

**Meeting Date: Tuesday 27 February 2024**  
**Location: Council Chambers, Level 1A, 1 Pope Street, Ryde and Online**  
**Time: 6.00pm**

*Council Meetings will be recorded on audio tape for minute-taking purposes as authorised by the Local Government Act 1993. Council Meetings will also be webcast.*

*Statement of Ethical Obligations*  
*Councillors are reminded of their Oath or Affirmation of Office made under Section 233A of the Local Government Act 1993 and their obligation under Council's Code of Conduct to disclose and appropriately manage Conflicts of Interest.*

## **NOTICE OF BUSINESS**

<b>Item</b>	<b>Page</b>
<b>LATE COUNCIL REPORTS</b>	
11 STRIKING THE RIGHT BALANCE: CITY OF RYDE SUBMISSION TO THE NSW DEPARTMENT OF PLANNING, HOUSING AND INDUSTRY'S MACQUARIE PARK INNOVATION DISTRICT STAGE 1 REZONING PROPOSAL.....	1
14 RYDE CENTRAL - PROPOSED OPEN SPACE .....	65

## **LATE COUNCIL REPORTS**

### **11 STRIKING THE RIGHT BALANCE: CITY OF RYDE SUBMISSION TO THE NSW DEPARTMENT OF PLANNING, HOUSING AND INDUSTRY'S MACQUARIE PARK INNOVATION DISTRICT STAGE 1 REZONING PROPOSAL**

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**Report prepared by:** Executive Officer – City Economy; Executive Officer – City Fabric, Senior Coordinator – Urban Design, Executive Officer – City Places; General Manager - City Shaping  
**File No.:** GRP/24/37 - BP24/118

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#### **REPORT SUMMARY**

##### **Striking the right balance could deliver up to:**

- **38,026 new dwellings across the Ryde LGA**, homes for approximately 82,136 new residents – in addition to Ryde's existing population of 131,122 people<sup>1</sup>.
- Space for **41,069 new jobs across the Ryde LGA** – in addition to Ryde's existing 91,764 jobs<sup>2</sup>.

NSW is in the midst of a housing crisis. NSW has committed to delivering 377,000<sup>3</sup> new homes under the National Housing Accord (NSW's share of the 1.2 million National Target).

NSW needs more homes to ensure its growing population has access to housing while also avoiding further pressure on the people who want to call NSW home. According to the NSW Premier, "*Housing is the biggest single cost of living pressure people are dealing with right now, with mortgage payments or rent the largest expense for most households.*"<sup>4</sup>

The Ryde Local Government Area (**LGA**) is not immune to the housing crisis. Homes are becoming less affordable to buy and rent. For example, in September 2023, the median rent for a 2-bedroom unit in the Ryde LGA was \$730 per week – an increase of \$230 per week when compared to September 2017<sup>5</sup> (a **46% increase over six years**).

The Department of Planning, Housing, and Industry's (**DPHI**) Stage 1 Rezoning Proposal (the **Rezoning Proposal**) will deliver more housing in the Macquarie Park Innovation District (**MPID**). However, City of Ryde (**CoR**) staff believe it will do so without striking the right balance – costing the new and existing community access to employment and public open spaces, alongside an inadequate supply of essential services and infrastructure.

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<sup>1</sup> REMPLAN Economy, 2024. Data based on: ABS 2021 Census Population

<sup>2</sup> REMPLAN Economy, 2024. Data based on: ABS 2021 Census Employment

<sup>3</sup> <https://www.nsw.gov.au/media-releases/new-rules-to-fast-track-low-rise-and-mid-rise-housing>

<sup>4</sup> <https://www.nsw.gov.au/media-releases/addressing-housing-crisis-nsw>

<sup>5</sup> <https://www.facs.nsw.gov.au/resources/statistics/rent-and-sales/dashboard>

All stakeholders need to understand that CoR is not against the provision of housing in MPID. CoR's portrayal as a fearmonger or a NIMBY Council is misleading and disingenuous to Ryde's ratepayers. CoR is far from being a NIMBY Council. We have consistently exceeded our existing housing targets and have always shown a willingness to do more.

The burden of the housing crisis weighs heavily on CoR; however, so too does the need to protect jobs and provide a quality of life for our current and future residents.

The Ryde LGA has also been negatively impacted by growth with a lack of infrastructure. The LGA has experienced a significant increase in housing since 2011's population of approximately 103,038 people<sup>6</sup>. In 2021, our population had grown to 129,123<sup>7</sup>; however, in that time no new open space had been provided to our communities, nor had there been any major infrastructure upgrades to roads and intersections.

We're committed to a balanced outcome.

And, although CoR has **recently approved over 11,197<sup>8</sup> new dwellings in and around MPID**, CoR is willing to do its fair share to help put even more roofs over even more peoples' heads than what DPHI has proposed. CoR, with support from the NSW Government, could do this while striking the right balance – giving new and existing residents across the Ryde LGA access to housing, jobs, infrastructure, and essential services.

In collaboration with the NSW Government, CoR could deliver a holistic outcome that strikes the right balance, delivering up to:

- 38,026 new dwellings across the Ryde LGA, and
- Space for 41,069 new jobs across the Ryde LGA.

Utilising expertise across the disciplines of land use planning, urban planning, infrastructure planning, transport planning, environmental planning, sport and recreational planning, social and community planning, finance and economics, CoR staff have prepared a comprehensive submission ([Attachment 1](#)) to DPHI's Rezoning Proposal. It reflects the synthesis of research, technical analysis, and an empathetic approach to town planning that reflects the current views of residents, workers, and, most importantly, the businesses who were concerned by DPHI's Rezoning Proposal.

CoR's submission outlines a counterproposal for the NSW Government to consider, whereby a whole-of-Ryde LGA approach could be used to deliver outcomes that exceed DPHI's Rezoning Proposal while striking the right balance in terms of the provision of housing, employment, infrastructure, essential services, and more.

CoR's counterproposal can only be achieved through collaboration with the NSW Government, specifically:

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<sup>6</sup> Australian Bureau of Statistics, 2011, Census

<sup>7</sup> Australian Bureau of Statistics, 2021, Census

<sup>8</sup> City of Ryde, 2024

1. Support to accelerate the revision of master plans for West Ryde-Meadowbank, Eastwood, and the Macquarie Park Innovation District to incorporate CoR's commitment to deliver the community's vision for '*lifestyle and opportunity at your doorstep*' alongside the NSW Government's aspirations for:
  - a. Employment land reforms
  - b. Housing reforms (including Transit Orientated Development and increased densification in well-located areas)
  - c. The Meadowbank Education and Employment Precinct, and
  - d. Broader reforms, including other vibrancy and planning process reforms.
2. Contributing to the development of a new Macquarie Park Innovation District Innovation State Environmental Planning Policy (the **Innovation SEPP**) to encourage the innovative delivery of mixed-use developments with an emphasis on enterprise, research, and development.
3. Contributing to the development of the NSW Government's *Innovation Blueprint*, including the creation of financial incentives that make it easier for start-ups to stay, upscale, and commercialise their innovations in NSW.
4. Ensuring the NSW Government can meet its National Housing Accord targets, while ensuring the built form and type of development meets standards consistent with those set for residential dwellings.

The summary is a high-level overview of the issue and the proposal. It is not a purpose statement, nor should it include much background information.

### **RECOMMENDATION:**

That Council:

- (a) Endorse the City of Ryde submission to the NSW Department of Planning, Housing, and Industry's Stage 1 Rezoning Proposal for the Macquarie Park Innovation District at Attachment 1.
- (b) Endorse the Chief Executive Officer acting on behalf of the Council to bring effect to the submission's recommendations for Stage 1 and work with the NSW Government to ensure Stage 2 is consistent with Council's Stage 1 recommendations.
- (c) Collaborate with the NSW Government, if they agree to the work on striking the right balance, to bring to Council, at its April 2024 ordinary meeting, an Implementation Plan setting out how CoR will fund and resource the implementation of the counterproposal outlined in the submission.

### **ATTACHMENTS**

- 1 Striking the Right Balance - MPID Submission
- 2 Striking the Right Balance - Letter to Minister Scully

Report Prepared By:

**Michael Galderisi**  
**General Manager - City Shaping**

Report Approved By:

**Wayne Rylands**  
**Chief Executive Officer**

## BACKGROUND

### Overview of DPHI's Rezoning Proposal

DPHI's Rezoning Proposal was on public exhibition from 9 November 2023 to 10 December 2023.

The Rezoning Proposal includes a master plan and introduces new planning controls to guide future development in three key areas covering the commercial core of MPID alongside a small portion of land that once housed the Peter Board High School. DPHI's Rezoning Proposal seeks to deliver<sup>9</sup>:

- *an innovation precinct with new jobs, homes and open space*
- *3,060 new homes including affordable housing*
- *1,200,000m<sup>2</sup> of commercial floorspace, which reflects capacity for approximately 23,000 additional jobs. Part of this area, can be used for 5,040 homes build-to-rent, depending on market demand*
- *opportunities for more local businesses through after-work entertainment, dining, networking and recreation*
- *8 ha of public and open space as well as a new multi-purpose indoor community facility*
- *better connectivity to the university, hospital and shopping centre, through improved pedestrian and cycle pathways*
- *renewal of Waterloo Road making it a more accessible and safer centre.*

### Extension for CoR to make a submission

After extensive advocacy by CoR's Chief Executive Officer, Wayne Rylands, in November 2023, CoR was granted an extension on its submission until close of business, five business days after its first ordinary meeting of 2024. CoR was the only stakeholder to be given an extension to make its submission to the Rezoning Proposal's exhibition.

Building on the CEO's advocacy, on 28 November 2023, the Council resolved the following:

*That Ryde Council:*

- (a) *Acknowledges the significant rezonings proposed by the NSW Government for the Macquarie Park Innovation Precinct and the risk of these rezoning conversions of commercial space into residential Build to Rent (BTR) apartments.*

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<sup>9</sup> [https://www.planning.nsw.gov.au/plans-for-your-area/priority-growth-areas-and-precincts/macquarie-park#:~:text=The%20Macquarie%20Park%20Innovation%20Precinct,%E2%80%93%20Shrimptons%20Quarter%20\(Waraqal%20Birrunq\)](https://www.planning.nsw.gov.au/plans-for-your-area/priority-growth-areas-and-precincts/macquarie-park#:~:text=The%20Macquarie%20Park%20Innovation%20Precinct,%E2%80%93%20Shrimptons%20Quarter%20(Waraqal%20Birrunq))

- (b) *Gratefully acknowledge the Department of Planning [now known as DPHI] acceptance of our request to extend the deadline for receiving submissions about this rezoning proposal until after Ryde Council has formally considered its submission at the February 2024 meeting.*
- (c) *Invite the Ryde community to participate in reviewing this submission and making a submission directly to Ryde Council with appropriate access to rezoning information if permitted for inclusion in our overall Council submission to the Department of Planning.*
- (d) *In support of a fully informed submission being made about this rezoning proposal that Ryde Council commit to a community information campaign to inform our local community of the significant risk to jobs, employment proximity and the resulting impact to Council of this proposed rezoning, as well as the overall community impact that result in these changes being made to our community.*
- (e) *Any submissions received from our community should be included in the overall Council submission.*

CoR's submission will be submitted to DPHI by close of business Tuesday, 5 March 2024.

### What happens next

According to the Rezoning Proposal's information webpage, the feedback DPHI receives on the Rezoning Proposal will be compiled into a 'What We Heard' report followed by a final assessment. Once the assessment is complete, DPHI will make a recommendation to the Minister for Planning and Public Spaces, the Hon. Paul Scully MP, regarding new planning controls for the commercial core of MPID.

DPHI's plan is for the Rezoning Proposal to be finalised by June 2024<sup>10</sup>.

### Is there a Stage 2?

DPHI has commenced its planning for the remaining areas of MPID, stating that it will work with the Ryde Coordination Group and other government agencies to prepare a draft master plan and rezoning package (similar to the process used for Stage 1).

The timing of Stage 2 has not been confirmed with CoR; however, DPHI's questions and answers document for the Rezoning Proposal suggests that the exhibition period for Stage 2 is anticipated to occur in Q3 2024<sup>11</sup>.

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<sup>10</sup> [https://www.planning.nsw.gov.au/plans-for-your-area/priority-growth-areas-and-precincts/macquarie-park#:~:text=The%20Macquarie%20Park%20Innovation%20Precinct,%E2%80%93%20Shrimptons%20Quarter%20\(Waraqal%20Birrung\)](https://www.planning.nsw.gov.au/plans-for-your-area/priority-growth-areas-and-precincts/macquarie-park#:~:text=The%20Macquarie%20Park%20Innovation%20Precinct,%E2%80%93%20Shrimptons%20Quarter%20(Waraqal%20Birrung))

<sup>11</sup> <https://www.planning.nsw.gov.au/sites/default/files/2023-12/macquarie-park-innovation-precinct-stage-1-rezoning-webinar-questions-and-answers.pdf>

CoR staff understand that the DPHI intend for the Stage 2 Rezoning to incorporate the NSW Government's aspirations for Transport Orientated Development, particularly within a 1,200m radius of the Macquarie Park metro station.

#### What will change if DPHI's Rezoning Proposal proceeds?

- **Mixed-use zoning:** The Rezoning Proposal plans aim to introduce a mix of commercial and mixed-use zoning, allowing for a blend of residential, commercial, and recreational spaces to support the growth of the resident and worker population in the precinct.
- **Increased residential density:** The Rezoning Proposal has a focus on providing diverse housing options to accommodate a growing population; this includes the expansion of the Built-to-Rent (**BTR**) model across the MPID's commercial core, with no cap on the number of dwellings under this model of housing.
- **Intended infrastructure to support the rezoning:** The Rezoning Proposal includes the provision of a list of transport infrastructure, such as upgraded roads, public transportation networks, and cycling/walking paths. The intention of the supporting infrastructure plan, developed as part of the Rezoning Proposal, is to alleviate traffic congestion, improve accessibility, and promote sustainable modes of transport.
- **Intended green spaces and amenities:** The Rezoning Proposal supports the creation of green spaces, parks, and recreational facilities within the MPID.
- **Commercial and employment opportunities:** Alongside residential development, the rezoning seeks to promote commercial and employment opportunities in MPID.

#### Why doesn't DPHI's Rezoning Proposal strike the right balance?

If implemented as is, the Rezoning Proposal will lead to increased residential development alongside compromised outcomes for jobs, infrastructure, and essential services. It will result in the following:

- A reduction of commercial spaces, including spaces required for MPID's innovation ecosystem – MPID is the number one postcode for IP in Australia and is the second-highest annual contribution to the NSW Gross State Product after the CBD (estimated to be in excess of \$10 billion in 2023<sup>12</sup>).
- Limited capacity for collaboration between CoR and DPHI to draft provisions for the introduction of BTR within commercial cores, particularly within MPID.
- Increase mixed-use development, in combination with BTR, changing the economic landscape of MPID from a globally competitive innovation district to a population-serving economy for a commuting population.
- More infrastructure, including green open space, is needed to support the increase in density and population.

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<sup>12</sup> REMPLAN Economy, 2024. Data based on: ABS 2021 Census Place of Work Employment (Scaled)



- There needs to be more essential services to support the increase in density and population.
- There needs to be more funding mechanisms for infrastructure delivery, maintenance and future renewal, with, for example, measures such as the Housing and Productivity Contribution (**HPC**) pooling money to be used across the Greater Sydney Region.
- The rating model for BTR developments results in other ratepayers across the Ryde LGA unnecessarily carrying the burden of increased density and population.

#### Other reforms: NSW employment zone reforms

The NSW Government's employment zones reforms came into effect on 26 April 2023, delivering a simplified framework that<sup>13</sup>:

- suits the future of work
- is fit for purpose
- supports productivity and job growth
- delivers the community's objectives set through strategic plans and planning priorities.

These reforms sought to deliver benefits, such as:

- A more legible suite of zones and greater flexibility within the proposed zones
- Vibrant and viable centres for communities
- Support for the city to develop and meet the operational needs of businesses and communities
- Innovation for emerging land uses and unique precincts that require a flexible planning response
- Managing industrial land use conflicts and amenity impacts
- Responding to the changing nature of industry and business
- An increase in jobs closer to homes to reduce journey to work times, and
- Greater business output potential.

DPHI's Renewal Strategy deprioritises the intent of the employment zone reforms by allowing BTR housing to replace commercial spaces within the MPID. It is imperative that there is a balance between housing and employment, as the MPID:

- makes the second highest annual contribution to NSW Gross State Product after the Sydney CBD (estimated at more than \$10 billion in 2023<sup>14</sup>), and

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<sup>13</sup> <https://www.planning.nsw.gov.au/policy-and-legislation/planning-reforms/employment-zones-reform>

<sup>14</sup> REMPLAN Economy, 2024. Data based on: ABS 2021 Census Place of Work Employment (Scaled)

- is home to approximately 60,000 workers<sup>15</sup> from across NSW (with the *Macquarie Park Place Strategy* provisioning for a further 20,000 workers by 2036).

## COR COUNTERPROPOSAL: STRIKING THE RIGHT BALANCE

### Striking the right balance could deliver up to:

- **38,026 new dwellings across the Ryde LGA**, homes for approximately 82,136 new residents – in addition to Ryde's existing population of 131,122 people.
- Space for **41,069 new jobs across the Ryde LGA** – in addition to Ryde's existing 91,764 jobs.

### Delivering balanced outcomes for the Ryde LGA

CoR wants to strike the right balance in MPID – delivering on the promises of the employment zone reforms alongside the need to resolve the housing crisis rapidly. Delivering infrastructure and essential services alongside housing and employment opportunities.

CoR believes that it is imperative for policymakers across all levels of Government to design and implement strategic plans that strike the right balance by:

- Increasing the supply of housing (including diverse housing typologies)
- Improving the community's wellbeing (e.g., access to sports and recreational facilities)
- Improving social cohesion (e.g., the ability to connect with different communities)
- Improving access to essential services (e.g., health and education facilities)
- Delivering essential infrastructure in a timely manner
- Enhancing the built and natural environment
- Increasing employment opportunities, and
- Increasing productivity and economic diversity

It is the view of CoR staff that DPHI's Rezoning Proposal does not strike the right balance, falling short of delivering essential services and infrastructure in a timely manner, reducing employment opportunities, and reducing productivity and economic diversity in MPID.

Positively, CoR has a solution that, if supported by the NSW Government, could deliver more housing than what is proposed by the Rezoning Proposal alongside essential services, infrastructure, and employment opportunities. CoR proposes to achieve this, in collaboration with the NSW Government, by:

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<sup>15</sup> REMPLAN Economy, 2024. Data based on: ABS 2021 Census Place of Work Employment

1. Accelerating the revision of master plans for West Ryde-Meadowbank, Eastwood, and the Macquarie Park Innovation District to incorporate CoR's commitment to deliver the community's vision for '*lifestyle and opportunity at your doorstep*' alongside the NSW Government's aspirations for:
  - a. Employment land reforms
  - b. Housing reforms (including Transit Orientated Development and increased densification in well-located areas)
  - c. The Meadowbank Education and Employment Precinct, and
  - d. Broader reforms, including other vibrancy and planning process reforms.
2. Contributing to the development of a new Macquarie Park Innovation District Innovation State Environmental Planning Policy (the **Innovation SEPP**) to encourage the innovative delivery of mixed-use developments with an emphasis on enterprise, research, and development. The Innovation SEPP could include:
  - a. Mechanisms that incentivise landowners to deliver spaces for innovation.
  - b. Mechanisms to improve the ratio of commercial spaces to residential spaces in mixed-use developments.
  - c. Mechanisms to minimise conflict between residential development and commercial activities that support an 18-hour and 24-hour economy (e.g., 24-hour manufacturing, 24-hour freight movements, hospitality venues, entertainment venues, and medical facilities).
  - d. Mechanisms to deliver innovation spaces (e.g., laboratories, research spaces, warehousing and small-scale advanced manufacturing) underground in place of car parking spaces.
3. Contributing to the development of the NSW Government's *Innovation Blueprint*, including the creation of financial incentives that makes it easier for start-ups to stay, upscale, and commercialise their innovations in NSW.
4. Ensuring the NSW Government can meet its National Housing Accord targets, while ensuring the built form and type of development meets standards consistent with those set for residential dwellings.

#### Striking the right balance on Build-to-Rent

CoR is not against BTR housing. It is a housing model that could accelerate the ability to place more roofs over more heads. However, the model receives considerable financial incentives, which is influencing a market response that will see BTR replace spaces for commercial operations within MPID.

CoR's counterproposal establishes a cap on BTR and recommends several locations across the Ryde LGA (including in MPID) where BTR can leverage the benefits of transit-orientated development.

Given that BTR essentially falls under the category of "residential accommodation" in terms of land use, the Housing SEPP should be revised to mandate its permissibility wherever a "residential flat building" or "multi-dwelling housing" is permitted. This approach would help protect the character of economic centres across NSW.

CoR's preference is for BTR not to be permitted within the E2 Commercial Centre zones. BTR should be permissible for MU1 Mixed-Use zones, provided minimum commercial floor space requirements are met to achieve a balance between housing and employment opportunities. These commercial floor space requirements need to be reflective of economic centres – expanding beyond employment opportunities for small-scale retail and hospitality.

Furthermore, CoR's counterproposal calls for BTR housing to be delivered in a manner that meets existing design standards for Build-to-Sell developments (e.g., access to daylight), specifically the Housing SEPP. This design standard not only ensures residents are offered quality accommodations but also covers the future risk of the NSW Government allowing BTR housing in commercial cores to flip to strata and sell.

### Striking the right balance on Data Centres

The Rezoning Proposal seeks to restrict the establishment of data centres within the E2 Commercial Centre zone; however, there are a number of data centres currently located within the new proposed E2 Commercial Centre zone, with additional data centres in the pipeline to be completed prior to the proposed completion of the Rezoning Proposal.

Despite their critical role in advancing the Australian economy, data centres, with their minimal employment requirements relative to floor area, need to contribute significantly to employment targets. Their permissibility within the commercial core undermines MPID's status as an employment hub.

Furthermore, current and future applications for data centres need to reflect Transit Orientated Development objectives – where spaces are better suited to housing, employment, or the provision of essential services (such as health and educational facilities).

**For example, residential development, as opposed to a data centre, at 269 Lane Cove Road could deliver at least 1,060 new dwellings under the planning controls proposed in DPHI's *Urban Design Framework*.**

Collaborative efforts between governments and landowners are crucial to ensuring development aligns with community priorities and preserves the integrity of strategic employment centres like MPID. CoR's submission outlines other potentially suitable locations for data centres within MPID.

## **CONSULTATION**

Due to the timing of DPHI's exhibition of the Rezoning Proposal, CoR was forced to undertake community consultation and stakeholder engagement between December 2023 and February 2024.

Although the summer period is a difficult time for stakeholder engagement, CoR undertook a series of communication consultations and stakeholder engagement activities to collect insights about the potential impacts of the Rezoning Proposal on residents and businesses.

CoR staff completed an online Have Your Say (receiving 164 contributions) alongside contacting 69 businesses within MPID and delivering a presentation at a local chamber of commerce meeting. Further meetings were undertaken with 13 key multi-national businesses.

Stakeholder insights, alongside research and technical analysis, have informed the development of CoR's counterproposal. These insights have reinforced the need to strike the right balance by addressing the current housing crisis holistically.

Additional stakeholder engagement is currently underway on the development of master plans as well as CoR's new Economic Development Strategy, and new Social and Cultural Plan. This engagement can be utilised to support the implementation of CoR's counterproposal.

## IMPLICATIONS

### Financial implications

The Rezoning Proposal identifies approximately \$438.5 million of infrastructure to be funded by CoR, including land acquisitions for road widening within certain areas of the precinct. In addition, the HPC funding is expected to collect circa \$126.5 million from the projected developments as part of the Rezoning Proposal, with the estimated cost of infrastructure attributed to funding from the HPC at an estimated \$681.6 million, including other General NSW Government funding.

The Rezoning Proposal's *Infrastructure Delivery Plan* identifies several CoR funding streams for the delivery of the identified infrastructure works. Of specific note is the Plan's identification of developer contributions to CoR as the main source of funding. CoR's modelling indicates that developer contributions under DPHI's Rezoning Proposal will not be enough to cover the infrastructure promised.

There needs to be more funds available for CoR to take on board the additional maintenance, replacement, or renewal of infrastructure. In addition, CoR's modelling of BTR rating structure projects that CoR will miss out on over **\$80 million in rates over 15 years**. These funds are critical to providing, maintaining, replacing, and renewing the infrastructure required by BTR tenants.

Without a revised approach to the BTR rating structure, the alternative would be an increase to general rates across the existing Ryde LGA to recoup the future income loss from the BTR rates, as CoR will not be able to sustain these impacts from future BTR developments.

If CoR were to cut these services and projects, it would not achieve its *Asset Maintenance Ratio and Asset Renewal Ratio* each year. It would ultimately result in an accumulation of infrastructure backlogs, which will deem CoR financially unsustainable and not 'Fit for the future'.

In addition to the above, the Rezoning Proposal proposes to use a 7.12 local infrastructure contribution mechanism, moving away from the current 7.11 local infrastructure contribution in place for MPID. The proposed 7.12 plan will apply a 4% local infrastructure contribution amount on the Capital Investment Value (**CIV**) of the development. This 4% contribution levy is proposed to apply only to residential accommodation and mixed-use development within MPID, with all other development only levied at 1.5% of the CIV.

There will likely be an impact to CoR moving from a 7.11 to a 7.12 local infrastructure contribution plan without being able to identify the additional infrastructure required as part of this rezoning proposal, in addition to the infrastructure projects for MPID already listed in CoR's current 7.11 plan.

#### Comparison between DPHI proposal and CoR's Striking the Right Balance proposal

The submission, available at Attachment 1 to this report, outlines in detail how CoR believes it could work with the NSW Government to achieve balanced outcomes for the Ryde LGA. It does so by utilising the expertise of CoR staff alongside research, technical analysis and the insights of local businesses and residents.

To aid CoR's decision-making, staff have prepared a desktop comparison, found below, between DPHI's Rezoning Proposal and CoR's Striking the Right Balance proposal.

Table 1 - Comparison between DPHI proposal and CoR's Striking the Right Balance proposal.

Will it...	DPHI Rezoning Proposal	DPHI commentary	Striking the Right Balance	Striking the Right Balance commentary
Increase housing supply	✓	Will likely deliver 8,100 new dwellings*	✓✓	Will likely deliver 38,026 new dwellings a <b>369% increase</b> on the Rezoning Proposal.
Increase employment opportunities	✗	Will likely lower the ratio of residents to workers (currently 0.7 workers to every resident in the Ryde LGA) as well as impact MPID's contribution to Gross State Product.	✓✓	Will likely deliver space for 41,069 new jobs alongside the Ryde LGA's existing 91,764 jobs. Likely sustain and grow MPID's contribution to Gross State Product.
Improve community wellbeing	✓	Will likely improve community wellbeing through increased access to community facilities and public open space.	✓✓	Will likely improve community wellbeing further than the DPHI proposal through increased access to community facilities and public open space across the Ryde LGA.
Improve social cohesion	✓	Will likely improve social cohesion by providing diverse housing alongside spaces for people to socialise and congregate with different communities.	✓✓	Will likely improve social cohesion further than the DPHI proposal through increased access to spaces for people to socialise and congregate with a broader range of communities across the Ryde LGA.
Improve access to essential services	✗	Will not result in new essential services (schools, hospitals, emergency services) being delivered.	✓	Will improve access to essential services (schools, hospitals, emergency services) across the Ryde LGA, particularly through improved connectivity to the Ryde Hospital in Eastwood.
Deliver essential infrastructure	✗	Will result in significant increase of infrastructure (approx. \$2B); however, with insufficient planning and funding alongside compromised infrastructure ratios for residents (that differ from infrastructure ratios for workers).	✓✓	Will result in increased provision of infrastructure across the Ryde LGA alongside better utilisation of essential infrastructure in areas such as Eastwood, West Ryde, and Meadowbank. Improved planning outcomes for the timely delivery of infrastructure as well as improved outcomes for long term maintenance and renewal.
Enhance the built and natural environment	✓	Housing SEPP allows for compromised outcomes for residential BTR developments. Proposal improves public amenity for workers and residents.	✓✓	Collaboration could deliver BTR in a manner that delivers a better built form outcome comparable with BTS. Proposal will lead to public amenity improvements across the Ryde LGA as well as the enhancement of the City's blue and green infrastructure.
Increase productivity and economic diversity	✗	Proposal will likely reduce the economic diversity of MPID, increasing the economy's exposure to economic shocks. Proposal will likely reduce spaces for employment, reducing MPID's contribution to Gross State Product.	✓✓	Proposal will encourage economic diversification for MPID and the Ryde LGA, supporting small-scale advanced manufacturing, innovation (research and development), and the growth of start up companies. Proposal will likely see MPID and Ryde's contribution to Gross State Product increase.

\*3,060 build-to-sell; 5,040 build-to-rent

**ITEM 11 (continued)**

**ATTACHMENT 1**



Lifestyle and opportunity @ your doorstep



**STRIKING THE RIGHT BALANCE**

**City of Ryde Submission to the NSW  
Department of Planning, Housing and  
Industry's *Macquarie Park Innovation  
Precinct – Stage 1 Rezoning Proposal***

23 February 2024



**ITEM 11 (continued)**

**ATTACHMENT 1**

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## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: Executive Summary

#### Executive Summary

Striking the right balance could deliver up to:

- **38,026 new dwellings across the Ryde LGA**, homes for approximately 82,136 new residents – in addition to Ryde's existing population of 131,122<sup>1</sup> people.
- Space for **41,069 new jobs across the Ryde LGA** – in addition to Ryde's existing 91,764<sup>2</sup> jobs.

Striking the right balance can ensure that the provision of housing is matched by the provision of employment opportunities, the timely delivery of infrastructure, and improved access to essential services like education and health care.

Striking the right balance can be achieved strategically, collaboratively, and democratically. Striking the right balance can set the new benchmark for how State and Local Governments can work together to tackle national issues at the State and local level.

NSW is in the midst of a housing crisis. NSW has committed to delivering 377,000<sup>3</sup> new homes under the National Housing Accord (NSW's share of the 1.2 million National Target).

NSW needs more homes to ensure its growing population has access to housing while also avoiding further pressure on the people who want to call NSW home. According to the NSW Premier, "*Housing is the biggest single cost of living pressure people are dealing with right now, with mortgage payments or rent the largest expense for most households.*"<sup>4</sup>

The Ryde Local Government Area (LGA) is not immune to the housing crisis. Homes are becoming less affordable. For example, in September 2023, the median rent for a 2-bedroom unit in the Ryde LGA was \$730 per week – an increase of \$230 per week when compared to September 2017<sup>5</sup> (a **46% increase over six years**).

The Department of Planning, Housing, and Industry's (DPHI) Stage 1 Rezoning Proposal (the **Rezoning Proposal**) will deliver more housing in the Macquarie Park Innovation District (MPID). However, City of Ryde (CoR) believes the Rezoning Proposal will do so without striking the right balance – costing new and existing communities in MPID access to employment and public open spaces, alongside an inadequate supply of essential services and infrastructure.

All stakeholders need to understand that CoR is not against the provision of housing in MPID. CoR's portrayal in the lead-up to this submission as a fearmonger or a NIMBY Council is misleading and disingenuous to Ryde's ratepayers. CoR is far from being a NIMBY Council. We have consistently exceeded our existing housing targets and have always shown a willingness to do more.

<sup>1</sup> REMPLAN Economy, 2024. Data based on: ABS 2021 Census Population

<sup>2</sup> REMPLAN Economy, 2024. Data based on: ABS 2021 Census Employment

<sup>3</sup> <https://www.nsw.gov.au/media-releases/new-rules-to-fast-track-low-rise-and-mid-rise-housing>

<sup>4</sup> <https://www.nsw.gov.au/media-releases/addressing-housing-crisis-nsw>

<sup>5</sup> <https://www.facs.nsw.gov.au/resources/statistics/rent-and-sales/dashboard>

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: Executive Summary

The burden of the housing crisis weighs heavily on CoR; however, so too does the need to protect jobs and provide a quality of life for our current and future residents. We're committed to a balanced outcome.

CoR's strong call to action in December 2023 was a direct result of DPHI's lack of engagement and empathy for MPID's stakeholders. CoR takes an evidence-based approach to all matters in the best interests of the community, whom we serve, and our community consultation and engagement fully informs this submission by CoR staff, reflecting community and stakeholder sentiment, and backed by extensive research and contributions by subject-matter experts.

It is evident that DPHI staff have failed to engage with local businesses, CoR and Macquarie University. MPID makes the second-highest annual contribution to the NSW Gross State Product after the CBD (estimated to be in excess of \$10 billion in 2023<sup>6</sup>). This contribution comes from the businesses within MPID, the businesses that DPHI has ignored through a narrow focus on housing and not a balanced outcome of housing and employment.

This sudden focus on housing comes at a time when the NSW Government is also seeking to deliver its:

- Transport Orientated Development Program<sup>7</sup> – including an announcement of another rezoning of the MPID by November 2024 within 1,200m of the Macquarie Park Metro Station.
- Low- and Mid-Rise Housing Reforms – including rules that mean “that councils can't say no to certain types of buildings, like terraces, residential flat buildings, manor houses, duplexes, and semi-detached houses in locations that are zoned for them.”<sup>8</sup>

CoR is fighting for its community (which includes current and future residents, workers, and businesses) to receive the best possible outcome. A balanced outcome. The cumulative impact of the Government's myriad of proposed reforms must be considered in a holistic and strategic manner, not in an isolated or ad hoc fashion.

And, although CoR has **recently approved over 11,197<sup>9</sup> new dwellings in and around MPID**, CoR is willing to do its fair share to help put even more roofs over even more peoples' heads than what DPHI has proposed. CoR, with support from the NSW Government, could do this while striking the right balance – giving new and existing residents access to housing, jobs, infrastructure, and essential services.

In collaboration with the NSW Government, CoR could deliver a holistic outcome that strikes the right balance, delivering up to:

- 38,026 new dwellings across the Ryde LGA, and
- Space for 41,069 new jobs across the Ryde LGA.

<sup>6</sup> *REMPPLAN Economy, 2024. Data based on: ABS 2021 Census Place of Work Employment (Scaled)*

<sup>7</sup> *NSW Government, December 2023; Transport Orientated Development Program*

<sup>8</sup> <https://www.nsw.gov.au/media-releases/addressing-housing-crisis-nsw>

<sup>9</sup> *City of Ryde, 2024*

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: Executive Summary

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Utilising expertise across the disciplines of land use planning, urban planning, infrastructure planning, transport planning, environmental planning, sport and recreational planning, social and community planning, finance and economics, CoR staff have prepared this comprehensive submission to DPHI's Rezoning Proposal – a counterproposal that strikes that right balance.

Through genuine and constructive collaboration, CoR and the NSW Government could deliver more housing than what is proposed by the Rezoning Proposal alongside essential services, infrastructure, and employment opportunities.

CoR proposes to achieve this by:

1. Accelerating the revision of master plans for West Ryde-Meadowbank, Eastwood, and the Macquarie Park Innovation District to incorporate CoR's commitment to deliver the community's vision for '*lifestyle and opportunity at your doorstep*' alongside the NSW Government's aspirations for:
  - a. Employment land reforms
  - b. Housing reforms (including Transit Orientated Development and increased densification in well-located areas)
  - c. The Meadowbank Education and Employment Precinct, and
  - d. Broader reforms, including other vibrancy and planning process reforms.
2. Contributing to the development of a new Macquarie Park Innovation District Innovation State Environmental Planning Policy (the **Innovation SEPP**) to encourage the innovative delivery of mixed-use developments with an emphasis on enterprise, research, and development. The Innovation SEPP could include:
  - a. Mechanisms that incentivise landowners to deliver spaces for innovation.
  - b. Mechanisms to improve the ratio of commercial spaces to residential spaces in mixed-use developments.
  - c. Mechanisms to minimise conflict between residential development and commercial activities that support an 18-hour and 24-hour economy (e.g., 24-hour manufacturing, 24-hour freight movements, hospitality venues, entertainment venues, and medical facilities).
  - d. Mechanisms to deliver innovation spaces (e.g., laboratories, research spaces, warehousing and small-scale advanced manufacturing) underground in place of car parking spaces.
3. Contributing to the development of the NSW Government's *Innovation Blueprint*, including the creation of financial incentives that make it easier for start-ups to stay, upscale, and commercialise their innovations in NSW.
4. Ensuring the NSW Government can meet its National Housing Accord targets, while ensuring the built form and type of development meets standards consistent with those set for residential dwellings.

**ITEM 11 (continued)**

**ATTACHMENT 1**

**Striking the Right Balance: Executive Summary**

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CoR is not against Build-to-Rent (**BTR**) housing. It is a housing model that could accelerate the ability to place more roofs over more heads. However, the model receives considerable financial incentives, which is influencing a market response that will see BTR replace spaces for commercial operations within MPID.

CoR's counterproposal establishes a cap on BTR and recommends several locations across the Ryde LGA (including in MPID) where BTR can leverage the benefits of transit-orientated development – without compromising spaces for innovation. Furthermore, CoR's counterproposal calls for BTR housing to be delivered in a manner that meets existing design standards for Build-to-Sell developments.

Achieving the right balance is of paramount for addressing the housing crisis and fostering sustainable growth in Ryde and NSW. By strategically, collaboratively, and democratically striking this balance, CoR and the NSW Government can ensure the provision of housing matches employment opportunities, infrastructure delivery, and access to essential services in Ryde.

ITEM 11 (continued)

ATTACHMENT 1

Striking the Right Balance: Executive Summary

Table 1 - Comparison between DPHI proposal and CoR's Striking the Right Balance proposal.

Will it...	DPHI Rezoning Proposal	DPHI commentary	Striking the Right Balance	Striking the Right Balance commentary
Increase housing supply	✓	Will likely deliver 8,100 new dwellings*	✓✓	Will likely deliver 38,026 new dwellings a <b>369% increase</b> on the Rezoning Proposal.
Increase employment opportunities	✗	Will likely lower the ratio of residents to workers (currently 0.7 workers to every resident in the Ryde LGA) as well as impact MPID's contribution to Gross State Product.	✓✓	Will likely deliver space for 41,069 new jobs alongside the Ryde LGA's existing 91,764 jobs. Likely sustain and grow MPID's contribution to Gross State Product.
Improve community wellbeing	✓	Will likely improve community wellbeing through increased access to community facilities and public open space.	✓✓	Will likely improve community wellbeing further than the DPHI proposal through increased access to community facilities and public open space across the Ryde LGA.
Improve social cohesion	✓	Will likely improve social cohesion by providing diverse housing alongside spaces for people to socialise and congregate with different communities.	✓✓	Will likely improve social cohesion further than the DPHI proposal through increased access to spaces for people to socialise and congregate with a broader range of communities across the Ryde LGA.
Improve access to essential services	✗	Will not result in new essential services (schools, hospitals, emergency services) being delivered.	✓	Will improve access to essential services (schools, hospitals, emergency services) across the Ryde LGA, particularly through improved connectivity to the Ryde Hospital in Eastwood.
Deliver essential infrastructure	✗	Will result in significant increase of infrastructure (approx. \$2B); however, with insufficient planning and funding alongside compromised infrastructure ratios for residents (that differ from infrastructure ratios for workers).	✓✓	Will result in increased provision of infrastructure across the Ryde LGA alongside better utilisation of essential infrastructure in areas such as Eastwood, West Ryde, and Meadowbank. Improved planning outcomes for the timely delivery of infrastructure as well as improved outcomes for long term maintenance and renewal.
Enhance the built and natural environment	✓	Housing SEPP allows for compromised outcomes for residential BTR developments. Proposal improves public amenity for workers and residents.	✓✓	Collaboration could deliver BTR in a manner that delivers a better built form outcome comparable with BTS. Proposal will lead to public amenity improvements across the Ryde LGA as well as the enhancement of the City's blue and green infrastructure.
Increase productivity and economic diversity	✗	Proposal will likely reduce the economic diversity of MPID, increasing the economy's exposure to economic shocks. Proposal will likely reduce spaces for employment, reducing MPID's contribution to Gross State Product.	✓✓	Proposal will encourage economic diversification for MPID and the Ryde LGA, supporting small-scale advanced manufacturing, innovation (research and development), and the growth of start up companies. Proposal will likely see MPID and Ryde's contribution to Gross State Product increase.

\*3,060 build-to-sell; 5,040 build-to-rent

**ITEM 11 (continued)**

**ATTACHMENT 1**

**Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID**

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**Contents**

<b>Executive Summary .....</b>	<b>1</b>
<b>1 Introduction .....</b>	<b>7</b>
1.1 Background information .....	7
1.2 Purpose .....	8
<b>2 City of Ryde's vision for the Macquarie Park Innovation District.....</b>	<b>9</b>
2.1 Snapshot .....	9
2.2 MPID's contribution to the NSW economy .....	11
2.3 Vision for the future .....	14
<b>3 DPHI Rezoning Proposal.....</b>	<b>15</b>
3.1 Overview.....	15
3.2 How does DPHI's Rezoning Proposal impact balanced outcomes in MPID?.....	16
3.3 What are the other strategic impacts of DPHI's Rezoning Proposal? .....	29
<b>4 Striking the Right Balance: CoR's counterproposal.....</b>	<b>31</b>
4.1 Overview.....	31
4.2 An LGA-wide response .....	31
4.3 How does CoR's counterproposal impact balanced outcomes in MPID? .....	36
<b>5 Next steps.....</b>	<b>43</b>
5.1 Accelerating the revision of master plans .....	43
5.2 Developing a Macquarie Park Innovation District Innovation SEPP .....	43
5.3 Developing the Innovation Blueprint.....	44
5.4 Improving built form outcomes for BTR .....	45

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

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## 1 Introduction

### 1.1 Background information

The *Macquarie Park Place Strategy* (the **Place Strategy**), which was finalised and approved by the NSW Government in August 2022, is supposed to guide the renewal of MPID through to 2036. *“The Place Strategy will help Macquarie Park reach its potential as a world-class place for innovation and collaboration with a strong employment focus.”*<sup>10</sup>

The aim of the Place Strategy is *“to create a better place, improve connectivity and find new ways for people to share ideas and technology. In turn, this will increase the attractiveness of Macquarie Park as a place to do business, study and invest in.”*<sup>11</sup>

The Rezoning Proposal is supposed to build on the Place Strategy. It includes a master plan and introduces new planning controls to guide future development in three key areas covering the commercial core of MPID alongside land that once housed the Peter Board High School. DPHI’s Rezoning Proposal seeks to deliver<sup>12</sup>:

- an innovation precinct with new jobs, homes and open space
- 3,060 new homes including affordable housing
- 1,200,000m<sup>2</sup> of commercial floorspace, which reflects capacity for approximately 23,000 additional jobs. Part of this area, can be used for 5,040 homes build-to-rent, depending on market demand
- opportunities for more local businesses through after-work entertainment, dining, networking and recreation
- 8ha of public and open space and new multi-purpose indoor community facility
- better connectivity to the university, hospital and shopping centre, through improved pedestrian and cycle pathways
- renewal of Waterloo Road making it a more accessible and safer centre.

While the intention may have been about jobs and innovation, the package of documents exhibited as a part of the Rezoning Proposal raised serious concerns for CoR that the DPHI short-term focus on the housing crisis will jeopardise the long-term viability of MPID as a globally competitive innovation district.

The Rezoning Proposal had many errors. It double dipped on the provision of infrastructure, essential services, and public open space – most of which is already been, or should have been, delivered by existing development activity. There were also inconsistencies regarding the location of open spaces, with the Rezoning Proposal failing to acknowledge existing development applications in the pipeline, such as the Woolworths distribution centre at the former Peter Board High School site as well as the location of several data centres in and around MPID’s commercial core, including adjacent to the Macquarie Park Metro Station.

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<sup>10</sup> <https://www.planningportal.nsw.gov.au/draftplans/made-and-finalised/macquarie-park-place-strategy>

<sup>11</sup> NSW Government, August 2022; *Macquarie Park Innovation Precinct Place Strategy*

<sup>12</sup> <https://www.planning.nsw.gov.au/plans-for-you/area/priority-growth-areas-and-precincts/macquarie-park>



## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

Of particular concern is the proposal to allow BTR housing to replace commercial development in MPID's commercial core. Residential development and commercial development don't always mix, especially when commercial development consists of innovation spaces for enterprise, research, and development.

During the consultation phase on CoR's submission, it was evident that DPHI staff had failed to engage with local businesses (large and small) and Macquarie University. Government should note that MPID makes the second-highest annual contribution to the NSW Gross State Product after the Sydney CBD (estimated to be in excess of \$10 billion in 2023<sup>13</sup>). This contribution comes from the businesses within MPID, the businesses that DPHI has ignored through a narrow focus on housing and not a balanced outcome of housing and employment.

This sudden focus on housing comes at a time when the NSW Government is also seeking to deliver its:

- Transport Orientated Development Program<sup>14</sup> – including an announcement of another rezoning of the MPID by November 2024 within 1,200m of the Macquarie Park Metro Station.
- Low- and Mid-Rise Housing Reforms – including rules that mean “that councils can't say no to certain types of buildings, like terraces, residential flat buildings, manor houses, duplexes, and semi-detached houses in locations that are zoned for them.”<sup>15</sup>

CoR is fighting for its community (which includes current and future residents, workers, and businesses) to receive the best possible outcome. A balanced outcome. The cumulative impact of the Government's myriad of proposed reforms must be considered in a holistic, collaborative, and strategic manner, not in an isolated or ad hoc fashion.

### 1.2 Purpose

This submission outlines CoR's **Striking the Right Balance** counterproposal to DPHI's Rezoning Proposal. It addresses:

- The economic importance of MPID to the NSW economy
- The key changes proposed by, and the subsequent impacts of, DPHI's Rezoning Proposal, and
- A counterproposal by CoR to deliver more holistic outcomes, including leveraging the capability of the entire Ryde LGA to rapidly increase the supply of dwellings.

CoR's submission has been informed by experts across the disciplines of land use planning, urban planning, infrastructure planning, transport planning, environmental planning, sport and recreational planning, social and community planning, finance, and economics. It has also been informed through community and stakeholder and consultation and engagement, particularly with businesses operating within MPID.

<sup>13</sup> *REMPPLAN Economy, 2024. Data based on: ABS 2021 Census Place of Work Employment (Scaled)*

<sup>14</sup> *NSW Government, December 2023; Transport Orientated Development Program*

<sup>15</sup> <https://www.nsw.gov.au/media-releases/addressing-housing-crisis-nsw>

**ITEM 11 (continued)**

**ATTACHMENT 1**

**Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID**

**2 City of Ryde's vision for the Macquarie Park Innovation District**

**2.1 Snapshot**

MPID offers a range of advantages for businesses, including a strategic location, a dynamic business and innovation ecosystem, a highly skills workforce, a high quality of life, and a pipeline of talent. These factors have helped to establish MPID as a thriving and globally competitive destination to attract businesses, residents, and visitors alike.

*Figure 1 - The Macquarie Park Innovation District (MPID)*



## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

#### 2.1.1 Strategic location

Located in the Ryde LGA in northern Sydney, MPID is easily accessible via public transport, including buses and Metro. It is also serviced by major arterial roads, including the M2 and Lane Cove Tunnel, Lane Cove Road, and Epping Road, providing access to other parts of Sydney, including international gateways – accessible to the Sydney CBD, Sydney International Airport and the future Western Sydney Airport, as well as Port Botany and the Port of Newcastle.

#### 2.1.2 Business and innovation

MPID is home to a diverse range of businesses, including global technology, pharmaceutical, automotive, defence, and biomedical companies. It is globally recognised as Australia's leading hub for innovation (Australia's number one postcode for intellectual property) and is Australia's leading destination for the Life Sciences sector.

Established in the 1960s as a collaboration between the NSW and Australian Governments, MPID is Australia's original innovation district. It has one of Australia's most established innovation ecosystems, developed over 50 years, leveraging businesses, talented workers, students, built and natural assets and the presence of Macquarie University and the CSIRO.

According to the NSW Greater Cities Commission<sup>16</sup>:

*"Innovation districts are geographically dense areas within or at the fringes of metropolitan centres where universities and other research and development institutions, both public and private, cluster and connect with investment and businesses of all stages and sizes.*

*Innovation districts in NSW are made up of several single sector focused precincts, allowing for ideas, technologies, and sectors to collide. These collisions result in multi-sectorial districts leading the creation of first world invention and new industries. They also stimulate new business model innovation and technology adoption in existing industries.*

*Innovation districts are physically compact, transit-accessible, and technically wired, offering mixed-use housing, office, and retail.*

*As magnets for investments, innovation districts will create new high growth companies, connect us globally and become sought-after places to live and work."*

#### 2.1.3 Highly skilled workforce

MPID is home to one of Australia's leading universities, Macquarie University. A global leader in synthetic biology, Macquarie University has helped MPID become a hub for research and development through academic and industry partnerships.

<sup>16</sup> Greater Cities Commission <<https://greatercities.au/innovation-districts>>; accessed 20 February 2024

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

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*“The concentration of companies in the professional, scientific and technical services industry in the MPID is 17.4 per cent – higher than any other region in NSW.”<sup>17</sup>*

Multiple vocational education institutions and other world-leading universities are within a short commute, helping Macquarie University create a pipeline of talent for businesses located within MPID. Additionally, five of Macquarie University’s researchers are in the top 1% of the world’s scientific authors.

#### 2.1.4 Amenities and lifestyle

MPID offers a high-quality lifestyle, with a range of parks, recreational facilities, retail, and dining options. MPID is also home to Macquarie Centre, one of the largest shopping centres in Sydney, and boasts a range of residential options, including apartments and houses.

Vibrancy is increasing within MPID, with CoR approving over 11,197 new dwellings in and around MPID, leading to an increased demand for lifestyle opportunities and enhanced local amenities.

### 2.2 MPID’s contribution to the NSW economy

The NSW economy is larger than Singapore, Malaysia or Hong Kong, contributing approximately 31% to Australia’s national output<sup>18</sup>. The Sydney region is the number one startup ecosystem in the southern hemisphere, with MPID playing a critical role in supporting startups. MPID is the second largest commercial district in NSW and, prior to the Rezoning Proposal, was on track to become the fourth largest commercial district Australia-wide by 2030. It has been the core of Sydney’s “Eastern Economic Corridor”<sup>19</sup>.

MPID makes the second highest annual contribution to NSW Gross State Product after the Sydney CBD (estimated at more than \$10 billion in 2023<sup>20</sup>) and is home to approximately 60,000 workers<sup>21</sup> from across NSW (with the *Macquarie Park Place Strategy* provisioning for a further 20,000 workers by 2036).

Approximately 10% of the world’s top 100 companies (Australia Headquarters) choose to call MPID home, leveraging the area’s comparative economic advantages of:

- **Education** – Macquarie University is one of Australia’s top-ranking research institutions and has one of the highest-ranked MBA programs in Australia.
- **Research and development** – Many businesses and institutions operating within MPID invest in research, including in partnership with Macquarie University. The NSW Government has recently invested \$96 million on an RNA research and pilot manufacturing facility.

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<sup>17</sup> <https://www.mq.edu.au/partner/access-business-opportunities/innovation-entrepreneurship-and-it/incubator/news/news-items/we-are-the-most-innovative-postcode>

<sup>18</sup> *Investment NSW, 2022, Technology Prospectus NSW*

<sup>19</sup> *Source: Greater Sydney Commission, 2018; North District Plan*

<sup>20</sup> *REMPAN Economy, 2024. Data based on: ABS 2021 Census Place of Work Employment (Scaled)*

<sup>21</sup> *REMPAN Economy, 2024. Data based on: ABS 2021 Census Place of Work Employment*

**ITEM 11 (continued)**

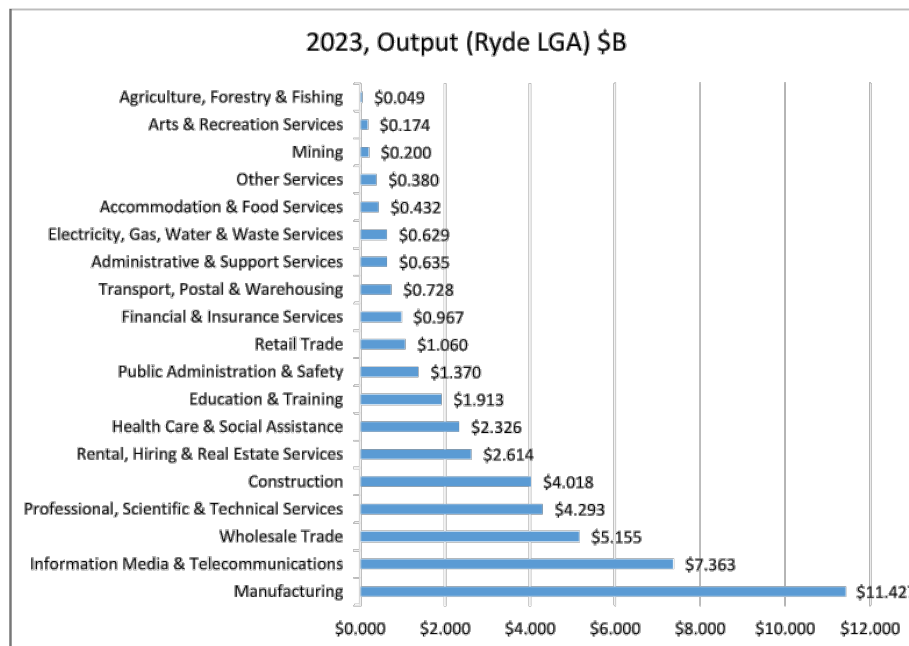
**ATTACHMENT 1**

**Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID**

- **Health services** – MPID is home to Macquarie University Hospital – Australia’s first and only fully integrated academic sciences centre – the preeminent destination for clinical trials in Australia.
- **Knowledge-intensive sectors** – nationally significant business clusters such as:
  - Medical and pharmaceutical
  - Media, technology, and telecommunications
  - Digital and eCommerce
  - Transport and logistics
  - Advanced manufacturing and high technology (inc. defence and aerospace),
  - Health and wellbeing.

Output data represents the gross revenue generated by businesses/organisations in each of the industry sectors in a defined region. Gross revenue is also referred to as total sales or total income. The total output estimate for the Ryde LGA for 2023 was **\$45.7 billion** (see **Error! Reference source not found.**). MPID contributed approximately **\$34.7 billion** to the Ryde LGA’s output – 75.9% of the total output.

Graph 1 - Total output, City of Ryde LGA, 2023, \$B



For context, the total output for the Greater Sydney Statistical Area (which includes the Blue Mountains and the Central Coast) was \$1,080.6 billion<sup>22</sup> in 2023. MPID makes up over 3% of this output.

<sup>22</sup> REMPLAN Economy, 2024. Data based on: ABS 2021 Census Output

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

The 2023 total employment estimate for the Ryde LGA is 91,764 jobs, of which **59,291<sup>23</sup>** jobs are located within MPID (64.6%) of jobs located in the Ryde LGA. The top five employment industries for the Ryde LGA (in 2023) were:

1. Health Care & Social Assistance – 13,783 jobs
2. Wholesale Trade – 12,021 jobs
3. Professional, Scientific & Technical Services – 11,500 jobs
4. Education & Training – 8,403 jobs, and
5. Information Media & Telecommunications – 7,465 jobs

Stability is a growing issue for MPID. A significant number of large businesses have come to and since left MPID. There are many differing reasons for these departures, including:

- Lack of innovation spaces (i.e., warehousing, research spaces, spaces for laboratories, spaces for storage)
- Loss of the innovation ecosystem relevant to their industry (e.g., software development) to other employment centres
- Flight to quality in terms of spaces and local amenities to attract workers, and
- Disruption of MPID's character as an innovation district through increased interactions with residential development.

Fujitsu Australia, for example, have written to CoR explaining that they are leaving their premises in MPID in part due to the:

*“Increased presence of residential development in the Macquarie Park Innovation District, particularly around our location on Talavera Road, eroded the clustering values of the area (i.e., being located within proximity to other businesses) for Fujitsu.”* - Sigrid Mann, Head of Facilities APAC, Fujitsu Australia<sup>24</sup>

Companies like Siemens have drastically reduced their footprint in the MPID, and CoR staff have been advised that companies like Polestar and Volvo are not only leaving MPID but potentially leaving NSW.

Businesses in MPID are telling CoR that there is growing pressure from residential developers to buy their land from them, offering additional incentives such as opportunities to provide commercial spaces in other parts of MPID or Greater Sydney. These businesses are becoming increasingly concerned with the encroachment of residential development that is non-compatible with innovation.

For example, companies like AstraZeneca, who operate a 24-hour facility whereby freight movements occur throughout the night, are concerned that residential development will place pressure on them to either reduce their hours of operation or relocate outside of MPID.

<sup>23</sup> REMPLAN Economy, 2024. Data based on: ABS 2021 Census Place of Work Employment

<sup>24</sup> Fujitsu Australia, February 2024. Written submission to City of Ryde.

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

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#### 2.3 Vision for the future

The vision for MPID is more than just thinking about the needs of today and the development associated with providing for the needs of the twenty-first century. The vision is bold in its thinking in excelling the current innovation district for our community's future.

CoR envisions MPID as a space where innovation, employment, and infrastructure come together to create a flourishing ecosystem that benefits all. The vision is not just about urban planning and land use; it's about building upon the existing innovation precinct vision to reshape the fabric of the city, ensuring that every resident has access to opportunities, every business has room to grow, and every innovation has a chance to change the world.

*"Increasing our City's commercial capacity, supported by appropriate infrastructure, will have positive benefits for ratepayers and our community in general." - Wayne Rylands, City of Ryde CEO<sup>25</sup>*

*"Macquarie Park is already a nationally significant research and business centre that's home to many of Australia's 'Top 100' companies, research, and education institutions.*

*As one of the largest landowners in Macquarie Park, our vision is a renewed technology, innovation, and business precinct that maximises collaboration and wellbeing for workers, tailored to the needs of 21st-century business."*  
- John Schroder, Stockland Group Executive and CEO Commercial Property<sup>26</sup>

The counterproposal by CoR aims to strike a balance between housing, employment, innovation, and infrastructure in MPID. By advocating for a blend of mixed-use developments, green spaces, and cutting-edge facilities, this counterproposal aims to create a vibrant space for the community where everyone can live, work, and play without compromise.

Commitment to fostering innovation as a mechanism for economic growth and success. By creating a space for continuing investment in research, entrepreneurship, and technology, MPID can continue to be a global hub of innovation, attracting top talent and driving industry-leading advancements.

Infrastructure supporting growth and development is critical in shaping the future of MPID. Physical and digital infrastructure development aims to enhance accessibility, sustainability, and quality of life for the people of MPID. By creating vibrant public spaces, cultural amenities, and recreational, there will be a sense of community pride and belonging, ensuring that MPID remains a place where people want to live, work, and play. Realising the vision for MPID will require a collaborative approach involving government agencies, private sector stakeholders, academic institutions, and the local community.

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<sup>25</sup> <https://www.ryde.nsw.gov.au/Council/Media-Centre/News-and-Public-Notices/News-vision-for-Macquarie-Park#:~:text=This%20will%20be%20supported%20by,support%20up%20to%207%20of%20the%20homes.>

<sup>26</sup> <https://www.stockland.com.au/media-centre/media-releases/stockland-plans-for-the-future-of-work-with-major-office-removal-at-macquarie-park>

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

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## 3 DPHI Rezoning Proposal

### 3.1 Overview

DPHI's Rezoning Proposal was on public exhibition from 9 November 2023 to 10 December 2023.

The Rezoning Proposal includes a master plan and introduces new planning controls to guide future development in three key areas covering the commercial core of MPID alongside a small portion of land that once housed the Peter Board High School. DPHI's Rezoning Proposal seeks to deliver<sup>27</sup>:

- an innovation precinct with new jobs, homes and open space
- up to 3,060 new homes including affordable housing
- up to 1,200,000m<sup>2</sup> of commercial floorspace, which reflects capacity for approximately 23,000 additional jobs. Part of this area, can be used for 5,040 homes build-to-rent, depending on market demand
- opportunities for more local businesses through after-work entertainment, dining, networking and recreation
- up to 8 ha of public and open space as well as a new multi-purpose indoor community facility
- better connectivity to the university, hospital and shopping centre, through improved pedestrian and cycle pathways
- renewal of Waterloo Road making it a more accessible and safer centre.

#### 3.1.1 Next steps

According to the Rezoning Proposal's information webpage, the feedback DPHI receives on the Rezoning Proposal will be compiled into a 'What We Heard' report followed by a final assessment. Once the assessment is complete, DPHI will make a recommendation to the Minister for Planning and Public Spaces, the Hon. Paul Scully MP, regarding new planning controls for the commercial core of MPID.

DPHI's plan is for the Rezoning Proposal to be finalised by June 2024<sup>28</sup>.

#### 3.1.2 MPID Rezoning Proposal - Stage 2

DPHI has commenced its planning for the remaining areas of MPID, stating that it will work with the Ryde Coordination Group and other government agencies to prepare a draft master plan and rezoning package (similar to the process used for Stage 1).

The timing of Stage 2 has not been confirmed with CoR; however, DPHI's questions and answers document for the Rezoning Proposal suggests that the exhibition period for Stage 2 is anticipated to occur in Q3 2024<sup>29</sup>.

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<sup>27</sup> <https://www.planning.nsw.gov.au/plans-for-youw-area/priority-growth-areas-and-precincts/macquarie-park>

<sup>28</sup> <https://www.planning.nsw.gov.au/plans-for-youw-area/priority-growth-areas-and-precincts/macquarie-park>

<sup>29</sup> <https://www.planning.nsw.gov.au/sites/default/files/2023-12/macquarie-park-innovation-precinct-stage-1-rezoning-webinar-questions-and-answers.pdf>



## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

#### 3.2 How does DPHI's Rezoning Proposal impact balanced outcomes in MPID?

DPHI's Rezoning Proposal to deliver 8,100 new dwellings within MPID could lead to an additional 17,496 people calling MPID home. This is in addition to the existing:

- 11,071<sup>30</sup> people who call Macquarie Park home, and
- 11,197 new dwellings (24,185 people) already being delivered in and around MPID.

Cumulatively, the Rezoning Proposal along with existing population and existing approved dwellings could mean the MPID would be home to approximately **52,752 people**. CoR is concerned about the rapid growth of residential development in MPID without supporting infrastructure. Any residential growth within MPID needs to be constrained and delivered in a manner that mitigates potentially negative impacts associated with residential growth – meaning new and existing residents, workers, and businesses should have access to housing, employment, infrastructure, and essential services.

##### 3.2.1 Impact on housing

The current rezoning seeks to deliver a large number of new dwellings within the Innovation District by compromising on items, such as infrastructure and jobs, putting at risk CoR's vision for MPID to be a globally competitive innovation district.

The rezoning does not consider the twenty-three (23) State Significant Developments (SSD) that were already in the NSW assessment portal before the Rezoning Proposal was exhibited, which will potentially deliver more than 20,000 dwellings. This alone will exceed the target that has been set by the Rezoning Proposal. This is in addition to the DPHI's modelling of additional BTR apartments, which is in excess of the 5,040 identified in the Rezoning Proposal.

##### 3.2.1.1 Built-to-Rent

There is a common misunderstanding that BTR delivers affordable housing. BTR does deliver rental housing stock, which can help put roofs over many heads; however, it does so at a price point well above median market rent levels, that many would struggle to afford – particularly during a cost-of-living crisis.

In 2022, Charter Keck Cramer conducted a rental analysis of rental properties in Sydney Olympic Park, comparing rental properties delivered to the market via traditional means (build, sell, rent) and Mirvac's LIV Indigo BTR. Their analysis identified:

- A 19% increase in median rental rates for 1-bedroom, 1-bathroom apartments for BTR (equating to an increase of \$4,732 per annum), and
- A 27% increase in median rental rates for 2-bedroom, 2-bathroom apartments for BTR (equating to an increase of \$8,424 per annum).

<sup>30</sup>Australian Bureau of Statistic, 2021; Census: Macquarie Park Population

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

A comparison of the current BTR market in and around MPID is a clear example of how the BTR market will not be the answer to the housing crisis. There is a potential the BTR could create a generation of renters with a market that is well above the current build to sell rental market. A comparison of current build to rent properties in the Ryde LGA surrounding suburbs:

- Lane Cove – BTR for a two-bedroom unit was \$750 per week as of March 2024. **\$5,200 more than the average per year for a two-bedroom rental unit.**<sup>31</sup>
- Chatswood – BTR for a three-bedroom unit was \$1,600 per week as of March 2024. **Over \$21,000 more per year than the average for a three-bedroom rental unit.**<sup>32</sup>

DPHI's Rezoning Proposal will actually limit the opportunity for individuals or couples on an average wage to purchase a home. Instead, developers will use their own finance or access finance from large investment firms and superannuation providers to deliver housing, seeking a return on investment through rent, then future subdivision/strata and sale of the BTR. The attractiveness of this investment opportunity, alongside the financial incentives being offered to BTR in NSW, will limit other housing markets as well as commercial markets – unless they are protected.

Subdivision/strata and sale of the BTR can occur at 15 years (outside of commercial areas), therefore removing the long-term certainty of housing for renters. There are already examples emerging in the Australian BTR market whereby renters are being pushed out of BTR housing within a year. There is no certainty of long-term tenure with BTR, contrary to what is being spruiked by certain Government officials. There is a genuine risk that developers could deliver BTR products that the rental market cannot afford, leading to a situation whereby the NSW Government will face lobbying for 'unrentable' BTR housing to be moved onto strata and sold, even before a 15-year period has. This would lead to greater inequality, whereby BTR developers have received financial incentives that built-to-sell developers have not.

The NSW Government will also be allowing the 'flexible application' of the Apartment Design Guideline. This flexible application will see developers delivering units that:

- Fail to deliver adequate private open space (such as balconies).
- Decouple storage spaces from units.
- Permit small-sized units to be delivered compared to build-to-sell apartments.
- Lack of access to daylight – allowing the attribution of daylight in common areas (e.g., foyers) to units.

The Apartment Design Guide exists to ensure apartments provide occupants with a minimum standard that links to the quality of life. Compromising on these outcomes is not human-centred. Furthermore, the risk of BTR products being sold will create greater pressure on similar compromises in build-to-sell stock.

<sup>31</sup> <https://www.realestate.com.au/nsw/lane-cove-2066/>

<sup>32</sup> <https://www.realestate.com.au/nsw/chatswood-2067/>

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

#### 3.2.1.2 Affordable housing

The Rezoning Proposal proposes an Affordable Housing Contributions rate of 5-10% within the MU1 Mixed Use Zone.

The remaining portion of MPID is proposed to have a maximum of 3% affordable housing contribution by 2027. This will predominantly apply to the E2 Commercial Centre Zone (MPID's current Commercial Core), where DPHI have proposed to replace commercial spaces with BTR.

Section 3.2.2 below outlines the impacts of BTR on employment. The proposed 3% affordable housing contribution, however, is not consistent with CoR's *Affordable Housing Policy 2016-2031* and the *Local Strategic Planning Statement*, which have a target of 5% of new homes being affordable housing.

Affordable housing is crucial for ensuring that workers on low to moderate incomes, in particular key workers, can afford to live and work in areas like MPID. Lastly, affordable housing should be held in perpetuity, not just for 15-years, and should be mandated for long-term rental providing tenants with certainty of tenure and a 'place for life'.

#### 3.2.2 Impact on employment

The State Government is focused on the provision of housing at the long-term cost of the displacement of employment and commercial development from the precinct.

The introduction of residential development to MPID must be carefully managed to ensure it does not compete with the district's primary focus on employment and innovation. Protecting employment floor space is crucial to maintaining the district's capacity for economic output and innovation. Strategic zoning and land use planning are essential to balance residential needs with the requirement for ample, high-quality space for research and development, startups, and established companies.

MPID's innovative companies working in life science, biotechnology, robotics, research and development, and manufacturing need innovation-appropriate spaces and/or specialised hybrid commercial/industrial spaces to accommodate equipment, environmental controls, loading/unloading spaces for goods and compliance with safety regulations. These uses would generally be categorised as light industrial (particularly as a high technology industry subset of light industrial).

#### 3.2.3 Impact on community wellbeing

The rezoning does not take a human-centred approach. It predominantly refers to dwelling requirements rather than the future needs of the collective population. Attempting to solve one problem in isolation will result in the creation of socio-cultural issues, exacerbation of vulnerability, and disadvantage for the future community. CoR has continually raised concerns regarding the State planned grouping of social housing within the Ivanhoe Estate development, whereby all of those residents have been "grouped together" in two towers.

An increase in the population of this scale requires a thorough evaluation of the impact on already stretched essential services. A fully integrated social impact

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

assessment by CoR and the NSW Government will be required to identify additional social infrastructure to adequately support the forecast growth.

Determining the potential future resident profile is essential to understand the implications for social infrastructure regarding the needs of different community groups.

A community profile needs to be developed, including age, household type and family type in order to determine the required needs of the community, where the Rezoning Proposal provides overall dwelling numbers, thorough population projections, and potential resident.

Population growth resulting from other key proposals, such as the Diverse and Well-Located Homes and Transport Oriented Development, would have a cumulative effect with rapid population growth in surrounding areas putting additional pressure on this concentrated location but even with this proposal in isolation, the growth has not been adequately planned for.

The available or planned services and infrastructure need to have the capacity to service the maximum potential levels of population growth and be delivered prior to community expansion.

#### 3.2.4 Impact on social cohesion

##### 3.2.4.1 *Human-centred approach*

The Rezoning Proposal's *Urban Design Framework's* treatment of open spaces and environmental design, though commendable for its focus on sustainability, does not integrate the social needs of workers and residents.

DPHI's Rezoning Proposal does not take a human-centred approach. It predominantly refers to dwelling requirements rather than the future needs of the collective population (residents and workers). Attempting to solve one problem in isolation will result in the creation of socio-cultural issues, exacerbation of vulnerability, and disadvantage for the future community.

An increase in population of this scale requires a thorough evaluation to inform the planning and delivery of additional social infrastructure. Additionally, the evaluation needs to explore the future resident profile as the Rezoning Proposal is not clear on what the potential residency profile could be (e.g., age, housing topology, family type).

Other social indicators, including Aboriginal and Torres Strait Islander population, cultural diversity, mobility and dwelling density, scale and type, should be further analysed to inform appropriate social infrastructure needs and provision better.

##### 3.2.4.2 *Connecting with Country*

The *Connecting with Country Framework*, included with the Rezoning Proposal package, requires further revision to ensure that good design outcomes are achieved. The Framework does not clearly articulate the governance and responsibility of Connecting with Country actions. Further, a considerable number of the actions are not place-based actions.

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

The Framework refers to an architect implementing recommendations. Yet, it is unclear who the 'architect' is, particularly in the context of incorporating First Nations planning principles into new developments or the public domain. The approach used by DPHI is disingenuous to First Nations people.

#### 3.2.5 Impact on essential services

Mention of the basic required infrastructure for a major conversion of the area to residential is markedly absent. The Rezoning Proposal does not propose changes to the *Strategic Infrastructure and Services Assessment (SISA)* for MPID. The SISA was formulated based on projected increase of 4,400 dwellings from 2021 to 2036. The Rezoning Proposal indicates a total potential yield of an additional 8,100 dwellings, substantially more than used to model the SISA.

Further, this profile should cover the broader geographic area likely to draw on these services, factoring in additional proposed development for surrounding areas relying on the same social infrastructure. Population growth resulting from other key proposals, such as the *Diverse and Well-Located Homes and Transport Oriented Development*, would have a cumulative effect with rapid population growth in surrounding areas putting additional pressure on this concentrated location but even with this proposal in isolation, the growth has not been adequately planned for.

The available or planned services and infrastructure need to have the capacity to service the maximum potential levels of population growth and be delivered prior to community expansion.

The timing for delivery of key social infrastructure also needs revision in line with the proposed escalated development schedules.

#### 3.2.5.1 *Critical health and emergency service provision is missing or underrepresented*

With the redevelopment of the Ryde Hospital, it was assumed in the SISA that an increase in the demand for services for 4,400 dwellings could be accommodated in the upcoming redevelopment of the hospital. With more than doubling the projections used for that assessment, it is unlikely that the planned redevelopment would comfortably accommodate this increase in demand within benchmarked rates, meaning hospital capacity limits may be exceeded.

Similarly, in assessing Ambulance, Police, Fire and other emergency services, including station needs, a 37% increase in incidents was used as the baseline for projections in the SISA. This would need to be substantially increased in line with the population increase and respective demands for these services. Additional factors, such as the displacement effect, need to be considered in relation to increased crime, alongside the demand and need for emergency services.

The expectation that the existing and currently planned services will meet the needs of the new targets assumes that current services are not already at or over capacity. Given the infrastructure backlog discussed previously, this assumption needs to be revised, leaving the planned community with inadequate access to essential services.

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

#### *3.2.5.2 Schools Infrastructure NSW will not be able to meet the needs of an increased population*

Schools Infrastructure NSW (SINSW), as part of the Macquarie Park Education Campus, identifies the delivery of a new primary school and a new high school to meet the needs of a growing population. The project forms part of a broader strategy of investment in the Ryde area to cater for predicted enrolment growth.

The investment also includes Midtown Macquarie Park's new primary school and an upgrade to Ryde Secondary College.

The schools planned for the MPID are already at capacity given the developments that are already underway.

There are inconsistencies between the Infrastructure Delivery report prepared for this rezoning and what SINSW have proposed in regard to a number of students across the schools. The infrastructure delivery report states: "A project is underway for a new primary school in Midtown Macquarie Park to meet anticipated enrolment growth in the area. The school will accommodate around at least 1,000 students from Kindergarten to Year 6 and is anticipated to be completed during 2026."

SINSW's information pack from May 2023 and currently on the website regarding the same school states that the school will cater up to 750 students, which is in line with the submission for the school development made to CoR earlier this year.

These new proposed schools are reliant on shared open space within the new development areas or public open space areas nearby (e.g., Council's parks) to be used by the students. There is minimal to no open space provided as part of the delivery of these schools for students to use. This is a poor planning outcome.

#### **3.2.6 Impact on infrastructure**

The proposed increase in the number of residential residents in MPID will put tremendous strain on the infrastructure and services that are already in place and at capacity in some areas where development is already underway. The Rezoning Proposal's increase in population and density will increase the gap between supply and demand for infrastructure.

With \$438.5 million set aside for infrastructure development, the Rezoning Proposal seeks to meet this expanding need. Although the current development contribution plan allocates circa \$300 million, the proposed infrastructure delivery plan has a number of projects that have been moved from CoR's current 7.11 contribution plan, which did not account for the growth and loss of commercial proposed under the current rezoning.

In addition to the moving of projects that have already been identified, there needs to be more clarity around the funding sources, and project timelines for government-led initiatives. Additionally, the reliance on the HPC raises concerns about the allocation of funds, with the projected \$126.5 million collected from the Rezoning Proposal being pooled to fund infrastructure for Greater Sydney without a clear allocation of funding for MPID's infrastructure.

**ITEM 11 (continued)**

**ATTACHMENT 1**

**Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID**

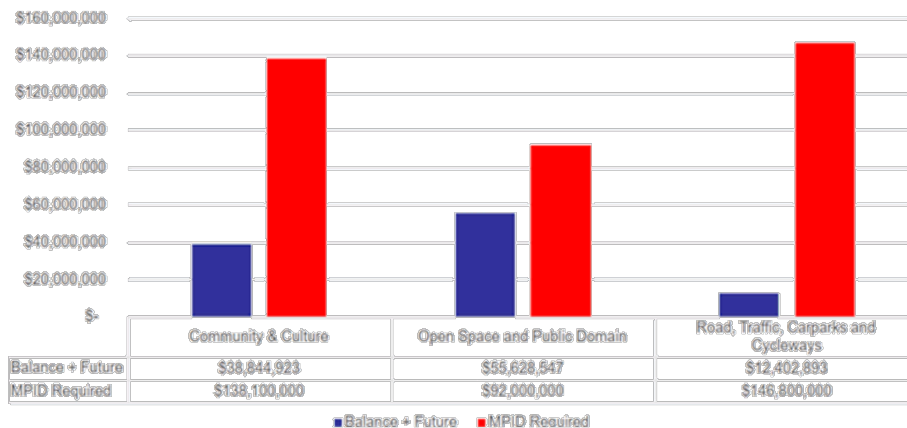
The Rezoning Proposal indicates that \$438.5 million of infrastructure works will be funded by the CoR. With the potential of the Rezoning Proposal delivering an additional 17,496 new residents (on top of the existing dwelling approvals catering for a further 24,185 residents), there needs to be more infrastructure planned or in place to support that community.

CoR's existing development contribution plan allowed for circa \$300 million of the \$438.5 million of infrastructure works without the Rezoning Proposal, identifying MPID as an Innovation District continuing to serve as a commercial employment core.

There are a number of concerns with the infrastructure delivery identified as part of the Rezoning Proposal, specifically:

- The cost estimates for some of the major projects included are far lower than the true cost of construction for projects of a similar nature, particularly if the cost escalations for construction post-2021 are taken into account.
- The infrastructure delivery schedule identifies Local, State, and Federal Governments responsible for the delivery of the infrastructure works without any clear outline of the funding sources for these projects.
- The funding mechanisms identified do not align with the outlook of what CoR is projecting as part of the rezoning. The graph below represents the sum of the balance and future contributions, based on developments that CoR is aware of, versus the infrastructure that is required to be delivered by CoR under the Rezoning Proposal.

*Graph 2 - Balance of current and future contributions Vs CoR's infrastructure costs under the Rezoning Proposal*



- Any major infrastructure, such as those listed in the previous section that are the responsibility of the NSW Government, may never be delivered as part of this proposal. Based on the lack of State infrastructure provision for existing development, it is anticipated that **the community could be waiting more than 15–20-years** before any of the projects identified through the latest SISA are actioned, increasing pressure on the existing infrastructure.

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

- The additional infrastructure to be delivered under this plan requires ongoing maintenance by CoR and replacement or renewal into the future. **This cost will be borne by the ratepayers**, which, as demonstrated through the BTR modelling in the next section, puts extra pressure on the ratepayers across the Ryde LGA.
- The allowance of BTR in MPID's commercial core **adds a minimum of 10,886 people** to the residential growth identified in the Rezoning Proposal. There is no extra provision for infrastructure identified for any of these additional people, putting greater pressure on existing infrastructure, leading to increased maintenance and replacement at an added cost to the CoR and its ratepayers.
- Proposal of infrastructure funded through the HPC amounts are paid into a Housing and Productivity Fund containing contributions from developments across the Sydney region.
- The amounts proposed to be collected starting from June 2025 are circa \$126.5 million as per the *Infrastructure Delivery Plan*, with these funds going into a pool that can be used by the government across the Greater Sydney region, with **no guarantee for these funds to be reserved for MPID**.
- The \$126.5 million projected to be collected and pooled into the greater Sydney fund represents **19% of the circa \$681.6 million of infrastructure works flagged to be funded just for the Rezoning Proposal** that is to be partly funded by the HPC contributions.
- The Infrastructure Delivery Plan makes a note stating that "The amounts shown are an estimate of payments into the Fund and they do not represent the funds available to deliver Macquarie Park Corridor regional infrastructure."

#### *3.2.6.1 Rezoning Proposal to reduce capital contribution required to deliver critical infrastructure promised by the government.*

As per the *Macquarie Park Corridor Infrastructure Delivery Plan*, there is mention that developers can pay either Section 7.11 or Section 7.12 contributions. Section 7.11 contributions are calculated with different rates based on the composition of dwellings within the development; however, Section 7.12 contributions are generally restricted to a maximum of 1% of the cost of development.

If the CoR seeks a levy higher than 1% and up to 3%, it must satisfy certain conditions. Any levy higher than 3% is subject to approval from the Independent Pricing and Regulatory Tribunal (**IPART**) as well as Ministerial approval. This approval process will likely take at least two years and the determination cannot be applied retrospectively.

The *Infrastructure Delivery Plan* prepared as part of the Rezoning Proposal identifies that the 7.12 contributions recommended to replace the 7.11 as part of the MPID would require a minimum of 4% levy to cover the cost of the infrastructure identified as part of the \$438.5 million contained in the report.

The calculations below show the difference in developer contributions by levying Section 7.11 versus the proposed levying Section 7.12 contributions on the cost of



**ITEM 11 (continued)**

**ATTACHMENT 1**

**Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID**

development ranging between 1% to 4%. An application of Section 7.12 contribution between 1-3% will not provide sufficient funds to CoR to deliver critical infrastructure identified as part of the report, with a levy at 4% bringing the contributions for delivery of infrastructure in line with the expectations of the infrastructure report as part of this rezoning.

*Table 2 – Current 7.11 local contribution plan for properties in Macquarie Park*

S7.11	STUDIO	ONE	TWO	THREE	TOTAL	\$Contribution
<b>Property 1</b>	43	204	237	24	<b>508</b>	\$ 9,300,017
<b>Property 2</b>	192	167	343	34	<b>736</b>	\$ 13,506,080
<b>Property 3</b>	126	167	195	25	<b>513</b>	\$ 9,349,667
						<b>\$ 32,155,764</b>

*Table 3 – Proposed 7.12 local contribution plan comparison for properties in Macquarie Park*

S7.12	Cost of Development	1%	2%	3%	4%
<b>Property 1</b>	\$ 303,145,000	\$ 3,031,450	\$ 6,062,900	\$ 9,094,350	\$ 12,125,800
<b>Property 2</b>	\$ 434,865,121	\$ 4,348,651	\$ 8,697,302	\$ 13,045,954	\$ 17,394,605
<b>Property 3</b>	\$ 305,293,776	\$ 3,052,938	\$ 6,105,876	\$ 9,158,813	\$ 12,211,751
		<b>\$ 10,433,039</b>	<b>\$ 20,866,078</b>	<b>\$ 31,299,117</b>	<b>\$ 41,732,156</b>
<b>POTENTIAL INCOME DIFFERENCE (s7.11 Vs s7.12)</b>		<b>(\$21,722,725)</b>	<b>(\$11,289,686)</b>	<b>(\$856,647)</b>	<b>\$ 9,576,392</b>

**3.2.6.2 BTR – Increasing demand and pressure on Council infrastructure and reducing Council revenue.**

In addition to the lack of infrastructure planning as part of the rezoning, BTR developments allowable in the commercial core will increase the demand and pressure on infrastructure – an increase that is not planned for or being delivered as part of this Rezoning Proposal.

The financial implications from the BTR developments will create a burden on existing infrastructure and services, requiring cuts to services and projects to accommodate the increased population. One alternative would be an increase to general rates or a Special Rate Variation (SRV) across the existing Ryde LGA to recoup the future income loss from the BTR rates, as CoR will not be able to sustain these impacts from future BTR developments. This means the existing and future populations outside the BTR would be subsidising those residents for infrastructure, open space, and local community services.

This increase in expenditure without sufficient rates income will otherwise mean a cut to existing services or projects. If CoR were to have to cut asset renewal projects, it would not achieve its *Asset Maintenance Ratio and Asset Renewal Ratio*

**ITEM 11 (continued)**

**ATTACHMENT 1**

**Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID**

each year. It would ultimately result in an accumulation of infrastructure backlogs which would deem CoR financially unsustainable and not 'Fit for the Future'.

For CoR to understand the potential impact of commercial properties converting into BTR, CoR has modelled its assumptions on a case study of an existing development that initially was proposed as a commercial property in 2016 but later was redeveloped into 695 residential units under a strata plan in 2019 within MPID.

In this redevelopment, the land value increased from \$10.8 million to \$157 million as the Valuer General recognised the "highest best use" of the property.

*Table 4 - Change of use from commercial to residential*

Property 1, Macquarie Park	Land Value 2022	Ordinary Rates (Inc Infrastructure & Enviro Levy)	Macquarie Park Special Rate	Total Rates (Ordinary + MPSSL)
Business	\$ 10,818,056*	\$ 44,181	\$ 7,941	\$ 52,122
Residential	\$ 157,000,000	\$ 595,717	\$ 0	\$ 595,717
<b>Resulted in an increase in rates per annum</b>				<b>\$ 543,595</b>

*\*Business land value has been forecasted to 2022 based on similar business properties in precinct.*

The overall rates increased by \$543,595, which would assist in funding the new demand placed on CoR's existing infrastructure and services.

In the example above, the redevelopment is considered build-to-sell where the property was subdivided into separate lots under a strata plan. This means each unit is rated separately. In the case of BTR, as per the Housing SEPP, the property is not permitted to be subdivided into separate lots. As a result, CoR will not be able to rate each unit separately and will only be able to rate the property as one assessment.

Using the same Property 1 as an example from Table 4 above, if subdivision is not permitted for BTR developments, this would mean CoR will have to rate the property as one assessment.

*Table 5 - Residential Build-to-Sell Vs Built-to-Rent*

Property 1, Macquarie Park	Land Value 2022	Ordinary Rates (Inc Infrastructure & Enviro Levy)	Macquarie Park Special Rate	Total Rates (Ordinary + MPSSL)
Residential – 695 Units separately rated	\$ 157,000,000	\$ 595,717	\$ 0	\$ 595,717
Residential – Rated as one assessment	\$ 157,000,000	\$ 92,063	\$ 0	\$ 92,063
<b>Results in a DECREASE in rates per annum</b>				<b>(\$503,654)</b>

**ITEM 11 (continued)**

**ATTACHMENT 1**

**Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID**

As detailed in Table 5, the BTR scenario would result in a decrease in rates income of \$503,654 (in fact, it only provides about \$40,000 more than the commercially rated property) which would be financially unsustainable for CoR to meet the increased demand for and on infrastructure and services for this increase in population.

The example below widens and demonstrates the impact on rates for three properties that CoR is aware that are now proposed to be converted from commercial to BTR developments within the MPID.

Table 6 – Impact of BTR on Council rates

Current Business Rates	Land Value 2022*	Total Rated as One Residential Assessment	Initial Loss of Income	Total Residential units Rated Separately	Future Lost Income for Council
A		B	B-A	C	B-C
\$140,843	\$114,756,835	\$67,344	(\$73,499)	\$435,431	(\$368,087)
\$194,127	\$166,261,871	\$97,483	(\$96,644)	\$630,861	(\$533,378)
\$113,961	\$115,886,331	\$68,005	(\$45,956)	\$439,717	(\$371,712)
<b>\$448,931</b>		<b>\$232,832</b>	<b>(\$216,099)</b>	<b>\$1,506,009</b>	<b>(\$1,273,177)</b>

Across the three properties, the change from business property to residential will result in an initial loss of \$216,099. As the BTR units will not be able to be rated separately, there will be a **future loss of rates income of \$1,273,177 per annum.**

It is important to note that the annual IPART Rate Peg will compound this loss. Assuming an annual IPART Rate Peg of 4% over 10 years this will amount to a **loss in future income of \$15,285,899** for just the three properties used in the example. The impact of the Rezoning Proposal and the introduction of BTR is estimated to have a **cumulative loss impact of over \$80 million** on CoR's rates income over a period of 15 years.

**3.2.7 Impact on built and natural environments**

The Rezoning Proposal's Design Guide's vision of "seven interconnected but distinct neighbourhoods that are distinguished by a high-quality, well-designed, safe, and liveable urban environment that reveal Country..." is not clearly articulated in the introduction or through design controls.

The following section of this submission outlines the impact and concerns related to the *Urban Design Framework* for the MPID rezoning, particularly focusing on the approach to planning for jobs and innovation, reshaping the urban structure and built form, and creating open spaces and movements associated with activation and placemaking.

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

#### *3.2.7.1 Block restructuring*

The MPID is characterised by a widely spaced road network and large urban blocks. This structure was designed to accommodate large commercial and manufacturing uses in the 1960s and 1970s, prioritising vehicular access and connectivity. MPID's location along major arterial roads has made it suitable for a range of industries.

The large block structure of much of MPID is inconsistent with the proposed desire to create a mixed-use precinct incorporating BTR residential uses among existing commercial activities. The limitation of the rezoning demonstrates that much of the land in the Rezoning Proposal is better suited to the retention and intensification of existing mid-large, specialised commercial, research and manufacturing uses.

CoR's concerns include:

- Neither the *Urban Design Framework* or the *Design Guide* provide sufficient evidence that the proposed block structure can support the creation of high-quality mixed-use development incorporating BTR residential, let alone how BTR will interface with existing and proposed commercial, industrial, and manufacturing uses.
- The proposed network of inactive through-site links is at odds with the street activation approach and the vehicular demands of industry in the precinct. Should increasing the density of the street network be desirable, through-site links could be reimagined as vehicular service laneways, resolving some of the conflicts between pedestrians and vehicles – fostering further economic diversification and activity in the precinct.
- Uncoordinated development of residential and commercial uses in a precinct that also includes light industrial and manufacturing uses presents a considerable risk to pedestrian safety and resident amenities. The Framework offers no solutions to these tensions created by the proposed form of urban renewal. These shortcomings can be overcome by consolidating residential areas to provide amenity, activity, safety, and connectivity for residents.
- The Rezoning Proposal indicates several instances where proposed roads and through-site links do not align. The proposed road structure will create complexities in managing traffic and pedestrian movement, compromising the legibility of the urban precinct by limiting view corridors.
- The Rezoning Proposal pays little attention to the fact that the arterial road network, namely Epping Road and Lane Cove Road, are already at 'peak' congestion, especially at peak hour times. Vehicular access to this arterial road network from the newly created roads will be restricted, likely leading to an effect where residents will be 'stuck' in their basement carparks and driveways in morning peak hour periods.

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

#### *3.2.7.2 Active street frontages*

The Rezoning Proposal contains the *Proposed Active Street Frontages Map*. This map shows active street frontages along most block edges. The proposed active street frontages are a considerable departure from the character and current operation of the commercial core.

These active street frontages are not supported by the illustrative built form in the *Urban Design Framework* and are ambivalent to the *Structure Plan's* proposed activity hubs. The Rezoning Proposal also does not provide guidance as to how active street frontages will be achieved through the uncoordinated development of this precinct.

Regardless of the tensions between the Framework, *Design Guide*, and Rezoning, the feasibility of proposed active frontages is questionable considering the:

- Precinct's proximity to Macquarie Shopping Centre, which is a regional shopping centre with a considerable range of retail, food and beverage and entertainment options.
- Scale of development proposed will require large areas at street level for plant, loading and parking. This will contribute to large inactive stretches along the public domain. This is not currently addressed in the *Design Guide*.
- Success of active frontages will rely on the concurrent redevelopment of multiple blocks to create an environment that is attractive to ground floor retail and commercial uses. Redevelopment, in this instance, is likely to be incremental and uncoordinated, creating incoherent and poor-quality environments that risk the viability of ground-floor retail and commercial uses.
- Data centres will create inconsistent and incoherent streetscapes and noise that are not conducive to street activation.

Additionally, the *Design Guide's* section 5.2, provisions 1a and 1b and the *Building Setbacks Map* are inconsistent with the *Active Street Frontages Map*. For example, the Building Setbacks Map in the Design Guide requires a 10m setback to Waterloo Road. However, blocks adjoining this road are identified as having active street frontages in the Rezoning Proposal. The Design Guide specifies a zero-setback requirement for primary active frontages. The substantial setback to the street is not conducive to facilitating active frontages, and therefore, the Rezoning Proposal and Design Guide contradict each other. The Urban Design Framework offers no indication of how this tension is to be resolved. How active street frontages are to be defined and provided, given the proposed setbacks, needs to be clarified in the revised Design Guide.

## ITEM 11 (continued)

## ATTACHMENT 1

### **Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID**

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#### 3.2.8 Impact on productivity and economic diversity

MPID makes the second highest annual contribution to NSW Gross State Product after the Sydney CBD (estimated at more than \$10 billion in 2023<sup>33</sup>) and is home to approximately 60,000 workers<sup>34</sup> from across NSW (with the *Macquarie Park Place Strategy* provisioning for a further 20,000+ workers by 2036).

The Rezoning Proposal's *Economic Impact Assessment* is not a comprehensive economic impact assessment. It fails to evaluate the value of MPID's economy and the role of innovation in the broader NSW and Australian economies. Its focus is largely on the economic impacts associated with construction activity, the commercial office market, and the value of residential development.

CoR acknowledges that increased residential presence in MPID can play a significant role in enhancing vibrancy and reducing operating risks for the hospitality and retail sectors – sectors that benefit from daytime and nighttime trade. However, residential development needs to be delivered in a format that minimises tensions that can be created through the co-location of commercial and residential development and the non-compatibility of certain innovation practices with residential development (e.g., 24-hour operations, laboratories, manufacturing).

If the Rezoning Proposal was to proceed, it could lead to:

- A loss of the innovation ecosystem – established in MPID over the past 50+ years, globally recognised as a thriving innovation ecosystem, particularly around life sciences.
- Job losses – replacing commercial spaces with residential development will likely force businesses to relocate elsewhere, including out of Sydney and potentially out of NSW/Australia.
- Decreased property values – although residential developments can increase property values, the loss of innovation spaces can damage the character and brand of residential and commercial development, leading to a perceived loss of innovation potential, thus potentially decreasing property values and affecting homeowners and investors negatively.
- Innovation drain – without dedicated spaces for innovation, talented individuals and innovative companies may seek opportunities elsewhere, including outside of Sydney, NSW, and Australia. The loss of these individuals and companies would lead to an 'brain' drain from the region, with the loss of intellectual capital further impacting MPID's long-term competitiveness and growth prospects as a globally competitive innovation district.

### **3.3 What are the other strategic impacts of DPHI's Rezoning Proposal?**

#### 3.3.1 LGA-wide impact on planning for infrastructure

The Rezoning Proposal proposes to use a 7.12 local infrastructure contribution mechanism, moving away from the current 7.11 local infrastructure contribution in place for MPID. The proposed 7.12 plan will apply a 4% local infrastructure

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<sup>33</sup> *REMPAN Economy, 2024. Data based on: ABS 2021 Census Place of Work Employment (Scaled)*

<sup>34</sup> *REMPAN Economy, 2024. Data based on: ABS 2021 Census Place of Work Employment*

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

contribution amount on the Capital Investment Value (**CIV**) of the development. This 4% contribution levy is proposed to apply only to residential accommodation and mixed-use development within MPID, with "Other development" only levied at 1.5% of the CIV.

There is a possible impact to CoR moving from a 7.11 to a 7.12 local infrastructure contribution plan without being able to identify the additional infrastructure required as part of this Rezoning Proposal, in addition to the infrastructure projects for MPID already listed in CoR's current 7.11 plan.

Without the increased % of 7.12 contribution being approved prior to the Rezoning Proposal, infrastructure identified as part of CoR's responsibility to be delivered would need to be assessed against priority infrastructure projects across the Ryde LGA to ensure a nexus is maintained between developer contribution expenditure and infrastructure priorities that are required in areas of increased densities. Currently, the Ryde LGA is experiencing an increase in development, with areas such as Meadowbank, Gladesville, Eastwood, and MPID requiring infrastructure that is planned to be delivered as part of the current 7.11 contribution plan.

#### 3.3.2 Impact on long-term financial sustainability

The Rezoning Proposal identifies approximately \$438.5 million of infrastructure to be funded by CoR, including land acquisitions for road widening within certain areas of the precinct. In addition, the HPC funding is expected to collect circa \$126.5 million from the projected developments as part of the Rezoning Proposal, with the estimated cost of infrastructure attributed to funding from the HPC at an estimated \$681.6 million, including other General NSW Government funding.

The Rezoning Proposal's *Infrastructure Delivery Plan* identifies several CoR funding streams for the delivery of the identified infrastructure works. Of specific note is the Plan's identification of developer contributions to CoR as the main source of funding. CoR's modelling indicates that developer contributions under DPHI's Rezoning Proposal will not be enough to cover the infrastructure promised.

There needs to be more funds available for CoR to take on board the additional maintenance, replacement, or renewal of infrastructure. In addition, CoR's modelling of BTR rating structure projects that CoR will miss out on over **\$80 million in rates over 15 years**. These funds are critical to providing, maintaining, replacing, and renewing the infrastructure required by BTR tenants.

Without a revised approach to the BTR rating structure, the alternative would be an increase to general rates across the existing Ryde LGA to recoup the future income loss from the BTR rates, as CoR will not be able to sustain these impacts from future BTR developments.

If CoR were to cut the asset renewal projects, it would not achieve its *Asset Maintenance Ratio and Asset Renewal Ratio* each year. It would ultimately result in an accumulation of infrastructure backlogs, which will deem CoR financially unsustainable and not 'Fit for the future'.

## ITEM 11 (continued)

## ATTACHMENT 1

Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

### 4 Striking the Right Balance: CoR's counterproposal

Striking the right balance could deliver up to:

- **38,026 new dwellings across the Ryde LGA**, homes for approximately 82,136 new residents – in addition to Ryde's existing population of 131,122<sup>35</sup> people.
- Space for **41,069 new jobs across the Ryde LGA** – in addition to Ryde's existing 91,764<sup>36</sup> jobs.

#### 4.1 Overview

CoR wants to strike the right balance in MPID – delivering on the promises of the employment zone reforms alongside the need to resolve the housing crisis rapidly. Delivering infrastructure and essential services alongside housing and employment opportunities.

CoR believes that it is imperative for policymakers across all levels of Government to design and implement strategic plans that strike the right balance by:

- Increasing the supply of housing (including diverse housing typologies)
- Improving the community's wellbeing (e.g., access to sports and recreational facilities)
- Improving social cohesion (e.g., the ability to connect with different communities)
- Improving access to essential services (e.g., health and education facilities)
- Delivering essential infrastructure in a timely manner
- Enhancing the built and natural environment
- Increasing employment opportunities, and
- Increasing productivity and economic diversity

Positively, CoR has a solution that, if supported by the NSW Government, could deliver more housing than what is proposed by the Rezoning Proposal alongside essential services, infrastructure, and employment opportunities.

#### 4.2 An LGA-wide response

As stated earlier in this submission, CoR acknowledges the current housing crisis and believes it can make a significant contribution to the provision of housing in a balanced way.

CoR staff have undertaken a desktop review of its different urban centres, including MPID, and believe that we have found capacity for up to 38,026 new dwellings in well-located areas. Importantly, these well-located homes leverage existing growth plans as well as the NSW Government's aspirations for Transport Oriented Development.

<sup>35</sup> *REMPAN Economy, 2024. Data based on: ABS 2021 Census Population*

<sup>36</sup> *REMPAN Economy, 2024. Data based on: ABS 2021 Census Employment*



**ITEM 11 (continued)**

**ATTACHMENT 1**

**Striking the Right Balance: CoR Submission to DPPI Rezoning Proposal for MPID**

It does not include the NSW Government's proposed changes to low- and mid-rise housing as the increase in density under CoR's proposal could be delivered in a planned manner that ensures new residents have access to jobs, infrastructure, and essential services.

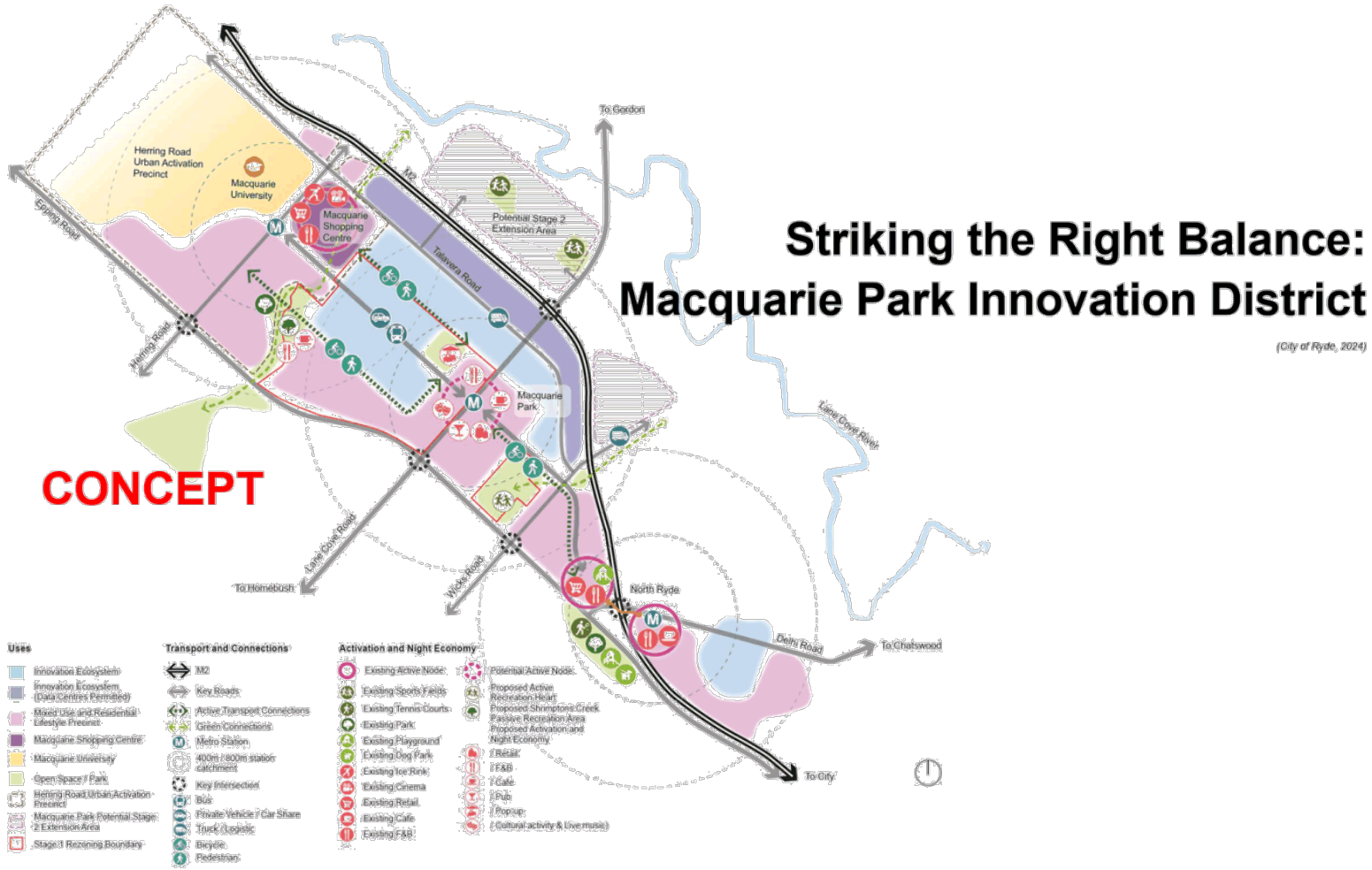
To demonstrate the potential location of these new dwellings, CoR staff have prepared concept maps (included on the following pages) for MPID, West Ryde-Meadowbank, and Eastwood. Importantly, readers will see that the concept maps include provisions for different types of densities alongside spaces for commercial operations, innovation spaces, data centres, and BTR.

**Please note:** This work is at the concept phase only; detailed analysis and stakeholder engagement are still required to understand the full potential of these development outcomes. CoR acknowledges that the Ryde community is yet to see these plans and is committed to progressing these plans in partnership with its community.

ITEM 11 (continued)

ATTACHMENT 1

Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID



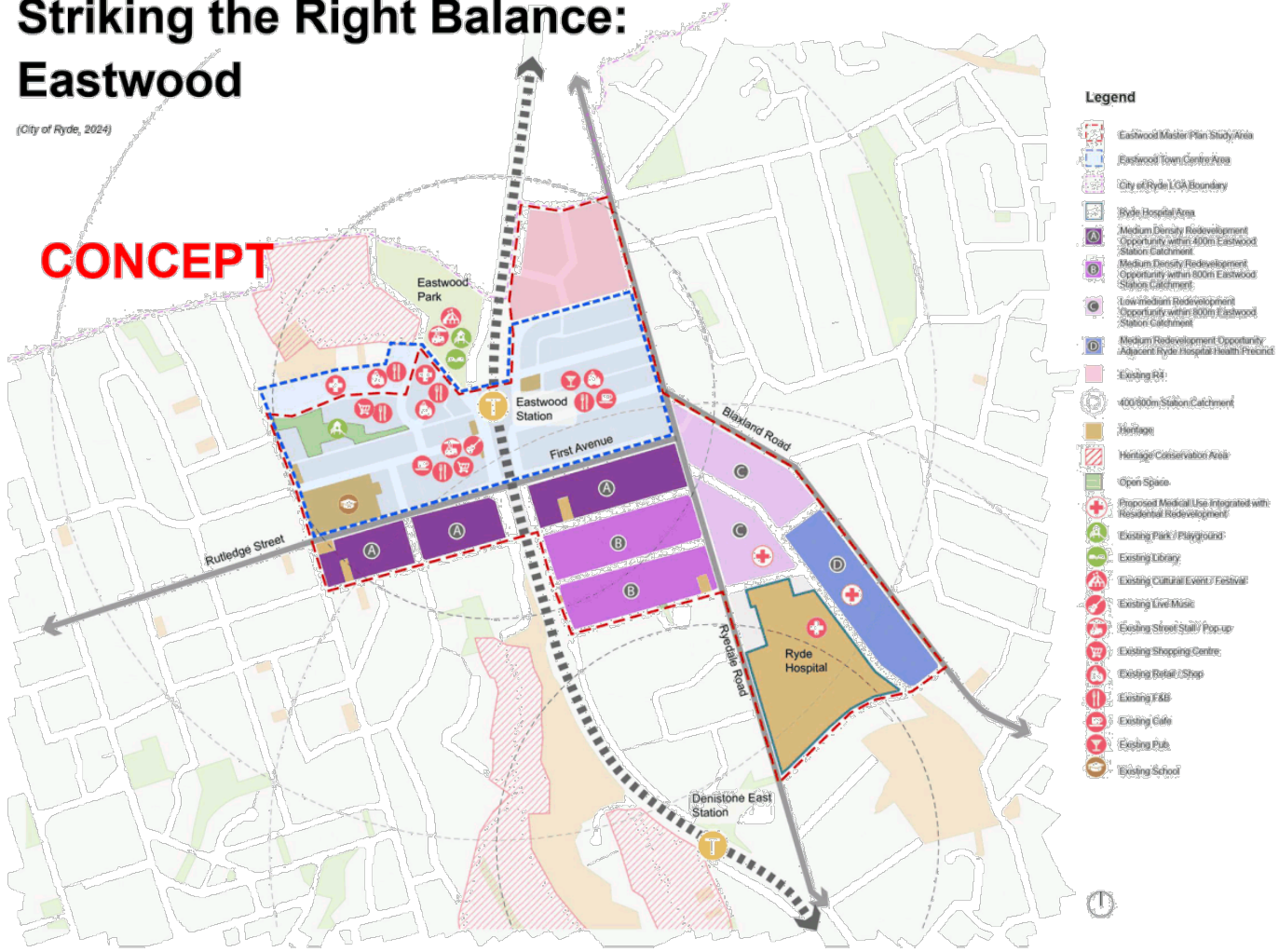
ITEM 11 (continued)

ATTACHMENT 1

Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

# Striking the Right Balance: Eastwood

(City of Ryde, 2024)

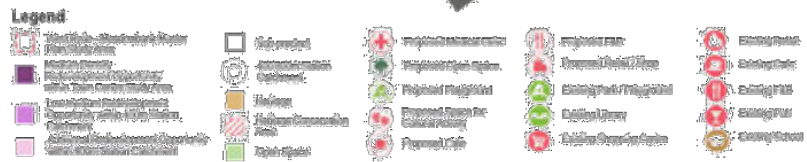
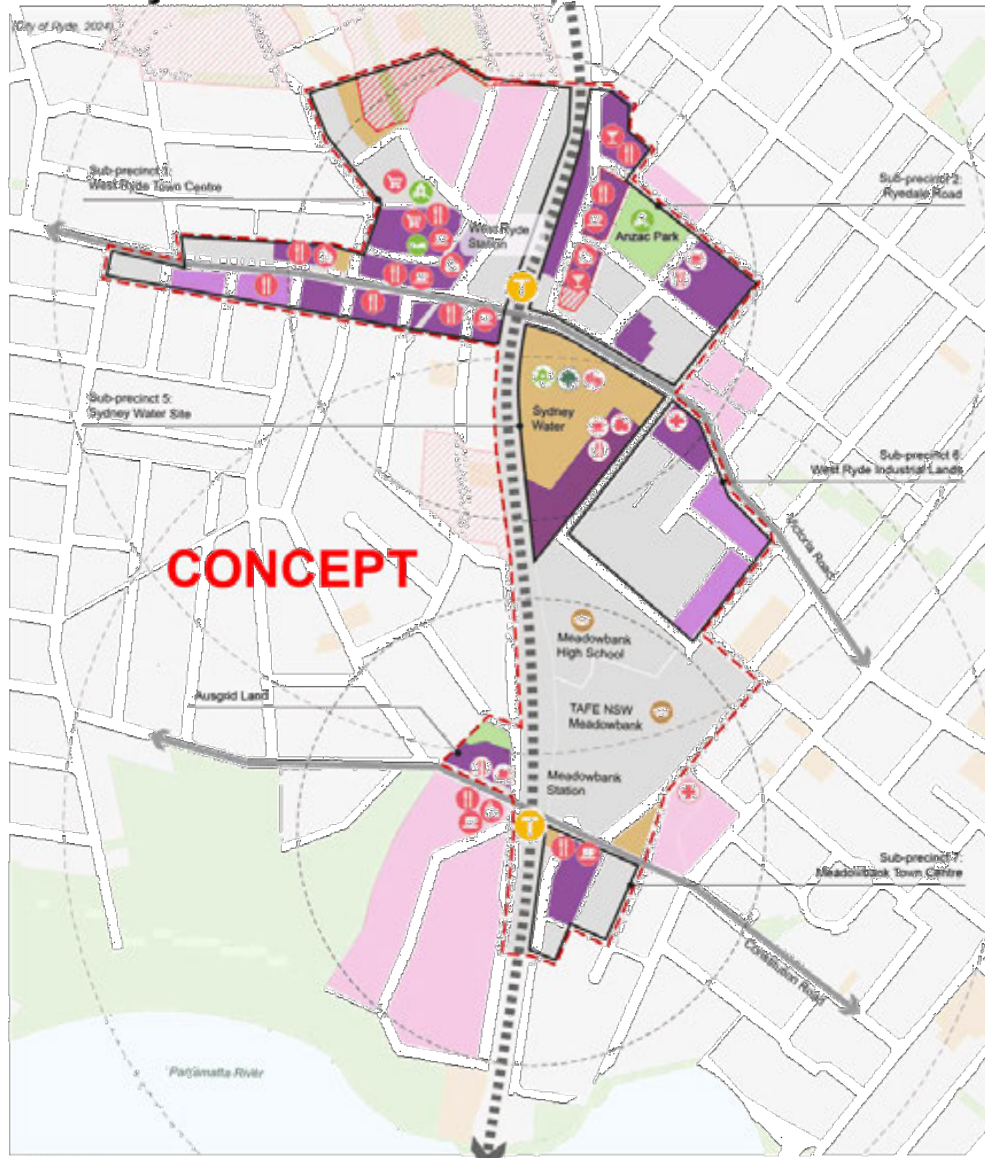


ITEM 11 (continued)

ATTACHMENT 1

Striking the Right Balance: CoR Submission to DPPI Rezoning Proposal for MPID

## Striking the Right Balance: West Ryde-Meadowbank



**ITEM 11 (continued)**

**ATTACHMENT 1**

**Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID**

**4.3 How does CoR’s counterproposal impact balanced outcomes in MPID?**

**4.3.1 Impact on housing**

CoR’s counterproposal seeks to build on the Rezoning Proposals ambitions to deliver more housing in well located areas, particularly in areas that would benefit from Transport Orientated Development. CoR’s concepts demonstrate a potential to replace deliver 42,100 new medium- to high-density dwellings across the entire Ryde LGA.

This change equates to delivering approximately 38,026 new dwellings for approximately 82,136 people – all in areas that have access to infrastructure like public transport, and essential services like schools and healthcare facilities.

Estimates only, the table below demonstrates the distribution of dwellings across the Ryde LGA.

*Table 7 - Distribution of dwellings under CoR Counterproposal (concept)*

Precinct	Town centre master plan comparison (Total dwellings)		
	Master plan in progress	TOD potential	Counterproposal
Macquarie Park Innovation Precinct	-	8,100	11,500
West Ryde - Meadowbank	4,000	8,500	10,000
Eastwood	8,000	8,700	13,900
Gladesville	-	-	6,100
Other areas in the LGA	-	-	600
<b>Total dwellings</b>	<b>12,000</b>	<b>25,300</b>	<b>42,100</b>

**4.3.1.1 Striking the right balance on Build-to-Rent**

CoR is not totally against BTR housing. It is a housing model that could accelerate the ability to place more roofs over more heads. However, the model receives considerable financial incentives that aren’t offered to employment uses, which is influencing a market response that will see BTR replace spaces for commercial operations within MPID. There is also a common misunderstanding that BTR delivers affordable housing. Council would rather see larger financial incentives provided for affordable and social housing.

**This cap would allow for approximately 4,210-6,315 new BTR dwellings across the Ryde LGA.**

BTR is not a panacea to the housing crisis, and therefore, a cap should be put in place on the delivery of BTR, particularly in economic centres such as the MPID. CoR staff suggest BTR be capped at between 10-15% of the dwelling capacity of its

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

counterproposal, with BTR only permissible in MU1 zones in MPID, Eastwood, and West Ryde-Meadowbank.

Given that BTR essentially falls under the category of "residential accommodation" in terms of land use, the Housing SEPP should be revised to mandate its permissibility wherever a "residential flat building" or "multi-dwelling housing" is permitted. This approach would help protect the character of economic centres across NSW.

CoR's preference is for BTR not to be permitted within the E2 Commercial Centre zones. BTR should be permissible for MU1 Mixed-Use zones - provided minimum commercial floor space requirements are met to achieve a balance between housing and employment opportunities. These commercial floor space requirements need to be reflective of economic centres – expanding beyond employment opportunities for small-scale retail and hospitality.

Furthermore, CoR's counterproposal calls for BTR housing to be delivered in a manner that meets existing design standards for Build-to-Sell developments (i.e., access to daylight). This design standard not only ensures residents are offered quality accommodations but also covers the future risk of the NSW Government allowing BTR housing in commercial cores to flip to strata and sell.

#### 4.3.2 Impact on employment

Residential development typically brings employment opportunities, particularly for population serving jobs in industries such as hospitality and retail. CoR's counterproposal reflects the potential increase in these industries, particularly through well-located density increases near existing economic centres with well-connected public transport services.

CoR's current resident-worker ratio is 0.7 jobs to every resident. CoR recognises that maintaining this ratio may not be realistic, particularly as the ways of working continue to evolve and baby boomers begin to retire from the workforce. As such, the counterproposal establishes a policy principle of one job for every two new residents – meaning 41,069 new jobs for the potential 82,136 new residents.

To ensure there are spaces for employment, CoR will continue to protect employment lands in MPID, Eastwood, and West Ryde-Meadowbank and work with developers across these areas to explore opportunities for mixed-use developments that sees a greater ratio of commercial spaces within residential developments (i.e., more than just a ground floor café).

CoR also recognises that residential growth will also lead to a growth in population serving jobs, particularly in the hospitality and retail sectors. CoR's counterproposal includes planning for each of its economic centres to become vibrant hubs that support 18-hour and 24-hour economies.

Beneficially, the protection of local jobs improves the viability of the retail and hospitality sectors by increasing the presence of consumers during the daytime (workers) and nighttime (residents).

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

#### 4.3.3 Impact on community wellbeing

CoR's counterproposal includes an improved provision of community facilities (planned as part of the development of master plans). Spreading residential development will improve the utilisation of the latent capacity of existing community facilities while also improving the design and delivery of future fit-for-purpose facilities.

Spreading development across the Ryde LGA will also improve community wellbeing through:

- **Reduced commuting times:** the counterproposal creates more opportunities for people to live closer to their workplaces, with easier access to employment opportunities. Reduced commuting times provide people with more time for leisure activities, family time, and community engagement.
- **Access to a broader range of jobs:** The counterproposal creates new and more diverse employment opportunities for residents, which can improve economic resilience and reduce the vulnerability of communities during economic downturns in any single industry or sector.
- **Enhanced access to services:** Detailed below, the counterproposal can improve people's access to essential services, such as healthcare and education. Communities benefit from a more equitable distribution of essential services, which leads to a better overall quality of life.

Community wellbeing will also be enhanced through the counterproposal's efforts to protect and enhance the built and natural environment and deliver other benefits linked to social integration and diversity and cultural and recreational opportunities (detailed below).

#### 4.3.4 Impact on social cohesion

CoR's counterproposal improves social cohesion for existing and future residents and workers. Striking the right balance between housing and employment in Ryde's economic centres can foster social integration and diversity, whereby people from different backgrounds live and work together.

Importantly, the master planning processes will protect and enhance public open spaces (e.g., parks, plazas, and community centres). These spaces act as a hub for social interaction, community events, and recreational activities, strengthening social cohesion among residents and workers – creating a sense of belonging.

Collaboration with the NSW Government will be critical to achieving social outcomes as a part of CoR's counterproposal. The renewal of MPID, Eastwood, and West Ryde-Meadowbank creates unique opportunities to:

- **Reduce segregation** – CoR is home to a diverse and multicultural community; however, there are growing pockets of segregation whereby cultures are beginning to clash. Renewal of these economic centres can create an opportunity to look at the built-form environment – buildings, open spaces, facilities, and infrastructure – and the role they play in creating open and cohesive communities.

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

- Enhanced accessibility – The renewal of these economic centres creates an investment opportunity to improve the accessibility of these centres for our diverse community.

Accessibility is more than removing barriers for people with an impairment or disability; it is about creating a safe and inclusive place for everyone. Accessibility also needs to consider factors such as age, and cultural and linguistic diversity.

If successful, social cohesion benefits also include improved resilience to social challenges such as crime, poverty, and social exclusion. By creating vibrant, well-balanced neighbourhoods with a strong sense of community, current and future residents will be better equipped to address and overcome social challenges through collective action and support networks.

The development of masterplans creates an opportunity to utilise inclusive planning practices – ensuring that essential services are designed and located based on the needs of all residents, including vulnerable people. Striking the right balance by delivering uplift across the Ryde LGA can improve the opportunity for establishing a more nuanced understanding of community needs, improving the targeting of interventions to address any disparities in services.

#### 4.3.5 Impact on essential services

The counterproposal does not deliver new essential services, although this would be welcomed through a collaborative effort with the NSW Government. What it does is improve the proximity of essential services to a growing population by distributing the population across the Ryde LGA where these services could be better utilised. Improving proximity removes major barriers to residents and workers by ensuring they have easy access to essential services like healthcare and education.

Improving access to essential services improves the quality of life for residents. Access to essential services is fundamental to wellbeing – schools provide education, hospitals offer healthcare, childcare facilities support parents, and emergency services ensure safety and security.

Distributing growth across the Ryde LGA can leverage the latent capacity of existing essential services and underpin future investment decisions for new schools, healthcare facilities, childcare facilities, and emergency services.

#### 4.3.6 Impact on Infrastructure Contribution Funding

The counterproposal seeks to amend the current 7.11 local infrastructure contributions, through the IPART review process. The proposal seeks to use an increased contribution amount per dwelling, based on the current 7.11 local infrastructure contributions of surrounding and similar Councils. This proposed increase to the current 7.11 local infrastructure contribution is modelled in Table 8, indicating a circa \$16 million increase in 7.11 local infrastructure contributions paid for the three example properties.

The counterproposal also models a 7.12 local infrastructure contribution of both 5% and 6%. This is above the 4% proposed by the *Infrastructure Delivery Plan* prepared as part of the Rezoning Proposal. However, based on the counterproposal 7.11 local infrastructure contributions modelling shown in Table 8 and 9, the 4% in 7.12 local



**ITEM 11 (continued)**

**ATTACHMENT 1**

**Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID**

infrastructure contributions proposed by the *Infrastructure Delivery Plan* would fall short of the contributions generated by circa \$6.7 million for the three properties in comparison to the increased 7.11 local infrastructure contributions modelled as part of the counterproposal.

This demonstrates that the counterproposals' figures from the increased 7.11 local infrastructure contributions can only be matched by 7.12 local infrastructure contribution of between 5% and 6%. This is shown in Table 9 which illustrates an increase of \$3.7 million at a 5% contribution and a \$14 million increase in contributions at 6% as proposed as part of the counterproposal 7.11 local infrastructure contributions shown in Table 8.

*Table 8 - Counterproposal 7.11 local contribution plan for properties in Macquarie Park*

S7.11	STUDIO	ONE	TWO	THREE	Current \$Contribution	Proposed \$Contribution
Property 1	43	204	237	24	\$9,300,017	\$14,195,000
Property 2	192	167	343	34	\$13,506,080	\$20,545,000
Property 3	126	167	195	25	\$9,349,667	\$13,685,000
					<b>\$32,155,764</b>	<b>\$48,425,000</b>

*Table 9 - Counterproposal 7.12 local contribution plan comparison for properties in Macquarie Park*

S7.12	Cost of Development	Proposed 7.12 Contribution Levy				
		2%	3%	4%	5%	6%
Property 1	\$303,145,000	\$6,062,900	\$9,094,350	\$12,125,800	\$15,157,250	\$18,188,700
Property 2	\$434,865,121	\$8,697,302	\$13,045,954	\$17,394,605	\$21,743,256	\$26,091,907
Property 3	\$305,293,776	\$6,105,876	\$9,158,813	\$12,211,751	\$15,264,689	\$18,317,627
Proposed 7.12 Collection		<b>\$20,866,078</b>	<b>\$31,299,117</b>	<b>\$41,732,156</b>	<b>\$52,165,195</b>	<b>\$62,598,234</b>
<b>POTENTIAL LOST INCOME (s7.11 Vs s7.12)</b>		<b>-\$27,558,922</b>	<b>-\$17,125,883</b>	<b>-\$6,692,844</b>	<b>\$3,740,195</b>	<b>\$14,173,234</b>

**4.3.7 Impact on infrastructure**

Like other impacts, the impact of CoR's counterproposal on infrastructure is largely related to the distribution of growth leveraging the existing latent capacity of infrastructure across the entire Ryde LGA. More infrastructure will be needed and delivered in partnership between CoR, the NSW Government, the private sector, and utility providers.

At a high level, however, the distributing growth and striking a balance between housing and employment could have significant implications for infrastructure, such as:

- Transportation infrastructure – striking the right balance would include increasing investment into transportation infrastructure, such as public transport networks, enhanced roadways, and active transport (bicycles, scooters, pedestrians). By distributing jobs and housing across the Ryde LGA, the counterproposal can help reduce congestion and improve access to employment, educational institutions and essential services.

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

- Utilities and services – distributing urban development will still require upgrades to utilities and services, such as water supply, sewage systems, electric grids, telecommunications networks, and stormwater. The benefit of distributing the urban development is that the scale and complexity of the upgrades will likely be reduced (when compared to intensive development) and better sequenced (i.e., delivered either before or alongside development rather than after development).
- Green infrastructure – striking the right balance emphasises the benefits of sustainable development practices, including the integration of green infrastructure such as green spaces, parks, and urban forests. These natural elements will not only enhance the aesthetic appeal of Ryde's economic centres but contribute to stormwater management, air purification, biodiversity conservation, and recreational opportunities.
- Smart technology integration – there is an opportunity in the development of Eastwood, West Ryde-Meadowbank and MPDI to deliver infrastructure that prepares the local economy for the twenty-second century. Redevelopment creates the opportunity to integrate smart technology into the built and natural environment – designed to enhance the wellbeing of residents, while also improving the productivity and creativity of workers. Smart technology integration could improve the liveability of the Ryde LGA for future generations to come.

#### 4.3.8 Impact on built and natural environments

CoR's counterproposal to strike the right balance between housing and employment can also deliver benefits to the built and natural environment, explored in more detail below. Striking the right balance can also help CoR and the NSW Government better manage demands on resources (e.g., energy and water) and the management of waste. It can also help in mitigating the impact of urban development on climate change by utilising State and CoR strategies that prioritise energy efficiency, carbon neutrality, and climate resilience to reduce greenhouse gas emissions and build adaptive capacity to withstand the impacts of climate change.

##### 4.3.8.1 Built environment

CoR's counterproposal will leverage:

- Infrastructure development – delivering infrastructure that can be utilised by both workers and residents, spreading the demand across the Ryde LGA and reducing, though not avoiding, the impact on already heavily utilised infrastructure.
- Mixed-use development – integrating residential, commercial, and recreational spaces to create vibrant economic hubs that are attractive to a broad range of residents, businesses, and workers.
- Urban design and architecture – influencing urban design and architectural choices to shape the character and aesthetics of the built environment to suit the local economy.

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

#### 4.3.8.2 *Natural environment*

CoR's counterproposal will seek to enhance the following:

- Native habitats – spreading urban development across economic centres creates more opportunities to enhance existing and deliver new habitats (i.e., through green corridors) for insects and wildlife critical to natural biodiversity.
- Water and air quality – delivering a balanced outcome for housing and employment can reduce air pollution caused by the transportation industry. It can also lead to a greater resilience of water and energy supplies by distributing growth across the Ryde LGA rather than concentrating it in MPID.
- Green open spaces – by incorporating the protection and enhancement of green spaces, parks, and natural corridors into master planning efforts, the counterproposal can help mitigate environmental impacts associated with intensive development.

#### 4.3.9 *Impact on productivity and economic diversity*

The driver of CoR's counterproposal is CoR's aspiration to see MPID prosper, experience long-term sustainable growth, and maintain its role as a globally competitive hub for innovation. The impacts of CoR's striking the right balance counterproposal on productivity and economic diversity include:

- Preserving MPID – by striking the right balance between housing and employment in MPID, CoR and the NSW Government can preserve its character as a hub for research, technology, and innovation. This would allow new and existing businesses, startups, and research institutions to continue operating without being encroached upon by residential developments – maintaining MPID's productivity and economic significance.
- Promoting economic diversity – striking the right balance and distributing housing and employment opportunities across the Ryde LGA would promote economic diversity – encouraging multiple industries to establish within the LGA. Economic diversity can improve the resilience of Ryde's broader economy, supporting smaller enterprises through to large multinational firms.
- Job creation – sustainable development that delivers housing and jobs across the entire Ryde LGA could stimulate job creation in multiple sectors, including construction, infrastructure delivery, healthcare, education, hospitality and retail. Dispersing housing and employment opportunities more evenly across the LGA could also help to improve workforce participation and enhance overall economic productivity.
- Investing in infrastructure – delivering housing and jobs across the Ryde LGA necessitates investment in infrastructure, particularly public transport, utilities, green spaces, and community facilities. This infrastructure not only supports the efficient movement of people and goods but also creates employment opportunities in construction and related industries, further contributing to economic productivity.

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

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## 5 Next steps

### 5.1 Accelerating the revision of master plans

CoR is currently developing master plans for the strategic town centres of West Ryde-Meadowbank and Eastwood. Like the NSW Government's *Macquarie Park Place Strategy*, the development of these plans is struggling to keep up with the massive pace of change impacting our society and our economy.

CoR is now exploring a more agile approach to the development of these master plans. This includes taking a whole-of-Ryde approach to meeting our community's expectation of achieving 'lifestyle and opportunity on your doorstep'. CoR's work will include consideration of new NSW Governments aspirations for:

- Employment land reforms
- Housing reforms (including Transport Orientated Development and increased densification in well-located areas)
- The delivery of the Meadowbank Education and Employment Precinct, and
- Broader reforms, including vibrancy and planning process reforms.

CoR is already beginning to accelerate the revision of master plans. We have established a new Office of the City Architect and are currently recruiting for a Chief Property Officer role. Part of the mandate given to these teams includes working with the NSW Government and local landowners to create mutually beneficial outcomes for the public and private sector – ensuring Ryde can grow in a planned and sustainable manner.

The introduction of these departments, reporting directly to the CEO, complements the recent establishment of the City Shaping department – a team of professionals focussing on the harmonisation of CoR's public-facing strategies to ensure those living and investing in Ryde have greater certainty around the City's future.

CoR will prioritise the completion of these master plans and would **welcome collaboration with the NSW Government to accelerate these plans**. This collaboration could include financial contributions, shared resources, and improved access to other State Government departments to improve State-led harmonisation in these plans (e.g., improving the planning, sequencing, and delivery of schools, hospitals, roads, and utilities).

### 5.2 Developing a Macquarie Park Innovation District Innovation SEPP

The innovation ecosystem has unique built-form needs. The building typologies differ from commercial office buildings (for example, they typically have higher floor-ceiling heights and are often only found in buildings lower than six-storeys. They provide spaces for research, laboratories, workshops, warehousing, advanced manufacturing, and assembly. There is a growing undersupply of these spaces in MPID (and potentially NSW). These spaces need to be protected, which requires a policy mechanism and an incentive for landowners to keep these spaces (instead of pursuing more lucrative residential or commercial developments).

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

CoR would like to work with the NSW Government to develop an Innovation SEPP to encourage the innovative delivery of mixed-use developments with an emphasis on enterprise, research, and development. The Innovation SEPP could include:

- Mechanisms that incentivise landowners to deliver spaces for innovation.
- Mechanisms to improve the ratio of commercial spaces to residential spaces in mixed-use developments.
- Mechanisms to minimise conflict between residential development and commercial activities that support an 18-hour and 24-hour economy (e.g., 24-hour manufacturing, 24-hour freight movements, hospitality venues, entertainment venues, and medical facilities).
- Mechanisms to deliver innovation spaces (e.g., laboratories, research spaces, warehousing and small-scale advanced manufacturing) underground in place of car parking spaces.

The successful application of the Innovation SEPP to MPID could act as a case for its application to a broad range of different-sized geographies across NSW, providing clarity and confidence to the private sector that the NSW Government is committed to protecting spaces for innovation.

### 5.3 Developing the Innovation Blueprint

In September 2023, the Minister for Innovation, Science and Technology, the Hon. Anoulack Chanthivong MP, announced the NSW Government's commitment to 'building an innovation sector that delivers for NSW'<sup>37</sup>. The announcement stated the key stakeholders will be consulted in the development of an Innovation Blueprint that will:

*"put us [NSW] in the best position to jump start innovation in new sectors and in important enabling technologies like quantum computing, artificial intelligence, data, cyber, sensors and robotic across all sectors like energy, advanced manufacturing, healthcare and agrifood, all of which will be part of our future economic growth."*

CoR has yet to be consulted on the development of the Innovation Blueprint, with the lead consultant developing the blueprint telling CoR staff that there are no plans to engage with CoR about MPID.

This feedback highlights an existing concern for CoR that departmental staff responsible for innovation at Investment NSW continue to ignore MPID, utilising a rhetoric of 'MPID is already an established innovation district'. This rhetoric was reinforced through the exclusion of MPID from their *Industry Development Framework*<sup>38</sup> – which focuses on the precincts of the Western Sydney Aerotropolis, Westmead Health and Innovation District, Tech Central, and Renewal Energy Zones.

<sup>37</sup> <https://www.nsw.gov.au/departments-and-agencies/enterprise-investment-and-trade/ministerial-media-releases/building-innovation-sector>

<sup>38</sup> <https://www.investment.nsw.gov.au/invest/how-we-can-help/priority-industries/nsw-industry-development-framework/>

## ITEM 11 (continued)

## ATTACHMENT 1

### Striking the Right Balance: CoR Submission to DPHI Rezoning Proposal for MPID

As highlighted in CoR's existing materials, a significant number of large, multi-national businesses have come and gone from MPID since its establishment. The rhetoric from Investment NSW staff ignores that they could have helped these businesses stay in MPID and potentially saved some of them from moving their operations outside of NSW.

For example, companies like Polestar, Volvo, and Fujitsu are currently in the transition out of MPID. CoR has been advised that while Fujitsu is downsizing and setting up an office within the Sydney CBD, Polestar and Volvo are likely relocating outside of NSW.

Furthermore, engagement with investment firms interested in the life sciences sector has highlighted that they need help to engage with the NSW Government. Their advice regarding the future life sciences potential of MPID doesn't appear to be heeded by departments such as DPHI and Investment NSW.

CoR has been leaning into investment attraction. At the time of writing this submission, it was in the process of recruiting a new Business Development Officer for MPID. It has also spent the last 12 months establishing meaningful relationships with international collaborators to establish Memorandums of Understanding that seek to unlock two-way trade and investment opportunities. CoR has progressed discussions with representatives from the Republic of Korea, Taiwan, and Japan, and will increase engagement with India, the United Kingdom, and the United States of America in 2024-25.

Furthermore, in 2024, CoR will enhance its engagement with regional NSW, seeking out new opportunities for collaboration in areas of national significance, such as defence and aerospace, AI and cybersecurity, hydrogen, and the energy transition.

CoR is calling for collaboration. The NSW Government must ensure the Innovation Blueprint has a focus on protecting and enhancing Australia's original innovation district. Investment NSW cannot ignore the critical role MPID plays in the NSW and Australian economies. Investment NSW staff need to reprioritise its efforts and begin to deliver for MPID; this includes involving CoR in the development of the Innovation Blueprint alongside:

- Improving the marketing and advertising of MPID to potential investors, particularly overseas investors
- Refraining from continuing conversations with current tenants around their possible relocation to one of the Industry Development Framework precincts instead of working with them to stay in MPID.

#### **5.4 Improving built form outcomes for BTR**

The NSW Government's policy settings for BTR provide several incentives that improve the financial returns for developers to deliver this type of housing stock. Unfortunately, one of the incentives is a compromise on the apartment design standards (e.g., compromised access to daylight).

**ITEM 11 (continued)**

**ATTACHMENT 1**

**Striking the Right Balance: CoR Submission to DPPI Rezoning Proposal for MPID**

The NSW Government should be creating a more balanced standard for apartment living – irrespective of whether the apartment was delivered as BTR or build-to-sell. People living in apartments already have to compromise on access to green open space. They shouldn't have to compromise on other essential amenities.

Removing this compromise is also critical should the BTR stock eventually be sold to the market. As noted previously, BTR stock may go unrented, placing pressure on the NSW Government to change the rules for BTR, allowing it to be sold. Having this type of housing stock coming into the market may place further pressure on the NSW Government to reduce the design standards for built-to-sell apartments.

CoR is calling for this change to be affected in the Housing SEPP. This design standard not only ensures residents are offered quality accommodations but also covers the future risk of the NSW Government allowing BTR housing in commercial cores to be sold off as traditional build-to-sell.

## ITEM 11 (continued)

## ATTACHMENT 2



Lifestyle and opportunity @ your doorstep

The Hon. Paul Scully MP  
Minister for Planning and Public Spaces  
GPO Box 5341  
Sydney NSW 2001

28 February 2024

Our Ref: D24/22858

Dear Minister Scully,

**Striking the Right Balance: City of Ryde Counterproposal to the Department of Planning, Housing and Industry's Stage 1 Rezoning Proposal for the Macquarie Park Innovation District**

Please kindly find attached the City of Ryde Council (CoR) submission to the Department of Planning, Housing and Industry's (DPHI) exhibition of the Stage 1 Rezoning Proposal for the Macquarie Park Innovation District (MPID).

I write to you now, on behalf of CoR, to seek your commitment to a genuinely collaborative and constructive approach to delivering housing in the Ryde Local Government Area (LGA). An approach that will strike the right balance between providing housing and spaces for jobs, as well as infrastructure and essential services.

By working together, with all of the Ryde LGA in mind, the NSW Government and CoR could immediately start to deliver up to:

- **39,326 new dwellings** across the Ryde LGA, homes for approximately 84,944 new residents – in addition to Ryde's existing population of 131,122 people.
- Space for **42,272 new jobs** across the Ryde LGA – in addition to Ryde's existing 91,764 jobs.

Importantly, delivering these dwellings and jobs can be achieved in a manner that strikes the right balance, ensuring the provision of housing is matched by the provision of employment opportunities, the timely delivery of infrastructure, and improved access to essential services like education and health care.

Striking the right balance can be achieved strategically, collaboratively, and democratically. Striking the right balance can set the new benchmark for how State and Local Governments can work together to tackle national issues at the State and local level.

Through genuine and constructive collaboration, CoR and the NSW Government could deliver significantly more housing than what is proposed by the Rezoning Proposal alongside essential services, infrastructure, and employment opportunities.

CoR proposes to achieve this by:

1. Accelerating the revision of master plans for West Ryde-Meadowbank, Eastwood, and the Macquarie Park Innovation District to incorporate CoR's commitment to deliver the community's vision for *'lifestyle and opportunity at your doorstep'* alongside the NSW Government's aspirations for:

Customer Service Centre  
1 Pope Street, Ryde NSW 2112  
(Within Top Ryde City shopping centre)

North Ryde Office  
Level 1, Building 6, RiverView Business Park,  
3 Richardson Place, North Ryde NSW 2113

Phone (02) 9952 8222 Fax (02) 8026 0887  
Email [cityofryde@ryde.nsw.gov.au](mailto:cityofryde@ryde.nsw.gov.au)  
Post Locked Bag 2069, North Ryde NSW 1670  
[www.ryde.nsw.gov.au](http://www.ryde.nsw.gov.au)  
ABN 81 621 292 810



**ITEM 11 (continued)**

**ATTACHMENT 2**

- a. Employment land reforms
  - b. Housing reforms (including Transit Orientated Development and increased densification in well-located areas)
  - c. The Meadowbank Education and Employment Precinct, and
  - d. Broader reforms, including other vibrancy and planning process reforms.
2. Contributing to the development of a new State-wide Innovation State Environmental Planning Policy (the **Innovation SEPP**) to encourage the innovative delivery of mixed-use developments in innovation districts, such as:
    - a. Mechanisms that incentivise landowners to deliver spaces for innovation.
    - b. Mechanisms to improve the ratio of commercial spaces to residential spaces in mixed-use developments.
    - c. Mechanisms to minimise conflict between residential development and commercial activities that support an 18-hour and 24-hour economy (e.g., 24-hour manufacturing, 24-hour freight movements, hospitality venues, entertainment venues, and medical facilities).
    - d. Mechanisms to deliver innovation spaces (e.g., laboratories, research spaces, warehousing and small-scale advanced manufacturing) underground in place of car parking spaces.
  3. Contributing to the development of the NSW Government's *Innovation Blueprint*, including the creation of financial incentives that make it easier for start-ups to stay, upscale, and commercialise their innovations in NSW.
  4. Supporting the NSW Government in its initiative to tackle the housing crisis, while ensuring the built form and type of development meets standards consistent with those set for residential dwellings.

Achieving the right balance is of paramount importance to addressing the housing crisis and fostering sustainable growth in Ryde and NSW. By strategically, collaboratively, and democratically striking this balance, CoR and the NSW Government can ensure the provision of housing matches employment opportunities, infrastructure delivery, and access to essential services.

I look forward to the opportunity for CoR to work more closely with the NSW Government in addressing your key priority area. Should you have any questions regarding this submission, please feel free to contact me via [waynery@ryde.nsw.gov.au](mailto:waynery@ryde.nsw.gov.au) or (02) 9952 8052.

Yours sincerely

Wayne Rylands  
Chief Executive Officer  
City of Ryde

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## 14 RYDE CENTRAL - PROPOSED OPEN SPACE

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**Report prepared by:** Project Director

**File No.:** COR2023/42 - BP24/120

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### REPORT SUMMARY

The Ryde Central site has been the subject of many years of planning to re-establish Council's civic and administrative presence on the site through development of a new administration and civic centre and enhanced community space. However, due to funding from the Ryde Central reserve being returned to the correct externally restricted reserves in accordance with the instructions of the Office of Local Government (OLG), Council at its meeting of 28 November 2023 resolved to defer the construction of any new civic building at this site until sufficient funding can be identified.

At a subsequent Extraordinary Council meeting of 23rd January 2024, Council resolved that staff explore options in the interim for the use of the Ryde Central site for public open space. Further, Council resolved that the "filling of the hole" should occur in this financial year.

Staff acknowledge that transforming the site for open space and recreational purposes will require filling of the existing excavation that resulted from demolition of the former Council building. It would likely also require a range of other civil and landscaping works, including retaining structures along the Devlin Street down ramp to Top Ryde City.

The broad scope of works contemplated by the above resolution is likely to include the following activities:

- excavation, removal, and disposal of all surface materials to prepare the site for filling and reshaping. This will be preceded by site contamination assessment to determine the nature and extent of the previously identified soil contamination, and appropriate remediation works to make site suitable for public recreation.
- preparation of plans for the park to understand the depth of fill required and construction of a retaining structure along the Devlin Street down ramp to Top Ryde City.
- importing certified clean fill material to fill the excavated areas, and provision of associated drainage and other underground civil infrastructure that would support a significantly sized park of approximately 1 hectare.
- provision of public amenities including infrastructure such as electricity, lighting, and water.
- provision of shared paths to improve access and mobility across the new open space.
- provision of landscaping comprising shrubs and trees across the entire site, including historic photographs for improved interpretation of the history of the site.
- renewal and upgrades to the existing car park to improve its condition and performance.

**ITEM 14 (continued)**

- installation of pedestrian safety fencing to address level drops along the boundary of the site, particularly along the Devlin Street frontage and to provide a safety barrier between the public carpark and traffic on Blaxland Road.

In view of the scale and nature of the land filling activities, Council's planning controls stipulates that proposed works will require development consent under the *NSW Environmental Planning and Assessment Act 1979* (EP&A Act). Consequently, the Development Application (DA) pathway is the overarching approval framework for the works, which will also determine the broad timelines for planning, design, and construction processes.

The following table provides a summary of the key project activities with corresponding timelines if Council was to undertake the above scope of works.

Key project activity	Duration	Estimated Finish Date
1. Engage a head consultant for all necessary design and planning activities (prepare tender brief, advertise tenders, evaluate tenders, and secure CEO approval).	3 months	May 2024
2. Undertake investigations and designs, consultations, develop remediation strategies, prepare Statement of Environmental Effects, and prepare Capital Expenditure Review.	4 months	Sept 2024
3. DA & CC Process (lodge DA, advertisement, assessment and determination by Sydney North Planning Panel, and secure Construction Certificate).	6 months	Mar 2025
4. Engage contractor for site works (prepare tender brief, advertise tenders, evaluate tenders, and secure council approval).	3 months	Jun 2025
5. Undertake remediation, civil and open space works required to deliver on Council's resolution for the delivery of an appropriate park that would meet the community needs.	6 months	Dec 2025

In view of the significant estimated timeframes associated with these works, as detailed in the above table, this report seeks clarification from Council as to whether they want staff to continue with the project activities required to deliver a park, as the Council resolution of delivering the park by the end of the 2023-2024 financial year is not possible. Further to this, based on the detailed cost plan developed as part of the 50% Design for the Ryde Central Project by Quantity Surveyors, it has been estimated that to construct this park will be in the vicinity of \$14 million.

**ITEM 14 (continued)**

**RECOMMENDATION:**

That Council:

- (a) Receives and notes that the delivery of a park at the Ryde Central Site (1 Devlin St, Ryde), including the land filling required, cannot be undertaken within the 2023-2024 financial year.
- (b) Receives and notes that the estimated cost to provide a park at the Ryde Central Site would be in the vicinity of \$14 million.
- (c) Provides the CEO with direction as to whether staff continue with work to deliver a public park at the Ryde Central site, having noted the estimated timeframe and associated costs.

**ATTACHMENTS**

There are no attachments for this report.

Report Prepared By:

**Raj Autar**  
**Project Director**

Report Approved By:

**Aneesh Zahra**  
**Chief Financial Officer**

## ITEM 14 (continued)

### Discussion

#### 1. Background

At the Extraordinary Council Meeting of 23 January 2024, Council considered a Mayoral Minute and resolved to:

- a) *reaffirm its commitment to undertake the Ryde Central project when suitable funds are available through prudent financial management, that ensure Council remains fit for the future and there are no adverse impacts on the provision of Council services and programs to the community.*
- b) *reaffirm its commitment to retain public ownership of the site.*
- c) *explore options in the short term for the use of the 1 Devlin Street site for public open space, achieved by filling the excavated area within this financial year and report back to Council on what is required to provide designs, cost estimates and feasibility of the required works, including a funding strategy.*
- d) *investigate how historic photographs and images can be incorporated into the design, to acknowledge and create awareness of the iconic history of the Ryde Central site.*

This report outlines the critical steps that will be required for the investigations, designs, approvals, and delivery of the works covered by this resolution. The report also provides indicative timeframes for the various activities as well as preliminary costs.

Council's planning controls stipulates that the proposed land filling works (refer photo below) will require development consent under the *NSW Environmental Planning and Assessment Act 1979* (EP&A Act).

Consequently, the Development Application (DA) pathway is the overarching approval framework for the works, which will ultimately determine the broad timelines for the planning, design, procurement, and construction processes. This will include a range of investigations, studies, and designs to inform and facilitate the DA process, as well as a range of approvals and concurrences from state agencies in relation to site remediation and Capital Expenditure Review.



**Figure 1 - Photo showing the basement of the former council building that is proposed to be filled.**

## ITEM 14 (continued)

### 1.1. Required scope of civil and landscaping works

#### a) Site remediation

The investigations undertaken to support previous design and development applications for the Ryde Central Project identified the presence of a range of contaminants within the site. The investigation report, prepared by Douglas Partners in May 2023, recommended the need for further detailed site assessments to determine the nature and full extent of all contamination. The contamination identified includes:

- General Solid Waste - as can be seen in the aerial below, due to demolition activities, onsite material has been mixed with concrete, bricks, metal and other foreign material, which is not suitable for use on site. Referred to as General Solid Waste, this material will need to be excavated and disposed to a licensed facility. Further, while grass has re-established over the open space adjoining the carpark, the underlying material still contains demolition waste, which will require removal.



Figure 2 - Aerial photo of Ryde Central dated 4 October 2021.

- Hydrocarbons - hydrocarbons exceeding health screening criteria were found at certain locations, which will require further assessment to determine its extent and appropriate remediation strategy. These hydrocarbons in soils relate to past industrial activities and incomplete combustion of petroleum products. Due to its harmful health effects, government agencies regulate concentrations of hydrocarbons in air, water, and soil.
- Asbestos - while asbestos in fill have not been identified in previous investigations, asbestos fragments have previously been found at the ground surface. The site history and presence of fragments of non-soil building debris (asphalt, ceramic, concrete, brick, metal, plastic, slag and terracotta) in the fill are both indicative of the potential of asbestos in the fill. As such, further detailed asbestos investigation is required to assess the presence of asbestos or to confirm that asbestos does not exist.

### ITEM 14 (continued)

The relevant extract from Douglas Partners Report is included as Appendix A. The photos below show typical condition and quality of material on site.



**Figure 3 - photos showing the presence of steel, bricks, plastics etc in soils.**

#### b) Onsite remediation and earthworks

Once a suitable Remediation Action Plan has been developed and accepted by relevant Authorities, the first stage of the earthworks will entail remediation of the site to address the identified contaminants. The available strategies include onsite cap and contain or offsite disposal, with all options subject to approval by the NSW Environment Protection Authority (EPA).

Following satisfactory completion and validation of the remediation works, site filling and regrading can commence to prepare the site for landscaping.

#### c) Building and ancillary works

Creating a fully functional open space for public recreation requires a range of supporting infrastructure for the safe enjoyment of the public space. The works will therefore need to include the provision of:

- public amenities including public toilets and water filling stations
- shade structures, lighting and signage
- water and electricity
- footpaths and shared paths
- pedestrian safety fencing

#### d) Landscaping works

The landscaping works will involve using elements of the landscape designs undertaken as part of the design work for Ryde Central Project. Historic photographs will be used to improve interpretation of the history of this site. In view of the lack of any trees on site, shade structures will be required to provide cover during extreme weather conditions.

**ITEM 14 (continued)****1.2. Design and approval process**

## a) Consultants

To facilitate effective delivery of proposed works, a range of specialist consultants will need to be appointed to undertake background studies, on-site investigations, develop designs, and for DA preparation and lodgement. Due to the estimated value of the required consulting services, this will very likely trigger a public tender process.

## b) DA process

The DA will need to be assessed by an independent planner. As Council is the landowner and the cost of the development is likely to exceed \$5 million, the DA will be determined by the Sydney North Planning Panel.

## c) Preliminary Business Case - Capital Expenditure Review

The Office of Local Government requires that councils undertake a Capital Expenditure Review (CER) before committing to such major capital projects. The CER directions stipulate that before undertaking a capital expenditure project, a preliminary business case must be prepared to determine whether the proposal is necessary, consistent with council's community strategic plan, delivery program and operational plans, offers value for money and that council has the capacity to deliver and maintain their current and future community services in the long term. It adds that council must demonstrate that its decision to carry out the capital expenditure is based on sound strategic and financial planning, supported by valid data and research; and that it reflects the views, priorities and objectives of the broader community.

Consequently, following completion of designs and costings, a Preliminary Business Case will need to be prepared to inform the capital expenditure review. However, this review can be undertaken concurrently with the DA assessment process. The CER will not only reconfirm the need for this open space facility but will also assess its feasibility and identify funding strategies.

## d) Engage contractors for works.

Following issue of Development Consent and Construction Certificate, and subject to a satisfactory Capital Expenditure Review and availability of required levels of funding, Council will then be able to initiate a public tender process for the civil and landscape works.



## ITEM 14 (continued)

### 1.3. Indicative program

The following table outlines the broad program of works. Appendix B shows further details around the development of the indicative program.

Key project activity	Duration	Estimated Finish Date
1. Engage a head consultant for all necessary design and planning activities (prepare tender brief, advertise tenders, evaluate tenders, and secure CEO approval).	3 months	May 2024
2. Undertake investigations and designs, consultations, develop remediation strategies, prepare Statement of Environmental Effects, and prepare Capital Expenditure Review.	4 months	Sept 2024
3. DA & CC Process (lodge DA, advertisement, assessment and determination by Sydney North Planning Panel, and secure Construction Certificate).	6 months <i>(includes holiday period)</i>	Mar 2025
4. Engage contractor for site works (prepare tender brief, advertise tenders, evaluate tenders, and secure council approval).	3 months	Jun 2025
5. Undertake remediation, civil and open space works required to deliver on Council's resolution for the delivery of an appropriate park that would meet the community needs.	6 months	Dec 2025

### Financial Implications

#### a) Preliminary estimated cost

It is estimated that the proposed works are likely to cost approximately \$14 million. This preliminary estimate is high level and indicative only as it is based on a range of assumptions and extrapolations including:

- draft contamination assessment reports that have not quantified the full extent of contamination.
- reference has been made to the 50% Design for the Ryde Central Project to determine broad areas for excavation and filling activities with no architectural or Quantity Surveyor (QS) input.
- extrapolation of recent QS estimates based on the 50% Design to determine volumes and rates of earthworks, landscaping and associated ancillary items with no design or QS input.
- assumptions about a range of matters such as car parking, fencing, etc.

**ITEM 14 (continued)**

## b) Budget and funding

There is currently no budget identified for the works proposed by Council. Should Council decide to proceed with the works, the financial impact of the works on Council's Long Term Financial Plan and its financial sustainability will need to be assessed and reported to the Office of Local Government as part of the Capital Expenditure Review process.

**2. Discussion and conclusions**

As it can be seen from the foregoing discussions, transforming the Ryde Central Site into a public open space will take time and require significant investment of funds to address the many issues and constraints that have been identified. Further, since there is currently no funding for the proposed works, a clear business case needs to be established to justify the expenditure of any funds.

**ITEM 14 (continued)****Appendix A - Extract from Douglas Partners Remediation Action Plan - May 2023****Executive Summary**

Douglas Partners Pty Ltd (DP) has prepared this Remediation Action Plan (RAP) for a proposed civic use development located at 1 Devlin Street, Ryde (hereinafter referred to as 'the site'). The RAP was commissioned by Nathan Vinall of City Of Ryde and was undertaken in accordance with DP's proposal 99727.04.P.001.Rev0 dated 23/09/2022 .

It is understood that the proposed development of the site is for civic purposes with ancillary commercial (retail) and open space areas. One to two levels of basement are proposed over the majority of the site.

A supplementary site investigation report (DP, 2022a) was recently conducted as requested by City Of Ryde Council to supplement previous investigations with additional soil and groundwater testing to assess the suitability of the site for the proposed development.

As summarised within previous investigations the site was previously used as for roadway, tram line, one or two motor mechanics business and other commercial and service entities. Currently, the site is a construction site with all previous structures have been demolished. **Key contamination issues identified from previous investigations include elevated polycyclic aromatic hydrocarbons (PAH) concentrations exceeding Tier 1 health screening criteria, and total recoverable hydrocarbons (TRH) concentrations exceeding management limit and ecological criteria.**

**Asbestos in fill has not been identified in previous investigation, however, asbestos fragments were previously recorded at the ground surface (JK, 2019). The site history and presence of fragments of building debris (asphalt, ceramic, concrete, brick, metal, plastic, slag and terracotta) in the fill are both indicative of the potential of asbestos in the fill.**

The remediation objectives, devised in accordance with CRC CARE (2019a), are to:

- Address potentially unacceptable risks to relevant environmental values from contamination; and
- Render the site suitable, from a contamination perspective, for the proposed development.

**The proposed remediation strategy (in addition to other general site management matters) outlined herein is broadly divided into the follow sequence:**

- **Data Gap Investigation: to determine the vertical and lateral extent of the TRH and PAH impacted fill requiring remediation and / or management and assess the presence of asbestos (or validate that asbestos does not exceed the SAC);**
- **Excavation and off-site disposal for the TRH and PAH hotspot - Remediation Area 1;**
- **On-site cap and containment of asbestos impacted fill (if asbestos found during data gap investigation investigation); and**
- **Off-site disposal of any additional asbestos impacted fill (if asbestos found during data gap investigation investigation).**

**ITEM 14 (continued)**
**Appendix B - Indicative Program**

Project Activity	Preliminary Project Program																							
	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	
<b>1 Council approval</b>																								
Project & funding approved	■																							
<b>2 Engage Head Consultant</b>																								
Prepare tender brief		■																						
Advertise tenders			■																					
Evaluate tenders & CEO approval				■																				
Appoint consultant					■																			
<b>3 Undertake Investigations &amp; Designs</b>																								
Contamination Assessment & Report					■	■	■																	
Civilworks Design						■	■	■																
Landscape Design							■	■	■															
Prepare DA submission								■	■	■														
Council approval									■	■														
Community Engagement									■	■														
CER - business case										■	■													
<b>4 DA Process</b>																								
Lodge DA										■														
Advertise											■													
Assessment & reporting												■	■											
Determination													■	■										
<b>5 Construction Certificate</b>																								
Finalise engineering plans														■	■									
Finalise designs as per DA															■									
Obtain CC																■								
<b>6 Contractor Procurement</b>																								
Prepare tender brief																								
Advertise tenders																								
Evaluate tenders																								
Council approval																								
Appoint contractor																								
<b>7 Undertake site works</b>																								
Site remediation																								
Filling and regrading																								
Building works																								
Landscaping works																								