14 December 2017

Greater Sydney Commission
PO Box 257
Parramatta NSW 2124

VICINITY CENTRES SUBMISSION - DRAFT GREATER SYDNEY REGION PLAN

This submission has been prepared on behalf of Vicinity Centres (Vicinity) in response to the Greater Sydney Commission’s (GSC) recently published Draft Greater Sydney Region Plan (Region Plan).

Vicinity recognises the strategic importance of the Region Plan in providing a 40-year vision and a 20-year plan for shaping the future growth of Greater Sydney Region. Vicinity appreciates the need for a strong plan for the Sydney Region to inform the growth of the metropolitan area over this timeframe and Vicinity extends its appreciation to the GSC for the work to date. This submission relates to the Region Plan as it affects Vicinity Centres’ assets.

VICINITY CENTRES

Vicinity currently owns (in full or in part) and / or manages nine significant assets in the Sydney Metropolitan area. As an indication of Vicinity’s confidence in the Sydney environment, in addition to their existing interests Vicinity is presently concluding an arrangement with Singapore’s sovereign wealth fund, GIC, whereby that fund will take an interest in the Chatswood Chase asset in exchange for Vicinity Centres taking an interest and management rights to QVB, Galleries and The Strand Arcade (all subject to a number of conditions). Once that arrangement is concluded Vicinity’s interest will include:

Eastern Harbour City
- Chatswood Chase (will become part owner and manager)
- Warriewood Square
- QVB (will become part owner and manager)
- Galleries Victoria (will become part owner and manager)
- Strand Arcade (will become part owner and manager)

Central River City
- Bankstown Central Shopping Centre

Regional Plan Submission_Final_14 December 2017
• Roselands Shopping Centre (part owner and manager)
• Carlingford Court
• Lidcombe Shopping Centre (manage for others)
• DFO Homebush

**Western River City**
• Lennox Village
• Nepean Village

As such, Vicinity has a keen interest in the strategic direction across the entire Metropolitan Area.

**THIS SUBMISSION**

Overall Vicinity is supportive of the direction of the Region Plan and the structure it provides for the more detailed District Plans to inform local planning strategies.

In particular, Vicinity Centres is supportive of

- Investment in transport infrastructure that will increase connectivity between urban centres within the metropolitan area, including Bankstown, Chatswood, Carlingford, and Penrith.
- The classification of Bankstown and Penrith as *Health and Education Precincts*, and the focus on providing coordinated delivery of these precincts across all vested parties.
- The identification of release areas proximate to Penrith.
- Focused growth and infrastructure funding for GPOP that will increase residential and employment densities in this locality.
- Identification and encouragement of population growth in the Central and Western cities, to distribute the population base more evenly throughout the metropolitan area,
- Identification of the need to engage with the retail sector on its changing planning requirements and to update planning controls as required.

Vicinity however raises concern or seeks further clarification on the following issues:

- Recognition from government of the potential that large retail sites bring to deliver on Region Plan objectives within Health and Education Precincts and Strategic Centres, and the method of coordination to achieve this.
- The implementation process and levies associated with the Special Infrastructure Contribution (SIC) identified in *Section 3: Infrastructure and Collaboration*, and how these will interrelate with s94 contributions and Affordable Rental Housing contributions (in kind or as financial levies).
- The relatively low level of infrastructure investment and housing targets identified for the Eastern City and North District in particular.
The possibility for flexibility in uses at the edge of Office centres such as Chatswood, to ensure a more appropriate interface with residential uses.

SUPPORT FOR THE OVERALL VISION AND STRATEGIC DIRECTION

Vicinity is supportive of the Greater Sydney Commission’s strategic direction to provide a 40-year vision and a 20-year plan for the Greater Sydney Metropolitan Area. Moreover, Vicinity is encouraged by the 30-minute city vision and supporting 10 directions to achieve this outcome. Previous submissions from Vicinity on the Draft District Plans have encouraged the notion of a decentralised polycentric city. Consequently, the vision of the GSC to provide the Metropolis of Three Cities linked by new transport infrastructure has ongoing support from Vicinity.

Vicinity has a key interest in these strategic planning documents and looks forward to working with the Greater Sydney Commission to finalise and implement the Region Plan.

This submission focuses on the infrastructure and collaboration, liveability and productivity objectives of the Region Plan as they apply to Vicinity’s existing assets and asset management portfolio, along with the potential for Vicinity to expand through the market and opportunities for Vicinity to diversify into mixed use models.

Vicinity Centres’ growth plan contains development objectives similar to those proposed within the Region Plan. However, this submission aims to identify areas where Vicinity considers that further consideration and planning is required to ensure the regional planning outcomes are made clear in the Region Plan and can be realised through development initiatives.

Vicinity is committed to providing retail opportunities which not only meet the shopping and service needs of the surrounding community but provide community spaces and places to foster the growth and ongoing strength of local communities.

Vicinity supports the Metropolis of Three Cities as prescribed within the Region Plan, as well as planned infrastructure investment. Vicinity particularly supports the GSC’s stated intention to ensure a collaborative approach to delivering better development outcomes for identified growth areas.

THE OPPORTUNITY FOR RETAIL SITES TO DELIVER ON STRATEGIC OBJECTIVES

Retail shopping centres generally anchor the identified Health and Education Precincts and Strategic Centres identified in the Region Plan. Retail asset owners such as Vicinity are not traditional ‘developers’ and are long-term asset holders of these often large, significant sites. The sheer size of retail shopping centre sites and their locations close to transport infrastructure – existing and planned – places retail asset owners in a unique position to assist government with the delivery of key employment and housing targets in these strategic locations.

Retail asset owners including Vicinity are currently looking at ways to re-invent shopping centres to create live-work-play precincts with extended hours and providing an experiential place for community gathering. Support by Government for the inclusion of various uses on these large sites could provide a catalyst for urban regeneration in the identified centres, in a manner consistent with the Region Plan.
Current discussions between the GSC and the shopping centre industry at the metropolitan-level have been well received, however we propose that more focused discussions be undertaken at the District or even Health and Education Precinct / Strategy Centre level. Focussed attention on the delivery of Region Plan objectives at this level, with input from Council and other government and non-government stakeholders, has the potential to realise effective change in a coordinated manner.

**SPECIAL INFRASTRUCTURE CONTRIBUTIONS, SECTION 94’S AND AFFORDABLE HOUSING**

Vicinity notes with some concern the proposed implementation of Special Infrastructure Contributions (SIC). In the absence of any clear indications of the proposed rates, as charges, it is noted that should these charges be disproportionately high and/or only exist in addition to the existing charges on development then they are likely to impede implementation of the aims of the District Plans. We note the mention, within objective 2, of the Region Plan:

> Many sources of funds are in place already, including funding from consolidated revenue and asset recycling, user charging, contributions by local development, voluntary planning agreements, council rates and private investment. The NSW Government is also expanding the consideration of Special Infrastructure Contributions to Priority Precincts to fund critical infrastructure.

- Draft Greater Sydney Region Plan

Vicinity is supportive of the Priority Precincts as six of Vicinity’s assets are located within proximity to Priority Precincts within the Greater Sydney Region. These assets include the following;

- Lennox Village
- Nepean Village
- Lidcombe Centre
- DFO Homebush
- Carlingford Court
- Bankstown Central

Vicinity looks forward to understanding the extent to which SICs are intended to extend beyond the current practice, and the proposed rate of contribution to be paid under the revised SICs.

Section 94 contributions are also undergoing scrutiny as part of the Region Plan. It has been noted the Region Plan identifies the current format of Section 94 Contributions are insufficient for many councils to invest and maintain infrastructure at a local government level. Therefore, further clarity is required regarding the provision of Section 94 contributions into the future. Importantly, Vicinity questions whether existing Section 94 contributions still apply once the SIC has been satisfied, or will Section 94’s be applied concurrently as an additional contribution.

Specifically, Vicinity request clarity on the proposed contributions and rates of contributions applicable to their assets in the Priority Precincts of Greater Parramatta Olympic Park, Bankstown and Penrith.
Clarity is required promptly on this issue as it has the potential to significantly impact the cost of delivering development that aligns with the Region Plan objectives.

**INFRASTRUCTURE INVESTMENT IN THE NORTHERN SUBURBS OF EASTERN HARBOUR CITY**

Pursuant to the Region Plan and the Greater Sydney Structure Plan, the northern suburbs of the Eastern Harbour City have little infrastructure improvements planned in comparison to the remaining Eastern Harbour City and other Metropolis Cities.

A total of seven Strategic Centres have been identified in the northern suburbs of the Eastern Harbour City. Of these seven Strategic Centres little new transport infrastructure is planned to link them.

Vicinity is highly supportive of St Leonards and Frenches Forrest being identified as a Health and Education Precincts. However, Frenches Forest is attracting the only transport infrastructure upgrade in the northern suburbs via a ‘Committed Motorway’, as shown by the Greater Sydney Structure plan.

Vicinity understands that rapid bus routes are also planned for the area however Vicinity request further information for the proposed link within the region. Further guidance is sought from the GSC as Vicinity’s asset at Warriewood Square provides vital community infrastructure, however will not have improved access under the region plan.

Due to little investment in infrastructure for the northern suburbs the ability of the area to sustain population growth and achieve housing targets has been diminished.

The low level of infrastructure investment on the northern suburbs hinders the accessibility of the Vicinity assets in the north of the Eastern Harbour City catchment areas. These Vicinity assets include Warriewood and Chatswood Chase. Although the Region Plan does touch on the possibility of a bus link from Chatswood to the Northern Beaches the population growth in Vicinity’s catchment areas in the northern suburbs remains minor.

Vicinity is supportive of the Region Plan however request further information and clarity on housing targets and infrastructure investment to inform the potential mixed-use development opportunity for current and future centres.

**VIABILITY OF OFFICE MIX IN CHATSWOOD**

The Region Plan has identified Chatswood as a one of nine-stand-alone Commercial Office Precincts and named as one of the Eastern Harbour City’s ‘Major assets’.

The Region Plan has identified the need to protect the commercial core precincts into the future and not to allow an increase in residential housing provision in this centre to impact on the provision of employment areas of commercial office space and retail.

Vicinity understands the need to protect the current office and commercial core of Chatswood however seeks some flexibility in these provisions for its asset Chatswood Chase. Chatswood Chase is located more than 500m away from established commercial uses and is located at the western boundary of the CBD core, immediately adjacent to low density residential housing. This site provides a unique opportunity to provide a mix of uses at the CBD core and residential zone interface, create an attractive precinct anchoring the western end of the CBD, and delivering on the live-work-play principle of truly mixed-use precincts.
Clear confirmation of commercial core and flexibility to transition the core to adjacent uses is sought by Vicinity on the provision of commercial use within Chatswood.

**CONCLUSION**

Overall, Vicinity is highly supportive of the Draft Greater Sydney Region Plan and the Metropolis of Three Cities approach to improve infrastructure and collaboration, liveability and productivity within the Greater Sydney region.

In particular Vicinity supports the vision for a 30-minute city with increased access to employment, education and health facilities, and the initiative of the GSC to provide the framework for collaborative development.

However, further clarification is sought regarding the following:

- The opportunity to create focused working group discussions at the District or Strategic Centre level to understand the opportunity presented by retail assets to deliver on the Region Plan objectives for these locations.
- The role of Special Infrastructure Contributions – What will be the role of the SIC in delivering contributions for infrastructure in priority precincts and for delivering provisions currently provided by Section 94 contributions.
- Infrastructure development within the North District – Will the GSC and the NSW Department of Planning commit to providing additional infrastructure on the North Shore
- Flexibility of development within Chatswood to provide a more sustainable Retail Market – the current office space use for Vicinity asset Chatswood Chase is unrealistic given the site’s proximity to residential and public transport.

With a keen development interest and a significant asset portfolio, Vicinity looks forward to being involved with the GSC in relevant stakeholder engagement forums to guide future development in relation to the finalisation and implementation of the regional planning process.

Vicinity continues to be highly supportive of the GSC’s vision for a productive, liveable and sustainable Sydney and eagerly anticipates involvement in the next round of stakeholder engagement.

Yours sincerely,

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