

3 September 2019

Cr Kathy Neilson  
Mayor  
Randwick City Council  
C/- 30 Frances Street  
RANDWICK NSW 2031

By email: [mayor@randwick.nsw.gov.au](mailto:mayor@randwick.nsw.gov.au)

Dear Mayor

**Planning Proposal: 1408 Anzac Parade, Little Bay**

As you are aware, we at Meriton have lodged a proposal for the Little Bay Cove site which we bought in 2017. This proposal is the result of assiduous work by our staff and consultants, the goal being to deliver an outcome that is beneficial to all – Meriton, future residents, the Randwick council, and Sydney as a whole.

We believe the Little Bay Cove proposal we have put forward provides the council with an opportunity to secure a better planning outcome for what is one of the most significant and strategic areas in Sydney, as has been acknowledged by the State Government. The Meriton proposal will deliver substantial public benefits. The proposal also will facilitate a quicker and more viable redevelopment of the adjoining Long Bay jail and Bilga Crescent housing estate in the future.

Meriton's Little Bay Cove site has a very old approval that is not consistent with current strategic and future planning of the area. Our planning proposal to rezone the site comes after two years of liaison with your senior executives and offers a result that better aligns with current strategic planning. The proposal is accompanied by an offer by Meriton to enter into a voluntary planning agreement (VPA).

We see our proposal as the key to unlocking the future potential and use of the jail and Housing Commission sites as well as delivering enhanced public transport solutions to the broader area. Should Meriton develop its land under the existing DA, development of those adjoining sites will be decades over the horizon (if at all). In addition, we estimate that the council will get nominal benefit (approximately \$1.5 million in s.711 contributions) should the existing approval be used.

Meriton's new plans (see Attachment A), if supported by the council, will provide more than **\$750 million** in government income, including a VPA with a value in excess of **\$143 million** (see Attachment B). This funding, together with a boost in the number of residents, would help justify the introduction of a future train service to the area, while we have made provision for an interim solution with expanding bus services. It also would help redevelopment of the government land to the north, a move that will create even more income for the council. This land is prime and, as with Meriton's site, is close to the airport, a possible future port, and planned public transport but to make the most efficient use of the land, we need to start now as it will take decades to deliver.

For Meriton's proposal to proceed, we initially would ask councillors to accommodate this opportunity into the Local Strategic Planning Statement (LSPS) documentation, which we understand you will soon consider.

Among benefits of the Meriton proposal which we feel will be pertinent to this consideration are:-

- A better planning outcome with increased housing, supported by a new local centre with provision for a supermarket, shops, retail, medical centre, gym, childcare centres and possible hotel. Increased open space will improve the vibrancy and amenity of the local area;
- A traffic and transport solution to limit parking and enhance existing bus services in the interim, while also providing the demand for future mass-transit systems;

- An offer to enter into a planning agreement worth more than **\$142 million**, one that aligns with industry practice and established guidelines and would include:
  - The dedication of **76 apartments** to the council (valued at **\$83.6 million**) for affordable housing (note – the recurring gross annual income to the council from the leasing of the affordable housing units could be as much as **\$2.4 million a year** in perpetuity);
  - A monetary contribution to the council of **\$17.5 million** which could be directed where the council needs it most for the local community, such as open space upgrades, completion of the coastal walk, a Heffron Park upgrade, a La Perouse Museum upgrade or other public needs;
  - The dedication of more than a hectare of new public open space (valued at in excess of **\$5 million**);
  - A monetary contribution to the State Government of \$20,000 an apartment (which would be in excess of **\$36 million**) and which could be used to enhance public transport in the area or upgrade other regional/state infrastructure;
- The generation of approximately **\$8 million** under the current s7.11 plans (under the existing approval this is only \$1.5million and would be the only significant income for the council);
- The generation of an overall economic value to the government of at least **\$750 million**, including all taxes, charges and contributions;
- The capacity to generate up to **7800 jobs** from planners and builders, future businesses on the site, building managers and maintenance jobs.
- Being located within **30 minutes of more than 900,000 jobs**.
- Providing a 0.9% contribution to the 157,500 new homes needed in the broader City East precinct;
- Better utilisation of the existing residentially-zoned land, given the current pause on rezoning industrial/employment land for housing – the land that traditionally has provided large sites for housing in the district (i.e. Green Square, Mascot, Wolli Creek).
- The relief of pressure on the Council to seek housing supply with low-medium density housing in more traditional suburban areas.
- A commitment to high-quality urban design and architectural outcomes.
- Provision for future connection to Long Bay jail and the Bilga Crescent housing estate.

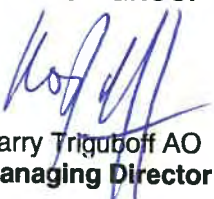
The Meriton and government sites to the north span 67ha, providing a situation that is to the council's benefit. As the council may understand, it is very difficult to plan and set infrastructure charges and public benefit outcomes in areas with multiple owners that have competing interests, financial capabilities and expectations. Meriton, as a single landowner with a strong financial position, can guarantee delivery of its planned project and its associated benefits in any market conditions and would like to start as soon as possible, but we acknowledge this is not a quick process.

Development of the Meriton land will take many years so we would like to get started now. We need to get the rezoning, then a stage one development application followed by stage two development applications. It then would take another 10-plus years to fully develop the site. Then the adjoining Government land can be redeveloped after that which relies on the jail to be relocated.

We trust that you will find this to be a unique opportunity for the council to secure public and economic benefits that are not available under the existing approval on the Meriton land and would otherwise take the council decades to secure. We are keen, as we already have demonstrated, to work with the council and are happy to negotiate an outcome under which everyone can benefit. Initially, we ask the council to make provision for a rezoning in the LSPS so we can work with the staff to progress this application.

We hope that we are able to progress this proposal with the council and please contact Matthew Lennartz of my office on 9287 2888 or [matthewl@meriton.com.au](mailto:matthewl@meriton.com.au) should you require anything further.

Yours sincerely  
**MERITON GROUP**



Harry Triguboff AO  
**Managing Director**



# PERSPECTIVE IMAGES

## VIEW 1 – VIEW LOOKING SOUTH





## VIEW 2 – VIEW LOOKING NORTH





**Little Bay - Estimated Economic Value for Government**  
**Sep-19**

Under Planning Proposal				Under Existing Approval	
Proposed Units	1,909			Approved Units	391
Estimated avg Sale Price	\$ 1,100,000			Estimated avg Sale Price	\$ 1,100,000
Jobs*	7,885			Jobs*	1,615
Item	Rate	Value	Govt	Value	
<b>Tax</b>					
Stamp Duty**	\$ 45,802	\$ 87,436,018	STATE	\$ 17,908,582	
GST**	\$ 100,000	\$ 190,900,000	STATE	\$ 39,100,000	
Company Tax***	\$ 75,000	\$ 143,175,000	FEDERAL	\$ 29,325,000	
s7.12 as per current plan	\$ 3,500	\$ 6,681,500	COUNCIL	\$ 1,368,500	
Land Tax**	\$ 5,203	\$ 9,932,527	STATE	\$ 2,034,373	
	<b>SUB-TOTAL</b>	<b>\$ 438,125,045</b>		<b>\$ 89,736,455</b>	
<b>VPA</b>					
Affordable	76	\$ 83,600,000	COUNCIL	\$ -	
Monetary Contribution (Council)		\$ 17,500,000	COUNCIL	\$ -	
Open Space		\$ 5,275,000	COUNCIL	\$ -	
Monetary Contribution (State)		\$ 36,660,000	STATE	\$ -	
	<b>SUB-TOTAL</b>	<b>\$ 143,035,000</b>		<b>\$ -</b>	
<b>Employment</b>					
	<b>Avg tax per worker</b>				
Income Tax**	\$ 18,378	\$ 144,910,530	FEDERAL	\$ 29,680,470	
Payroll Tax**	\$ 3,216.26	\$ 25,360,234	STATE	\$ 5,194,265	
	<b>SUB-TOTAL</b>	<b>170,270,764</b>		<b>\$ 34,874,735</b>	
	<b>TOTAL</b>	<b>\$ 751,430,809</b>		<b>\$ 124,611,190</b>	
					<b>Difference</b>
	<b>COUNCIL TOTAL</b>	<b>\$ 113,056,500</b>		<b>\$ 1,368,500</b>	<b>-\$ 111,688,000</b>
	<b>STATE TOTAL</b>	<b>\$ 350,288,779</b>		<b>\$ 64,237,220</b>	<b>-\$ 286,051,559</b>
	<b>FEDERAL TOTAL</b>	<b>\$ 288,085,530</b>		<b>\$ 59,005,470</b>	<b>-\$ 229,080,060</b>

\* Jobs estimated from Property Insights Report (UDIA, 2010)

\*\* Taxes estimated from available Government data and online estimation tools

\*\*\* Based on a net margin of 25%