

14 July 2017

Mr Michael McCabe
 Director of City Futures
 Bayside Council
 444-446 Princes Highway
 ROCKDALE NSW 2216

Dear Michael

128 BUNNERONG ROAD, PAGEWOOD – PLANNING PROPOSAL

As discussed at our meeting yesterday, we have had a number of meetings and discussions with relevant stakeholders and provide the following information and adjustments to assist Council with reviewing the Planning Proposal:

Affordable Housing

Despite Council advising that it did not require the dedication of Affordable Housing, discussions with the Greater Sydney Commission has identified this as necessary to meet the objectives of the Draft Central District Plan. Accordingly, we advise that we propose to increase the proposed FSR to 2.5:1 (as per Section 4.2.2 of the Planning Report) and we agree to dedicate 5% of the uplift in the density for the purposes of affordable housing. This will result in the dedication of 38 units as per the following table:

Existing/Base Density	Site Area (m²)	FSR/Density	GFA (m²)	Units (100m²)
130-150 Bunnerong Road, Pagewood	28,694	1.66:1 (approved under Masterplan)	47,621	476
128 Bunnerong Road, Pagewood	60,876	1:66:1 (same as Masterplan)	101,054	1,011
		TOTAL	148,675	1,487
Proposed Density				
128 & 130-150 Bunnerong Road, Pagewood	89,570	2.5:1	223,295	2,240
		Uplift		753
		Affordable Housing Provision	5%	38

If Council do not wish to receive the affordable housing units, we will work with a relevant Community Housing Provider to take ownership of these units for the purposes of providing key-worker housing in the area. Please advise how Council wish to proceed on this matter.

Given this commitment and the consistency of the PP with prevailing Strategic and Government Policy (see below), there is no further scope for additional public benefits beyond the proposed dedication of affordable housing units, roads, open space and the heritage building (as-is) at no cost to Council. We also note that there will be a significant uplift in unplanned s94 contributions. We require Council's written confirmation on this matter.

Public Transport

We can confirm that there will be adequate interim and future public transport. Please refer to the attached advice from Adrian Dessanti, Principal Manager, Service Planning (Bus and Ferry) from Transport for NSW (TfNSW). TfNSW confirms that the existing bus services provide good access to other transport networks and key centres. It also confirms these services will have sufficient capacity for the development and that services can be expanded as the development proceeds. We have agreed to meet with TfNSW on a regular basis to monitor this issue and the ongoing consideration of other public transport services in the area.

In this regard, the Department of Planning has now released the Anzac Parade Priority Precinct. The Precinct has been identified to plan for the delivery of major public transport to the area and to rezone major government land such as the Jail which have been identified for disposal. The Pagewood site adjoins the Precinct (and is within the Maroubra / Eastgardens District Centre under the Draft Central District Plan) so it will benefit from the future public transport. We understand that the transport outcome will be addressed in the revised NSW Long Term Transport Masterplan to be released later this year and is likely to be a Metro system that may be linked with the Sydney Metro West proposal planned to be delivered within the late 2020's.

Accordingly, there will be sufficient interim public transport to accommodate the proposed uplift in density and this will be complemented by future public transport systems.

Employment

Please refer to the attached summary which further justifies why the proposed development will deliver a much better employment, planning and amenity outcomes than current zoning. Importantly, the site is not located within a strategic business or industrial area, is isolated with poor access and has a poor land use interface with existing and approved residential development which has all been previously confirmed by the Department of Planning when the original part of the site was rezoned.

The Planning Proposal before Council will generate more employment both during and post-construction than leaving the industrial zoning. It is also better aligned with current strategic planning and the State Government prioritising housing production.

Notwithstanding, Meriton would like to preserve the opportunity for a small-scale retail centre to service the development. Given the scale of the project, we are of the opinion that the permissible use of *Neighbourhood Shops* in the proposed B4 zone would not be sufficient. Our preferred alternative is to allow a maximum of 5,000m² of Commercial Premises within the Land under Schedule 1 Additional Permitted Uses in the Botany Bay LEP.

We trust that this will assist Council in expediting its assessment. Please contact the undersigned if you would like to discuss further.

Yours faithfully
Meriton Group

Matthew Lennartz
Executive Manager – Planning and Government

From: Dessanti, Adrian
To: [Matthew Lennartz](#)
Cc: [Pegg, Brendan](#); [Mills, Robert](#)
Subject: RE: Bus services - Pagewood and Green Square
Date: Tuesday, 20 June 2017 8:26:09 AM
Attachments: [image004.png](#)
Importance: High

Hi Matthew,

Further to your e-mail and phone conversation late last week, please find below relevant advice regarding Pagewood Green and bus service planning.

- The existing network in the immediate vicinity of the Pagewood Green site comprises numerous bus services, providing regular and frequent links to the wider area, including the Sydney CBD, Sydney Airport, Maroubra, Randwick, Bondi Junction and inner south and inner western suburbs. This includes existing links to Mascot Station (on the T2 Airport Line) as well as links to the planned CSELR light rail stop at Kingsford.
- The existing network also has available capacity generally to provide public transport options for existing and future residential demand in the Pagewood area. While it is acknowledged that some high peak services – especially on those travelling to the CBD – are at or near capacity, in most instances travel at most times of the day can be catered for. TfNSW continues to monitor bus service usage generally across the network to ensure that services reflect the demand experienced, and considers adjustments to services from time to time within operational and funding constraints.
- Subsequently, the 2017/18 State Budget has provided for additional funding to enhance services in the Pagewood and Green Square areas. Service enhancements are planned for the following routes serving the area:
 - 353 Eastgardens to Bondi Junction via Pagewood
 - 370 Leichhardt to Coogee via Green Square
 - 392/X92 Little Bay to City via Eastgardens
 - 400 Burwood to Bondi Junction via Airport and Eastgardens
 - 418 Burwood to Bondi Junction via Sydenham and Kingsford
 - N20 City to Riverwood via Green Square and Sydney Airport
 - M20 Zetland to Wynyard via Waterloo
- Further details of these enhancements will be made available closer to the time of implementation during the 2018 calendar year.
- With regard to the current planning provisions, as discussed, this will be a matter than requires further discussion and collaboration with internal TfNSW stakeholders. I am unable to provide a timeframe for when formal advice, if any, will be provided. However, we have commenced these discussions and we will notify you on any updates.

Please do not hesitate to contact me if you need any further clarification.

Thanks, Adrian

Adrian Dessanti
Principal Manager, Service Planning (Bus and Ferry)
Integrated Planning
Infrastructure and Services
Transport for NSW

PAGEWOOD PART II – PLANNING PROPOSAL

July 2017 – OVERVIEW

Existing Zoning:

- **NO** housing supply / production as mandated by the State Government
- Warehouse and distribution facility relying on heavy vehicles including B-Doubles for freight
- Limited operations under existing consent due to land use conflict with existing and future residential – DA11/272 restricts vehicle movements between 7am and 10pm with no commercial traffic movements permitted between 10pm and 7am
- Employs around 15 people with limited capacity for expansion
- Poor connectivity to existing employment/industrial centres
- Poor amenity created by “locked-up “ site without any public benefit
- Poor land-use conflict with existing and approved residential development
- Industrial zoning was only retained by previous owners to avoid the operation of a tobacco related industry on residential land

Proposed Zoning:

- Conversion to high density residential that will contribute **2,240** apartments (including 38 affordable housing units) to meet Premiers target of 61,000 completions per annum over the next 5 years and is consistent with the Draft District Plan for the new District Centre and associated housing targets
- Based on “The Property Development Industry Economic Impact Study” (2010, UDIA Report), and an estimated capital investment of \$672M, the development will generate a total of almost **8,000 (direct and indirect) full-time equivalent jobs and \$98M in state and federal government taxes – not to mention additional local development contributions and additional public benefits**
- The site will generate almost 200 (direct and indirect) fulltime jobs post construction (1,300% more than existing) and about \$43M in expenditure into the local economy per annum
- Conversion of the site into an open and publicly accessible space through the provision of over 2.5ha in public open space with active and passive recreation opportunities
- Dedication of unlisted buildings with heritage value to Council for future community uses
- Aligned with increased public transport – buses and light rail with corridor options being reviewed as part of the Sydney Metro West (SMW) program
- To support the benefits, a summary of key reports as provided below

Previous Rezoning (2012):

The Department of Planning’s “Planning Team Report” (1 June 2012) for the original rezoning which was adopted in the comprehensive review of the Botany LEP stated the following in approving the initial part of the site from industrial to residential and mixed use:

- *The Department considers that the proposed rezoning **will not create a precedent for other landowners to rezone industrial land given the site's unique features including:***
 - o *it is **isolated from other industrial zones at Botany and Banksmeadow;***
 - o *the site's context, adjoining an existing retail centre, strategic bus corridor and a mix of residential and commercial uses, is **less suitable for industrial use and unsuitable for heavy industry;** and*
 - o *it is not environmentally constrained by aircraft noise and hazards of significance. **It is therefore most suited for residential and mixed uses.***
- *Based on the site's strategic location, its size and potential development capacity, **it is considered that greater residential development yield could be accommodated on the site in the future. It is recommended that Council consider implementing a 5-year review of the site including an assessment of housing demand and supply in Botany LGA.***

- ***The Department therefore considers the planning proposal's departure from the objectives of Category 1 Employment Lands under the Draft Subregional Strategy is justified.***
- ***The planning proposal supports the Metropolitan Plan's objectives to expand an existing centre and develop it into a renewed mixed use centre serviced by a strategic bus corridor. The proposal will provide additional housing and the potential for more employment on the site than the current industrial zoning.*** (consistent with the Draft District Plan and the Maroubra-Eastgardens District Centre)
- ***Although the Plan notes that the State Government supports the retention of existing strategically important employment lands, the site is not identified under a State Significant Site in the Major Development SEPP. It is therefore not considered strategically significant employment land and the proposed rezoning is unlikely to impact on Port Botany's continued viability.***
- ***The planning proposal is considered to achieve a positive economic outcome for Botany LGA. It provides the potential for more employment on the site than the current industrial zoning and a broader range of employment types including manufacturing, creative industry, professional and retail jobs. The proposal provides the opportunity for Eastgardens to perform a major centre role through the provision of a wider diversity of land uses.***
- ***The site is generally underutilised under the existing industrial zoning. It is considered that the redevelopment of the site's surplus land for residential and mixed uses will help meet important Government objectives and directions and is therefore supported by the Department.***

In terms of current planning with the Draft District Plans and Affordable Housing Policy with substantial housing supply/production targets, and the outcomes of the Economic Impacts Assessment submitted with the PP, the statements from the 2012 Rezoning are still relevant and applicable.

Current Planning Proposal (Planning Proposal Report, Urbis 2017)

The Planning Statement submitted with the Planning Proposal states the following:

- *Contribute to the 20-year planning outcomes envisaged in the Draft Central District Plan released by the Greater Sydney Commission. This includes transforming the Eastgardens-Maroubra Junction Corridor into a thriving District Centre and achieving substantial dwelling supply targets in excess of 10,000 new houses in the Bayside Local Government Area (LGA) alone.*
- *Substantial contribution and give effect to the Central District's current dwelling target of 157,500 additional homes needed over the next 20 years. The broader site (Lots 1 and 2) would generate approximately 3,700 dwellings, just under 3% of the overall target for the Central District. Furthermore, the current proposal would represent 20% of Bayside LGA's five-year housing target expressed in the Draft District Plan.*
- *Supported by the Draft Central District Plan (November 2016) and Botany Bay Planning Strategy 2031 (Council's 2031 Strategy) and accords with previous Department of Planning and Environment (DPE) strategic directions to locate new infill housing close to shops, centres and high frequency bus routes.*
- *Providing for much needed housing in a centrally located and accessible area adjacent to local services and within 30 minutes of significant employment opportunities within the Sydney Central Business District (CBD), Sydney Airport and Port Botany.*
- *Consistent with Council's 2031 Strategy, which foreshadowed in 2009 a significant "gap" in the ability to provide sufficient suitable land to accommodate its forecast need for housing.*

It should also be noted that subsequent to the lodgement of the Planning Proposal, a separate Planning proposal has been lodged for the adjoining Westfield Eastgardens site to increase the applicable FSR to allow for a large-scale expansion of the centre creating additional 60,000m² retail/entertainment/dining floor space and substantial increase in employment generation for the District Centre. Together the PP's make a significant contribution to housing, employment and liveability (open space, retail services/amenity, access to services, improved leisure and entertainment opportunities, enhanced public transport) as the three main pillars of the Draft District Plans and allow the intent of the Maroubra-Eastgardens District Centre to be quickly realised.

Current Planning Proposal (Economic Impact Assessment, Urbis 2017)

The Economic Analysis submitted with the Planning Proposal states the following:

- *The subject site does not have the visibility to support industrial users that appeal to a local customer base, or the transport accessibility to appeal to growing industrial sectors such as freight and logistics.*
- *Existing freight and warehousing tenants at the subject site currently employ only 15 workers, substantially lower than the estimated 107 direct ongoing jobs in childcare, retail and community that can be generated by the proposed development. This excludes ongoing jobs for the management and maintenance of the proposed 2,068 units.*
- *In terms of future employment growth there is an estimated additional 1,268 industrial based jobs in the Bayside Council by 2031 requiring an estimated additional 12.7 hectares of industrial land, which can adequately be met by the LGAs 18 hectares of undeveloped land.*
- *The proposed development on the subject site is estimated to result in an increase in direct and indirect employment and economic activity (Gross Value Added – GVA).*
 - o *176 direct and 487 indirect annual equivalent jobs from the construction of the proposed development concept resulting in gross value add of \$98.5 million. (Note: project will be delivered over 10 years.)*
 - o *107 direct and 87 indirect jobs from the operation of the childcare and community facilities resulting in gross value add of \$26.1 million.*
- *There are approximately 500 construction workers on the subject site as of February 2017 expected to peak at 2,000 workers in mid-2017.*
- *In addition, the subject site's redevelopment will accommodate an additional 3,309 local residents.*
 - o *Based on the current spending profile of residents within the Bayside Council, an average spend per capita of \$13,075 in \$2016 is calculated.*
 - o *Therefore, additional population could generate \$43.3 million in retail expenditure (in \$2016).*
- *Increasing the local resident population will activate the area, providing passive security for the residents, workers and visitors of the site.*