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To whom it may concern

Proposed planning controls in Ultimo and Pyrmont

The Ultimo and Pyrmont precincts are the logical extension of the Sydney CBD as reflected in the NSW Government's Pyrmont Peninsula Place Strategy released in 2020. Urban Taskforce Australia notes that this draft DCP represents the continuation of the intent of the NSW Government to accommodate future growth, including well placed and appropriate housing.

While the City of Sydney Council has notionally matched the need for additional 23,000 jobs and 4,000 dwelling capacity with provisions made under the Pyrmont Peninsula Place Strategy, Urban Taskforce believes that there are missed opportunities to further or alternatively increase the production of housing and jobs across the two precincts. There is more than one way to cook an egg.

Increased dwelling capacity and employment opportunities are merely theoretical unless any strategy providing for them takes into account issues such as feasibility.

With a unanimous acceptance that the housing crisis need urgent address through a rapid increase of housing, Council should ensure their planning framework works towards tangible and feasible outcomes, particularly in the short term. This is critical in the context of the current housing supply crisis and the 5-year National Housing Accord.

Greater flexibility in yield and a more flexible approach to in-perpetuity affordable housing contributions will enable feasible projects to be developed and delivered.

Over-Prescriptive Controls

Council's early engagement principles embrace "maximising development within constraints". These constraints include allowing for deep soil, public space, overshadowing, street wall form, heritage, wind, noise, land use and public views.

These constraints, combined with the method of determining the 'capable of change' sites that then receive specific planning controls, has given rise to prescriptive building volume outputs and a smaller selection of sites than could otherwise be achieved.

In our view, there is too much prescription in the planning controls which reduces the ability of architects and proponents to innovate and deliver creative solutions which ensures the feasibility of projects and ensure better urban planning outcomes. Now, more than ever, the private market requires flexibility to delivery housing.

There is an opportunity to establish planning controls which provide greater flexibility and where appropriate allow for greater height and density to deliver more well place housing and jobs. Projects using these controls would still need to go through a merit-based assessment process, under the development application.

Recommendation 1: that Council ensure flexibility in development controls in order to deliver feasible development and maximising the delivery of new, well-located homes.

Maximise Opportunities

Given the constraints present in the early engagement principles, the Council should be promoting opportunities to maximise density in the sites prescribed.

The draft controls limit the potential of sites that could accommodate more height and density, without substantial impact on Council's engagement principles.

For example, the sites opposite the Powerhouse Museum, where the building height plane controls and reduced FSR (from 3.5:1 to 3.3:1), contrast with the increase height associated with the same site. This is limiting the building volume more than the overshadowing and deep soil provisions require and impacts the feasibility of a prominent site on a major arterial route.

Another example is the site comprising 1-33 Saunders Street, Pyrmont that has seen a meagre uplift in the City of Sydney's proposed controls, despite its proximity to the Pyrmont metro station and Blackwattle Bay including the new Fish Market.

The two sites are examples of opportunities for urban renewal and increased housing supply, all within the National Housing Accord period, in locations close to light rail, metro station and walkability to the CBD. Without appropriate allowance for both height and density, redevelopments would not be feasible in the short to medium term resulting in a lack of housing supply in well-located locations earmarked for significant investment in transport infrastructure.

In strategic sites such as Ultimo and Pyrmont, the controls must be designed in a consistent and logical manner so as to ensure that the maximum possible housing supply and employment opportunity are planned for and delivered.

Recommendation 2: that the sites selected as 'capable of change' are provided additional height, density and flexibility of volume, to encourage urban renewal in the short to medium term.

Over shadowing must be balanced with density

The prescribed volumes have been configured to preserve solar access and minimise overshadowing of residential dwellings, public domain and open spaces. It appears that over-shadowing considerations have been seen as a *priori* constraints. In the context of Harris Street, this is indeed ironic.

Pyrmont and Ultimo are complex. This complexity arises from its history, topography, proximity to the Sydney CBD and the surrounding bays of Sydney Harbour. This complexity also presents challenges when considering opportunities for renewal, particularly when that renewal involves changes to land use.

The Pyrmont Peninsular has been identified for high density, high development renewal, consistent with the expansion of Sydney CBD. The rationale which underpinned the heights approved for the Harbourside development should apply throughout the peninsula. While the 20-year vision in the 'Pyrmont Peninsula Economic Development Strategy' and 'Place Strategy' will necessarily cause some over-shadowing, this needs to be counterbalanced by the overriding need for more housing, particularly in well located parts of Sydney. This is not a greenfields precinct and some overshadowing is inevitable.

The housing crisis disproportionately effects disadvantaged and marginalised individuals and families, who are less concerned with access to sunlight then they are about having a roof above their heads. The planning controls need to reflect these realities.

Recommendation 3: Solar access overshadowing limitations should not be assumed *a priori* for all residential dwellings, public domain and open spaces, and should be balanced against the need for housing supply and diversity.

Affordable Housing and Local Infrastructure Contributions Plans

The draft Ultimo Pymont Contribution Plan increases the DCP requirements for all projects of varying CIVs through a framework change that requires up to 3% local infrastructure contributions on the total floor area for residential uses. This increase coincides with a period where economic and financial pressures are placing significant constraints on the feasibility of housing supply and the financial sustainability of the construction sector. Additional fees taxes and charges are simply another burden to an already struggling sector.

Combined with this burden is the provision for a **9% affordable housing contribution, in perpetuity**, on any additional residential floor space that results from a residential uplift. Ironically (again), such a levy will threaten the redevelopment of these sites and worsen the housing supply crisis, thus exacerbating the housing affordability crisis.

Regardless of whether these contributions are fulfilled by providing affordable housing units directly or through an equivalent monetary contribution, it combines with the local infrastructure contribution plans and the myriad other imposts associated with land development to drastically reduce project feasibility, thereby stopping the financing of the project.

This point alone will likely ensure that very few homes are produced.

A far more workable model which creates a rolling pipeline of new affordable housing stock, is the Infill Affordable Housing models that provides stock to Community housing providers for 15 years, with the capacity to sell this stock coming back to the owner after this time.

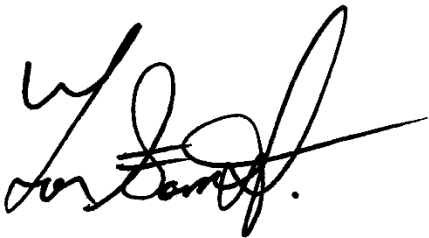
Recommendation 4: that affordable housing contributions for Ultimo and Pymont follow the Infill Affordable Housing Bonus model which provides stock to a Community Housing Provider for 15 years only.

Conclusion

Pymont and Ultimo need a responsive and flexible planning controls tailored to the City of Sydney's density requirements and the need to provide not only dwelling and job capacities but to address the feasibility of projects that will need to act fast in order to provide housing stock in the mid-term to ameliorate the housing crisis. These controls should avoid underproviding for housing at all costs. They should be gotten right the first time.

Should you wish to discuss any aspect of this submission further, please call our Policy, Planning and Research Analyst, Benjamin Gellie, on 0461 566 807 or via email benjamin@urbantaskforce.com.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Forrest', with a stylized flourish extending to the right.

Tom Forrest

Chief Executive Officer