



# PYRMONT PENINSULA INFRASTRUCTURE DELIVERY PLAN

Department of Planning, Industry and Environment

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# Pyrmont Peninsula Infrastructure Delivery Plan - Draft

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**Prepared for**

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# 1 Introduction

## 1.1 Background

In December 2020 the State government adopted the Pyrmont Peninsula Place Strategy (Place Strategy) and announced it will build a new Metro station at Pyrmont as part of the Sydney Metro West project. The Place Strategy was adopted following a public consultation process and is the State government's 20-year vision to transform the Pyrmont Peninsula while meeting the aspirations of businesses, industry, visitors, local residents and future residents. The new Metro station will provide increased public transport accessibility, act as a catalyst for investment and make it easier for people to move around the Peninsula. The Place Strategy is the strategy that identifies the need to prioritise public benefits of the next wave of investment.

The preparation of the Place Strategy in 2020 was informed by several technical studies, including:

- Economic Development Strategy
- Urban design analysis comprising Project Analysis Report and Strategic Framework
- Place-based Transport Strategy
- Social Infrastructure Assessment and Demographic Profile
- European and Aboriginal heritage studies
- Utilities capacity report
- Affordable Housing Study
- Infrastructure Delivery Opportunities Study
- Sustainability Framework Scoping Report.

GLN Planning prepared the Infrastructure Delivery Opportunities Study. The study identified the infrastructure issues and opportunities in the Place Strategy area and discussed options for the funding and delivery of the infrastructure needed to implement the Place Strategy vision. The study has informed this Infrastructure Delivery Plan (IDP).

The IDP describes how the infrastructure planning framework for the Pyrmont Peninsula has been reviewed and will be adjusted over time to implement the PPPS and ensure that forecast growth is supported by infrastructure delivery. The IDP provides additional detail and updated information based on ongoing consultation with stakeholders and additional urban design analysis, special infrastructure contribution feasibility analysis and development contribution testing. It includes an updated and refined infrastructure schedule, estimated income from local infrastructure contributions scenarios, and updated information about how infrastructure works will be funded and who is responsible for delivery. It includes additional information about next steps in delivering the infrastructure.

This IDP has been prepared alongside a set of sub-precinct masterplans (prepared by others). The masterplans provide additional analysis and detail about desired land uses, built form, infrastructure opportunities and requirements in the various sub-precincts, including on key sites. These should be read alongside the Place Strategy.



This IDP also reflects the State government’s confirmation of the location of the Pymont metro station announced in May 2021 and that new contribution mechanisms will be applied to certain development in parts of the Pymont Peninsula to contribute to the cost of providing the new station.

## 1.2 Pymont Peninsula Place Strategy

The Place Strategy creates a 20-year vision and place-based planning framework to support the State government’s vision to transform the Pymont Peninsula into the next jobs hub and economic driver of the Eastern Harbour CBD while meeting the aspirations of businesses, industry, visitors, local residents and future residents.

The Place Strategy sets out a set of directions, structure plan, infrastructure and governance opportunities to guide the next wave of investment in Pymont so it harnesses public benefits while enabling investor certainty.

The Place Strategy is informed by the Department’s engagement with the community and stakeholders in early 2020 on the *10 Directions to Guide the Pymont Peninsula Place Strategy* and feedback received during the exhibition of the draft Place Strategy and draft Infrastructure Delivery Opportunities Study during August and September 2020.

The Place Strategy is led by the Economic Development Strategy, prepared by Treasury in 2020. This analysis found a Sydney Metro station at Pymont offers potential for transformation, building on the Peninsula’s existing character and attributes, anchors and attractors, proximity to the CBD and connections to the Innovation Corridor. The Place Strategy identifies the need to prioritise public benefits for the next wave of investment.

The Place Strategy sets out ‘Five Big Moves’ that articulate the ambition for the Pymont Peninsula. These relate to building and linking a world class foreshore, fostering a 24-hour cultural and entertainment destination, realising the benefits of a new Metro station, supporting the shift to a place where people walk and use public transport, and providing new and upgraded public spaces.

The Place Strategy also identifies key sites, where development will drive new jobs while providing the impetus for the Big Moves necessary to make the Peninsula a more connected and integrated part of the Sydney Harbour foreshore. The key sites include:

- INSW’s proposed revitalisation master plan at Blackwattle Bay
- The Star Casino at Darling Island
- UTS in Ultimo and Haymarket
- Mirvac’s redevelopment of Harbourside shopping centre

To support the Place Strategy, new planning controls are being prepared to enable the appropriate height and development potential of some key sites and metro sites, while also seeking to ensure heritage, parklands and character are protected and appropriate public benefits realised. See **Figure 1** for the Structure Plan of the Peninsula.



Figure 1: Pyrmont Peninsula Structure Plan



Source: Pyrmont Peninsula Place Strategy, 2020



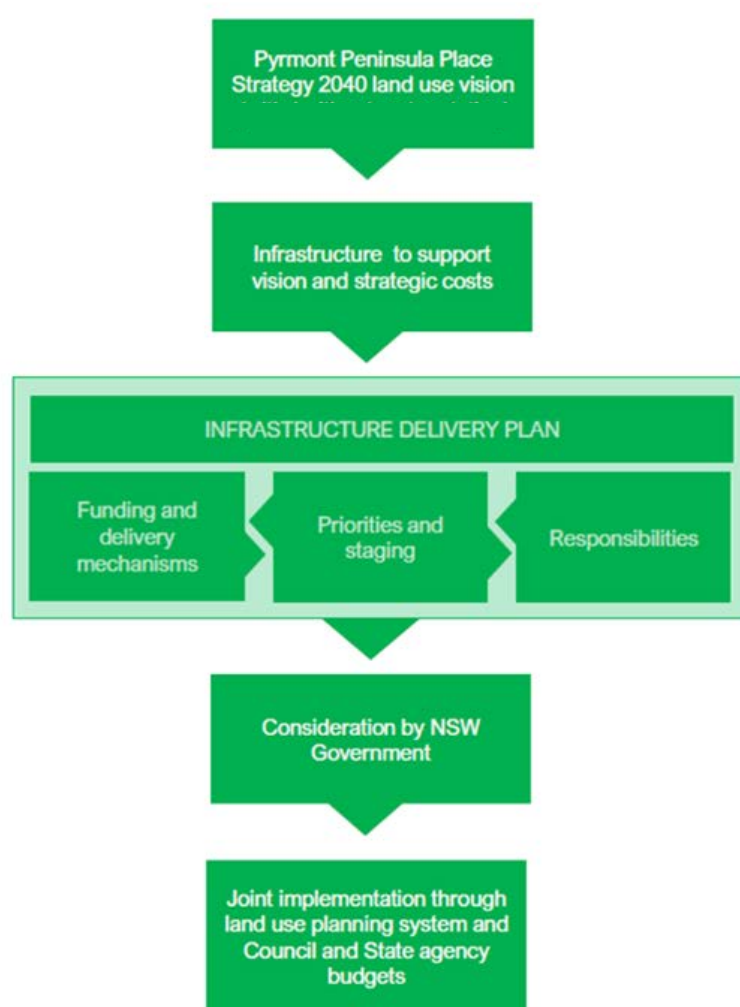
### 1.3 Purpose

The purposes of the IDP are to:

- assist infrastructure agencies and the community in understanding the ‘infrastructure task’ needed to support the creation of great places in the Place Strategy area
- set out what infrastructure is needed, who could deliver it, and what mechanisms could be used to deliver it
- identify the potential for individual developments, including development on key sites, to incorporate infrastructure needed by the anticipated development
- assign priorities and an indicative staging schedule for delivery of the infrastructure
- provide a ‘road map’ to assist agencies to collaboratively plan, prioritise, program and deliver infrastructure in the Peninsula in an orderly and timely manner.

Figure 2 shows the process, role and key elements of this IDP, that is, the plan sets out delivery mechanisms, indicative staging and responsible agencies / parties.

Figure 2: IDP process and role







## 1.4 Limitations

This IDP has been developed with input from the Department of Planning Industry and Environment (Department), City of Sydney Council (Council) and relevant agencies. This IDP outlines the range of infrastructure needed to support the next wave of investment and the potential or likely delivery and funding mechanisms. Various parties including State agencies and Council will be responsible for delivering different infrastructure items. Parties responsible for delivering each infrastructure item will also be responsible for determining the infrastructure items costs and how the item will be funded and delivered.

**This IDP should be considered as a starting point for Council, developers and agencies to assess and consider integrating the infrastructure items into their relevant planning and infrastructure delivery programs over the next 20 years.** This includes preparing detailed cost estimates and confirming the appropriate funding and delivery pathways. This reflects the need to adopt a contemporary approach to secure growth infrastructure that recognises:

- Costs of growth infrastructure are shared across the public and private sector
- Development contributions alone may not be sufficient to fund the required infrastructure and other funding sources and approaches may be identified
- Securing unencumbered land at ground level for infrastructure will be increasingly challenging in an urban area like the Pymont Peninsula and requires different approaches.

**It is important to note that most projects are not funded or committed for delivery. As a result they should be regarded as initiatives subject to further detailed investigation, scoping and business case development and investment decisions.**

## 1.5 Structure

The remainder of this document is structured as follows:

- **Section 2** outlines the infrastructure delivery framework, including the infrastructure schedule, infrastructure strategies and the proposed funding and delivery mechanisms.
- **Section 3** summarises proposed infrastructure delivery at the sub-precinct level, including what infrastructure could be delivered in each sub-precinct, which organisation could be responsible for delivering each item, and when each item could be delivered.
- **Section 4** sets out next steps for infrastructure funding and delivery including implementation of sub-precinct master plans, preparation of a new special infrastructure contribution mechanism, delivery of the new Metro station, continued investigation of State infrastructure works such as Glebe Island Bridge and preparation of a new local infrastructure contributions plan by Council.
- **Appendix A** – contains a detailed draft infrastructure delivery schedule with additional information for each proposed infrastructure item. Where the infrastructure item is proposed to be delivered by a State agency, the details of the specific agency responsible for delivery have been included.
- **Appendix B** – outlines key local infrastructure contributions planning considerations.





## 2 Infrastructure delivery framework

### 2.1 Infrastructure schedule

The Pyrmont Peninsula Infrastructure Opportunities Study prepared as part of the Place Strategy included an infrastructure opportunities schedule containing 58 infrastructure opportunity items across transport, open space and recreation, community and cultural facilities, green infrastructure and affordable housing.

For each item, the infrastructure opportunities schedule identified the organisation potentially or likely responsible for delivering it (that is, local, State or developer) and the indicative timeframe for when it could be delivered, that is, 'short' (2021 to 2025), 'medium' (2026 to 2030) and 'long' (2031 to 2041).

The infrastructure schedule at **Appendix A** contains an updated and refined list of infrastructure items. It has been updated to reflect additional ongoing consultation, including with State agencies and the Council, and additional urban design analysis, as reflected in the sub-precinct masterplans.

The core of this IDP is the sub-precinct delivery plans shown in **Section 3**. These contain infrastructure items from the infrastructure schedule grouped by sub-precincts, with information on which organisation is proposed to have lead responsibility for delivering each item and when it could be delivered. It will assist the various organisations responsible for delivering infrastructure with their respective infrastructure planning, prioritisation, costing, funding and delivery.

As outlined previously, all initiatives detailed in this IDP are subject to further detailed investigation, scoping and business case development and investment decisions.

### 2.2 Infrastructure strategies

The infrastructure schedule in this plan as well as the broader Place Strategy are underpinned by several technical studies prepared as part of the Place Strategy. This has been further reviewed based on new work in 2021, including consideration of Council's strategies, which have informed decisions about local works items for the schedule.

Relevant studies include the Place-based Transport Strategy, Social Infrastructure Assessment and Demographic Profile, Affordable Housing Study, and Sustainability Framework Scoping Report. The strategies from each of these is outlined in the following subsections. This provides a context for the infrastructure schedule and associated priorities.

#### Transport

Transport items in the infrastructure schedule are derived the Place-based Transport Strategy and the associated transport items it sets out. This strategy is informed by transport principles established for the Place Strategy that align with the outcomes identified in Future Transport 2056. Key components of the transport strategy include:

- A new metro station at Pyrmont, as announced by the State government in December 2020
- Reinforce the existing centre in northern Pyrmont around the new Metro station



- Complete connections to the primary centre around Union Square via active transport connections across the Peninsula between Pymont Bridge and Glebe Island Bridge and by extending the Goods Line link north
- Strengthen and extend the existing transit along Harris Street by connecting to The Bays Precinct to the north-west and to Redfern in the south-east by creating an intermediate public transport route along this alignment
- Reconfigure existing streets to reduce the barriers created by the existing through-traffic function and improve local access by reducing lane capacity, widening footpaths and investigating converting one-way streets to two-way operation.

Public transport interventions are based on a new Metro station in the northern portion of the Peninsula. The proposed public transport network provides for a future connection to The Bays Precinct, Redfern and Parramatta Road.

Transport interventions to improve the active transport network within Pymont are primarily focused on closing existing gaps in the network and improving connections to open spaces. Closing these gaps in the active transport network will also improve access to the new Metro station at Pymont.

A cumulative traffic and transport impact assessment will be prepared in the future to determine the suitability and feasibility of proposed transport infrastructure. The timing and responsibility for the assessment is to be determined.

**Transport infrastructure schedule priorities (Appendix A)** – a new Metro station at Pymont, potential active transport connection from Rozelle to Pymont, extension of the existing Blackwattle Bay foreshore active transport link, extension of the Goods Line, a new bus route, and localised widening of footpaths along key routes.

## Open space and recreation

Open space and recreation items in the infrastructure schedule are derived from the Social Infrastructure Assessment and Demographic Profile prepared to support the Place Strategy.

This assessment prepared an open space and recreation strategy which is based around the following needs:

- New open space to support forecast growth in Blackwattle Bay and provide for a range of active and passive recreational opportunities – access to open space across most areas of the Pymont Peninsula for current residents is good with most areas within 200 metres to 400 metres walking distance of a park. This excludes Blackwattle Bay which currently does not have good walkable access to open space. Additionally, while the Pymont Peninsula overall meets the City of Sydney’s target of 15 per cent of land area allocated for open space, the sub-precincts that require the most focus for new open space based on forecast growth of residents and workers include Ultimo, Blackwattle Bay, Darling Island and Pymont Village.
- Improved passive boating and water recreation opportunities – the Pymont Peninsula benefits from good access to Sydney Harbour, meaning there are many opportunities to better use the water for recreation. The City’s Open Space, Sports and Recreation Needs Study 2016 indicates that landing sites should be provided for passive craft where possible and appropriate.



- Improved play opportunities for children across the Precinct including inclusive play – the Social Infrastructure Assessment undertaken as part of the Place Strategy in 2020 indicates there is an existing play benchmarking gap of 2.3 play spaces, growing to a gap of 6.5 play spaces in 2041.
- Increased sportsfield provision to support resident and worker growth – only 3 per cent of the Pymont Peninsula is sports space, reflecting the highly dense and limited space available for large fields and courts across the precinct.
- Increased indoor and outdoor courts for informal recreation – Social Infrastructure Assessment benchmarking indicates that there is forecast demand for 2 additional multi-purpose indoor courts by 2041 and 10 outdoor multi-purpose courts by 2041.
- Increased informal outdoor recreational facilities for young people, students, workers and culturally diverse residents
- Improved and connected foreshore access for recreation
- Embellishments and enhancement to existing parks and open space areas to increase capacity and activation to support future growth of residents, workers and students
- Improved active transport links across the Precinct to improve access to existing open space and recreational opportunities.

**Open space and recreation infrastructure schedule priorities (Appendix A)** – Wentworth Park improvements, a new district park at Bank St, new indoor and outdoor sports courts, landing sites for passive craft at Blackwattle Bay, a new urban park/plaza, expansion of Carmichael Park, a new active transport loop, a new active transport loop, and transformation of the area beneath the Western Distributor overpass.

## Community and cultural facilities

Community and cultural facilities in the infrastructure schedule are derived from the community and cultural facilities strategy and associated interventions set out in the Social Infrastructure Assessment and Demographic Profile.

The strategy is focused on meeting future service gaps in the provision of multi-purpose community floor space and library floor space, and to facilitate the creation of production space for creative arts.

Additional community floor space could be achieved by reconfiguring existing community facilities such as Pymont Community Centre. The Council sets a minimum floor space requirement of 400 square metres per facility for local community centres.

The Pymont Peninsula has a total of 1 public library (at Ultimo community centre), 1 Library Link (at Pymont community centre) and 1 university library at UTS (which is not accessible to the broader community). The new City of Sydney Darling Square Library is within 200 metres of the Pymont Peninsula boundary, and there are three libraries outside the Peninsula which are within a 1-kilometre walking distance of the Peninsula. The Strategy identifies a gap in the provision of library floor space.

New/additional library floor space to address current and forecast gaps could be delivered in several ways to ensure residents in the Blackwattle Bay and Pymont Village sub-precincts have access to library facilities. Options could include:

- Increased library floor space and/or capacity of libraries accessible to the Blackwattle Bay/Pymont Village sub-precincts



- Improved pedestrian and public transport access to increase connectivity between Pymont Peninsula and existing library facilities, particularly Darling Exchange
- Increased outreach services in the Pymont Peninsula area, for example, mobile library operating from Glebe

Facilities that provide creative studio spaces for cultural production for a diversity of artists and creatives to build, design, manufacture and create new work has been identified as a high priority need by the Council. There is an opportunity to deliver a production space for creative arts of at least 1,000 square metres to support local productions. Often these creative spaces are clustered in old industrial buildings, some of which remain in Pymont, and the Powerhouse Museum and other sites represent opportunities for this space.

**Community and cultural facilities infrastructure schedule priorities (Appendix A)** – reconfiguration of existing community facilities, contributions towards new/additional library floor space, new production space, and increased community access to existing auditoriums and theatres at the Powerhouse Museum.

## Green infrastructure

Green infrastructure items in the infrastructure schedule are derived from the Sustainability Framework Scoping Report.

Pymont Peninsula has the key foundations of being able to ‘move the needle’ on sustainability, affordability and inclusiveness, playing an active role in supporting the urbanism of the Sydney CBD and creating a better and richer urban experience for residents, workers and visitors.

Improved environmental performance is cited in various State and local government policy directions. Pymont is the appropriate scale and size to prototype and validate initiatives, including the partnerships, governance and technology to implement them.

**Green infrastructure schedule priorities (Appendix A)** – multi-utility hubs, green streets (including tree planting), green buildings (energy and water) and a recycled water scheme.

## Affordable housing

Affordable housing items in the infrastructure schedule are derived from the Affordable Housing Study. The study identified several opportunities including the rationalisation of the revised City West Affordable Housing Program with State policy and the City of Sydney’s approach. It found that the peninsula represents one of the earliest areas targeted for affordable housing in Australia. This long history in providing affordable accommodation is one of the fundamental drivers behind the unique character of the area, particularly as the area has gentrified over the past two decades.

The history and embedded nature of affordable housing policy in the local planning framework presents an opportunity for future planning of the Peninsula. Leveraging existing affordable housing policy, whilst introducing new mechanisms for securing affordable housing, is a key opportunity.

**Infrastructure schedule affordable housing priorities (Appendix A)** – rationalise the affordable housing policy with the City of Sydney’s LGA-wide approach



## 2.3 State infrastructure updates

The Place Strategy identified opportunities for infrastructure works to be provided where the State government will be either responsible for delivering them, or have a key / partnership role in their delivery. Works include:

- the new Pymont Metro Station
- Investigation of the Glebe Island Bridge reconnection
- Blackwattle Bay State Significant Precinct – various works
- Powerhouse museum upgrades
- Wentworth Park expansion/ improvements
- various other transport works.

It should be noted that many of the transport projects are yet to undergo assessment to determine feasibility and costing and that agreement on the state transport infrastructure schedule will be dependent on relevant assessment.

Updates on the various projects' status since the Place Strategy was adopted is outlined below.

### **Pymont Metro Station**

In December 2020, when the State government adopted the Place Strategy, it announced it would build a new metro railway station at Pymont as part of the Sydney Metro West project.

The new Metro station will provide increased public transport accessibility, act as a catalyst for investment and make it easier for people to move around the Peninsula. The Place Strategy is the strategy that identifies the need to prioritise public benefits of the next wave of investment.

Work started on the wider Sydney Metro West project at the Bays in 2020, with tunnel boring machines set to be in the ground in 2022.

In March 2021 the Sydney Metro West project received planning approval for the project concept between Westmead and the Sydney CBD and station excavation and tunnelling between Westmead and The Bays.

In May 2021 the government confirmed the location for the new Metro station at Pymont. The station will be located between Pymont Bridge Road and Union Street.

Sydney Metro has indicated it will continue to work with the Department, Council, the community and other government stakeholders to ensure Pymont Station supports the Place Strategy vision.

Proposed funding mechanisms for the new Metro station at Pymont are discussed in section 2.4 of this report.

### **Glebe Island Bridge**

The Place Strategy identified investigating Glebe Island Bridge as an active transport connection between Pymont Peninsula and the Bays as a long-term action to deliver the vision for the Peninsula (Action 4 of Big Move 1 for a world-class harbour foreshore walk).



The NSW Government is undertaking relevant studies and investigations into the condition of the bridge to determine how it can provide an active transport connection from Rozelle to Pymont. Further information will be released when available.

## **Blackwattle Bay State Significant Precinct**

A key priority for Blackwattle Bay in the Place Strategy is to redevelop it into a new urban quarter. It will be focused on knowledge-based jobs and supplemented with cultural and entertainment, visitor and tourism, retail and residential uses, and connected to public transport, including the Pymont Metro station. It will be anchored by the new Sydney Fish Market.

Infrastructure NSW (INSW) is leading the proposed rezoning of part of Blackwattle Bay under the State Significant Precinct (SSP) process that commenced in 2016. In April and May 2020 INSW released potential master plan options for public consultation.

The SSP Study was placed on public exhibition from 2 July until 20 August 2021 and proposed:

- approximately 1,550 dwellings providing for a population of around 2800 residents and commercial and retail floor space with potential to deliver 5600 jobs
- approximately 138,000 square metres of non-residential gross floor area (GFA) for commercial, retail and community facilities including the new Sydney Fish Market
- a publicly accessible foreshore promenade providing continuous foreshore access between Glebe Island Bridge and the new Sydney Fish Market adding 3 ha and new public open space
- a range of community and cultural facilities including local community buildings for facilities such as childcare, and community centres, and a feature building in the public domain adjacent to Sydney Fish Market for cultural uses.

From an infrastructure perspective, relevant proposed changes to planning controls include:

- removing the SSP SEPP and retaining the State and Regional Development SEPP to make development with capital investment value of greater than \$10 million State Significant Development (SSD)
- defining the precinct a 'public authority precinct' under the Infrastructure SEPP, which would have the effect of enabling some proposed public domain works, footpaths, parks and roads exempt development from requiring subsequent planning approval
- applying a RE1 Public Recreation zone to the proposed parks and foreshore promenade
- introducing a clause requiring the Planning Secretary's approval of any proposed approach to delivery of infrastructure prior to approval of significant development
- introducing a clause requiring an affordable housing contribution equivalent to 5 per cent of the total residential floor area.

HillPDA prepared an Infrastructure and Contributions Review (Review Report) to support Infrastructure NSW's proposal, which was included as part of the public exhibition package. Table 17 of the Review Report included an infrastructure schedule summary listing proposed infrastructure, estimated costs, potential ownership/management arrangements and timing. Mechanisms for funding and delivery are considered in chapter 7 of the Review report.

Proposed infrastructure listed includes:



- New open space including Bank Street open space, Miller Street Reserve and Waterside Park including new playground, water play, outdoor fitness, basketball court and skate park
- Construction of a seawall and associated waterfront promenade
- New community space (approximately 1,500 square metres) adjacent to the new Bank Street open space
- New community space (approximately 4,000 square metres) adjacent to the new waterside park
- New dragon boat storage and associated facilities (approximately 700 square metres)
- New bus stops
- New ferry wharf adjacent to new Waterside Park
- Upgrades to Bridge Road and Wattle Street intersection and Bank Street and Miller Street intersection.

The Review report indicates that the ownership and management arrangements for all items are to be determined through further consultation. Funding and delivery mechanisms discussed include local infrastructure contributions, special infrastructure contributions, and a satisfactory arrangements clause. It also considers post-development maintenance.

Regarding local infrastructure contributions, the Review reports notes that the existing Council Development Contributions Plan 2015 does not contemplate redevelopment at Blackwattle Bay, however, it indicates applicants can offer to enter into a planning agreement with Council to potentially provide infrastructure as an alternative to paying a monetary contribution under the plan. As noted in the plan, the Council may choose to accept such an offer but is not obliged to do so. The Review Report also notes that any update to the plan should consider the potential for the on-site infrastructure proposed to meet the development's local infrastructure demand.

The Review report notes the Pyrmont Peninsula is not a current special infrastructure contribution area, which is used to fund state infrastructure. However, as noted in the announcement for the new Metro station in December 2020 and identified in this IDP, the Government will be establishing a new Special Infrastructure Contributions area in the Pyrmont Peninsula to contribute to the cost of the new station from development that benefits from this public investment and improved public transport access to the area.

Regarding post-development maintenance, the Review Report indicates that it is anticipated that certain infrastructure such as seawalls, wharves and jetties will remain in State ownership, however, this ownership is yet to be resolved.

DPIE is reviewing submissions and undertaking assessment of INSW's proposal through the SSP process. This review and assessment will occur alongside and in coordination with the PPPS implementation, this IDP and it should be noted that no decisions have yet been made with the regard to the provision and funding of infrastructure required to support the proposed development.

## **Powerhouse Museum**

In June 2021, the State government announced a transformative investment for the renewal and expansion of the Powerhouse Ultimo.





The renewal aims to deliver expanded and refurbished exhibition and public space and connect the Powerhouse Ultimo to the Sydney CBD by re-orienting the museum to the Goods Line and adjacent dining, entertaining and cultural precincts.

The renewal of Powerhouse Ultimo will deliver dynamic retail, hospitality and outdoor activation opportunities ensuring a dynamic precinct throughout the day and night.

The introduction of The Academy will accommodate up to 60 remote and regional NSW students to stay at the museum and immerse themselves in exhibitions and learning programs while having direct access to the creative industries within the precinct.

A significant investment in the development of a creative industries precinct will deliver subsidised creative industry studio and workspaces. Resulting in a vibrant precinct that is an active contributor to the growing night-time economy and will connect visitors to the future Tech Central, Darling Harbour and Chinatown precincts.

The Place Strategy identified various priorities for the Ultimo sub-precinct relevant to Powerhouse Ultimo. These included:

- Support knowledge-based jobs growth in Ultimo anchored by Powerhouse Ultimo, TAFE NSW Ultimo Campus, UTS and ABC including research spaces, affordable workspaces for creative industries, reuse of heritage buildings for creative, cultural and community uses, and new theatre, performance, production, rehearsal and exhibition spaces.
- Investigate opportunities to improve creative industry access to existing auditoriums and theatres in Powerhouse Ultimo for local events, performance and rehearsal
- Investigate the extension of the Goods Line northwards including integrating it with Powerhouse Ultimo.

## **Wentworth Park**

Wentworth Park is owned by the State Government and managed by Council, excluding Wentworth Park Greyhounds, which is managed by a State Government appointed Administrator.

The Place Strategy identified facilitating the return of Wentworth Park to the community as public open space as part of a larger and enhanced parkland as a key action (Action 9 of Big Move 5 for more and better activated public space). DPIE is investigating a suitable alternate site for greyhound racing and notes further work will be required to investigate the costs of demolition, remediation, site servicing and upgrade works. Future upgrade works may be informed by Council, which has received a grant from the DPIE to investigate draft master plan options for upgrading Wentworth Park into public open space.

## **Other transport works**

Apart from a new Metro station at Pyrmont, the Place Strategy identifies a range of other transport opportunities that the State government is either responsible for or has an important role in delivering, such as joint delivery with Council. These are detailed in the Pyrmont Peninsula Infrastructure Delivery Opportunities Study prepared to support the Place Strategy. Opportunities identified that are still considered viable are listed in



Table 1 below. As noted, many of the transport projects are, or will, undergo assessment to determine feasibility and costing and that agreement on the state transport infrastructure schedule will be dependent on the assessment.

**Table 1: State Transport infrastructure opportunities**

Description	Sub-precinct(s)	Priority (indicative) <sup>1</sup>
Investigate contra-flow bus lane northbound on Harris Street and Regent Street (Thomas Street to Lee Street)	Ultimo	Medium
Possible new signalised pedestrian crossing on Harris Street between Thomas Street and Broadway	Ultimo	Short
Investigate a new intermediate transit corridor connecting The Bays precinct to Redfern and Australian Technology Park through Pyrmont via Harris Street	Pirrama, Pyrmont Village, Ultimo	Medium
Investigate rationalisation and relocation of bus stops along Harris Street to improve bus travel time reliability	Pirrama, Pyrmont Village, Ultimo	Short
Consider opportunities to investigate new ferry wharf at Cadi Bay Wharf to provide all-weather shelter for ferry passengers	Pirrama	TBD
Investigate extending Goods line north to Pyrmont Street and Murray Street to connect with existing Union Street cycleway; this would require integration into key sites including Powerhouse and Novotel sites	Tumbalong Park, Pyrmont Village	Medium
Investigate extending Jones Street cycleway north to Pyrmont Bridge Road	Blackwattle Bay	Medium
Investigate active transport crossing of Pyrmont Bridge Road to provide connection to Jones Street	Blackwattle Bay	Short
Investigate extending Union Street cycleway along Miller Street, Bank Street and connecting with Glebe Island Bridge as a separated off-road path	Pyrmont Village, Blackwattle Bay	Short
Commuter cycleway through Blackwattle Bay development connecting Bridge Road (around Wattle Street) to Miller Street	Blackwattle Bay, Wentworth Park	Medium
Localised widening of footpaths along key streets in the Pyrmont Peninsula including Harris Street, Wattle Street and Pyrmont Street	Pyrmont Village, Wentworth Park, Ultimo	Medium

Source: Pyrmont Peninsula Infrastructure Delivery Opportunities Study (GLN Planning, 2020)

<sup>1</sup> Short = years 1-5 (2021-2025); Medium = years 6-10 (2026-2030); Long = years 11-20 (2031-2040)



## 2.4 Funding mechanisms

It is expected that a range of mechanisms will be used to fund and deliver infrastructure needed to implement the Place Strategy vision for Pyrmont Peninsula.

Potential key funding and delivery mechanisms for different types of infrastructure are summarised in **Table 2**. Infrastructure funding opportunities for infrastructure items are also shown in the schedule at **Appendix A**.

Expected key funding and delivery mechanisms include:

- “Key sites” mechanism – to deliver local and/or state infrastructure, which are expected to involve planning agreements
- Local infrastructure contributions – to provide funding towards local infrastructure
- Special infrastructure contribution – a new contribution to provide funding towards the new Metro station at Pyrmont
- State budget allocation – to fund the new Pyrmont metro station supplemented by other mechanisms, such as a Special Infrastructure Contribution and annual value share.
- Affordable housing contribution – to provide new affordable housing.

There may be other mechanisms identified in relation to specific projects, or over time, such as planning agreements, or future transitional arrangements under the NSW infrastructure funding reforms currently being contemplated by the Government.

These are outlined in the following subsections.

**Table 2: Potential funding mechanisms for different types of infrastructure**

Infrastructure type(s)	Key mechanism(s)	Other mechanism(s)
<b>Transport</b>		
Pyrmont Metro station	<ul style="list-style-type: none"> <li>• State budget</li> </ul>	<ul style="list-style-type: none"> <li>• State or special infrastructure contribution</li> <li>• Annual value share</li> </ul>
Other public transport e.g. buses, light rail and ferry works	<ul style="list-style-type: none"> <li>• State budget allocation</li> </ul>	-
Investigate Glebe Island Bridge active transport connection between Rozelle and Pyrmont	<ul style="list-style-type: none"> <li>• Subject to TfNSW study</li> </ul>	<ul style="list-style-type: none"> <li>• State or special infrastructure contributions</li> </ul>
Goods Line extension	<ul style="list-style-type: none"> <li>• Other precincts e.g. Tech Central (southern extension outside the boundary of PPPS)</li> </ul>	<ul style="list-style-type: none"> <li>• Key sites LEP provisions (where works are on or next to a key site)</li> <li>• Planning agreements</li> </ul>



Infrastructure type(s)	Key mechanism(s)	Other mechanism(s)
Transport improvements, e.g. walking and cycling, on or next to key sites	<ul style="list-style-type: none"> <li>Key sites LEP provisions</li> </ul>	<ul style="list-style-type: none"> <li>Local infrastructure contributions</li> </ul>
Cycleways	<ul style="list-style-type: none"> <li>Local infrastructure contributions</li> <li>Key sites LEP provisions, for works on or next to key sites</li> </ul>	<ul style="list-style-type: none"> <li>Grants subject to further investigation</li> </ul>
Local road improvements e.g. footpath widening, new pedestrian crossings, street closures, reallocation of road space etc	<ul style="list-style-type: none"> <li>Local infrastructure contributions</li> </ul>	<ul style="list-style-type: none"> <li>State grants subject to further investigation</li> <li>Developer delivery via conditions of consent</li> <li>Planning agreements</li> </ul>
<b>Open space and recreation</b>		
Open space and recreation works on or next to key development sites e.g. new district park at Banks St, Blackwattle Bay	<ul style="list-style-type: none"> <li>State significant precinct process (Blackwattle Bay)</li> <li>Key sites LEP provisions</li> </ul>	<ul style="list-style-type: none"> <li>State budget allocation</li> </ul>
Wentworth Park capacity improvements e.g. potential future access to land currently used as a greyhound track	<ul style="list-style-type: none"> <li>Local infrastructure contributions</li> <li>State budget allocation</li> </ul>	<ul style="list-style-type: none"> <li>Grants subject to further investigation</li> </ul>
Upgrades and capacity improvements to existing facilities e.g. local parks	<ul style="list-style-type: none"> <li>Key sites LEP provisions</li> </ul>	<ul style="list-style-type: none"> <li>Grants subject to further investigation</li> </ul>
<b>Community and cultural facilities</b>		
Community and cultural facilities works on or next to key development sites	<ul style="list-style-type: none"> <li>Key sites LEP provisions</li> </ul>	-
Provision of identified community and cultural facilities on other development sites	<ul style="list-style-type: none"> <li>Developer delivery via conditions of consent</li> </ul>	<ul style="list-style-type: none"> <li>Planning agreements</li> </ul>
Upgrades and capacity improvements to existing local facilities	<ul style="list-style-type: none"> <li>Local infrastructure contributions</li> </ul>	-
<b>Green infrastructure</b>		
Multi-utility hubs	<ul style="list-style-type: none"> <li>Key sites LEP provisions</li> </ul>	<ul style="list-style-type: none"> <li>Grants subject to further investigation</li> <li>Planning agreements</li> </ul>



Infrastructure type(s)	Key mechanism(s)	Other mechanism(s)
Green building and green streets works – on or next to key development sites	<ul style="list-style-type: none"> <li>• Key sites LEP provisions</li> <li>• Developer delivery via conditions of consent</li> </ul>	-
Green building and green streets works - on or next to other development sites	<ul style="list-style-type: none"> <li>• Developer delivery via conditions of consent</li> </ul>	-
Green streets – including tree planting, not next to development sites	<ul style="list-style-type: none"> <li>• Local infrastructure contributions</li> </ul>	-
Recycled water scheme – including treatment plant, trunk infrastructure and building connections	<ul style="list-style-type: none"> <li>• Developer delivery / condition of consent (building connections)</li> </ul>	<ul style="list-style-type: none"> <li>• Grants subject to further consideration</li> <li>• Potential future sewer and water charges</li> </ul>
<b>Affordable housing</b>		
Affordable housing	<ul style="list-style-type: none"> <li>• Council rationalise current affordable housing scheme under LGA-wide approach</li> </ul>	<ul style="list-style-type: none"> <li>• Key sites LEP provisions (on key sites)</li> <li>• Planning agreements</li> <li>• s7.32 affordable housing levies</li> </ul>

### Special infrastructure contribution

In December 2020, when the State government adopted the Place Strategy and announced it would build a new Metro station at Pymont, it also announced that a one-off Special Infrastructure Contribution would also be applied to certain new developments in the Pymont Peninsula in advance of the station opening to contribute to the cost of the new station.

Alongside this IDP, DPIE has exhibited information about the proposed Pymont Special Infrastructure Contribution that will fund, in part, the new Pymont metro station through a one-off levy on new development in the ‘contributions area’. DPIE has also made available its supporting analysis that considers development capacity and feasibility taking account of all contributions that are proposed to apply in the area.

### Annual value share mechanism

In December 2020, when the State government announced it would build a new Metro station at Pymont and introduce a State Infrastructure Contribution, it also announced it would introduce a value share contribution mechanism requiring some commercial property owners to contribute to the cost of the new Pymont metro station, other than small businesses, that benefit from increased land values associated with the new station. This new annual contribution would be designed to take effect with the commencement of passenger services in 2030.



## Key sites framework

The framework for infrastructure provision on key sites is outlined in the Place Strategy document and the supporting Infrastructure Opportunities Study.

Typically, key sites provisions are additional to mandatory local infrastructure contributions that are authorised to be imposed on the development under Council's contributions plans.

Urban design analysis and sub-precinct master planning undertaken as part of the Place Strategy indicates that four sub-precincts – Ultimo, Blackwattle Bay, Darling Island and Tumbalong Park, will experience the greatest growth and change over the next 20 years.

The Place Strategy's key sites and pre-eminent development opportunities are located in these sub-precincts:

- NSW's recently exhibited master plan to redevelop the current Sydney Fish Market and neighbouring sites at Blackwattle Bay<sup>2</sup>
- The Star Entertainment Group's aspiration to redevelop its site in Darling Island
- Mirvac's approved redevelopment of Harbourside Shopping Centre
- UTS' plans to expand new teaching and complementary space into Ultimo.

In June 2021 the NSW Independent Planning Commission granted consent to Mirvac's proposed redevelopment of Harbourside Shopping Centre. The approved development includes 3,500 square metres of public open space above the Northern Podium.

Each of these three remaining key sites have the potential to deliver strategic change in the Peninsula through broader public benefits, such as provision of new high quality open space and community facilities, over and above that which can be funded using local infrastructure contributions alone.

It is understood the Star and UTS key sites have considered their additional public benefits as part of their key site master plans. In the case of The Star, further work is required to confirm the additional public benefits, which is proposed to be secured as part of a new site-specific provision in the Sydney Local Environmental Plan 2012. However, DPIE has proposed that the Star:

- will be required to make a greater contribution towards affordable housing, up to 12%, as set out in the exhibited 'Affordable Housing Study (2021)', and
- a concurrence clause in relation to existing State public infrastructure, and the need of additional State public infrastructure. The proposed LEP clause would require the concurrence of the Planning Secretary prior to any development consent to assess the need and contribution towards infrastructure. Such State public infrastructure may include active transport improvements, State and regional roads, bus lanes, and embellishments or connections to regional open space.

UTS, on the other hand, has provided an offer to the Council that addresses upgraded public domain and better east-west connections noting this is commensurate with the scale of the proposal in its key site master plan (student accommodation).

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<sup>2</sup> A satisfactory arrangements clause (SAC) has also been proposed as part of the recently exhibited Blackwattle Bay State Significant Precinct Study, currently being assessed by the Department. Similar arrangements may also apply to other Key Sites, as appropriate.



Examples of infrastructure items from the infrastructure schedule that could be delivered on key sites under the key-sites mechanism are summarised in **Table 3**.

**Table 3: Examples of infrastructure items that could be delivered using a key sites approach**

Key sites	Opportunities for additional public benefits
Blackwattle Bay (recently exhibited)	<ul style="list-style-type: none"> <li>• Harbour foreshore link (public foreshore extension)</li> <li>• New district park at Bank St</li> <li>• Multi-utility hub</li> </ul>
The Star	<ul style="list-style-type: none"> <li>• New through site links</li> <li>• Upgraded public domain</li> <li>• Other opportunities to be determined</li> </ul>
Harbourside (approved)	<ul style="list-style-type: none"> <li>• New through site link</li> <li>• Upgraded public domain</li> </ul>
UTS Ultimo	<ul style="list-style-type: none"> <li>• Upgraded public domain</li> <li>• New through-site link(s)</li> <li>• Multi-utility hub</li> <li>• New publicly accessible recreation facility</li> </ul>

### Local infrastructure contributions

Much of the infrastructure identified as being needed to support the Place Strategy’s implementation is local infrastructure that the Council is responsible for delivering and/or owning and managing. The primary delivery mechanism available to councils to fund and deliver local infrastructure in NSW is local infrastructure contributions.

Key local infrastructure contributions considerations are outlined in **Appendix B**. It includes:

- An outline of the NSW infrastructure contributions framework, including section 7.11 ‘nexus-based’ and section 7.12 ‘fixed-rate’ contributions
- The process and criteria for councils to seek a higher maximum section 7.12 levy
- Forecast income under various section 7.11 and section 7.12 scenarios, including section 7.12 rates recommended by the NSW Productivity Commission, and low, medium and high contributions exemption / reduction scenarios (for example, for Crown development)
- The relative merits and disadvantages of section 7.11 and section 7.12 contributions plan approaches for the Pyrmont Peninsula
- Key consequential amendments that would be needed to the existing City of Sydney Development Contributions Plan 2015 if a new local infrastructure contributions plan is prepared for the Pyrmont Peninsula.

In summary, analysis by GLN indicates preparing a new section 7.12 plan for Pyrmont Peninsula at 3 per cent of the development cost may provide the optimum balance of income to fund infrastructure needed by development and flexibility. Preliminary analysis also suggests it will meet the criteria for councils to seek a higher maximum section 7.12 levy.





The City of Sydney Council has indicated based on its draft works list it will prepare a section 7.12 plan with a 3 per cent levy to deliver the local infrastructure required for Pymont.

If Council decides to prepare a new section 7.12 plan for Pymont at 3 per cent of the development cost (residential and non-residential development), the draft plan would need to be approved by Council for public exhibition. The draft plan would also need to meet criteria set out in the Department's 2021 Practice Note to impose a section 7.12 rate that is higher than 1 per cent. Preliminary analysis by GLN suggests it would meet the criteria, however this is subject to an assessment by the Department in the future. The Minister for Planning and Public Spaces would need to approve an amendment to the Environmental Planning and Assessment Regulation to allow for the 3 per cent levy.

### **Affordable housing contributions**

An Affordable Housing Study prepared to support the Place Strategy identified several opportunities including the rationalisation of the revised City West Affordable Housing Program with State policy and Council's approach.

The Council is responsible for progressing amendments to its Affordable Housing Program and affordable housing provisions in Sydney Local Environmental Plan 2012.

Council proposes its Affordable Housing Program will be expanded to the Pymont Peninsula and require the following affordable housing contributions:

- Fixed affordable housing levies (1% of non-residential GFA, 3% residential GFA) under clause 7.13 of the Sydney Environmental Plan 2012.
- Site-specific affordable housing contributions where properties are the beneficiary of expanded development capacity.

### **Feasibility**

Contribution capacity testing and feasibility analysis has been undertaken to test the tolerance of developments to contribute to:

- local development contributions
- fixed affordable housing levies
- site-specific affordable housing contributions
- state infrastructure contributions.

Local development contributions and fixed affordable housing levies will be a requirement of all development while site-specific affordable housing contributions and state infrastructure contributions will be required of properties that benefit from expanded development capacity.

## **2.5 Review of NSW infrastructure contributions system**

In April 2020, the Minister for Planning and Public Spaces asked the NSW Productivity Commission to undertake a comprehensive review of infrastructure contributions system in NSW. A key objective was to determine whether the system meets the objectives of certainty and efficiency while delivering public infrastructure to support development.



In November 2020, the Commission provided its Final Report on the review to the Minister for consideration. The report is publicly available on the Commission’s website. The Commission’s report contains 29 recommendations. In March 2021 the NSW Government released its response to the Commission’s review report and associated recommendations. The Government accepted all 29 recommendations in the Commission’s report.

Draft regulatory amendments, policy instruments, and Practice Notes are being progressively released for public consultation purposes. The government is seeking to implement all legislative and regulatory amendments by July 2022.

Relevant recommendations and their potential implications for Pyrmont are summarised in **Table 4**.

**Table 4: Implication of relevant Productivity Commission recommendations**

Ref.	Subject	Details	Comments
3.1	Rate pegs	Amend the local government rate peg to reflect population growth, that is, allow councils’ general income to increase with population	IPART methodology was approved by the Minister for Local Government on 5 October 2021 and will come into effect for setting of the 2022-2023 rate peg. It is expected that the capacity to provide funding towards local infrastructure will be increased.
4.1	Rezoning	Prepare infrastructure contributions plans upfront as part of the rezoning process	<p>The PPS work is consistent with this recommendation. It has identified the Infrastructure Opportunities as part of the preparation of the Place Strategy in 2020. These have been further refined, tested and confirmed in work during 2021 as part of this Infrastructure Delivery Plan.</p> <p>The Infrastructure Delivery Plan guides the preparation of an updated infrastructure planning framework to ensure infrastructure is aligned with growth and change as it occurs across the Peninsula and over time (20 years).</p> <p>The City of Sydney is considering options for preparing a new local infrastructure plan to provide contributions funding towards local infrastructure needed to support anticipated growth.</p>
4.5	s7.11 benchmarked costs	Section 7.11 contributions plans to use benchmarked costs	<p>The NSW Government has asked IPART to deliver a report which recommends standardised benchmark costs for infrastructure. This work is currently underway. Any benchmark costs would need to be compared against local infrastructure costs for Pyrmont.</p> <p>Analysis suggests a s7.12 approach may provide a better balance of income and flexibility compared to a s7.11 approach. If a s7.12 plan is adopted, this reform will not be relevant.</p>



Ref.	Subject	Details	Comments
4.6	s7.11 development-contingent costs	Contributions plans reflect development-contingent costs only (including applying an updated essential works list to all section 7.11 contributions plans)	<p>Refer comment above. If a s7.12 plan is adopted for Pyrmont this reform will not be relevant.</p> <p>If a s7.11 plan is adopted, this reform affects the ability to fund community facility upgrade works using s7.11 contributions.</p> <p>Currently, the essential works list is only applied to IPART-reviewed plans where contribution rates are higher than \$20,000 per dwelling. Community facilities capital works are not considered as essential works and cannot be funded using local infrastructure contributions for these plans.</p> <p>The Minister for Planning and Public Spaces and Roads has committed that it will not change the current policy setting on when the essential works list applies for three years. This will provide some time to understand the potential implications of the essential works list for Pyrmont and to put in place other arrangements, if needed.</p> <p>The NSW Government’s Terms of Reference to IPART for their review of the Essential Works List and Nexus specifically states that community facilities works must not be included on any update to the list.</p> <p>IPART has specifically been asked to consider metropolitan and infill development contexts and may also consider ‘strata’ land acquisition. Further consideration of funding impacts should be undertaken as the policy review is progressed.</p>



Ref.	Subject	Details	Comments
4.11	s7.12 rates	Increase the maximum allowable rate for section 7.12 fixed development consent levies, including \$8,000 per additional dwelling for apartments, \$35 per square metre of additional gross floor area for commercial uses and \$25 per square metre of additional gross floor area for retail uses	<p>The Infrastructure Contributions reform exhibition material (not the Pyrmont implementation exhibition material) outline a differential rate system to reflect varying construction costs across NSW. For 'Greater Sydney – East', a rate of \$15,000 per dwelling or apartment is proposed with \$50 per square metre of additional gross floor area for commercial uses, \$35 for retail and \$35 for industrial uses.</p> <p>Income testing has been undertaken for various options including applying the Commission's recommended s7.12 rates.</p>
5.1	Regional contributions	Adopt regional infrastructure contributions	<p>The State Government is proposing a new regional infrastructure contribution which would apply to certain regions throughout NSW, including the Greater Sydney Region. The funds for this contribution would be managed by Treasury. Treasury. Funding allocation will be determined between Treasury, Infrastructure NSW and the Department of Planning, Industry and Environment.</p> <p>A Special Infrastructure Contribution (SIC) is proposed for Pyrmont under the existing framework. At this stage no detail has been released about how proposed regional infrastructure contributions may affect Special Infrastructure Contributions.</p>
5.3	Transport contributions	Adopt transport contributions for major projects.	The State government is proposing to introduce a special infrastructure contribution for Pyrmont. This is discussed further in section 2.4 of this report.
6.6	Transitional arrangements	All local infrastructure contributions plans to be updated consistent with the new framework by July 2024.	<p>If Council decides to prepare a new draft contribution plan for Pyrmont under the current framework it would need to be updated to be consistent with the new framework by July 2024.</p> <p>It is noted the Infrastructure Contribution exhibition materials (not the Pyrmont implementation exhibition materials) propose a process to allow Councils to apply for an extension of time.</p>

It is noted that Council may choose to amend the draft local works schedule in response to these proposed changes to the NSW infrastructure contributions system. Council's decisions in this regard



will need to be taken once further detail regarding the proposed changes is released by the NSW Government.



### 3 Sub-precinct infrastructure delivery

While it is anticipated that change will occur across all parts of the Pyrmont Peninsula over time, the focus of growth and development is expected to be guided by the sites capable of change and the sub-precinct master plans. Therefore, the core of this IDP are the sub-precinct infrastructure plans. These are outlined in the following subsections.

The sub-precinct infrastructure plans identify what infrastructure will be provided in each sub-precinct and, for each item, who would have the lead (or shared) responsibility for providing it, and when it could be provided. Together with the sub-precinct master plans, they identify the quantum and mix of land use change that could occur, and the associated infrastructure investment and upgrades required to support the change.

Infrastructure items in the infrastructure schedule are either wholly or mostly located within a sub-precinct, or they occur most or all sub-precincts. Infrastructure items located wholly or mostly within a sub-precinct are listed in the relevant infrastructure plan for each sub-precinct.

The sub-precinct infrastructure plans in the following subsections have been prepared alongside a set of draft sub-precinct masterplans (prepared by others). The draft masterplans provide additional analysis and detail about desired land uses, built form and infrastructure opportunities and requirements in the various sub-precincts (including on 'key sites') to support growth and change to be enabled by the Place Strategy.

Most items are not funded or committed for delivery and are subject to further development, scoping, business case, investigation and investment decisions by relevant agencies.



Figure 3: Place Strategy sub-precinct boundaries



Source: Pyrmont Peninsula Place Strategy 2020





### 3.1 Pyrmont Village

Pyrmont Village is the fine grain ridge top neighbourhood which is key to the identity of the Peninsula through its layered heritage that has Union Square at its heart. It is key to pulling together surrounding neighbourhoods and delivering the physical connectivity necessary for community and innovation success<sup>3</sup>.

Infrastructure items from the infrastructure schedule wholly or mostly located in the sub-precinct are summarised in **Table 5**. As noted, it does not include infrastructure items located within the sub-precinct that occur most or all sub-precincts, which are covered in section 3.7. Additional information about each infrastructure item is included in the infrastructure schedule at **Appendix A**.

**Table 5: Proposed Pyrmont Village infrastructure delivery schedule**

Item	Description	Responsibility <sup>4</sup>			Timing <sup>5</sup>		
		Local	State	Developer	Short	Medium	Long
<b>Transport</b>							
T5	Harris St – Liveable Green Network priority route improvements	●	●		○	○	
T6	Intermediate transit corridor - via Harris St		●			○	
T7	Bus stop rationalisation/relocation - Harris St		●		○		
T9	Goods Line - northern extension (explore opportunity as part of Powerhouse Museum upgrade works)		●	●		○	
T12	Union St Liveable Green Network priority route improvements	●	●	●	○		
T23	New Metro station		●				○
T24	Reallocate road space on Pyrmont St - Edward Ln to Allen St		●	●		○	
<b>Open space</b>							
O11	Maybanke Recreation Centre – capacity improvements	●					○
O16	Transform area under Western Distributor overpass		●			○	○
O19	Elizabeth Healy Reserve upgrade	●	●			○	
O20	Clifftop parks – renewal	●	●	●		○	○

<sup>3</sup> The Pyrmont Peninsula Place Strategy (2020) contains more detailed descriptions of the current and future character of each sub-precinct.

<sup>4</sup> Responsibility can include responsibility for delivery, responsibility for full or co-funding, or both.

<sup>5</sup> Short = years 1-5 (2021-2025); Medium = years 6-10 (2026-2030); Long = years 11-20 (2031-2041).



Item	Description	Responsibility <sup>4</sup>			Timing <sup>5</sup>		
		Local	State	Developer	Short	Medium	Long
	<b>Community and cultural facilities</b>						
C1	Pymont Community Centre upgrade (recoupment)	●			○		

- These items are identified by Council as not likely to be funded in local contributions planning and will require further investigation for delivery.



### 3.2 Darling Island

Darling Island is a mixed-use recreational, cultural and entertainment destination. Future development will enhance the character, walkability and public transport access to the centre to support increased activity<sup>3</sup>.

Infrastructure items from the infrastructure schedule wholly or mostly located in the sub-precinct are summarised in **Table 6**. Additional information about each infrastructure item is included in the infrastructure schedule at **Appendix A**.

**Table 6: Proposed Darling Island infrastructure delivery schedule**

Item	Description	Responsibility <sup>4</sup>			Timing <sup>5</sup>		
		Local	State	Developer	Short	Medium	Long
<b>Transport</b>							
T8	Jones Bay – foreshore walk (bridge / over water connection)	●	●			○	
T12	Union St – Liveable Green Network priority route improvements	●	●	●	○		
T23	New Metro station		●				○
T25	Upgrade existing waterfront walk – including upgraded access opposite Australian National Maritime Museum and new access adjoining the Google site			●	○	○	
T26	Active transport loop – Pirrama Rd and Murray St (subject to further investigation)			●	○	○	
<b>Open space</b>							
O14	At least 1 new outdoor fitness station – as part of active transport loop (subject to further investigation)			●		○	
O23	Pyrmont North public domain improvements, including Star City frontages	●		●	○	○	
O24	Union St plaza (between Pyrmont Bridge Rd and Pyrmont St) – subject to further investigation		●	●			○
<b>Green infrastructure</b>							
G4	Drainage upgrade – Pyrmont St to outlet	●			○		
G5	Water quality improvements – gross pollutant traps to existing lines	●			○		

● These items are identified by Council as not likely to be funded in local contributions planning and will require further investigation for delivery.



### 3.3 Blackwattle Bay

Blackwattle Bay is a media hub, tourist destination and new urban quarter<sup>3</sup>. A range of infrastructure is needed to support growth and change in the sub-precinct, as outlined in the **Table 7** below.

**Table 7: Proposed Blackwattle Bay infrastructure delivery schedule**

Item	Description	Responsibility <sup>4</sup>			Timing <sup>5</sup>		
		Local	State	Developer	Short	Medium	Long
<b>Transport</b>							
T10	Jones St cycleway extension			●		○	○
T12	Union St Liveable Green Network priority route improvements	●	●	●	○		
T13	Blackwattle Bay commuter cycleway – Pyrmont Bridge Rd / Bank St to Miller St / Saunders St		●	●		○	
T14	Extend foreshore walk – including INSW sites and private sites		●	●		○	
T15	Investigate Glebe Island Bridge active transport connection between Rozelle and Pyrmont		●			○	
<b>Open space</b>							
O1	New district park at Bank St			●		○	
O5	Landing sites for passive craft		●	●		○	
O6	New harbour pool		●	●			○
O7	Inclusive play space - new Bank St park			●		○	
O14	At least 1 new outdoor fitness station			●		○	
O16	Transform area under Western Distributor		●			○	○
<b>Community and cultural facilities</b>							
C8	Work-based childcare			●	○	○	○
C9	New medical centre in a major development			●		○	
C10	Blackwattle Bay State Significant Precinct community facility opportunities			●		○	

● These items are identified by Council as not likely to be funded in local contributions planning and will require further investigation for delivery.



### 3.4 Wentworth Park

Wentworth Park is a park-side community of historic warehouses and terraces that builds upon the scale and experience of the Ultimo heritage conservation zone and local heart of Quarry Green<sup>3</sup>.

Table 8: Proposed Wentworth Park infrastructure delivery schedule

Item	Description	Responsibility <sup>4</sup>			Timing <sup>5</sup>		
		Local	State	Developer	Short	Medium	Long
<b>Transport</b>							
T10	Jones Street active transport loop (subject to further investigation) – including street upgrades and separated cycleway			●		○	○
T13	Blackwattle Bay commuter cycleway			●		○	
T14	Extend foreshore walk		●	●		○	
T16	Localised footpath widening along key streets	●	●	●	○	○	○
<b>Open space</b>							
O3	Wentworth Park capacity improvements <sup>6</sup>	●	●		○	○	
O16	Reuse of area beneath Western Distributor overpass for active recreation		●			○	○
<b>Community and cultural facilities</b>							
C11	New indoor recreation centre (Landream site)			●	○		

● These items are identified by Council as not likely to be funded in local contributions planning and will require further investigation for delivery.

<sup>6</sup> DPIE is investigating a suitable alternate site for greyhound racing and notes further work will be required to investigate the costs of demolition, remediation, site servicing and upgrade works. Future upgrade works may be informed by Council, which has received a grant from the Department to investigate draft master plan options for upgrading Wentworth Park into public open space.



### 3.5 Tumbalong Park

Tumbalong Park is a celebration and event space for both local community and global visitors<sup>3</sup>.

Table 9: Proposed Tumbalong Park infrastructure delivery schedule

Item	Description	Responsibility <sup>4</sup>			Timing <sup>5</sup>		
		Local	State	Developer	Short	Medium	Long
<b>Transport</b>							
T9	Goods Line - northern extension (along Pyrmont St and Murray St, as part of active transport loop) - (explore opportunity as part of Powerhouse Museum upgrade works)		●	●		○	
T24	Reallocate road space on Pyrmont St - Edward Ln to Allen St		●	●		○	
<b>Open space</b>							
O4	New urban park/plaza connecting Allen St (opportunity for overpass area at Murray St, Pyrmont St and Allen St intersection)		●	●		○	○
O13	Youth spaces - active transport loop (subject to further investigation), potentially as part of item above (new urban park/plaza)		●	●		○	○



### 3.6 Ultimo

Ultimo is a centre for creativity and learning at the edge of Central Station reinvigorating the Harris Street heritage conservation zone through a series of connected campuses<sup>3</sup>.

Table 10: Proposed Ultimo infrastructure delivery schedule

Item	Description	Responsibility <sup>4</sup>			Timing <sup>5</sup>		
		Local	State	Developer	Short	Medium	Long
<b>Transport</b>							
T1	Contra-flow bus lane - Harris St & Regent St		●			○	
T2	Shared zones around UTS and TAFE			●	○		
T3	Close Jones St for new open space			●	○		
T4	Harris St signalised pedestrian crossing	●	●		○	○	
T6	Intermediate transit corridor - via Harris St		●			○	
T7	Bus stop rationalisation/relocation - Harris St		●		○		
T16	Localised footpath widening along key streets	●	●	●	○	○	○
T27	Forest Lodge to City South bike network link	●				○	
<b>Open space</b>							
O2	Jones St new linear park		●	●		○	
O10	4 new publicly accessible outdoor courts			●		○	
O13	Youth spaces - active transport loop (Ultimo portion) – loop subject to further investigation		●	●		○	○
O15	Mary Ann St park upgrade			●		○	
O16	Transform area under Western Distributor overpass		●			○	○
O21	Goods Line North expansion – into Darling Drive, as part of UTS and Powerhouse renewal			●		○	○
O22	New publicly accessible open space on TAFE site as part of TAFE site renewal		●	●		○	
<b>Community and cultural facilities</b>							
C4	New production space for creative arts		●	●	○	○	





Item	Description	Responsibility <sup>4</sup>			Timing <sup>5</sup>		
		Local	State	Developer	Short	Medium	Long
C6	Improve community access to MAAS auditoriums and theatres <sup>7</sup>		●		○	○	
C8	Work-based childcare in large commercial development			●	○	○	○
C12	Ultimo Community Centre upgrade	●				○	

- These items are identified by Council as not likely to be funded in local contributions planning and will require further investigation for delivery.

<sup>7</sup> As noted in section 2.3 of this IDP, in June 2021, the State government announced \$500 million will be provided to upgrade and renovate the Powerhouse Museum. A design competition is due to commence in 2021.



### 3.7 Pirrama

Pirrama is an active waterfront neighbourhood which is characterised by recently developed mid to high rise development and an active foreshore connected by a series of parks and promenades.

Table 11: Proposed Pirrama infrastructure delivery schedule

Item	Description	Responsibility <sup>4</sup>			Timing <sup>5</sup>		
		Local	State	Developer	Short	Medium	Long
<b>Green infrastructure</b>							
G5	Water quality improvements – gross pollutant traps to existing lines	●			○		



## 4 Next steps

This IDP has been prepared alongside the Pyrmont Peninsula sub-precinct master plans and further work undertaken in 2021 with Council and agencies to identify infrastructure priorities needed to support the implementation of the Pyrmont Peninsula Place Strategy. It provides information on what infrastructure is needed (local and state infrastructure priorities and opportunities), when it is needed (staging and priorities), how it can be delivered (funding and delivery mechanisms) and who could deliver it (developers, State agencies, Council etc).

The IDP has been prepared to guide infrastructure agencies and the community in understanding the changes required to the infrastructure framework to plan for the 'infrastructure task' needed to support the creation of great places in the Peninsula and provide a 'road map' to assist relevant agencies, Council, developers and the community to collaboratively plan, priorities, program and deliver infrastructure in the Peninsula in an orderly and timely manner.

The next steps in the planning and delivery of Place Strategy infrastructure for the Pyrmont Peninsula include:

- Sub-precinct master plans – finalisation and adoption of sub-precinct master plans and associated changes to planning controls on key and Metro sites that will enable development and associated population growth and infrastructure demand.
- Sydney Metro – continued planning for the delivery of the new Metro station at Pyrmont and supporting infrastructure including pedestrian connections and public domain upgrades.
- Key sites infrastructure – further discussion, planning and agreement regarding infrastructure to be delivered on key sites including the Star, Blackwattle Bay and the University of Technology Sydney, and associated delivery mechanisms, for example, through updates to the Sydney Local Environmental Plan 2012, design guides and in planning agreements or other arrangements.
- Special infrastructure contribution – preparation of the new SIC by DPIE.
- Local infrastructure – Council to progress the preparation of a local contributions plan to deliver the funding required for the local works items set out in the Infrastructure Schedule at Appendix A. This IDP considers a s7.12 plan with a 3 per cent levy may be the optimum approach for funding the local works included in the Infrastructure Schedule at Appendix A. Preliminary analysis by GLN suggests that a draft plan which seeks a 3% levy would meet the criteria set out in the Department's 2021 Practice Note, which addresses higher rate levies.
- State infrastructure works – continued investigation of State infrastructure works by relevant agencies such as Glebe Island Bridge, facilitating the return of Wentworth Park to the community as public open space as part of a larger and enhanced parkland and extending the Goods Line south through adjacent precinct investigations (ie. Tech Central)
- Affordable housing – expansion of the Council's Affordable Housing Program to apply to Pyrmont Peninsula by Council.

# APPENDIX A: INFRASTRUCTURE SCHEDULE



Table A1: Proposed Infrastructure schedule

Item	Name	Sub-precinct(s)	Timing	Potential responsibility	Potential funding / delivery mechanism(s)
	<b>Transport</b>				
T1	Contra-flow bus lane - Harris St and Regent St	Ultimo	Medium	TfNSW	TBD
T2	Shared zones around UTS and TAFE	Ultimo	Short	Developer	State grants, key sites
T3	Close Jones St for new open space	Ultimo	Short	Developer	State grants, key sites
T4	Harris St signalised pedestrian crossing	Ultimo	Short-Medium	TfNSW	TBD
T5	Harris St – Liveable Green Network priority route improvements	Pyrmont Village	Short-Medium	City of Sydney	LIC
T6	Intermediate transit corridor - via Harris St	Pirrama, Pyrmont Village, Ultimo	Medium	TfNSW	TBD
T7	Bus stop rationalisation/relocation - Harris St	Pirrama, Pyrmont Village, Ultimo	Short	TfNSW	TBD
T8	Jones Bay – foreshore walk (bridge / over water connection)	Darling Island	Medium	City of Sydney, TfNSW	LIC
T9	Goods Line - northern extension (explore opportunity as part of Powerhouse Museum upgrade works)	Tumbalong Park, Pyrmont Village	Medium	INNSW/Developer	Key sites LEP provisions
T10	Jones St cycleway extension / active transport loop (subject to further extension)	Blackwattle Bay, Wentworth Park	Medium-Long	Developer	State grants, key sites



Item	Name	Sub-precinct(s)	Timing	Potential responsibility	Potential funding / delivery mechanism(s)
T11	Intersection reconfiguration – at Western Distributor, Bank St, Pyrmont Bridge Rd	Blackwattle Bay	Short	TfNSW	TBD
T12	Union St Liveable Green Network priority route improvements	Pyrmont Village, Blackwattle Bay	Short	TfNSW, developer, local item*	TBD
T13	Blackwattle Bay commuter cycleway – Pyrmont Bridge Rd / Bank St to Miller St / Saunders St	Blackwattle Bay, Wentworth park	Medium	Developer/INSW	Key sites, State grants
T14	Extend foreshore walk – including INSW sites and private sites	Blackwattle Bay, Wentworth park	Medium	Developer/INSW, Property NSW	Key sites
T15	Investigate Glebe Island Bridge active transport connection between Rozelle and Pyrmont	Pirrama	Medium	NSW Government	TBD
T16	Localised footpath widening along key streets	Pyrmont Village, Wentworth Park, Ultimo	Short-Long	Developer, City of Sydney, State	LIC, key sites, State grants
T17	Shared parking	These initiatives have been identified while preparing the Pyrmont Peninsula Place Strategy in 2020 as supporting broader precinct outcomes subject to relevant policy delivered by others.			
T18	Parking pricing				
T19	Transportation management associations				
T20	Alternative freight arrangements				
T21	Car-sharing and ride-sharing				
T22	Autonomous vehicles				



Item	Name	Sub-precinct(s)	Timing	Potential responsibility	Potential funding / delivery mechanism(s)
T23	New Metro station	Pyrmont Village, Darling Island, Blackwattle Bay	Long	TfNSW, Sydney Metro	State budget, Transport special infrastructure contribution, per State government's December 2020 announcement, annual value sharing mechanism
T24	Reallocate road space on Pyrmont St - Edward Ln to Allen St	Pyrmont Village, Tumbalong	Medium	Developer, TfNSW	TBD
T25	Upgrade existing waterfront walk	Darling Island	Short-medium	State, developer	Key sites
T26	Active transport loop (subject to further investigation) – Pirrama Rd and Murray St	Darling Island	Short-medium	Developer	Key sites
T27	Forest Lodge to City South bike network link	Ultimo	Medium	City of Sydney	LIC
	<b>Open space</b>				
O1	New district park at Bank St	Blackwattle Bay	Medium	Developer (INSW)	Key sites LEP provisions
O2	Jones St new linear park	Ultimo	Medium	Developer, State	State grants, key sites
O3	Wentworth Park capacity improvements	Wentworth Park	Short-medium	Property NSW, City of Sydney	State funding TBD, LIC
O4	New urban park/plaza connecting Allen St	Tumbalong Park	Medium-Long	Developer, Property NSW	Key sites LEP provisions
O5	Landing sites for passive craft - Blackwattle Bay and Banks St	Blackwattle Bay	Medium	INSW, Maritime, Developer,	Key sites LEP provisions



Item	Name	Sub-precinct(s)	Timing	Potential responsibility	Potential funding / delivery mechanism(s)
O6	New harbour pool	Blackwattle Bay/Pirrama	Long	Developer, INSW, Maritime	Key sites LEP provisions
O7	Inclusive play space - as part of new Bank St park	Blackwattle Bay	Medium	Developer (INSW)	Key sites LEP provisions
O8	Playful elements - along active transport loop (subject to further investigation)	All	Medium	Developer, INSW	Key sites LEP provisions, State grants
O9	Connected foreshore walk	All	Medium-Long	INSW, Property NSW	Key sites LEP provisions, State grants
O10	4 new publicly accessible outdoor courts	Ultimo	Medium	Developer, UTS	Key sites LEP provisions
O11	Maybanke Recreation Centre – capacity improvements	Pyrmont Village	Long	City of Sydney	LIC
O12	Use rooftops in major public and private development e.g. for public recreation	All	Medium	Developers	Key sites LEP provisions
O13	Youth spaces - active transport loop (Ultimo portion) – loop subject to further investigation	Ultimo/Tumbalong Park	Medium-Long	Developer, State	State grants, key sites
O14	At least 1 new outdoor fitness station - active transport loop – loop subject to further investigation	Darling Island/Blackwattle Bay	Medium	Developer (INSW)	Key sites LEP provisions
O15	Mary Ann St park upgrade	Ultimo	Medium	Developer	Key sites LEP provisions
O16	Transform area under Western Distributor overpass	Blackwattle Bay/Ultimo/Pyrmont Village	Medium - Long	State	TBD





Item	Name	Sub-precinct(s)	Timing	Potential responsibility	Potential funding / delivery mechanism(s)
O17	Joint and shared use of open space and community facilities	Wentworth Park	Ongoing	INSW	TBD
O18	New recreational walkable linkage parks (various links/locations)	Blackwattle Bay/Ultimo/Wetworth Park/Tumbalong Park	Medium-Long	TfNSW	State grants, LIC
O19	Elizabeth Healey Reserve upgrade	Pyrmont Village	Medium	State	TBD
O20	Clifftop parks – renewal	Pyrmont Village	Medium-long	Developer, State	TBD
O21	Goods Line North expansion	Ultimo	Medium-long	Developer	Key sites
O22	New publicly accessible open space as part of TAFE site renewal	Ultimo	Medium	TAFE	Key sites
O23	Pyrmont North public domain improvements, including Star City frontages	Darling Island	Short-medium	Developer, City of Sydney	Key sites, LIC
O24	Union St plaza – between Pyrmont Bridge Rd and Pyrmont St – subject to further investigation	Darling Island	Long	State, developer	Key sites
<b>Community and cultural facilities</b>					
C1	Pyrmont Community Centre upgrade (recoupment)	Pyrmont Village	Short	City of Sydney	LIC
C2	Communal rooms in residential development	All	Ongoing	Developer	Private funding
C3	Contributions to new/additional library floor space	Blackwattle Bay/Pyrmont Village/Ultimo	Medium-Long	INSW, Developer	Key sites LEP provisions, or LIC



Item	Name	Sub-precinct(s)	Timing	Potential responsibility	Potential funding / delivery mechanism(s)
C4	New production space for creative arts	Powerhouse/existing older industrial warehouses across Pyrmont Peninsula	Short - Medium	INSW, MAAS, Developer	Planning controls/condition of consent, planning agreements, Key sites LEP provisions
C5	Ground-level creative and cultural spaces in private development	All	Ongoing	Developer	Planning controls/condition of consent, planning agreements, Key sites LEP provisions
C6	Improve community access to MAAS auditoriums and theatres	Powerhouse Museum (Ultimo)	Short-Medium	MAAS, INSW	TBD
C7	Creative live/work spaces in new residential development	All	Ongoing	INSW, Developer	Key sites LEP provisions, private funding
C8	Work-based childcare in large commercial development	Blackwattle Bay, Ultimo	Ongoing	INSW, Developer	Private funding
C9	New medical centre in a major development	Blackwattle Bay	Medium	INSW, Health Infrastructure, Developer	Private funding
C10	Blackwattle Bay State Significant Precinct community facility opportunities	Blackwattle Bay	Medium	INSW, Developer	Key sites, planning controls
C11	New indoor recreation centre (Landream site)	Wentworth Park	Short	Developer	Private funding
C12	Ultimo Community Centre upgrade	Ultimo	Medium	City of Sydney	LIC



Item	Name	Sub-precinct(s)	Timing	Potential responsibility	Potential funding / delivery mechanism(s)
	<b>Green infrastructure</b>				
G1	Multi-utility hubs	All	Ongoing	INSW, Developer	Key sites LEP provisions
G2	Green streets, increased canopy – park tree planting and street tree planting	All	Ongoing	TfNSW, City of Sydney	State grants, LIC
G3	Green buildings (energy and water)	All	Ongoing	INSW, Developer	Private funding
G4	Drainage upgrade – Pyrmont St to outlet	Darling Island	Short	City of Sydney	LIC
G5	Water quality improvements – gross pollutant traps to existing lines	Darling Island, Pirrama	Short	City of Sydney	LIC
	<b>Affordable housing</b>				
A1	Expand/rationalise affordable housing	All	Ongoing	INSW, Developer	s7.32 levies

\* These items are identified by Council as not likely to be funded in local infrastructure contributions planning and will require further investigation for delivery.

# **APPENDIX B: LOCAL INFRASTRUCTURE CONTRIBUTIONS**

Much of the infrastructure identified as being needed to support the Place Strategy's implementation is local infrastructure that the Council is responsible for delivering and/or owning and managing. The primary delivery mechanism available to councils to fund and deliver local infrastructure in NSW is local infrastructure contributions.

Under the *Environmental Planning and Assessment Act 1979*, councils can impose either section 7.11 'nexus-based' or section 7.12 'fixed-rate' contributions on development. Councils are restricted in terms of the amount of contributions that can be imposed on developments.

For section 7.11 contributions the maximum contribution applying to residential development is \$20,000 per dwelling or lot, unless a contributions plan has been reviewed by the Independent Pricing and Regulatory Tribunal (IPART). Councils can only levy contributions above this amount if the contributions plan has been reviewed by IPART and the council has implemented any advice given by the Minister. Presently, no corresponding limit applies to contributions imposed on non-residential development.

The review process is extensive and infrastructure in a plan must be on the 'essential works' list in order for it to be developer-funded. Essential works do not include community buildings, indoor sports centres and streetscape works<sup>8</sup>. These are all works that are needed in the Place Strategy area.

For section 7.12 levies, the current maximum levy rates that are applicable to development in the Place Strategy area are:

- 0.5 per cent levy for development cost between \$100,001 and \$200,000
- 1 per cent levy for development cost greater than \$200,000.

The standard maximum 1 per cent levy typically yields much less income for infrastructure upgrades than if the same developments were subject to section 7.11 contributions. The trade-off for lower income is that the contributions plans for section 7.12 levies are relatively simple to prepare and administer.

Any council can apply to the Department and Minister for Planning and Public Spaces to have a higher fixed-rate levy apply to part or all of their area. In February 2021 the Department released a Practice Note for Section 7.12 fixed development consent levies which includes the process and criteria for councils to seek a higher maximum rate. Criteria include:

- The area is identified in a regional plan, district plan or respective Local Strategic Planning Statement, as a strategic centre, growth area, local centre or economic corridor.
- Local planning controls reflect, or are being amended to reflect relevant strategic direction and targets for the centre or defined area.
- Ongoing consultation with the Department regarding changes to works schedules will be undertaken
- The contributions plan should focus on delivering quality place-based community and green infrastructure, and public space improvements that enhance amenity of the centre

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<sup>8</sup> *Secretary's Practice Note: Local Infrastructure Contributions*, January 2018, pp 14-15.

- The centre has been identified by the relevant strategic plan/s to accommodate significant employment growth. An example of this includes facilitating an increase of at least 25% more employment opportunities than currently available in the centre.
- The works schedule has been prepared in consultation with the Department.
- Financial modelling is provided demonstrating that a maximum 2 per cent levy on the cost of development is insufficient to deliver identified infrastructure in the proposed timeframe.

The local infrastructure contributions plan that currently applies to Pyrmont is the City of Sydney Development Contributions Plan 2015. It applies to the City of Sydney local government area (LGA) except Sydney CBD and parts of Darling Harbour. It is divided into three precincts, east, south and west, with Pyrmont forming part of the west precinct.

Much of the infrastructure identified as being needed to support the Place Strategy's implementation is not included in the City of Sydney Development Contributions Plan 2015 works program. Infrastructure identified in the Place Strategy with potential to be part or fully funded from local infrastructure contributions includes:

- Local park upgrades, for example, upgrades to Wentworth Park
- Local community facilities upgrades or expansion
- Certain public domain works including footpath widening and street tree planting
- Local transport works such as local road improvement works, pedestrian crossings and cycleways

The Place Strategy area would likely satisfy these requirements, suggesting that a section 7.12 levy could feasibly be approved for the Place Strategy area developments. Income that would be received under different section 7.11 and section 7.12 scenarios and potential benefits and disadvantages of different approaches is discussed in the following subsections. The City of Sydney is responsible for determining which local infrastructure will be provided and how it will be funded and delivered, including section 7.11 and section 7.12 contributions. The information provided in this IDP will assist the City with doing this. It is understood Council have indicated their intent to prepare a section 7.12 plan applying to the Pyrmont Peninsula and seeking a higher rate.

### **Local infrastructure contributions – income scenario testing**

The Department engaged Atlas Urban Economics to estimate income that would be received under different types of contributions plan approaches. The income received and associated capacity to fund and deliver local infrastructure is a key consideration in deciding what type of plan to prepare, that is, a section 7.11 or section 7.12 plan.

Income was estimated for six options as outlined in the table below. This included estimated income under Council's existing local infrastructure contributions plan, that is, a 'business as usual' option (Option 1). A more detailed description of each option is provided in the table below.



Table B1: Overview of income options tested

Type of development	Option 1 (BAU)	Option 2	Option 3	Option 4	Option 5	Option 6
Non-residential	s7.11 (existing)	s7.11 (new)	s7.12 (up to 3%)	s7.12 (up to 2%)	s7.12 (PC rates)*	Option 3 to June 2024
Residential						Option 5 thereafter
Credits	Yes	Yes	No	No	Yes	No / Yes

Table B2: Description of income options

Option	Description
1 (BAU)	Under this 'business as usual' (BAU) option income was estimated by applying the City's existing s7.11 contributions plan, the City of Sydney Development Contributions Plan 2015. Contribution rates applied comprise \$1,944 per worker, \$13,210 per 1-bed dwelling, \$19,307 per 2-bed dwelling and \$20,000 per 3-bed dwelling. Credits are provided for existing development.
2	Option 2 is that same as option 1 except that all non-residential rates were increased to \$4,000 per worker and residential rates were increased to \$20,000 per dwelling for all dwellings. Credits are provided for existing development.
3	For option 3 s7.12 rates calculated at 3% of the development cost were applied to both residential and non-residential development. Development costs were assumed to be \$6,600/m <sup>2</sup> for commercial development, \$4,950/m <sup>2</sup> for retail development, \$550,000/dwelling for residential development. Credits are not provided for existing development.
4	Option 4 is the same as Option 3 except rates are calculated at 2% of the development cost. Credits are not provided for existing development.
5	Option 5 also applies a 7.12 approach; however, it reflects what is known about the NSW Productivity Commission's recent recommendations for s7.12 contributions. The Commission has recommended a flat dollar rate to contributions for new dwellings and new non-residential floorspace. The rates, which are deemed to be equivalent to 3% of development/capital cost for residential and 1% for non-residential, are as follows: <ul style="list-style-type: none"> <li>• \$8,000 per new apartment</li> <li>• \$25 per square metre of additional retail GFA</li> <li>• \$35 per square metre of additional commercial GFA</li> <li>• \$13 per square metre of additional industrial GFA</li> </ul> Credits are proposed to be provided for existing development.
6	Option 6 applies Option 3 rates until June 2024 and then then Option 5 rates thereafter. This reflects transitional provisions recommended by the NSW Productivity Commission. The Commission recommended that draft plans exhibited before 1 July 2022 can continue but all plans need to be updated consistent with the new framework by July 2024.

Income was estimated for the 6 options under three scenarios applying differing assumed reductions (discounts, offsets and exemptions) to affordable housing, social housing, Crown development, and state significant development (SSD) sites. Assumed reductions under each scenario are summarised in the table below. Scenario A does not allow for any reduction, Scenario B ('medium') allows for slight to moderate reductions, while Scenario C ('high') allows for more significant reduction.



**Table B3: Contributions income reduction scenarios**

Subprecinct	Site	Reduction scenario		
		A (low)	B (medium)	C (high)
Blackwattle Bay	Blackwattle Precinct	0%	0%	50%
Blackwattle Bay	CityWest	0%	100%	100%
Blackwattle Bay	LAHC Site	0%	30%	30%
Blackwattle Bay	CityWest	0%	100%	100%
Darling Island	Future Metro	0%	0%	50%
Darling Island	Harris St Metro	0%	0%	50%
Darling Island	The Star	0%	0%	50%
Pirrama	CityWest	0%	100%	100%
Pirrama	LAHC Site	0%	30%	30%
Pyrmont Village	LAHC Site	0%	30%	30%
Pyrmont Village	CityWest	0%	100%	100%
Tumbalong Park	Harbourside	0%	100%	100%
Ultimo	ABC / UTS	0%	0%	80%
Ultimo	Powerhouse	0%	0%	80%
Ultimo	CityWest	0%	100%	100%
Ultimo	LAHC Site	0%	30%	30%
Ultimo	TAFE	0%	0%	80%
Ultimo	TAFE	0%	0%	80%
Wentworth Park	LAHC Site	0%	30%	30%
Wentworth Park	CityWest	0%	100%	100%

Estimated income for the six options across each of the three scenarios is shown in the table below. It shows the total income as well as a breakdown of estimated income from residential development and non-residential development for the 20-year period from 2021 until 2041. A graph showing total income for the six options is shown below.



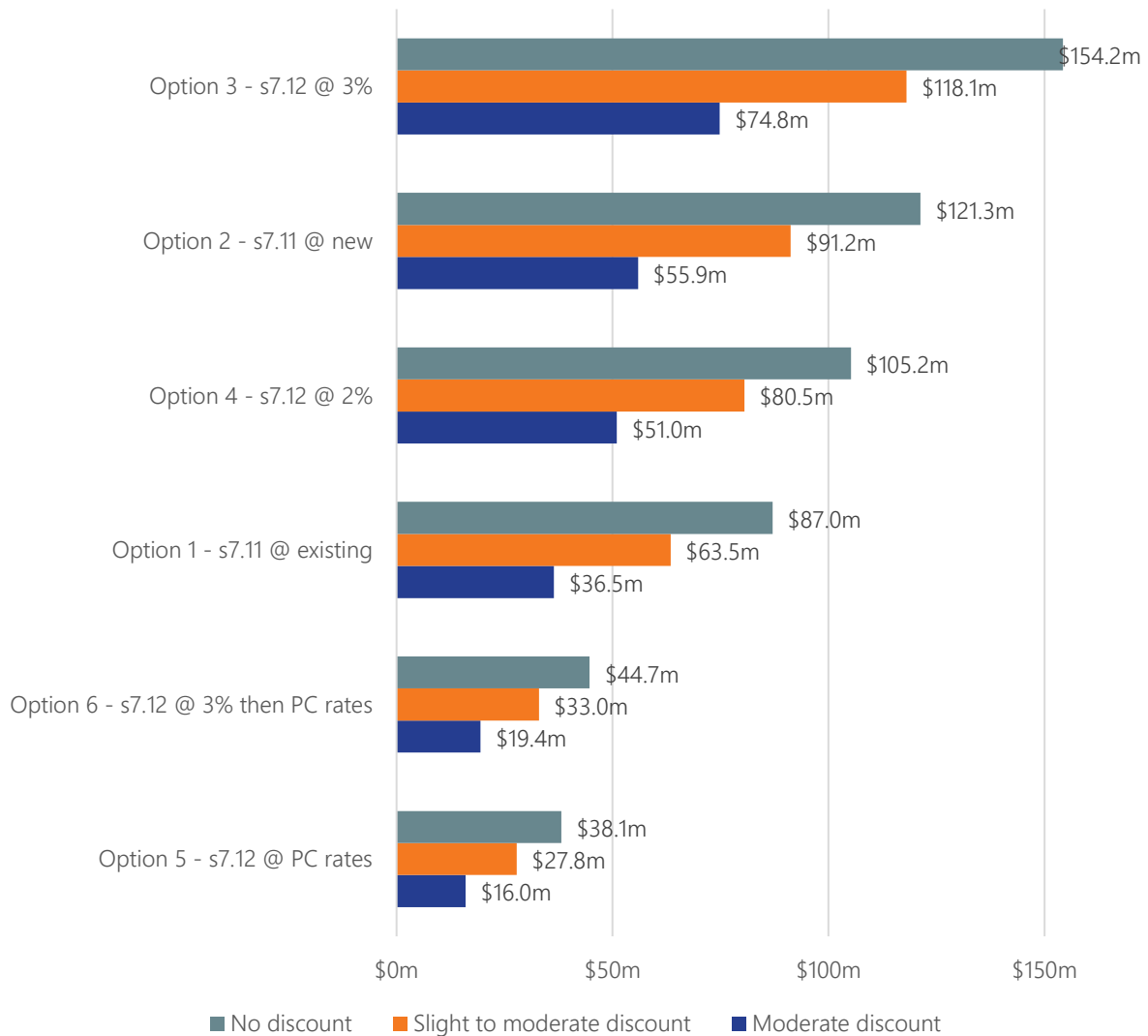


Table B4: Local infrastructure contribution income projections, various scenarios, 2021-2041

Development type	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
<b>Scenario A – no discounts</b>						
Non-residential	\$28.5m	\$58.7m	\$88.1m	\$60.1m	\$12.6m	\$17.3m
Residential	\$58.5m	\$62.6m	\$66.2m	\$45.1m	\$25.5m	\$27.4m
	<b>\$87.0m</b>	<b>\$121.3m</b>	<b>\$154.2m</b>	<b>\$105.2m</b>	<b>\$38.1m</b>	<b>\$44.7m</b>
<b>Scenario B – slight to moderate discounts</b>						
Non-residential	\$23.6m	\$48.7m	\$73.1m	\$49.8m	\$10.5m	\$14.3m
Residential	\$39.8m	\$42.6m	\$45.0m	\$30.7m	\$17.4m	\$18.7m
	<b>\$63.5m</b>	<b>\$91.2m</b>	<b>\$118.1m</b>	<b>\$80.5m</b>	<b>\$27.8m</b>	<b>\$33.0m</b>
<b>Scenario C – moderate to high discounts</b>						
Non-residential	\$17.1m	\$35.3m	\$53.0m	\$36.1m	\$7.6m	\$10.4m
Residential	\$19.3m	\$20.7m	\$21.8m	\$14.9m	\$8.4m	\$9.0m
	<b>\$36.5m</b>	<b>\$55.9m</b>	<b>\$74.8m</b>	<b>\$51.0m</b>	<b>\$16.0m</b>	<b>\$19.4m</b>



Figure B1: Income projections, various scenarios, 2021-2041



Option 3 (section 7.12 contributions at 3 per cent of the development cost) will generate the most income under all scenarios, followed by Option 2 (section 7.11 residential rates increased to \$20,000 per dwelling and non-residential rates increased to \$4,000 per worker), followed by Option 4 (section 7.12 contributions at 2 per cent of the development cost).

Other apparent benefits of Option 3 are that income is relatively evenly split between residential and non-residential development and it provides greater funding flexibility as section 7.12 plans do not need to demonstrate nexus and apportionment of costs. This means that the City could choose to fund as much or as little of each works item cost using contributions, depending on evolving infrastructure priorities and alternative funding availability, which is not always certain and may change over the life of the plan (20 years).

Nexus and apportionment need to be demonstrated for section 7.11 contributions plans. The government has also flagged that an updated essential works list will be applied to all section 7.11 plans as part of NSW infrastructure funding reforms, which will limit the opportunity for section 7.11 contributions to be used to fund priority community facility upgrade works.



The benefits as outlined above of a section 7.12 approach at 3 per cent of the development cost suggest this may be the optimum approach for funding and delivering local infrastructure in Pyrmont. The City of Sydney Council has indicated based on its draft works list it will prepare a section 7.12 plan with a 3 per cent levy to deliver the local infrastructure required for Pyrmont.

If Council decides to prepare a new section 7.12 plan for Pyrmont at 3 per cent of the development cost (residential and non-residential development), the draft plan would need to be approved by Council for public exhibition. The draft plan would also need to meet criteria set out in the Department's 2021 Practice Note to impose a section 7.12 rate that is higher than 1%. Preliminary analysis by GLN suggests it would meet the criteria, however this is subject to an assessment by the Department in the future. The Minister for Planning and Public Spaces would need to approve an amendment to the Environmental Planning and Assessment Regulation to allow for the 3% levy.

As noted, various assumptions underpinned the income forecasts. Predicting development rates over the long-term, and the contributions flowing from that development, is a forecast based on assumptions that may change due to a range of market and non-market factors. A good example of this has been the economic disruption and uncertainty of the global pandemic. Notwithstanding, the projections provide a good indication of expected income noting the income model's assumptions are likely to change in the future. For this reason, it is good practice for councils to review their contributions plans and associated underlying assumptions and forecasts periodically, for example, every five years.

### **Local infrastructure contributions – consequential amendments**

If Council decides to prepare a new section 7.12 plan for Pyrmont it will need to undertake consequential amendments to the existing City of Sydney Development Contributions Plan 2015. Potential amendments include:

- Amending the map showing land where the plan applies to exclude Pyrmont
- Amending the works program to exclude Pyrmont works (works would instead be included in the new Pyrmont contribution plan)
- Amending the contribution rates to reflect the amendments above.

The draft amendments would need to be approved by Council for public exhibition purposes.

The alternative to preparing a new contribution plan for Pyrmont and undertaking consequential amendments to the existing City of Sydney Development Contributions Plan 2015 is to amend the existing plan to include Pyrmont as a standalone precinct. The plan would become a hybrid plan so that section 7.12 rates are applied within Pyrmont. Council would need to determine whether to continue applying section 7.11 rates outside of Pyrmont or consider if section 7.12 rates should be applied to certain development. Council would also need to decide whether to retain the existing east, south and west precincts, noting the west precinct would likely no longer include Pyrmont.

