

Council's Chief Executive Officer has a more practical view of MPID being a place that delivers benefits to our business and residential community.

*"Increasing our City's commercial capacity, supported by appropriate infrastructure, will have positive benefits for ratepayers and our community in general." - Wayne Rylands, City of Ryde CEO<sup>15</sup>*

The vision for MPID is more than just thinking about the needs of today and the development associated with providing for the needs of the twenty-first century.

CoR envisions MPID as a space where innovation, employment, and infrastructure come together to create a flourishing ecosystem that benefits all. The vision is not just about urban planning and land use; it's about building upon the existing innovation district's vision to reshape the fabric of the city, ensuring that every resident has access to opportunities, every business has room to grow, and every innovation has a chance to change the world.

In reflection of both the Stage 1 and Stage 2 rezoning proposals, the City of Ryde believes public and private sector stakeholders should be able to galvanise around the following vision statement:

***The Macquarie Park Innovation District is a globally competitive innovation district. It is a living lab for innovation – where global companies, workers, residents, and students choose to live, work, rest, play, and innovate.***

This vision strikes a balance between the need to deliver housing while also delivering employment opportunities and infrastructure that will enhance the well-being of the community. Realising this vision will see MPID as one of Australia's most desirable places to do business, work, live, and innovate. From backyard science to the next evolution in quantum computing – MPID will be Australia's home of innovation.

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<sup>15</sup> <https://www.ryde.nsw.gov.au/Council/Media-Centre/News-and-Public-Notices/New-vision-for-Macquarie-Park#:~:text=This%20will%20be%20supported%20by, support%20up%20to%207%2C650%20homes.>



### 3 Stage 2 Rezoning Proposal for MPID – Key issues

#### 3.1 The City of Ryde takes a balanced approach to housing provision

The City of Ryde has consistently demonstrated that it punches well above its' weight in delivering housing numbers – we are not a NIMBY council. Council staff have long advocated for **Striking the Right Balance** in the provision of housing, employment, and infrastructure. It is imperative that policymakers across all levels of Government collaborate on the design and implementation of strategic plans that strike the right balance by:

- Increasing the supply of housing (including diverse housing typologies)
- Improving the community's well-being (e.g., access to sports and recreational facilities)
- Improving social cohesion (e.g., access to active and passive open spaces, sporting and recreational facilities)
- Improving access to essential services (e.g., health and educational facilities)
- Delivering essential infrastructure in a timely manner
- Enhancing the built and natural environment
- Provide a 24-hour economy, with appropriate night life and dining opportunities
- Increasing employment opportunities, and
- Increasing productivity and economic diversity.

Council staff continue to advocate for an LGA-wide response to **striking the right balance**, always placing the community's best interests at heart, striving for a well-balanced approach, noting that there is already an undersupply of infrastructure and services for the existing population of the Ryde LGA, and this must be addressed at the outset when considering any relevant plans or strategies.

Staff will continue to explore how the rest of the LGA can respond to the current housing crisis through the completion of master plans for West Ryde-Meadowbank, Eastwood, and Gladesville.

#### 3.2 The City of Ryde welcomes mandatory affordable housing contributions

Council staff welcome the proposed minimum affordable housing rate (in perpetuity) of 10-15% for built-to-sell and 1-3% for BTR. This is a positive step towards increasing equitable access to housing in MPID – something that is sorely needed for frontline workers. This must be in perpetuity.

The presence of affordable housing can deliver social equity – ensuring that people from diverse income backgrounds can access safe and stable homes. As Greater Sydney continues to grow and evolve, the demand for housing has increased (almost exponentially). This increase has led to rising house prices that place significant pressure on lower- and middle-income households. Affordable housing

addresses this challenge by providing options that are within the financial reach of all residents, supporting social inclusion, economic diversity, and the overall well-being of the community.

Council staff acknowledge that delivering affordable housing presents several challenges, particularly in the context of development feasibility. Developers must balance the cost of land, construction, development fees and planning controls against the need to deliver a financially viable project. When affordable housing contributions are required as part of the development, these costs can strain project budgets, potentially leading to compromises in design, construction quality, or the range of amenities offered. This is a key concern for staff, as it is essential that affordable housing maintains the same standards as market-rate housing to ensure long-term sustainability and community integration.

Collaboration between the public and private sectors is crucial to addressing the challenges of delivering affordable housing. Government policies and incentives will play a vital role in making affordable housing projects financially feasible. On the other hand, the private sector brings expertise in design, construction, and project management, ensuring that developments are not only financially feasible but also meet high standards of quality and liveability.

Such collaboration could ensure that affordable housing contributions do not jeopardise the overall quality of residential development outcomes. Instead, they can enhance the local community by creating well-designed and inclusive environments where people of all income levels can thrive.

### 3.3 Built-to-Rent risks damaging the State and National economies

Council staff are not totally against BTR housing. It is a housing model that could accelerate the ability to place more roofs over more heads. However, the model receives considerable financial incentives that aren't offered to employment uses, which is influencing a market response that will likely see BTR replace spaces for commercial operations within MPID. Council would rather see larger financial incentives provided for affordable and social housing.

Staff believe that BTR should not be permitted within E2 Commercial Centre zones. BTR should be permissible for MU1 Mixed-Use zones – provided minimum commercial floor space requirements are met to achieve a balance between housing and employment opportunities. These commercial floor space requirements need to be reflective of economic centres – expanding beyond employment opportunities for small-scale retail and hospitality businesses.

The following section of this submission provides further information to support our call for BTR to be banned from E2 Commercial Centre zones in MPID.

#### 3.3.1 Businesses need certainty

The allowance of BTR in lands zoned for innovation and enterprise employment presents a significant risk to the stability and growth of MPID. As noted previously, MPID is renowned for its role as a leading hub for innovation and research, attracting global companies and fostering local start-ups, particularly in the technology,

biomedical, and education sectors. However, the uncertainty created through the allowance of BTR could deter future investment and undermine MPID's purpose as a globally competitive innovation district.

The allowance of BTR threatens the availability of employment land and premises within the MPID that should be preserved for the needs of innovative companies. Businesses rely on the assurance that lands zoned for employment will remain dedicated to business activities. The possibility that the lands and buildings could be flipped to residential use through BTR creates uncertainty for companies planning to establish or expand their operations in MPID. This uncertainty could lead to a reluctance from businesses to commit to long-term leases or invest in the infrastructure necessary to support their growth.

MPID's reputation as a stable and dedicated innovation district was once a key factor in attracting both domestic and international investment. While this has weakened in the past few years, particularly due to the changing ways of work resulting from the COVID-19 pandemic, the allowance of BTR developments instead of innovation and enterprise employment spaces could further weaken MPID's reputation by introducing mixed-used developments that blur the boundaries between commercial and residential activities. Investors and businesses seek environments where they can operate with a clear understanding of zoning and land use controls. The potential for innovation and enterprise employment spaces undermines this clarity and could result in further reduced investor confidence.

Investment into commercial spaces in MPID is dropping. As with nearly every other Australian commercial market, MPID was heavily impacted by the changing ways of work caused by the COVID-19 pandemic. Companies have reduced their demand for floor space and shifted to hybrid or even fully remote work practices for office-based staff. Companies are also leaving MPID for reasons such as:

- Lack of innovation spaces (i.e., warehousing, research spaces, spaces for laboratories, space for storage).
- Loss of elements of the innovation ecosystem relevant to their industry (e.g., software development) to other employment centres)
- A flight to better quality office spaces in other commercial districts across Sydney
- A lack of State investment in R&D resulting in companies relocating to Queensland and Victoria
- A deterioration of the innovation ecosystem associated with companies in the technology sector relocating to North Sydney and Tech Central
- Large landowners not renewing leases due to the desire to flip the commercial property to BTR housing
- A lack of urban amenity in MPID, and
- Residential encroachment on business operations.

Companies have also expressed frustration with Investment NSW, with some arguing that they don't focus on investment retention, and others noting that they don't provide a value proposition for investment in Sydney. Council staff have also been advised that Investment NSW has met with businesses in MPID and offered them incentives to relocate to Westmead and Tech Central. These companies refused. Council staff and local stakeholders believe that Investment NSW is failing MPID.

Fujitsu Australia, for example, have written to Council explaining that they are leaving their premises in MPID in part due to the:

*"Increased presence of residential development in the Macquarie Park Innovation District, particularly around our location on Talavera Road, eroded the clustering values of the area (i.e., being located within proximity to other businesses) for Fujitsu."* - Sigrid Mann, Head of Facilities APAC, Fujitsu Australia<sup>16</sup>

Companies like Siemens have drastically reduced their footprint in the MPID, and Council staff have been advised that companies like Polestar and Volvo are not only leaving MPID but potentially leaving NSW. This is in addition to the loss of companies like Microsoft, Sony, Hewlett Packard and Hitachi from MPID – all of which have simply relocated across Greater Sydney.

Businesses in MPID are telling Council that residential developers are pressuring them to sell their land for residential development, offering additional incentives such as subsidies for commercial spaces in other parts of MPID or Greater Sydney. These businesses are becoming increasingly concerned with the encroachment of residential development that is non-compatible with innovation.

For example, companies like AstraZeneca, which operate a 24-hour facility whereby freight movements occur throughout the night, are concerned that residential development will pressure them to either reduce their hours of operation or relocate outside of MPID.

The loss of companies in MPID is directly affecting employment. At the start of 2020 it was estimated that MPID was home to approximately 72,000 jobs. Analysis in 2024 found that MPID was home to approximately 63,000 jobs – a loss of **9,000 workers in four years since COVID**. The loss of jobs is devastating to the economy – employees working within MPID generated in excess of \$7.9 billion of income in 2023, or more than \$125,000 per worker. These 9,000 workers represent a loss of \$1.125 billion in income per annum.

To ensure the continued growth and success of MPID, the NSW Government must provide clear planning controls that set appropriate boundaries between residential development (of any kind) and commercial developments. Removing the allowance of BTR in lands zoned for innovation and enterprise employment would provide the certainty that businesses and investors need to make confident, long-term decisions that support the growth and innovation that MPID is globally known for.

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<sup>16</sup> Fujitsu Australia, February 2024. Written submission to City of Ryde.

### 3.3.2 MPID's infrastructure and services won't be able to cope with the needs of Built-to-Rent residents

The MPID is currently experiencing significant impacts due to the approval and construction of data centres within the area. The Stage 2 rezoning area already includes the approval of one (with the possibility of two more) substantial data centres, yet consideration has not been given to the resulting loss of existing employment opportunities or the potential for housing that is being lost at these crucial sites. Beyond the opportunity cost of not utilising these locations for housing, the extreme consumption of power and water by these data centres presents a considerable strain on the availability of basic utility services. This strain will inevitably affect both current and future BTR and residential developments, further intensifying the challenges faced by the district.

- The expansion of the Data Centre at 17 Talavera Road will see the total consumption move to 790,000 KL of water annually, which is approx. 2,164KL per day. An average person in Australia uses 200L per day<sup>17</sup>. **The data centre would use the same amount of water as approximately 10,820 people per day.**
- An Olympic pool holds around 2500KL of capacity. The data centre at 269 Lane Cove Road at full capacity is estimated to consume approximately 3732KL of water per day, which is approximately 1.5 Olympic-size pools each day. **The data centre would use the same amount of water as approximately 18,000 people per day.**

The Stage 2 rezoning proposal's increase in population and density will increase the gap between supply and demand for infrastructure while putting tremendous strain on the infrastructure and services that are already in place and at capacity in some areas where development is already underway.

Infrastructure proposed to be funded from the Housing and Productivity Contribution (HPC) as part of the Infrastructure Delivery Plan for the Stage 2 rezoning does not have any guaranteed funding, with a projected \$126.5 million to be collected as part of the HPC for the rezoning proposal. The contributions from the HPC are being pooled to fund infrastructure for Greater Sydney without a clear allocation of funding for MPID's infrastructure.

The additional infrastructure to be delivered under this plan requires ongoing maintenance by the City of Ryde and replacement or renewal in the future. **This cost will be borne by the ratepayers**, which, as demonstrated through the BTR modelling in the next section, puts extra pressure on the other ratepayers across the Ryde LGA.

With \$438.5 million set aside for infrastructure development, the rezoning proposal seeks to meet this expanding need. In addition to the lack of infrastructure planning

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<sup>17</sup> *average-daily-water-use-by-property-type.pdf (sydneywater.com.au)*

as part of the rezoning, BTR developments allowable in the commercial core will increase the demand and pressure on infrastructure – an increase that is not planned for or being delivered as part of this Rezoning Proposal.

The financial implications from the BTR developments will create a burden on existing infrastructure and services, requiring cuts to services and projects to accommodate the increased population. The alternative would be an increase in general rates across the existing Ryde LGA to recoup future income loss from the BTR rates, as Council will not be able to sustain these impacts from future BTR developments.

This increase in expenditure without sufficient rates income will result in significant cuts to existing services, community programs or projects. If Council were to cut these services, programs, and projects, it would not achieve its *Asset Maintenance Ratio and Asset Renewal Ratio* each year. It would ultimately result in an accumulation of infrastructure backlogs, which would deem Council financially unsustainable and not 'Fit for the Future'.

For Council to understand the potential impact of commercial properties converting into BTR, Council staff have modelled its assumptions on a case study of an existing development that initially was a commercial property in 2016 but later was redeveloped into 695 residential units under a strata plan in 2019 within MPID.

In this redevelopment, the land value increased from \$10.8 million to \$157 million as the Valuer General recognised the "highest best use" of the property.

*Table 1 - Change of use from commercial to residential*

Property 1, Macquarie Park	Land Value 2022	Ordinary Rates (Inc Infrastructure & Enviro Levy)	Macquarie Park Special Rate	Total Rates (Ordinary + MPSL)
Business	\$ 10,818,056*	\$ 44,181	\$ 7,941	\$ 52,122
Residential	\$ 157,000,000	\$ 595,717	\$ 0	\$ 595,717
Resulted in an <b>increase</b> in rates per annum				<b>\$ 543,595</b>

*\*Business land value has been forecasted to 2022 based on similar business properties in precinct.*

The overall rates increased by \$543,595, which will be required to fund the new demand placed on the City of Ryde's existing infrastructure and services. In the example above, the redevelopment is considered build-to-sell, where the property is subdivided into separate lots under a strata plan. Which means each unit is rated separately. In the case of BTR, as per the Housing SEPP, the property is not permitted to be subdivided into separate lots. As a result, Council will not be able to rate each unit separately and will only be able to rate the property as one assessment.

Using the same Property 1 as an example from Table 1 above, if subdivision is not permitted for BTR developments, this would mean Council will have to rate the property as one assessment.

Table 2 - Residential Build-to-Sell Vs Built-to-Rent

Property 1, Macquarie Park	Land Value 2022	Ordinary Rates (Inc Infrastructure & Enviro Levy)	Macquarie Park Special Rate	Total Rates (Ordinary + MPSL)
Residential – 695 Units separately rated	\$ 157,000,000	\$ 595,717	\$ 0	\$ 595,717
Residential – Rated as one assessment	\$ 157,000,000	\$ 92,063	\$ 0	\$ 92,063
Results in a <b>DECREASE</b> in rates per annum				<b>(\$503,654)</b>

As detailed in Table 2, the BTR scenario would result in a decrease in rates income of \$503,654, which would be financially unsustainable for Council to meet the increased demand for and on infrastructure projects, programs and services for this increase in population.

The example below demonstrates the impact on rates for three properties that Council is aware will be undertaking BTR developments within MPID.

Table 3 – Impact of BTR on Council rates

Current Business Rates A	Land Value 2022*	Total Rated as One Residential Assessment B	Initial Loss of Income B-A	Total Residential units Rated Separately C	Future Lost income for Council B-C
\$140,843	\$114,756,835	\$67,344	<b>(\$73,499)</b>	\$435,431	<b>(\$368,087)</b>
\$194,127	\$166,261,871	\$97,483	<b>(\$96,644)</b>	\$630,861	<b>(\$533,378)</b>
\$113,961	\$115,886,331	\$68,005	<b>(\$45,956)</b>	\$439,717	<b>(\$371,712)</b>
<b>\$448,931</b>		<b>\$232,832</b>	<b>(\$216,099)</b>	<b>\$1,506,009</b>	<b>(\$1,273,177)</b>

Across the three properties, the change from business property to residential will result in an initial loss of \$216,099, as per Table 4. As the BTR units will not be able to be rated separately, there will be a **future loss of rates income of \$1,273,177 per annum**.

It is important to note that the annual IPART Rate Peg will compound this loss. Assuming an annual IPART Rate Peg of 4% over 10 years, this will amount to a **loss in future income of \$15,285,899** for just the three properties used in the example. The impact of the Rezoning Proposal and the introduction of BTR is estimated to

have a **cumulative impact of over \$80 million** on the City of Ryde's rates income over a period of 15 years.

### 3.3.3 Other ratepayers across the City of Ryde will have to pick up the bill for Built-to-Rent developments

As noted above, the uncertainty over BTR means that Council and the NSW Government cannot adequately plan for the infrastructure needs of BTR residents. The financial implications from BTR developments will create a burden on existing infrastructure and services, requiring cuts to Council services, programs and projects that will be needed to accommodate the increased population.

To fund these projects, Council will have to explore a Special Rate Variation across the existing Ryde LGA, likely within the next 5-10 years, to recoup the future rates income loss from ridiculously low BTR rates, as Council will not be able to sustain the financial impacts generated by BTR developments. **This means the existing and future populations outside BTR development would be subsidising those residents for infrastructure, open space, and local community services.**

The increase in expenditure to maintain infrastructure and services without sufficient rates income will otherwise mean a cut to existing services or projects. If Council were to have to cut asset renewal projects, for example, it would not achieve its *Asset Maintenance Ratio* and *Asset Renewal Ratio* each year. It would ultimately result in an accumulation of infrastructure backlogs, which would deem Council financially unsustainable and not 'Fit for the Future'.

### 3.3.4 There is no certainty that Built-to-Rent will be in perpetuity

There is a common misunderstanding that BTR delivers affordable housing. BTR does deliver rental housing stock, which can help put roofs over many heads; however, **BTR is a premium product with a price point well above median market rent levels.**

A comparison of current BTR properties in the Ryde LGA's surrounding suburbs:

- Lane Cove – BTR for a two-bedroom unit was \$750 per week as of March 2024. \$5,200 more than the average per year for a two-bedroom rental unit.<sup>18</sup>
- Chatswood – BTR for a three-bedroom unit was \$1,600 per week as of March 2024. Over \$21,000 more per year than the average for a three-bedroom rental unit.<sup>19</sup>

In 2022, Charter Keck Cramer conducted a rental analysis of rental properties in Sydney Olympic Park, comparing rental properties delivered to the market via traditional means (build, sell, rent) and Mirvac's LIV Indigo BTR. Their analysis identified:

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<sup>18</sup> <https://www.realestate.com.au/nsw/lane-cove-2066/>

<sup>19</sup> <https://www.realestate.com.au/nsw/chatswood-2067/>



- The median rental rate for a 1-bedroom, 1-bathroom BTR apartment is **19% higher** than non-BTR rental apartments (equating to an extra \$4,732 per annum); and
- The median rental rate for a 2-bedroom, 2-bathroom BTR apartment is a staggering **27% higher** than non-BTR rental apartments (equating to an extra \$8,424 per annum).

**The BTR market will not be the answer to the housing crisis.** In the MPID, it will likely only provide housing for international students or short-term 'serviced-apartment' type accommodation for more affluent visitors to the area.

BTR could limit the opportunity for individuals or couples on an average wage to purchase a home. Instead, developers will use their own finance or access finance from large investment firms and superannuation providers to deliver housing, seeking a return on investment through rent, then future subdivision/strata and sale of the BTR. The attractiveness of this investment opportunity, alongside the financial incentives being offered to BTR in NSW, will limit other housing markets and commercial markets – unless they are protected.

Subdivision/strata and sale of the BTR can occur at 15 years (outside of commercial areas), therefore removing the long-term certainty of housing for renters. There are already examples emerging in the Australian BTR market whereby renters are being pushed out of BTR housing within a year. There is no certainty of long-term tenure with BTR, contrary to what is being spruiked by certain Government officials.

There is a genuine risk that developers could deliver BTR products that the rental market cannot afford, leading to a situation whereby the NSW Government will face lobbying for 'unrentable' BTR housing to be moved onto strata and sold, even before a 15-year period has passed due to the current housing crisis. This would lead to greater inequality, whereby BTR developers have received financial incentives that built-to-sell developers have not and allowed them to double dip on the value of their developments.

### 3.4 A moratorium on data centres is required to plan for them properly

Council is supportive of the NSW Government's position to ban data centres from MPID. However, there are already several data centres present in MPID, and there are currently plans for more data centres to be developed on sites that would be more suited to employment or residential purposes. This includes a data centre proposal directly above the Macquarie Park Metro station (269 Lane Cove Road).

Council staff are **advocating for a moratorium on the development of data centres within MPID** until a comprehensive, State-level infrastructure plan is established. The rapid increase in the prevalence of data centres in MPID, while profitable for individual businesses and landowners, presents significant challenges to the strategic land use goals of MPID. Council believes that without immediate intervention, MPID's status as a globally competitive hub for innovation will be compromised.

Furthermore, efforts to balance residential and employment developments will help unlock vibrancy within MPID. The encroachment of data centres into this space not only reduces the availability of land for housing and businesses but also alters the character of MPID, making it less attractive to residents and non-data-centric businesses.

Land within MPID is a finite resource that must be managed strategically to maximise its potential. Data centres, while essential to the digital economy, consume vast amounts of land with minimal direct employment generation. Research by CBRE noted that **data centres generate minimal jobs – generally in the 20- to 50-job range**<sup>20</sup>. There is a disparity in land use efficiencies when you compare the data centres with other commercial developments – particularly within a high-density employment precinct like MPID.

Data centres are notorious for their substantial energy and water demands. While data on Australia's growing data centre industry is lacking, a 2024 report by the International Energy Agency (IEA) noted that, globally, data centres in 2022 consumed 460TWh of energy – representing **two percent of all global electricity usage**<sup>21</sup>. The IEA projects that the energy needs of data centres globally could be more than double to 1050TWh by 2026. It is estimated that, for example, almost one-third of electricity demand in Ireland is expected to come from data centres by 2026.

The growing presence of data centres in MPID will strain local infrastructure, leading to competition for resources between data centres, businesses, and residents. This challenge for MPID will be a State-wide problem – where data centres will compete for water and energy during a time when the energy grid is struggling to meet demand as it transitions to cleaner energy sources.

The long-term economic health of MPID depends on its ability to attract and retain industries that drive innovation, provide high-value jobs, and contribute significantly to the local economy. While data centres are an integral part of the digital economy, their economic contribution to the local community is limited to other potential uses of the land. For MPID to remain a globally competitive innovation district, it must prioritise land uses that align with this vision.

Council staff propose that a **moratorium on new data centres in MPID be enacted immediately**. This moratorium should remain in place until the NSW Government delivers a clear, comprehensive plan that addresses the long-term infrastructure needs of both data centres and the communities they could be located within. Council staff are prepared to work collaboratively with the NSW government to help develop this plan, ensuring that it aligns with the broader strategic goals for MPID.

During the moratorium period, Council recommends the NSW Government use its legislative powers to effect the moratorium. Additionally, clear criteria should be established for lifting the moratorium, including the completion of a State-level

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<sup>20</sup> CBRE. (2024). *The Mystery Impact of Data Centers on Local Economies Revealed*

<sup>21</sup> International Energy Agency. (2024). *Electricity 2024: Analysis and forecast to 2026*

infrastructure plan, the identification of suitable alternative sites for data centres, and assurances that future developments will not negatively impact local resources or land use priorities.

### 3.5 Funding certainty is needed to deliver regionally significant active open space

Similarly to Stage 1, the Stage 2 proposal **does not include any guaranteed active open space provided by the NSW State Government to cater for the projected population of MPID and surrounding region**. Based on population projections for the Ryde LGA, capacity of up to an additional six sporting fields will be required to maintain the current provision standards afforded to existing residents.

An additional sporting field was included in Stage 1; however, the delivery of this field is not guaranteed as the NSW Government has not committed to funding the acquisition of the former Peter Board High School site (144 Wicks Road). Stage 2 does not provide any guaranteed additional capacity for active recreation despite a significant increase in population.

In addition to the Peter Board High School site, the increase in population will create greater demand on regional facilities, which are already struggling to meet the existing demand. As such, the NSW Government should also fund the acquisition of the TG Millner fields (144-150 Vimiera Road) to protect them as active regional open space.

Investing in the acquisition of the Peter Board High School site and the TG Millner fields for active open space is essential to ensure the long-term well-being of the Ryde community and the broader Northern Sydney region. As the population of MPID and surrounding areas continue to grow, the demand for recreational facilities will increase significantly. **Without the necessary investment into additional sporting fields and active open spaces, the quality of life for residents will be compromised**. Failure to commit to the acquisition of these sites would leave the community vulnerable to an ongoing deficit in recreational amenities, potentially leading to overcrowding, increased pressure on existing facilities, and increased maintenance costs.

By securing these sites now, the NSW Government can protect a valuable resource that will not only benefit current residents but also future generations. Moreover, investing in these acquisitions aligns with broader government objectives promoting public health, social cohesion, and environmental sustainability.

## 4 Detailed technical insights

The following section of this report captures technical insights provided by Council officers with expertise across the disciplines of urban and infrastructure planning, property, economic development, environmental sustainability and resilience, urban design, and transport planning.

### 4.1 Urban and Infrastructure Planning

- The projected populations used by DPHI for planning infrastructure provisions do not account for the additional population resulting from BTR.
- The Place Strategy and supporting Infrastructure Delivery Plan undertook an infrastructure needs analysis and provision of infrastructure based on a dwelling yield of 7,500 dwellings in Stage 1 and 2 of MPID. This dwelling yield did not account for BTR dwellings in the E2 – Commercial Centre zone introduced under the *SEPP (Housing) 2021*.
- Based on the built-to-sell and the potential BTR proposals for Stage 1 and 2 rezonings, the maximum potential dwellings that can be delivered are **17,821 dwellings**.
  - This figure represents an additional **10,321 dwellings or 22,128 people that have not been accounted for in the infrastructure planning of the district** (subject to the take up rates of built-to-sell and BTR).
  - This discrepancy is alarming because it indicates that the current infrastructure planning is vastly inadequate to support the expected population increase. Without proper planning and investment to accommodate the additional 22,128 people, the district could face significant challenges, including overcrowded schools, strained public services, inadequate open spaces, and insufficient community facilities. This could negatively impact the quality of life for residents and undermine the district's potential as a globally competitive innovation district.
  - For completeness, combining existing DAs approved in MPID/to be delivered in the pipeline with the maximum potential dwellings for Stages 1 and 2 would **result in 29,018 new dwellings in MPID**.
- While DPHI has verbally advised that they will be examining the update of BTR dwellings in the district to determine future actions regarding infrastructure planning, there is evidence that BTR is already developing in the area. There are currently four SSD applications on the NSW Planning Portal for assessment:
  - 1-5 Khartoum Road (dwelling numbers unknown)
  - Trinita Lighthouse BTR (508 BTR dwellings)
  - 35 Waterloo Road BTR (513 BTR dwellings), and

- 85-97 Waterloo Road & 2 Banfield Road BTR (736 BTR dwellings)

These applications account for at least 1,747 dwellings. They are all located on E2 zoned land.

- There is also a growing trend by developers to convert their projects from Affordable Housing Models to BTR mid-construction that has not, until recently, been envisaged in the original Affordable Housing Policies. This trend is occurring for several financial and economic reasons.
- The Infrastructure Delivery Plan is a replicate of that provided for the Stage 1 rezoning proposal. There have been no modifications made to this plan to reflect what has been proposed under Stage 2.
  - The Infrastructure Delivery Plan identifies a total need for \$5.4 billion of State infrastructure. Existing funding commitments comprise a total of \$1.07 billion. There is a shortfall of \$4.33 billion in funding commitments for State infrastructure<sup>22</sup>. This poses a serious risk to the region's ability to support the anticipated population growth and a diminished quality of life for residents.
- The current proposal lacks clarity on the impact on existing stormwater network. A proper stormwater network and capacity analysis is required before finalising Stage 2. Council can provide the stormwater network information and review the stormwater/flooding studies provided.
  - Note: there are several development and drainage upgrade projects currently underway in MPID, including the stretch from Coolinga Street to 17-23 Talavera Road. However, the downstream end has not yet been upgraded. Therefore, additional development will exacerbate the bottleneck situation.
- The Stage 2 rezoning permits residential development next to conflicting land uses. Area 9 is of particular concern as the rezoning is allowing residential development adjoining a future MPID bus depot and existing data centre at 4 Eden Park Drive.
- The proposed bus depot is expected to have a maximum morning peak hour operation of 63 buses and 54 buses in the pm peak hour<sup>23</sup>. This will result in potential conflicts between residential and commercial activities, such as noise, increased traffic, and operational disturbances, which could negatively impact the quality of life for residents and the efficiency of business operations.

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<sup>22</sup> NSW Government, 2024. *Macquarie Park Infrastructure Delivery Plan*.

<sup>23</sup> SCT Consulting (2024). *Zero Emission Buses Macquarie Park Bus Depot*. [Review of Environmental Factors Macquarie Park Bus Depot Appendix E - Traffic and Transport Assessment May 2024 \(nsw.gov.au\)](#)

#### 4.1.1 Open Space

- The proposal does not include the required active open space to cater for the future projected population growth across MPID and the Ryde LGA. Based on population projections, the Ryde LGA requires up to an additional six sporting fields to maintain current provision standards. Council staff believe the NSW Government needs to ensure the former Peter Board High School site (144 Wicks Road) and the TG Millner sporting fields (144-150 Vimiera Road) are utilised for regional active open space.
  - It should be further noted that Council is still waiting on the dedication of the Crown land at Porters Creek, not any commitment to fund the two full size sports fields we could place there.
- There are no confirmed funds provided for the provision of active open space at the former Peter Board High School site, even though this was outlined in the Stage 1 rezoning proposal that funding will be provided for an additional sporting field, resulting in uncertainty regarding infrastructure provisions. Additional funding will be required to acquire TG Millner sporting fields.
- It is also noted that the trigger to provide key infrastructure is only applicable if the site's purpose is residential accommodation.

Residential accommodation should not be the only trigger in this regard, since there are numerous permitted uses within the land use table, and a developer could lodge a development application for a large office premise, which still requires infrastructure. Incentive clauses can be applied to local infrastructure but should not be depended on to deliver regional open space.

MPID already has significant DA approvals and there is a risk that there will be insufficient active recreation facilities for future residents and workers.

- The Lane Cove National Park has been identified by DPHI as the Regional Open Space servicing the area as it is within 5-10km for all residents. The Lane Cove National Park provides a very different function to that of a Regional Open Space as contemplated in Council's *Future Provisions Plan*. A National Park should not be identified as playing this function and residents will travel to other nearby Regional Parks to meet this need.
  - The Infrastructure Delivery Plan should be amended to recognise the need to embellish Regional Open Space areas in the LGA to meet the needs of new residents in MPID as the Lane Cove National Park cannot be relied upon as a form of Regional Open Space.
- There are inconsistencies in the documentation provided by DPHI regarding open space. The Structure Plan in the *Macquarie Park Urban Design Framework* (2024) shows that there is a large pocket of proposed open space and landscape setback within Neighbourhood 7. DPHI's proposal in the *Urban Design Guide* does not include any proposed planning outcomes to ensure

this space, or any other identified areas of open space, is delivered as open space.

#### 4.1.2 Water supply

- Sydney Water (including the Managing Director) has advised Council that there is a current water supply issue within MPID and there is a shortfall of associated infrastructure to service additional development within MPID (even under the existing planning controls).

- The lack of water servicing is a significant concern for MPID, as development applications are having conditions imposed on them, preventing development being occupied until after Sydney Water has increased its water supply to the district

This means the planned residential density may not be able to be developed until 2026 or longer, depending on water supply delivery irrespective of upzoning occurring.

- Further concerns are raised in relation to adequate critical infrastructure to accommodate the unplanned population growth through BTR developments and increased uptake of data centres, which have a high demand on water.

#### 4.1.3 Social infrastructure and living with Country

- The vision for Macquarie Park integrates an understanding of Country (Ngurra) and its people to reconnect the area with purpose and culture. For Aboriginal people, Country encompasses all living systems and their interdependent relationships, including sky, land, sea, people, plants, and animals. These relationships are sustained through environmental and cultural knowledge.
- The Place Strategy adopts a Country-centred design approach, a holistic process that prioritises the care of Country and communities in addressing complex problems. This design methodology is driven by four interconnected pillars: culture, research, strategy, and technology. It guides master planning and promotes socially and environmentally sustainable development.
- By emphasising Country-centred design, the strategy ensures a balanced representation of environmental needs, interconnected systems, and human inhabitants. This approach fosters a meaningful relationship with Country, relevant to the scale and scope of each project.
- The Urban Design Guide lacks in a Country-centred Design that addresses living systems and broader ecologies in the future of MPID. This will result in adverse impacts on Country, including flooding, exacerbated wind conditions and lack of biodiversity.
- Utilise Country-centred design principles to inform fundamental structuring elements and key built form outcomes, rather than incorporated later in the



design. Country-centred provisions will ensure the enhancement of living systems and Country is prioritised in MPID.

#### 4.1.4 Well-located and affordable housing

- There are more suitable locations within the precinct for housing that leverage accessibility to mass transit (Macquarie Park Metro Station) and future potential open spaces, which should be included for mixed-use development. However, these areas remain designated as E2 – Commercial Centre. While the City of Ryde supports the majority of E2 – Commercial Core land for employment uses, there are select sites that, due to their accessibility to services, can be considered for mixed-use development due to their advantageous locations (Area 7).
- Council staff recommend the NSW Government enable the delivery of housing in more suitable locations, adjacent to Macquarie Park Metro Station (as a Mixed-Use zone) within Area 7 and retain the valuable E3 - Productivity Support zoned land for employment uses in Area 9 and locate housing away from conflicting land uses (being the proposed bus depot and existing data centre). Refer to Figure 3 below.

Figure 3 - Recommended locations for mixed use development



## 4.2 Property and Urban Design

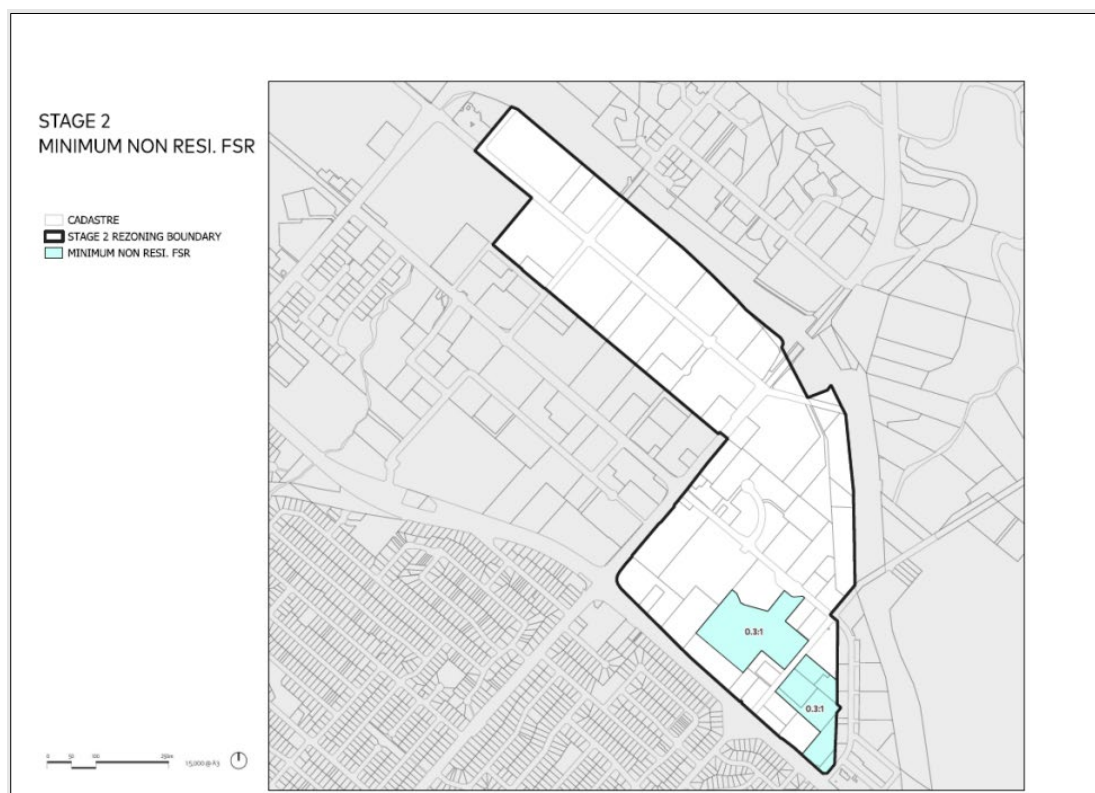
- An Innovation Design Guide should also be established under the Innovation SEPP (see economic development insights) to establish design controls for



co-locating residential and innovation uses. The Innovation Design Guide should be based on the latest developments in global research around planning for innovation districts and industrial intensification (e.g., studies into intensification commissioned by the Mayor of London<sup>24</sup>.

- The Explanation of Intended Effect (**EIE**) that accompanied the Stage 2 proposal contains a contradiction where it contains a minimum non-residential floor space requirement of 0.3:1 where open space is also incentivised, potentially impeding the delivery of open space. Refer to Figure 4.
- The proposal is not consistent with the objectives set out in the draft *Greener Spaces Design Guide*<sup>25</sup>. The Urban Design Guide identified in section 2.3.4 – Open Space Walkability<sup>26</sup> that half of the properties in Neighbourhood 1, 5 and 6 are not within 200m of a local park. The draft Greener Spaces Design Guide identifies performance indicators stipulating that for high density areas, properties should be within 200m of at least 0.15-0.5ha of public open space.

Figure 4 - Minimum non-residential floor space map. Source: EIE (Stage 2) 2024



- The key sites map includes site that are unlikely to be developed. Area 7, for example, encompasses two allotments: 34 Waterloo Road (Macquarie Park Metro Station) and 269 Lane Cove Road (Figure 5 and Figure 6).

<sup>24</sup> Mayor of London. (2021). *Industrial intensification and co-location study. Design and delivery testing.* [industrial intensification.pdf \(london.gov.uk\)](https://www.london.gov.uk/industrial-intensification.pdf)

<sup>25</sup> NSW Government. (2023). *Draft Greener Places Design Guide.* [DRAFT Greener Places Design Guide \(nsw.gov.au\)](https://www.nsw.gov.au/draft-greener-places-design-guide)

<sup>26</sup> NSW Government. (2024). *Macquarie Innovation Precinct Urban Design Guide.* [Macquarie Park TOD rezoning proposal | Planning Portal - Department of Planning and Environment \(nsw.gov.au\)](https://www.nsw.gov.au/macquarie-park-tod-rezoning-proposal)

- 34 Waterloo Road is a railway entrance into the Metro station, as such it is unclear the intent of making this site a key site since it will never be developed.
- It should also be noted that currently, there is SSD application lodged with DPHI for 269 Lane Cove Road for a significant data centre, which conflicts the principles and objectives of the TOD policy. This site could accommodate over 1,000 apartments, just with existing planning controls.

There are significant concerns that while data centres are planned to be prohibited in the E2 zone, until the provisions are gazetted the application could be supported and the possible outcomes proposed for this site will be lost. An urgent moratorium is needed on the provision of any further data centres in MPID, including those currently in the Planning Portal.

Figure 5 - Extract from proposed key sites map

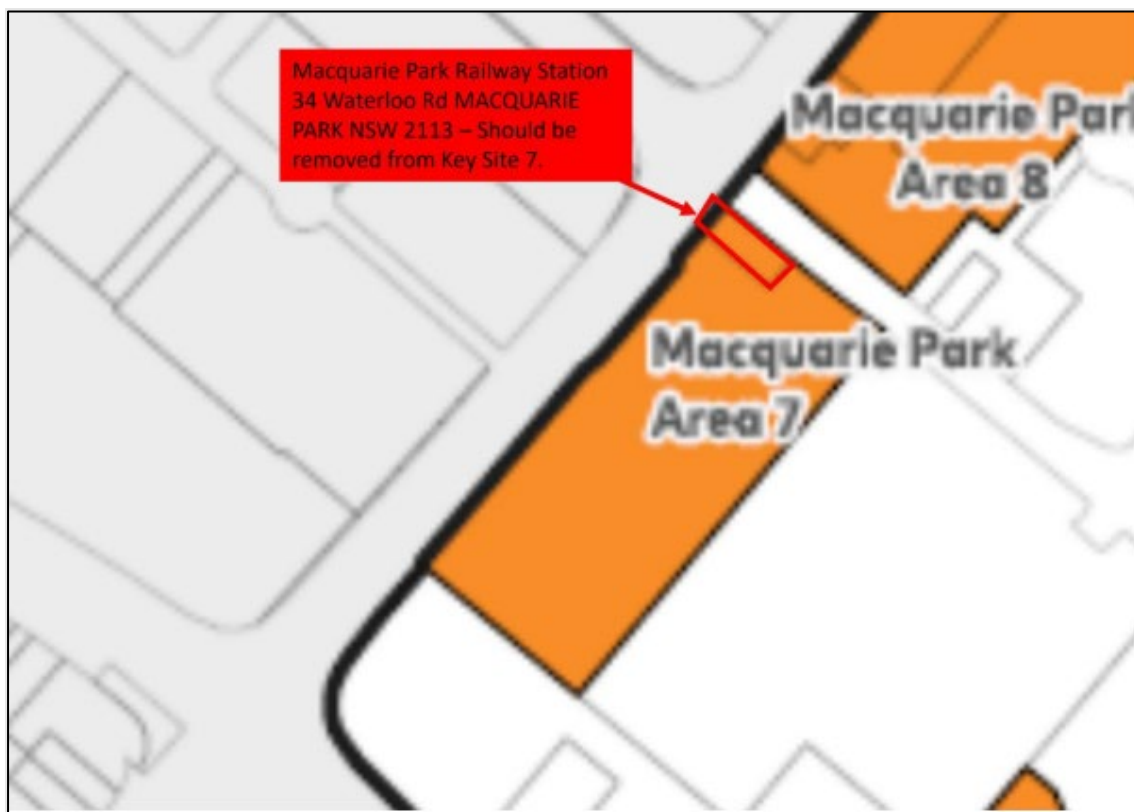


Figure 6 - Current land mapping. Source: Ryde Maps



- It is noted that none of the sites identified under the key sites map within the EIE include a minimum allotment area associated with each uplift. Whilst they do include a minimum metre square component for recreation areas, this outcome isn't the most appropriate. This is due to most key sites being made up of several smaller sites and in consideration of current landowners, not all landowners are the same.
- When agreements cannot be met for the consolidation of lots, concern is raised where a large land holder within the key site area can bear the responsibility of delivering the open space component solely within their lot area to benefit from the uplift.
- This outcome will then sterilise all other sites within the "key site area" as their smaller allotments will never be able to deliver the open space component on their site as such never being able to deliver the intended outcome of the rezoning proposal. This would also result in the smaller isolated lots never being able to utilise the incentive provisions under Clause 6.9 of Ryde LEP 2014 therefore being locked to the base controls. Flow on effects emanate from this position where required infrastructure (contributions, Planning Agreements, and incentive outcomes) to fund the improvement of Macquarie Park are locked behind these isolated sites.
- It is critical that the new detailed design guide coordinates the existing infrastructure delivered under current Council planning guidelines – the *Macquarie Park Public Domain Technical Manual* and the *Development Control Plan*. Parts of new roads have already been constructed as part of new development in MPID.

- Clause 6.9 of the *Ryde Local Environmental Plan (LEP) 2014* mandates the development of sufficient access networks and recreational facilities to enhance Macquarie Park's liveability and productivity for workers. However, the existing clause will pose the following risks:
  - Due to the high incentive FSRs and heights for select sites, there is risk that a Clause 4.6 variation could request additional heights and FSRs to residential development exacerbating further amenity impacts to the surrounding areas.
  - The clause 4.6 variation is tied to additional height and FSR for infrastructure delivery, but it is solely the extra FSR that can fund infrastructure provision.
    - For example, an application can breach the height but can still be compliant with the base FSR. In this regard, the developer would still be required to dedicate infrastructure. However, they may have not achieved the required floor space to enable the feasible delivery of community infrastructure as part of the application.
  - It is unclear if DPHI will repeal this clause as it also proposes an incentive FSR and height scheme which requires the delivery of infrastructure.
- The EIE states the creation of Key Sites that utilise clause 6.9 will not result in 'isolated sites'. This requirement appears to be a hard planning requirement, meaning that it's a prerequisite of any key site that they have received landowners' consent for the amalgamation of the site. In this case the planning principle in *Karavellas v Sutherland Shire Council* [2004] NSWLEC 25127 is relevant to the proposed control, and the controls intent is diluted by this planning principle.
  - It is unclear how DPHI has articulated this matter into a LEP control, and whether or not this will have any weight. No draft legislation has been provided with the planning proposal, so it is unclear the wording and its intended effect. It is requested that draft legislation be provided to Council for review.
  - Typically consent authorities cannot force amalgamation as the planning principle as outlined in *Karavellas*, which requires a test to be satisfied demonstrating that there have been reasonable attempts to acquire the site and that testing can demonstrate the development potential of the isolated lot isn't compromised.

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<sup>27</sup> *Karavellas v Sutherland Shire Council* [2004] NSWLEC 251, 17  
<https://www.caselaw.nsw.gov.au/decision/549f8b873004262463ad99ae>



- Concern is raised where DPHI's proposed key sites control that requires amalgamation may not be possible, as dissenting owners may not reach an agreement. DPHI's proposed clause not requiring 'site isolation' is subjective and may not have a legal backing as proven in the case of Karavellas as such having no effect on detailed development applications.
- The departments intent at ensuring keys sites are delivered in their entirety and not leave fragmented parcels of land that will never be developed is important for the future of Macquarie Park. Further thought is needed on this aspect as to the methodology in planning instruments as to how this can be delivered.
- The proposal currently lacks assessment of impacts such as wind analysis, fine grain flood study, a visual impact assessment, and detailed shadow analysis of the public domain and surrounding areas. The *Urban Design Guide*'s focus on solar protection for open spaces in the precinct overlooks opportunities to enhance the public domain. The cumulative impacts of the level of development proposed means that impact mitigation at the scale of individual buildings in untenable. It is better to plan for these impacts at rezoning when impacts most effectively managed and the costs can be easily absorbed by the State, rather than waiting for private DA's and SSDA's. The cumulative impacts of wind and overshadowing limits on street activations that would contribute to the vibrancy of Macquarie Park.

#### 4.3 Environmental Sustainability and Resilience

- The NSW government has identified a commitment to reduce carbon emissions and create sustainable and resilient communities. Recent legislation changes have sought to achieve a 50% reduction of carbon emissions by 2030 and a 70% reduction by 2035.<sup>28</sup> The reforms seek a whole-of-government approach, ensuring all sectors contribute to the net zero goal.
- The *Macquarie Park Place Strategy* seeks to facilitate the development of performance standards under a pathway for net zero energy buildings, enabling contributions to the NSW government's goal of achieving net zero emissions by 2050. It also seeks to transform travel habits, reducing the need for onsite parking and creating opportunities to repurpose land currently used for on street and off-street parking.
- The *Urban Design Guide* contains a provision that developments contribute to achieving an all-electric built environment and zero fossil fuel precinct. All electric and zero fossil fuels will only be achieved if enforcement through planning provisions ensures carbon neutral certification, offset procurement,

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<sup>28</sup> NSW Government. (2024). *Reaching net zero emissions*. [Reaching net zero emissions | NSW Climate and Energy Action](#)

on site renewable energy generation and power purchasing (as a minimum) for all buildings.

- Net zero cannot be achieved without mandating renewable energy power purchasing or offsets (which should only be acquired after all mitigative measures have been installed) and not prioritised. Currently without mandate, developers are relying upon individual occupants to uptake renewable energy sources or green power as part of the Urban Design Guide planning controls which is inconsistent in delivery.
  - In relation to afford housing this is an unfair imposition on occupants who can least afford these additional costs and should be designed into the built environment in the first instance.
- The requirement for residential buildings to be designed in accordance with UK standards (TM59) not suitable for Australian conditions. Methodologies do not reflect the latest climate science or local data which will lead to inefficient and climate exposure outcomes for citizens occupying these buildings. Australia has sufficient data to be utilised for this purpose and should be at a minimum.
- The *Urban Design Guide* contains an emphasis on avoiding biodiversity loss utilising the 'precautionary principle'. However, there is conflict between state approvals for species removal and the promotion of offsetting vs. promoting canopy and biodiversity. Offsetting should be the final consideration if avoidance is demonstrated as not possible. This has not been prioritised.
- There is nothing within the *Urban Design Guide* provisions to capture the protection of waterways and creeks adjoining developments and lots. Particularly in regard to ensuring protection of riparian areas and enhancing these for biodiversity and water quality outcomes that minimise disturbance of these corridors and improve downstream catchment quality outcomes.

#### 4.4 Transport Planning

- Planning for MPID should enhance the movement of people and goods intra- and inter-regionally. Doing so requires improvements to local and regional connections through a new movement and place framework for MPID. This approach should prioritise walking, cycling, and public transport use, ensuring a safe road environment and well-designed pathways and streets that balance mobility and local amenity.
- The EIE must appropriately consider the potential impacts of Stage 1, Stage 2, Well-Located and Diverse Housing amendments, and the TOD program on the local transport network. A scenario where MPID becomes a residential dormitory for Sydney could significantly alter transport behaviours across all modes of transport.
- The EIE lacks sufficient detail on the timing, funding, and corridor preservation for active and public transport initiatives. Without clear timelines and funding sources, there is a risk of delays and funding shortages.

- Success of MPID will be linked to the continued expansion of the Sydney Metro Network. Council is a supporter of the St Mary's to Tallawong Metro connection both in terms of connecting MPID to the Western Sydney Airport, but also making it easier for the approximately 30,000+ MPID workers living in Western Sydney to get to MPID.
- The EIE does not consider the impacts of BTR on the transport network. While Council is strongly advocating for the prohibition of BTR from the E2 zone, in the scenario where our advocacy is not taken on board, the transport network will struggle to accommodate the unplanned increased in population associated with BTR.
- Council staff notes that the *Detailed Precinct Transport Study* is the same study that was submitted with the Stage 1 rezoning proposal. The study requires the following refinements:
  - The study mentions pedestrian needs; however, lacks a detailed strategy for enhancing walkability and safety.
  - Last mile solutions are underdeveloped, which could hinder effective connections between transport hubs and final destinations.
  - Safety elements, especially for pedestrians and cyclists, are not fully addressed.
  - The study does not address how emerging technologies like autonomous vehicles and Mobility-as-a-Service (MaaS) could be integrated.
  - There are no clear metrics to track the effectiveness of the proposed transport improvements.
  - The study assumes full infrastructure delivery without addressing interim solutions during construction of phasing.
  - The study inadequately explores the potential congestion issues arising from increased residential and employment density. While the focus is primarily on public transport, the increased population and mixed-use developments could lead to significant traffic congestion if not managed properly.
  - The study mentions shifting towards active transport and public transport but lacks a clear parking management strategy. With more residential developments and increased density, parking demand could still rise, leading to overflow and congestion issues if not properly controlled.
  - The movement of freight and services vehicles within MPID is not addressed properly. With the mix of residential, innovation, and employment enterprise activities, managing the flow of deliver trucks and service vehicles will be crucial to avoiding bottlenecks and disruptions.

- Lastly, the study doesn't address how large-scale events or peak-time traffic surges (e.g., during university sessions or business conferences) will be managed in MPID. With Macquarie University and major businesses in the area, such events could cause significant spikes in traffic.
- The Eastwood County Road Corridor is an undeveloped land corridor that has been gazetted for over 70 years. Originally reserved for the future construction of a road, with the land currently sitting idle, it serves as an ideal opportunity to implement public transport options such as a Rapid Bus Transit or light rail link to connect the key strategic centres of MPID and Eastwood.
  - The corridor can support both active transport and public transport alternatives. The announcement of the Macquarie Park Bus Depot Project along with the rezoning of MPID allows for a once in a lifetime opportunity for DPHI and TfNSW to consider the realisation of this essential strategic transport connection between the regional centres of MPID and Eastwood.

#### 4.5 Economic Development

- The land use loopholes established by the Housing SEPP, which allow BTR residential development in the E2 – Commercial Centre zone, is seeing economic activity and jobs displaced in favour of residential uses by landowners.
- The spot rezoning and Housing SEPP provisions do not protect spaces for innovation and enterprise employment. There is a potential new loss of space for employment-based activities under the Housing SEPP and the proposed rezoning. The large-scale replacement of innovation and enterprise employment spaces for BTR will likely erode the well-established innovation ecosystem within MPID.
  - This issue is also accelerating the flight of businesses and jobs from MPID, adding to commercial vacancy rates.
  - It will be nearly impossible to regain the spaces for businesses lost for residential development in MPID.
- The *Economic Impact Assessment* (EIA) for Stage 2 repeats similar logic errors as that provided for in Stage 1, particularly with regard to nuances between a typical CBD office market vs the unique structure of an innovation district.
  - Demand continues to focus on the needs of the office-market (shifting language from 'A-Grade' in the Stage 1 EIA to 'Tall Office Towers' in the EIA for Stage 2). Demand for tall office towers should form the basis of the economic assessment for MPID as an innovation district is not a typical CBD office market.



- The overarching objective of the Stage 2 rezoning is focused on the provision of housing at the long-term cost of the displacement of innovation and enterprise employment spaces. The introduction of residential development in MPID must be carefully managed to ensure it does not compete with, or restrict the operational requirements, of local businesses.
- Residential encroachment on commercial business operations will result in heightened tensions between conflicting land uses because of the operational needs of many business (including companies who are 24-hour manufacturers).
  - As stated in the provided *MPID Innovation Precincts Case Analysis* (2024), “residents expect a living environment that is odour-free and acceptable from a noise perspective...frequent resident complaints can lead to pressure on planning authorities to regulate and curb the operating parameters of businesses, which could lead to viability issues for businesses”<sup>29</sup>.
    - Balconies facing inwards is not a solution to residential and commercial conflicts.
- Consideration should be given to DPHI working with councils that contain innovation districts identified by the NSW Innovation and Productivity Council’s *NSW Innovation Precincts Report* (2018), to develop and implement an Innovation SEPP to provide a planning framework for NSW innovation districts. The Innovation SEPP should encompass the following key concepts:
  - Override the land use loopholes created under the Housing SEPP for designated innovation districts.
  - Seek to protect and enhance spaces for economic activity in MPID and other designated innovation districts.
  - Include a ‘no net loss of employment GFA’ provision to ensure a mix of uses enhancing the innovation district being delivered.

An Innovation SEPP that takes precedence over the Housing SEPP in designated innovation districts would protect urban areas such as the MPID for high value economic activity. The Innovation SEPP would protect a range of employment lands while enabling appropriately located residential development to support efforts to create vibrant innovation districts. This instrument would provide certainty to investors in developing facilities and jobs in NSW, which is currently threatened by residential development in the E2 zone.

- The night-time economy is supported by core and supporting industries. Core industries include entertainment, food, and beverage. Supporting industries include healthcare, retail, hospitality, transportation, and service-based

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<sup>29</sup> Atlas Economics. (2024). *Macquarie Park Innovation Precinct – Innovation Precincts Case Study Analysis*, pg. iii.

businesses. Council staff acknowledge that an increase in local residents will improve the return-on-investment of night-time economy businesses. However, the quality, diversity, and sustainability of these night-time economy businesses is heavily linked to day-time trade. A successful night-time-economy will require the protection of employment alongside an increase in residents.

- Residential encroachment is still a risk to the night-time economy, however. MPID is home to companies that already have late night and 24-hour operations. This includes 24-hour manufacturing with heavy vehicle movements throughout the night. It also includes international companies whose local workers may be participating in virtual meetings after dark.
  - The rezoning proposal needs to ensure that it supports a vibrant and diverse night-time economy that avoids any negative impacts on existing operators – particularly manufacturers who play a critical role in growing the local, State and National economy.

**End of submission**