

9 July 2020



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Dear Ms Barone,

**Reference S064204.024 – Central Sydney Planning
Draft Central Sydney Planning Framework and Contributions Plan**

Sydney Business Chamber is dedicated to creating, advocating, and promoting Sydney as a City of Opportunity – a global city to invest, work, live and visit. A division of Business NSW, formerly NSW Business Chamber, Sydney Business Chamber represents over 145 leading corporations and through our work we drive the economic growth, prosperity, and sustainability of our great City.

The Chamber values the opportunity to review the Draft Central Sydney Planning Framework and Contributions Plan and congratulates the Council on the comprehensive and considered planning process they have undertaken in developing these policy reforms.

Sydney's CBD is one of the most complex urban environments in Australia. Typically, every day, hundreds of thousands of workers jostle alongside tens of thousands of tourists and residents as they go about their daily lives. In an area just a few square kilometres wide, a million transactions and interactions are taking place every hour of every day. In these 2.8 square kilometres people live, work, shop, and are entertained by a plethora of companies operating across a diverse range of industries.

Planning and managing this complexity, and ensuring it operates as seamlessly as possible, requires a careful balance between regulation and control on the one hand and flexibility on the other. The Chamber believes that the draft Planning Framework largely achieves this balance.

We support the ongoing retention of the B8 zoning, and the flexibility of land uses this control permits. We also support the principle that greater heights and densities should be supported as long as they do not compromise important precincts such as Martin Place and Hyde Park. To this end we believe the solar access plane, as the primary determinant of both height and where greater density should be directed, provides a good basis for the City Plan. We are also pleased that there are incentives in the draft controls to direct investment and development towards certain economic, cultural, and social outcomes and to better support the economic functions of the CBD.

The Chamber particularly supports the planning, land use and regulatory controls for the CBD being reorientated to supporting greater employment across the CBD. As Sydney's leading business organisation, we have long been concerned at the growing constraints on employment and investment in the CBD, caused by a shortage of suitable floorspace to accommodate both business growth and new company attraction. This shortage is reflected in the rents businesses and companies are required to pay, which are the highest in Australia and some of the highest in the world. Notwithstanding the current health and economic crises, the Chamber believes there will be a continuing desire for companies to operate in the CBD. Furthermore, the improvements in transport connectivity provided by the new and planned Metros, as well as the Light Rail, cycleway and pedestrian improvements should support greater intensification of economic activity. Indeed, these investment in transit offers an opportunity to de-couple the city's economic growth from congestion, pollution, and the private car.

The realignment of incentives in the Plan to encourage tourist accommodation and hotels provides a much-needed stimulus for further critical investment into the visitor economy. Notwithstanding our current economic circumstance, Sydney's tourism and hospitality sector is a vital and integrated component of City's overall economic mix, adding much needed extra activity, spending stimulus, employment, and vibrancy to our City, now and for the years ahead is valuable.

The Sydney CBD remains desperately short of suitable tourist accommodation. This shortage is reflected in both the average room rate for accommodation in Sydney CBD, which is the highest in Australia, but also by the proliferation of Short-Term Rental Accommodation across the inner city. Incentivising the development of new hotel accommodation will make a considerable contribution to our collective prosperity as well as our City's international reputation.

Likewise, the density bonuses for the provision of cultural floor space provide a positive strategic way forward. Sydney has a critical shortage of live performance venues, especially theatres, as well as exhibition and gallery space for the visual arts. Furthermore, what venues, theatres and exhibition spaces Sydney has, are mostly poorly located and the result of opportunistic and unplanned interventions and investments. Our City's lack of appropriate arts infrastructure is the main reason Sydney has lost the mantle of Australia's cultural capital to Melbourne now needs a clear signal and system to restore our place on the national and international stage.

The new City Plan offers a good opportunity to remedy this. The density bonus for cultural facilities however it should be supported by a proper cultural space needs study and a strategy to support clustering and agglomeration. For example, the 'Tall building cluster' around Central could support development of a theatre district to capitalise on the existing Capitol Theatre and the possible theatre at the MAAS site to create a theatre district. Something Sydney has sorely missed. Similarly, thought and planning needs to go into what facilities should be developed in the western CBD tower cluster. The Chamber requests the opportunity of working with the City in development of this Plan.

Notwithstanding the above comments, the Chamber believes there are some sections of the draft Plan which should be reconsidered or amended. The Chamber is particularly concerned at the extent to which the Plan extends beyond the boundaries of the CBD and the implications these might have on adjacent precincts and even adjacent LGA's. For example, the desire to preserve the view corridors from key sites such as Central Station and Martin Place, while laudable, may have consequences for the development potential of other precincts. The Chamber has been working with our members, State and Local Government to review the planning controls for Pyrmont/Ultimo peninsula with a view to increasing the development potential and activation of this precinct. We have also been actively advocating for a new Metro station for this precinct. A decision on both of these issues is due this year and, if we are successful, the Pyrmont Ultimo peninsula should experience considerable investment in new development in the future. It would be inappropriate to curtail this development potential with a development control from a distant building, place, or structure. The protection of these view corridors should not extend beyond the CBD.

Finally, the Chamber is keen to work with Council on delivering and implementing the draft Plan. As our society emerges from the pandemic lock down, the Chamber is planning to focus our advocacy on employment creation and supporting economic growth. To this end we are exploring models of governance which can support greater economic activity and attract investment. Many of our members have expressed an interest in the Chamber working with Council to secure greater industry and business involvement in the economic life of the City. We are particularly interested in establishing Business Investment Districts (BID's) as a potential governance model in key precincts across Sydney, including potentially Kings Cross/Potts Point and Pyrmont Ultimo.

In summary, the Plan paves the way for advancing the economic and social well being of the City, our citizens, and business community. We look forward to the Plan being adopted and working with the Council to ensure it is a success.

Yours sincerely



Katherine O'Regan
Executive Director
Sydney Business Chamber