

Department of Planning, Housing and Infrastructure

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# Blackwattle Bay Precinct – Area 17

State-Assessed Rezoning Proposal Assessment Report

April 2025





# Acknowledgement of Country

The Department of Planning, Housing and Infrastructure acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land, and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Blackwattle Bay Precinct – Area 17

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# Executive Summary

The Department of Planning, Housing and Infrastructure (the Department) has assessed the proposed planning amendments to Area 17 (Figure 1) of the Blackwattle Bay Precinct to facilitate a mixed use precinct at the current Fish market site.

A State Environmental Planning Policy (SEPP) is proposed to amend the *Sydney Local Environmental Plan 2012* (Sydney LEP 2012) to implement new planning controls for Blackwattle Bay. These amendments seek to enable the delivery of approximately 320 additional homes.

The Blackwattle Bay State Significant Precinct was rezoned in December 2022 and the new controls commenced on 8 September 2023. The planning controls enable transformation of the waterfront industrial and commercial precinct into a vibrant mixed-use precinct.

In March 2024, Infrastructure NSW (INSW) wrote to the Secretary of the Department requesting an amendment to the Blackwattle Bay Precinct Area 17 planning controls to remove a restriction on the extent of residential gross floor area. In June 2024, the Secretary approved the proposal to progress as a State Assessed Planning Proposal (SAPP).

The SAPP for the site was exhibited between 12 December 2024 to 31 January 2025 and a total of 18 submissions were received. The Department's assessment has considered key issues raised in submissions, including the need for more affordable housing, built form concerns, the impact on existing infrastructure including schools, public transport, and roads, concerns regarding residential amenity within and surrounding the Precinct.

The Department has recommended amendments to the exhibited proposal to ensure that issues raised in submissions are appropriately resolved. The resolution of issues and associated further amendments are outlined in more detail in section 8 of this report.

The Department recommends the rezoning of the site be supported to enable the delivery of new homes.

# 1 Introduction

This report presents the Department's assessment and finalisation of Infrastructure NSW's (INSW) proposed planning amendments to facilitate a change in land use in the Blackwattle Bay Precinct (the Precinct).

The proposed amendments seek to remove a restriction on the extent of residential gross floor area in Area 17 of the Precinct (the existing Sydney Fish market site) to enable the delivery of approximately 320 additional dwellings.

A self-repealing State Environmental Planning Policy (SEPP) made under the Environmental Planning and Assessment Act 1979 (EP&A Act) will amend planning controls for the Precinct in the Sydney Local Environmental Plan 2012 (Sydney LEP 2012).

The objectives of the new planning controls/ amendments include:

- increasing housing supply in the Precinct;
- providing a variety of land uses in Area 17 with high levels of environmental amenity and contribute to a vibrant and attractive precinct; and
- delivering the vision of the Pyrmont Peninsula Place Strategy.

This report includes:

- information on the assessment process, consultation, and description of the public submissions received;
- the Department's consideration of the issues raised during public exhibition and amendments made to address issues raised;
- the Department's assessment of the proposed planning control amendments; and
- the consistency of the rezoning with relevant environmental planning instruments (EPIs) and policies.



## 2 Context

### 2.1 Site Context

The SAPP relates to a part of the Blackwattle Bay Precinct, identified as Area 17 on the Sydney LEP 2012 Floor Space Ratio Map (Figure 1). The Blackwattle Bay Precinct is located on the western edge of the Pyrmont Peninsula.

Area 17 is approximately 2.65 ha and includes the current Sydney Fish Market, an at grade car park, exterior public seating area, annex buildings surrounding the car park and several small wharf structures which extend into Blackwattle Bay. The site is owned by INSW.



Figure 1 Aerial image of Blackwattle Bay, identifying the Blackwattle Bay Precinct and Area 17 (Source: Blackwattle Bay SSP Amendment to Area 17 Land Use Mix, Ethos Urban, 19 June 2024)

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## 2.2 Strategic Context

### 2.2.1 Greater Sydney Region Plan – A metropolis of Three Cities

The Greater Sydney Region Plan (the Plan) is the NSW Government's 40-year strategy and coordinates the approach to infrastructure and collaboration, liveability, sustainability and productivity across Greater Sydney. The Plan builds on the recognised economic strengths of the Eastern Harbour City and identifies opportunities to improve liveability and sustainability.

The Blackwattle Bay Precinct is situated within the Eastern Harbour City and the proposal supports the objectives of the plan.

### 2.2.2 Eastern City District Plan

The District Plan sets out how the Greater Sydney Region Plan will apply to the Eastern Harbour City coordinating the supply of housing with jobs growth and the delivery of supporting infrastructure. The Blackwattle Bay Precinct is located within the Eastern City District area and the proposal supports the following priorities in the Eastern City District Plan:

- healthy, creative, culturally rich and socially connected communities (Planning Priority E4)
- providing housing supply, choice and affordability, with access to jobs, services and public transport (Planning Priority E5)
- creating great places and local centres, and respecting heritage (Planning Priority E6)
- integrated land use and transport planning and a 30-minute city (Planning Priority E10)
- reducing emissions and managing energy, water and waste efficiently (Planning Priority E19).

### 2.2.3 Pyrmont Peninsula Place Strategy

The Pyrmont Peninsula Place Strategy (PPPS) was endorsed by the then Minister for Planning and Public Spaces in December 2020 and was shaped by the strategic vision of the Greater Sydney Region Plan and the Eastern City District Plan.

The PPPS sets a new vision for Ultimo and Pyrmont to strengthen the productivity of the Eastern Harbour City, provide capacity for new jobs and enhance the area's important character, heritage, and amenity.

The PPPS set out 10 Directions addressing matters of strategic economic, social and environmental significance in Ultimo and Pyrmont to guide future growth and change to 2041.

The Blackwattle Bay sub-precinct is forecast to see about 2,055 new residents and 5,770 new jobs over the next 20 years.



Figure 2: Pyrmont Peninsula Place Strategy sub-precincts showing Blackwattle Bay SSP (source: DPE PPPS)

## 2.2.4 Blackwattle Bay sub-precinct master plan

In July 2022, the Blackwattle Bay sub-precinct master plan was finalised (Figure 3). The master plan complements the vision, directions, structure plan and place priorities of the PPPS by providing more guidance on how the Pyrmont Peninsula can accommodate growth and change over time.



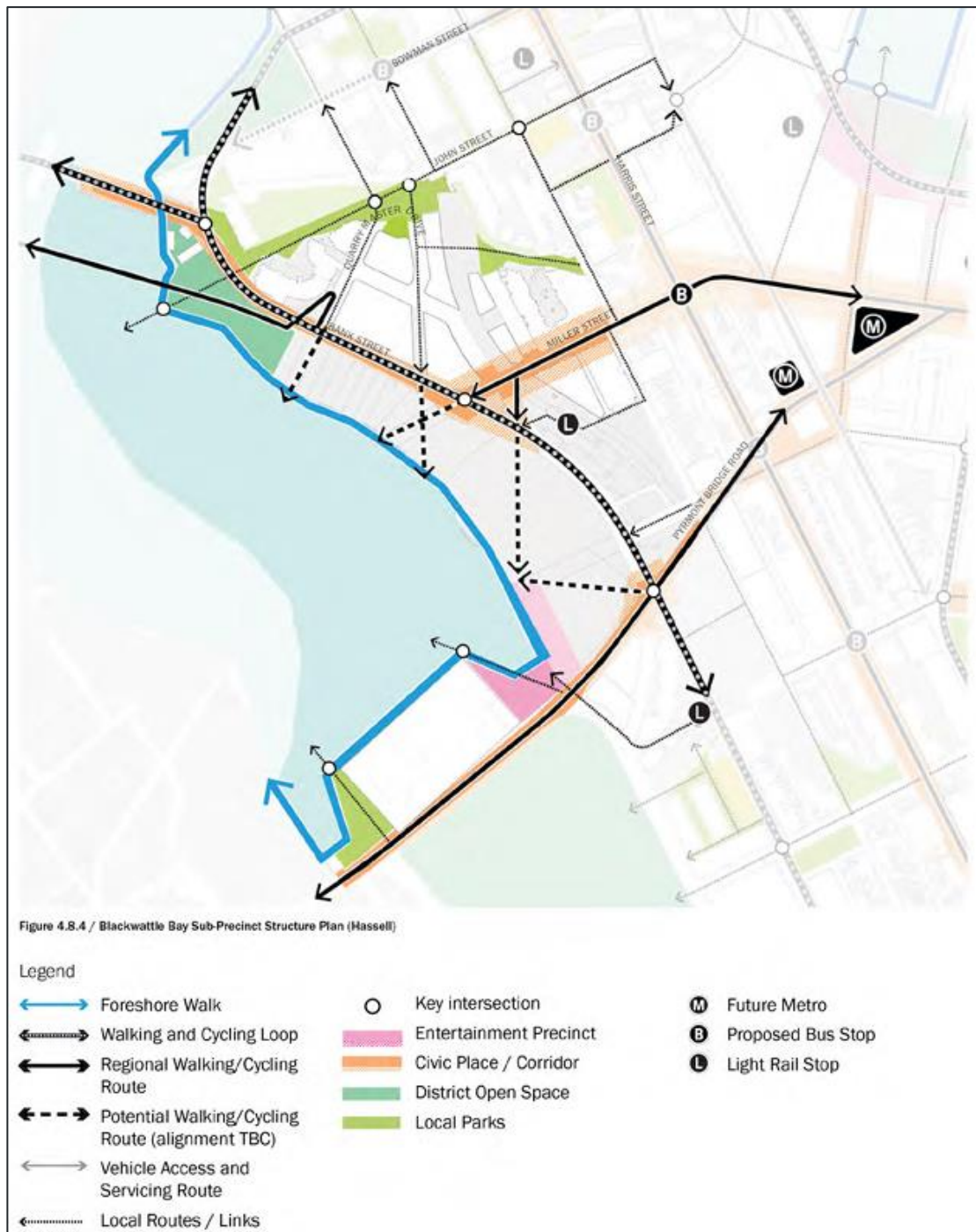


Figure 3: Blackwattle Bay sub-precinct master plan (source: DPE PPPS Pyrmont Urban Design Report Vol 3 – Sub-precinct Masterplans July 2022)

The sub-precinct master plan identified that the final planning and design controls would be determined for Blackwattle Bay precinct at the completion of the SSP process. The SSP process was finalised in 2022 providing a planning framework and design controls for the Blackwattle Bay Precinct.

## 2.2.5 Rezoning Background

### Blackwattle Bay State Significant Precinct

In April 2016, the then Minister for Planning approved a request to allow consideration of The Bays Precinct (including Blackwattle Bay and Bays West) as a State Significant Precinct (SSP). Investigations into the rezoning commenced and INSW submitted the SSP study in 2021. The SSP was publicly exhibited from 2 July to 20 August 2021 and an amended study was publicly exhibited from 28 July to 26 August 2022.

The Blackwattle Bay SSP was rezoned in December 2022 and the new controls commenced on 8 September 2023. The planning controls enable transformation of the waterfront industrial and commercial precinct into a vibrant mixed-use precinct with:

- Approximately 97,500m<sup>2</sup> of residential GFA allowing for approximately 1,200 apartments with a population of around 2,400 residents.
- Approximately 100,000m<sup>2</sup> of commercial and retail GFA allowing for approximately 5,600 new jobs.
- New buildings ranging from 6 storeys to 35 storeys in height.
- Nearly 34,000m<sup>2</sup> of new parks and public space, including a 30m wide foreshore promenade linking Glebe Island Bridge and the new Sydney Fish Market.
- Contributions towards and provisions for infrastructure, including community and cultural uses and affordable housing.

### Voluntary Planning Agreement

As part of the Blackwattle Bay SSP rezoning, INSW will enter into a Voluntary Planning Agreement (VPA) with the Minister for Planning and Public Spaces to cover a range of items related to the Government owned land, including:

- delivery of the foreshore promenade on the Government owned land
- the over water boardwalk
- delivery of Bank Street Park, including landscaping and community facilities
- Pyrmont Bridge Road cycleway extension between the new Sydney Fish Market and the southern end of Bank Street
- roads, footpaths and intersection works
- new Sydney Fish Market urban park
- a monetary contribution to City of Sydney Council for local contributions based on the cost of carrying out the development in the Precinct (less the cost of the items above)
- a monetary contribution towards the Pyrmont Metro Station.

An affordable housing contribution of 7.5% of total floor area is also required under the Sydney LEP 2012.

The proposed VPA was placed on public exhibition from 12 December 2024 to 31 January 2025 and development cannot commence on site until the Planning Agreement has been executed.

### **Ultimo-Pymont Planning Proposal**

In December 2023, the City of Sydney prepared the Ultimo-Pymont Planning Proposal to facilitate development that is consistent with the Pymont Peninsula Place Strategy. The planning proposal seeks to amend the planning controls for land in Ultimo and Pymont enabling approximately 1,150 additional homes and 6,000 new jobs. The planning proposal seeks to allow for a greater mix of commercial and residential uses close to the future Pymont Metro Station. Although Area 17 is not directly impacted by the planning proposal, the strategic and surrounding context is considered.

The proposed VPA was placed on public exhibition from 12 December 2024 to 31 January 2025 and development cannot commence on site until the Planning Agreement has been executed.

# 3 State-assessed planning proposal

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## 3.1 Exhibited proposal

The exhibited SAPP, including an Explanation of Intended Effect (EIE) setting out the proposed planning controls and supporting studies was exhibited between 12 December 2024 to 31 January 2025.

The exhibited proposal seeks to amend the planning controls that apply to Area 17 of the Blackwattle Bay Precinct. This amendment intends to facilitate greater flexibility to provide additional housing opportunities and allow the final land use mix to be determined at the DA stage.

This is to be achieved by amending clause 6.68(2)(c) of the Sydney LEP 2012 which currently requires the percentage of the total GFA of the building in the Precinct that will be used for non-residential purposes is at least:

- (i) for a building in Area 12 – 35%
- (ii) for a building in Area 13 – 30%
- (iii) for a building in Area 14 – 41%
- (iv) for a building in Area 15 or Area 16 – 100%
- (v) for a building in Area 17 – 43%

It is proposed to remove this requirement for Area 17 by deleting clause 6.68(2)(c)(v).

There are no changes proposed to building height, GFA, land zones, built form, maps or other planning controls approved as part of the rezoning of the Precinct in December 2022.

The application, as submitted, anticipates that the final land use mix within Area 17 would be 70% residential and 30% non-residential. This land use mix has been estimated taking into account the layout and constraints of the site which restrict residential development.

### 3.1.1 Design Guidelines

Clause 6.68(2)(a) of the Sydney LEP 2012 requires all development in the Precinct to be consistent with the Blackwattle Bay Design Guidelines (Design Guidelines).

The Design Guidelines are proposed to be updated as part of the rezoning proposal to align with the land use mix change to Area 17 and other changes including:

- The timing of the submission of reports or strategies
- Sustainability targets
- Other miscellaneous updates.

An assessment of the updated Design Guidelines is contained within Section 8.4.



## 4 Community Engagement

The rezoning proposal, including an EIE, was publicly exhibited between 12 December 2024 to 31 January 2025. A total of 18 submissions were received during the exhibition period.

Consideration of the issues raised in submissions is presented in **Section 8** of this report. All submissions have been published on the Planning Portal.

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### 4.1 How the Department of Planning, Housing and Infrastructure consulted



Advertised on the NSW Planning Portal



856 mail notifications issued to landowners



300 emails to contacts who opted in for project updates

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### 4.2 How Infrastructure NSW consulted



2 Community Briefing sessions



2 Council Briefing sessions

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### 4.3 Who we heard from



10 submissions were from community members



2 submissions were from community organisations



5 submissions were from Government agencies or Council



1 submission was from industry

*Of the 18 submissions received, 8 (44 %) objected to the proposal, 3 (17 %) were in support, and 7 (39 %) provided comments.*

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## 4.4 Community submissions

The submissions from the community raised a broad range of issues which have been grouped into the following themes:

- Traffic and Transport – submissions cited increased traffic and transport use resulting from an increase in population
- Parking – concerns were raised about the increase in dwellings causing increased impacts on street parking
- Social Infrastructure – additional social infrastructure was raised as necessary to support the population including additional schools, health facilities, community infrastructure and daycares
- Overcrowding – submissions were concerned that the change from non-residential to residential floor space would result in overcrowding of the Blackwattle Bay area
- Amenity, built form and density - concerns were raised regarding excessive built form and density, as well as amenity impacts resulting from future development, including overshadowing, wind and visual impacts. Some submissions supported redevelopment but noted it must be balanced with high quality public space, good design and amenity.

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## 4.5 Agency submissions

The key comments and issues raised by agencies and authorities are summarised in **Table 1** below. Copies of all submissions received are available on the Department's website [here](#).

Table 1: Summary of Government agency exhibition submissions

Agency	Exhibition Comments
Sydney Water	<ul style="list-style-type: none"><li>• The current water servicing system does not have capacity to service the development and will require network amplifications and extensions.</li><li>• The current wastewater servicing system has the capacity to service the proposed development.</li><li>• More detailed assessment and requirements should be addressed as part of the future development application process.</li></ul>
Transport for NSW (TfNSW)	<ul style="list-style-type: none"><li>• Supports the intent of the proposal to increase housing supply in the precinct and notes that it would have a negligible impact on traffic in the surrounding road network.</li><li>• TfNSW continues to work with INSW to enable the delivery of items in the VPA.</li></ul>

Agency	Exhibition Comments
	<ul style="list-style-type: none"> <li>TfNSW recommends the traffic report assess the implications on public transport from the revised number of dwellings and jobs population and prioritise the active transport initiatives to confirm which items are critical to supporting a potential increase in dwelling and promote sustainable transport trips</li> </ul>
Department of Climate Change, Energy, the Environment and Water (DCCEEW)	<ul style="list-style-type: none"> <li>The proposal increases the intensity of residential development on the land which consequently presents a higher flood risk.</li> <li>DCCEEW recommends that the rezoning proposal demonstrate consistency with Local Planning Direction 4.1 Flooding.</li> <li>DCCEEW does not recommend basement parking where shelter in place is proposed.</li> <li>DCCEEW recommends a range of minor updates to the Design Guide.</li> </ul>
Environmental Protection Authority (EPA)	<ul style="list-style-type: none"> <li>EPA advised the Department that no comments were required.</li> </ul>

## 4.6 Council's submission

City of Sydney Council submission makes recommendations and comments to Government about the state assessed rezoning proposal, the voluntary planning agreement and other government matters that concern the site:

### State Assessed Rezoning Proposal

- Supports the land use change to deliver additional housing given the proposal aligns with the City's Ultimo Pyrmont Planning proposal that seeks to create a critical mass of business floor space close to the Pyrmont Metro and provide an outer ring of residential development.
- Raises concern that removing the minimum proportion of commercial floor area, without adjusting the total permissible floor space, will result in an increase in the building massing and volume compared to the reference scheme.
- Raises concern that additional bulk from a higher percentage of residential will exacerbate issues such as insufficient natural cross ventilation on lower storeys (below level 8), overshadowing on the foreshore reserve and neighbouring residential properties and noise from the western distributor.

- Consider the affordable housing contribution requirement should be increased from 7.5% of all floor space to a minimum of 12.9% of all floor space and the NSW Government to commit to the affordable housing being delivered on site.
- Recommends the Sydney LEP 2012 and Blackwattle Design Guidelines be updated to:
  - Require a future Concept Development Application to be submitted and publicly exhibited; and
  - The Design Guidelines be amended to objectives based rather than based on the previous concept scheme tied to the 2022 rezoning proposal.

#### Voluntary Planning Agreement:

- Council is satisfied that the draft VPA addresses the ambiguity of Schedule 5. Local infrastructure contributions are described as monetary contributions payable for each relevant development.
- Council supports the draft VPAs arrangements for local infrastructure contributions to be payable at 3% of development cost in the event of no s7.12 plan in force.
- Requests the following items be brought forward:
  - the Pyrmont Bridge Road Cycleway Extension and the Bank and Miller Street Intersection Works be brought forward in the delivery program to service the new community.
  - Bank and Miller Street Intersection Works Contribution. To provide safety and connectivity for cyclists and pedestrians from within the precinct exiting Park Street, and the wider region to access the City's cycle network.
- Requests the following items should have their design and consultation with the City of Sydney and other relevant stakeholders completed before the issue of the first Occupation Certificate (OC), to ensure consistency with other elements delivered within the precinct.
  - Bank Street Cycleway Works Contribution. To ensure that traffic committee approval is provided for lane closures in Bank Street and any further conflicts arising from the precinct development are identified and addressed.

Please note: VPA matters will be considered and addressed through the execution of the VPA.

#### Other matters

- Requests School Infrastructure NSW prepare and publish publicly a public-school demand, supply access and opportunity study to 2041 for the Ultimo, Pyrmont, Glebe and Bays West areas.

- Requests the NSW Government improves bus, light rail and ferry services, and create an integrated network that can leverage off Pyrmont Metro in 2032.
- Recommends the NSW Government commit to the return of Wentworth Park from the Greyhound Breeders, Owners and Trainers Association's lease at the end of the lease agreement in 2027.



# 5 Assessment of Key Issues

Infrastructure NSW has submitted a Response to Submissions (RtS) package following the exhibition of the proposal. The RtS summarises all submissions received by Government agencies, community members, Council and industry groups and responds to issues raised.

The Department has considered the issues raised in submissions during the exhibition of the Rezoning Proposal and INSW's RtS. The following key assessment issues have been identified:

- 1 Land Use Mix
- 2 Built form and Residential Amenity
- 3 Affordable and Social Housing
- 4 Traffic and Transport
- 5 Social Infrastructure
- 6 Miscellaneous Design Guide Updates

The key assessment issues are discussed in further detail below.

## 5.1 Land use mix

Submission points	INSW Response
<ul style="list-style-type: none"><li>• The Rezoning proposal seeks to facilitate a more flexible approach to determine the final land use mix within Area 17.</li><li>• This has the potential to reduce the anticipated number of jobs and commercial focus to the Precinct.</li><li>• Council supports the land use mix change on the basis of their Ultimo Planning Proposal</li></ul>	<ul style="list-style-type: none"><li>• Non-residential floorspace demand has changed significantly since the SSP Rezoning was finalised due to the impact of the COVID-19 pandemic on flexible work patterns. As outlined in the Land Use Assessment submitted with the proposal; the increase in part- or full-time work from home has resulted in an altered demand for non-residential floorspace, with the type and location of commercial floorspace changing to smaller, high-quality spaces with higher performance, enhanced experience and greater flexibility.</li><li>• INSW considers that the current trends in commercial and residential markets suggests that there is a need for greater flexibility in the land use mix in Blackwattle Bay in order to allow for adaption in response to housing and commercial floorspace trends as they appear. Allowing a more flexible</li></ul>

centring commercial floor space above the new Metro Station	approach, rather than a mandated quantum of non-residential floorspace, will ensure that development of the precinct is not unnecessarily delayed where lower market demand for commercial floorspace acts as a feasibility barrier to the overall development.
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## Assessment

The Department acknowledges that since the SSP rezoning occurred, the demand for commercial floor space has evolved largely due to the impacts of the COVID-19 pandemic. It is also acknowledged that the strategic land use direction for Pyrmont has progressed as reflected in Council's Ultimo Pyrmont Planning Proposal which seeks to:

- Incentivise a critical mass of business floor space close to Pyrmont Metro Station;
- Plan for a middle ring of mixed-use development; and
- Provide for an outer ring of residential development, comprised of housing options ranging from higher density to small lot dwelling.

Having regard to the evolution of the strategic direction for the area, the objectives of increasing flexibility in the final land use mix are supported by the Department. The Department is satisfied that the final land use mix can be determined as part of the future development assessment process as discussed further below.

## 5.2 Built Form and Residential Amenity

Submission points	INSW Response
<ul style="list-style-type: none"> <li>• Council considers that the proposed removal of minimum non-residential GFA requirements should not occur without a reduction in the overall permissible gross floor area for the site. This is due to residential GFA requiring a greater building volume than commercial GFA.</li> <li>• Council considers that the Design Guidelines will become</li> </ul>	<ul style="list-style-type: none"> <li>• The site-specific provisions under the Sydney LEP and the Blackwattle Bay Design Guidelines already establish an appropriate planning framework for Development Applications.</li> <li>• The requirement for the preparation and approval of a Concept Development Application should not be mandated within legislation and a Concept DA should be subject to any future applicant's decision. A requirement of an environmental planning instrument for a site-specific DCP does not apply to State Significant Development.</li> <li>• The existing Blackwattle Bay Design Guidelines are designed to guide development on the site in the same</li> </ul>

<p>a significant impediment to a revised scheme progressing and should be amended to:</p> <ul style="list-style-type: none"> <li>○ Require a future Concept Development Application to be lodged to resolve a number of design and amenity issues; and</li> <li>○ Development controls relating to specific street layouts and building forms should be replaced with a series of objectives and criteria which the future Concept Development Application must demonstrate consistency with.</li> </ul>	<p>manner as a DCP. The Design Guidelines address the issues raised by Council throughout their submission.</p> <ul style="list-style-type: none"> <li>• All development within the Blackwattle Bay Precinct with an estimated development cost (EDC) of more than \$10 million is considered State Significant Development under Schedule 2, State Environmental Planning Policy (Planning Systems) 2021.</li> <li>• Prior to the submission of a development application in order to receive development consent, a design excellence process must be undertaken in accordance with the applicable design excellence competition guidelines of the Government Architect NSW or the CoS's Council's Competitive Design Policy.</li> <li>• Through the development consent process, all applications will be required to be notified, either in accordance with the CoS's Community Participation Plan or the Schedule 1, Section 9 of the EP&amp;A Act for State significant development.</li> </ul>
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## Assessment

The Department acknowledges that changes to the final land use mix will need to consider implications to the built form and design for the Precinct. Key matters include:

- The maximum gross floor area (GFA) contained in the Sydney LEP reflects the intended land use mix which supported the SSP rezoning in 2022.
- The Design Guidelines are currently based on the previous reference scheme and intended land use mix which has dictated the building envelopes and street layout. In the absence of a revised reference scheme, the capability of the building envelopes to accommodate the final land use mix is unknown.

As such, the Department recommends the following:

- The maximum GFA remain as currently specified in the Sydney LEP and is not amended. This approach will allow the development assessment process to determine the final land use mix having regard to a number of design and amenity matters specified in the Design Guidelines. The Department notes that GFA is a maximum allowance for the land and may not be achievable dependent on the final land use mix.

- Amend Clause 6.68(2)(a) of the Sydney LEP to require development to 'consider' the Design Guidelines rather than be 'consistent'. Reasons for this amendment are:
  - As the land use mix of development in Area 17 is unknown and the concept scheme used to create the Design Guidelines is not necessarily applicable to the future development application, the Department considers it more appropriate to consider the Guidelines rather than have strict adherence to them. This will increase flexibility for the future design of the precinct that will also be subject to maximum height and design excellence requirements discussed below.
  - Development applications on the site will be subject to Design Excellence requirements and will be a State Significant Development (SSDA) usually also requiring consideration of the State Design Review Panel. The Sydney LEP 2012 also contains several provisions that relate to amenity in the public domain such as Clause 6.18 Overshadowing of Public. The Department is satisfied that the design excellence process which will include consideration of the Design Guidelines, Apartment Design Guidelines and LEP requirements provides the most robust planning process to consider a range of amenity matters before a final design is endorsed.

## 5.3 Affordable and social housing

Submission points	INSW Response
<ul style="list-style-type: none"> <li>• Submissions received request that the proportion of Affordable Housing in Area 17 be increased given the increase in dwellings and the government commitment to 30% affordable housing on government land.</li> <li>• Council requested that 12.9% affordable housing be mandated on the land.</li> </ul>	<ul style="list-style-type: none"> <li>• There is no increase in the amount of floorspace being delivered because of the amendments, and therefore, the affordable housing contribution will remain consistent as previously approved, being 7.5% of the total floorspace provided as part of the development.</li> <li>• The removal of non-residential mix does not result in only residential floor space being delivered at Area 17. The applicability of a further 12.5% contribution on new residential floor space assumes that the entire development will be residential which is not the case, given the constraints relating to amenity and environmental impact.</li> </ul>

<ul style="list-style-type: none"> <li>City West Housing wrote in support of the proposal and requested that the contribution be in the form of monetary contributions.</li> </ul>	
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## Assessment

There is no increase to the gross floor area and the affordable housing contribution is based on total GFA the Department is satisfied that 7.5% on as currently existing in the LEP should remain

## 5.4 Traffic and Transport

Submission points	INSW Response
<ul style="list-style-type: none"> <li>Submissions expressed concern that there is not enough public transport to support the proposal and the increase in population will increase traffic pressure in and around the Precinct.</li> <li>Submissions raised the issue of a lack of parking in the area and were concerned that additional dwellings would put pressure on the existing street parking spaces available.</li> <li>TfNSW, in their submission, support the</li> </ul>	<ul style="list-style-type: none"> <li>The Traffic Study Addendum (dated 5 June 2024), assessed the impact of the proposed land use amendments on traffic and parking. The assessment found that the proposed amendments to land use mix will: <ul style="list-style-type: none"> <li>generate less inbound traffic trips generated as compared to the previous approved controls, an overall 14% decrease and could result in marginal improvements in intersection performances; and</li> <li>result in an overall 2% increase during outbound traffic in the AM peak as a result of the proposed land use amendment.</li> </ul> </li> <li>The Traffic Study Addendum considers the overall AM peak traffic impacts to be negligible on the road network in comparison to the initial Traffic Study. The Rezoning Proposal does not propose to alter any traffic, transport or parking related matters which will be addressed as part of future development assessment.</li> <li>In response to TfNSW's comments, INSW advises that future development applications will be required to address</li> </ul>



<p>intent of the proposal to increase housing supply and notes that it would have a negligible impact on traffic in the surrounding road network.</p> <ul style="list-style-type: none"> <li>TfNSW also recommends the traffic report assess the implications on public transport from the revised number of dwellings and jobs population and prioritise the active transport initiatives to confirm which items are critical to supporting a potential increase in dwelling and promote sustainable transport trips.</li> </ul>	<p>public and sustainable transport matters through Traffic Impact Assessments and implementation of sustainable transport in Green Travel Plans.</p>
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## Assessment

### Traffic

The Department notes that:

- TfNSW advises that an increase in residents will have a negligible impact on traffic in the surrounding road network; and
- the Traffic and Transport Addendum consider that the assumed land use mix will have negligible additional traffic impact on the road network compared to the previous Blackwattle Bay Precinct Plan.

Therefore, further consideration of traffic impacts can be adequately addressed in detail as part of future development assessment.

### Parking

Parking is calculated per dwelling as per the Sydney LEP 2012. For the development in Area 17, the following provisions are set out for parking spaces:

- (i) for each studio dwelling — 0.1 spaces, and
- (ii) for each 1 bedroom dwelling — 0.3 spaces, and
- (iii) for each 2 bedroom dwelling — 0.7 spaces, and
- (iv) for each 3 or more bedroom dwelling — 1 space,

The assumed land use mix would result in an increase in car parking spaces by 32 to 320 additional parking spaces. However, this will require clarification and further assessment at the future development application stage. The current parking space controls are appropriate for the development given its proximity to the light rail, the future Metro station and active transport links.

## 5.5 Social Infrastructure

Submission points	INSW Response
<ul style="list-style-type: none"> <li>Some submissions raised concerns about the increased population increasing the demand for social infrastructure such as educational institutions (Daycare, primary schools and high schools) and open spaces.</li> <li>Council’s submission also raised the needs for more school infrastructure in the Pyrmont Peninsula.</li> </ul>	<ul style="list-style-type: none"> <li>The change in land use mix as part of this Rezoning Proposal has minimal impact on the demand for social infrastructure compared to the SSP rezoning.</li> <li>The Addendum Social Infrastructure Report (dated March 2024) concludes that the planned provision of social infrastructure is generally expected to meet the demand for the incoming residential and worker populations.</li> </ul>

### Assessment

The Department notes that the Addendum Social Infrastructure Assessment which supports the rezoning proposal considers that the assumed land use mix will have little impact on the demand for social infrastructure. As the final land use mix is unknown and there is no overall increase in density being proposed, there is no identified need for additional social infrastructure with this Rezoning Proposal.

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## 5.6 Sustainability

The sustainability standards for residential and non-residential development are proposed to be amended to align with recent updates to Government sustainability targets and policy (see Section 4.1 of Design Guide). Stretch targets have been set at 10% above the regulated minimums to encourage higher standards than what is prescribed.

These include:

- BAXIS energy standards – standards have been updated to align with increased standards in the Sustainable Development SEPP from October 2023.
- NABERS energy ratings for office – rating has been reduced from 6 stars to 5.5 star due to a change in the NABERS tool. The revised requirement is consistent with the Sydney DCP. Minimum threshold of 1000sqm net lettable area has also been included to ensure consistency with the Sustainable Buildings SEPP.
- NABERS energy ratings for shopping centres – rating of 5 stars has been included as an alternative pathway and is consistent with targets prescribed in the Sydney DCP.
- Separate NABERS water ratings have been set for offices and shopping centres, with specific minimum and stretch targets for each.

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## 5.7 Flooding

Submission points	INSW Response
<ul style="list-style-type: none"><li>• Department of Climate Change, Energy, the Environment and Water (DCCEEW) provided comments on the proposal noting it increases the potential intensity of residential development on the land which consequently presents a higher flood risk.</li><li>• DCCEEW recommends:<ul style="list-style-type: none"><li>○ consistency with Local Planning Direction 4.1</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Future development will be required to consider flood risk and flood emergency management and appropriate mitigation measures will be in place to mitigate the flood risk at the site in relation to the design of the buildings.</li><li>• Flood impacts were considered during the rezoning undertaken in 2022, and a precinct-wide Flood Study has subsequently been completed and endorsed by the (former) Environment and Heritage Group.</li><li>• There are no proposed amendments to the building envelopes, nor has any built form design been undertaken at this stage. The proposed amendment does not trigger re-assessment of flooding issues.</li></ul>

- no basement parking where shelter in place is proposed
- updates to the Design Guide
- consultation with NSW State Emergency Services to address evacuation matters

## Assessment

### Flood Risk and Impact Assessment

Section 4.6 of the Design Guidelines require a precinct-wide Flood Risk and Impact Assessment (FIRA) to be prepared by INSW prior to the lodgement of the first development application for residential and commercial buildings in the Precinct. As part of this Rezoning Proposal, INSW has provided a copy of a FIRA that has been prepared to address to this requirement. As such, INSW's requested amendments to the Design Guidelines includes a request to delete the requirement for a FIRA to be prepared.

It is understood that consultation is still to occur with State Emergency Services (SES) as required under Section 4.6(1)d) of the Design Guidelines in the preparation of the FIRA. As this has not occurred yet, the Design Guideline requirement for a FIRA to be prepared is recommended to be maintained and addressed as part of future development assessment. This will allow further consideration to be given to whether the Design Guideline requirement has been adequately met.

### Ministerial 9.1 Direction (4.1 Flooding)

Ministerial 9.1 Direction (4.1 Flooding) applies to all relevant planning authorities that are responsible for flood prone land when preparing a planning proposal that creates, removes or alters a zone or a provision that affects flood prone land. This was considered under the previous 2022 SSP rezoning and the Department's assessment concluded the proposal would not hinder or contradict the application of this direction.

The subject rezoning proposal does not seek to increase the density of development or introduce any new permissible uses. Therefore, the Department is satisfied that the rezoning proposal will not hinder or contradict the application of this direction.

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## 5.8 Miscellaneous Design Guidelines Updates

A Design Guidelines set out a suite of built form and urban design to ensure that new development in the Precinct achieves high quality outcomes for built form, public domain and heritage and seeks to improve the amenity of the Precinct and its surround.

The Design Guidelines are proposed to be updated as part of the SAPP to align with the land use mix change to Area 17 and other minor changes. Key matters are discussed further below.

### Timing of the submission of the Public Space Plan

The Design Guidelines currently require a precinct Public Space Plan to be prepared prior to the submission of the first development application for the respective site. This Rezoning Proposal proposes to amend this requirement to require the precinct Public Space Plan to be submitted with the first development application, rather than prior to it.

The Department is satisfied that this amendment is non-consequential and does not risk residents having no access to public open space on the site. As per the VPA, most open space on government land is required to be delivered before issuing the occupation certificate for the first stage of development on the land. This means that residents of future development will have access to open space on government owned land.

### Sydney Streets Design Code

The Design Guidelines currently require development to be consistent with the Sydney Streets Design Code and relevant Council public space plans. The Rezoning Proposal proposes to delete this requirement.

Council raises concern that if ownership or maintenance of the public areas and associated structure are to be ever to be taken over by the City, then these areas and structures must comply with the City's Codes and plans. Council considers it is important that new streets, linked to the surrounding network of streets are consistent.

As noted below, a post exhibition amendment is recommended to replace the requirement for future development to be consistent with the Design Guidelines and instead require consideration of the Guidelines. This will introduce flexibility into the assessment of any future development application and allow development outcomes to consider the Sydney Streets Design Code. In light of this amendment, no amendment to the Design Guide are recommended to address this matter.



# 6 Post Exhibition Amendments Proposed

## 6.1 Design Guideline Consideration under Sydney LEP 2012

Clause 6.68(2)(a) of the Sydney LEP 2012 currently requires the consent authority to be satisfied that any development on the land is consistent with the Blackwattle Bay Design Guidelines. This requirement was introduced with the SSP rezoning in 2022 and includes a number of requirements based on the reference scheme endorsed under this previous rezoning such as consistency with building envelopes and street layout.

In its submission, Council raised several issues associated with the Design Guidelines, including that they were not fit for purpose if non-residential floor space was to be converted into residential floor space. Council considers that the Design Guidelines will become a significant impediment to the project progressing at development application stage.

In response, a post-exhibition change is recommended to replace the requirement for future development to be consistent with the Design Guidelines and instead require consideration of the Guidelines. This will introduce flexibility into the assessment of any future development application and allow development outcomes to meet other important design standards set out in the ADG.

# 7 Amendments to the Planning Framework

The following outlines the amendments to Sydney LEP 2012 to give effect to the Precinct's rezoning and provide development controls that support future development.

## 7.1 Sydney Local Environmental Plan 2012

Provision	Intended outcome
Design Guide Provisions	Amend Clause 6.68(2)(a) to require that the consent authority be satisfied the development “ <i>considers the Blackwattle Bay Design Guidelines</i> ” instead of being “consistent with” the Guidelines.

Provision	Intended outcome
Minimum Non-Residential Floor Space	Delete Clause 6.69(2)(c)(v) to require 43% gross floor area to be used for non-residential purposes.

## 7.2 Consideration of State Plans

State Environmental Planning Policy	Consistency
SEPP (Housing) 2021	<p>Consistent – the proposed amendments will not contradict or hinder application of this SEPP.</p> <p>The rezoning proposal will enable the delivery of approximately 320 additional homes with access to a range of community facilities, public open space and public transport including the planned Pyrmont metro station. The Sydney LEP includes a provision for affordable housing, requiring a contribution of 7.5% of total floor space.</p> <p>Future DA's will determine the appropriate requirements for adaptable design in accordance with relevant criteria.</p> <p>Future residential development will be required to be consistent with chapter 4 of the SEPP and the Apartment Design Guidelines.</p>
SEPP (Biodiversity and Conservation) 2021	<p>Consistent – the proposed amendments will not contradict or hinder application of this SEPP.</p> <p>The BWB Design Guidelines includes provisions to guide future development relating to foreshore connections, flooding and urban and marine ecology to preserve and enhance local ecosystems and the character of the Harbour. No changes are proposed to these elements of the Design Guidelines as part of this rezoning proposal.</p>
SEPP (Planning System) 2021	<p>Consistent – the proposed amendments will not contradict or hinder application of this SEPP.</p> <p>Development with a capital investment value (CIV) of \$10 million or more would continue to be State significant development.</p>
SEPP (Resilience and Hazards) 2021	<p>Consistent – the proposed amendments will not contradict or hinder application of this SEPP.</p>
SEPP (Sustainable Buildings) 2022	<p>Consistent – the proposed amendments will not contradict or hinder the application of this SEPP.</p> <p>The Design Guidelines proposes aspirational stretch targets for sustainability and measures to achieve net zero emissions. This is consistent with section 2.2(2) of the SEPP which allows an environmental planning instrument or development control plan that encourages the achievement of higher standard(s).</p>
SEPP (Transport and Infrastructure) 2021	<p>Consistent – the proposed amendments will not contradict or hinder application of this SEPP.</p>

State Environmental Planning Policy	Consistency
SEPP (Precincts – Eastern Harbour City) 2021	Consistent – the proposed amendments will not contradict or hinder application of this SEPP.
SEPP (Exempt and Complying Development Codes) 2008	Consistent – the proposed amendments will not contradict or hinder application of this SEPP.

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## 7.3 Infrastructure Contributions

Development in the precinct will be required to pay a Housing and Productivity Contribution (HPC). This is a contribution levied on new residential, commercial and industrial development in HPC regions (Greater Sydney, Illawarra Shoalhaven, Central Coast and Lower Hunter) which funds State and regional infrastructure.

A Voluntary Planning Agreement for INSW to provide various infrastructure items on the broader Blackwattle Bay precinct site has been exhibited with the proposal. The Department is in the process of executing the VPA and the VPA will be in force with the new controls.

## 8 Conclusion

The Department has undertaken a detailed assessment of the proposal to rezone the site and is satisfied the issues raised have been adequately addressed for rezoning purposes.

The Department's assessment has considered the key issues, including social and affordable housing, built form, social infrastructure, traffic and parking, and residential amenity. It is considered the issues raised have been adequately addressed for rezoning purposes, subject to the adoption of the amendments to the Sydney LEP 2012 and Design Guide as outlined in this report.

The Department recommends the rezoning be supported to enable the delivery of approximately 320 new dwellings. The proposal will contribute to the delivery of housing in an area close to existing schools, public transport, shops and services and secure public open space to support the wider community. The rezoning includes planning controls and design guidance which will ensure that issues are appropriately addressed through subsequent stages of the planning process.