

Sam Haddad
Director-General
NSW Department of Planning
23-33 Bridge Street
GPO Box 39
Sydney NSW 2001

**Bonnyrigg Living Communities Project
Part 3A of the Environmental Planning and Assessment Act 1979
Ministerial Determination**

Dear Mr Haddad

The NSW Department of Housing (the "Department") is currently undertaking the Bonnyrigg Living Communities Project (the "Project"), involving the renewal of the Bonnyrigg public housing Estate (the "Estate") located within the Fairfield local government area. Attached is a plan showing the Estate area relevant to the Project.

The purpose of this letter is to seek the determination of the Minister for Planning (the "Minister") in relation to the following matters:

- Whether the Project is a project to which Part 3A of the Environmental Planning and Assessment Act 1979 applies.
- Whether the Project is critical infrastructure.

The Project encompasses delivery of significant social and economic benefits to the community through physical improvements to the Estate and through improvements to community services (such as health, education, employment and training) in partnership with other agencies. The physical components of the Project will include changes to the layout of the streets, improvements to the open space, replacement or upgrading of the social housing and development of new housing to increase both density and the proportion of private housing within the Estate.

The Department intends to enter into a public private partnership (PPP) in relation to the Project. Three consortia are currently preparing proposals that are due to be submitted to the Department on 28 February 2006. These proposals will encompass the integrated provision of all services required to complete the renewal and redevelopment process (which may take up to 10 years or more to complete) and for the operation of the Department's housing over a contract term of 30 years. These services include:

- Financing of all capital and operating costs.
- Master-planning for the Estate area and (as required) for any off-Estate development.
- Obtaining all necessary development approvals, including rezoning as appropriate.
- Development marketing and sales.

- Design, refurbishment and construction.
- Development or acquisition of housing off-Estate as required to maintain the current number of social housing properties.
- Tenancy and facilities management over the 30 year contract term.

It is relevant to emphasise the following points:

- The appointed PPP contractor will be responsible for all development master-planning and for obtaining all necessary development approvals, both for the Estate area and for any necessary development off-Estate.
- As such, the PPP contractor will be the proponent in relation to any Part 3A or Part 4 development approval process.
- The PPP contractor will prepare a master-plan for the entire Estate. Given that there are properties within the Estate that are privately owned (and may remain so) the master-plan will be formulated so as to accommodate the continued presence of those private properties.
- If the Minister determines that Part 3A does apply to the Project, the Department anticipates that:
 - (i) The PPP contractor as proponent will seek the Minister's authorisation to submit a concept plan in relation to the Project.
 - (ii) The concept plan will relate only to that component of the Project within the Estate boundaries.
 - (iii) The concept plan will be formulated so as to exclude any private properties where the owner chooses not to provide its consent to the application for approval of the concept plan.
- Rezoning will be required in order to achieve an optimal urban design outcome. It will be the responsibility of the PPP contractor to secure any such rezoning. The Department anticipates that such rezoning will be secured either: (i) by future amendment to the Fairfield City Council local environment plan; or (ii) by future amendment to Schedule 3 of State Environmental Planning Policy (Major Projects) 2005.

The Project will have a capital investment value in the order of \$500 million. As such, the Department has reviewed the criteria contained within the *Draft Guideline - Criteria for Construction Projects under the Major Projects SEPP* (the "Guideline"), as prepared by Department of Planning. A short report has been prepared and is at Attachment 1.

The Department asks that the Minister have regard to the fact that, as outlined further in Attachment 1, Fairfield City Council has been a strongly supportive stakeholder in relation to the Project. The Department's view is that Fairfield City Council's continued involvement in development approval is critical to maintaining community support and to achieving an optimal urban design outcome.

As such, if the Minister determines that Part 3A does apply to the Project, the Department is of the view that the Director-General's assessment powers should be delegated to Fairfield City Council to the extent possible and practicable.

Your assistance in seeking the determination of the Minister would be greatly appreciated. Should you require any further information or details regarding this matter, please do not hesitate to contact Paul Gilbertson (Executive Director, Strategic Projects) on 02 8753 8599.

Yours sincerely

Terry Barnes
Director-General

ATTACHMENT 1

Bonnyrigg Living Communities Project

1. *Bonnyrigg Estate*

The Bonnyrigg public housing Estate (the “Estate”) is in the Fairfield local government area (“LGA”) in Western Sydney. It covers a well defined area of 81 hectares bounded by Humphries Road, Cabramatta Road, Elizabeth Drive, Bonnyrigg Avenue and Edensor Road.

The following are attached for reference purposes:

- An aerial photograph with the boundaries of the Estate marked.
- A map showing existing ownership patterns.
- A map showing existing zonings.

The Estate contains 833 social housing dwellings - 802 public housing dwellings and 31 community housing and aboriginal housing dwellings. In addition there are some 100 privately owned properties. The housing is a mix of free standing cottages, villas and two story townhouses. Much of the public housing is either at the end of its economic life or requires significant refurbishment to bring it to an acceptable standard. A large part of the Estate was constructed on a Radburn layout, which detracts from public housing amenity by (among other things) making it more difficult for residents to survey the street, allowing offenders to avoid police detection or apprehension and increasing feelings of personal insecurity. The Estate also, as a result of its Radburn layout, contains significant areas of poor-quality and under-utilised open space.

The Estate and the public housing within it suffers from a number of deficiencies. These deficiencies can be summarised as: (i) poor condition; (ii) poor configuration relative to current and future housing needs; and (iii) too great a concentration of public housing. These deficiencies impose significant social, economic and financial impacts/costs on tenants, the wider community and the Department.

The Estate is adjacent to the Bonnyrigg town centre and is well served by educational, shopping, transport and employment infrastructure. Adjacent to the Estate are a high school and two primary schools. The Estate adjoins Bonnyrigg Plaza, which is a sub-regional shopping centre. The Estate is close to the regional centres of Liverpool (5 km to the south-east), Cabramatta (5 km to the east) and Fairfield (6 km to the north-east). There is a T-way stop adjacent to the Estate (Bonnyrigg Avenue) that provides express bus services along a dedicated corridor linking Parramatta - the major business and commercial district in Western Sydney - to Liverpool. There is a bus service through the Estate linking the T-way to Cabramatta railway station and bus interchange. The Western Sydney Orbital - a major tollway currently under construction - is 5 km to the west of the Estate via Elizabeth Drive. The light industrial areas around Wetherill Park are 5 km to the north of the Estate. Fairfield City Council is developing a major regional park adjacent to Bonnyrigg Plaza and the T-way to enhance the amenity of the area.

2. *The Project*

The Bonnyrigg Living Communities Project (the “Project”) involves the renewal and redevelopment of the Estate combined with the delivery of facilities management and tenancy services. The Project encompasses delivery of significant social and economic

benefits to the community through physical improvements to the Estate and through improvements to community services (such as health, education, employment and training) in partnership with other agencies. The physical components of the Project will include changes to the layout of the streets, improvements to the open space, replacement or upgrading of the social housing and development of new housing to increase both density and the proportion of private housing within the Estate.

An critical part of the project is to better integrate public and private housing within the community. Currently, private housing comprises less than 15% of the housing in the Estate area. This under representation creates significant issues for residents, the wider community and the Department. The Department is committed to increasing the proportion of private housing within the Estate to 70% of all housing and to integrating the social housing within the private housing matrix. Any reduction in this private housing percentage would put at risk the social benefits that underpin the Project.

As noted earlier, the Estate contains 833 social housing dwellings - 802 public housing dwellings and 31 community housing and aboriginal housing dwellings. In addition there are some 100 privately owned properties. The housing is a mix of free standing cottages, villas and two story townhouses.

If Fairfield City Council ("FCC") and the community were to endorse a development solution essentially in line with current planning instruments (see later discussion), some 2000 cottages, townhouses and units could be developed within the Estate area. Achieving this outcome will require some resubdivision and rezoning (see later discussion).

3. Procurement

The Department intends to enter into a public private partnership (PPP) in relation to the Project. Three consortia are currently preparing proposals that are due to be submitted to the Department on 28 February 2006. These proposals will encompass the integrated provision of all services required to complete the renewal and redevelopment process (which may take up to 10 years or more to complete) and for the operation of the Department's housing over a contract term of 30 years. These services include:

- Financing of all capital and operating costs.
- Master-planning for the Estate area and (as required) for any off-Estate development.
- Obtaining all necessary development approvals, including rezoning as appropriate.
- Development marketing and sales.
- Design, refurbishment and construction.
- Development or acquisition of housing off-Estate as required to maintain the current number of social housing properties.
- Tenancy and facilities management over the 30 year contract term.

It is relevant to emphasise the following points:

- The appointed PPP contractor will be responsible for all development master-planning and for obtaining all necessary development approvals, both for the Estate area and for any necessary development off-Estate.

- As such, the PPP contractor will be the proponent in relation to any Part 3A or Part 4 development approval process.
- The PPP contractor will prepare a master-plan for the entire Estate. Given that there are properties within the Estate that are privately owned (and may remain so) the master-plan will be formulated so as to accommodate the continued presence of those private properties.
- If the Minister determines that Part 3A does apply to the Project, the Department anticipates that:
 - (iv) The PPP contractor as proponent will seek the Minister's authorisation to submit a concept plan in relation to the Project.
 - (v) The concept plan will relate only to that component of the Project within the Estate boundaries.
 - (vi) The concept plan will be formulated so as to exclude any private properties where the owner chooses not to provide its consent to the application for approval of the concept plan.
- Rezoning will be required in order to achieve an optimal urban design outcome. It will be the responsibility of the PPP contractor to secure any such rezoning. The Department anticipates that such rezoning will be secured either: (i) by future amendment to the Fairfield City Council local environment plan; or (ii) by future amendment to Schedule 3 of State Environmental Planning Policy (Major Projects) 2005.

4. *Current Local Development Controls*

Most of the Estate is currently zoned Residential 2(a) within the Fairfield local environment plan ("LEP"). A development control plan ("DCP") has been adopted by FCC to guide development within the Bonnyrigg town centre. The DCP applies across some 50% of the Project area. The DCP contemplates significant unit and medium density development in the vicinity of Bonnyrigg Plaza and the Liverpool to Parramatta T-way.

As noted earlier, if FCC and the community were to endorse a development solution essentially in line with current planning instruments, some 2000 cottages, townhouses and units could be developed within the Estate area.

If 70% of these are private properties, then there could be approximately 600 social housing properties in the Estate area. Given the Department's requirement that there be no net reduction in the overall stock of social housing, some 200 social housing properties would need to be acquired and/or developed outside the Estate area.

Realisation of this outcome would require some rezoning and better outcomes could flow from the contemplated Estate master-planning. The DCP foreshadowed future amendment following such a master-planning process and FCC has stated that they would be willing to amend the current LEP and DCP.

As noted earlier, it will be the responsibility of the PPP contractor to secure any required rezoning. The Department anticipates that such rezoning will be secured either: (i) by future amendment to the Fairfield City Council local environment plan; or (ii) by future amendment to Schedule 3 of State Environmental Planning Policy (Major Projects) 2005. The timing of these amendments will be a matter for consideration by the PPP contractor as proponent.

5. Capital Investment Value & Employment

The Project will be the largest social housing PPP in Australia. As the master-planning process will be undertaken by the eventually appointed PPP contractor, the final form of the Project and its capital cost is not yet known with precision. However, the estimated capital cost is approximately \$500 million.

6. Consultation with Local Council and Community

FCC has played an active and central role in the Estate over many years in providing services delivery, managing local issues, community development, service coordination and community renewal. In developing the DCP for the Bonnyrigg town centre, FCC were in part motivated to create the circumstances for sustainable physical renewal of the Estate area while building on the strengths of the Bonnyrigg community.

To date, FCC has been an active partner in relation to the Project. It has played a key role in the communication and consultation programme (which has been extensive) and in relation to service improvement and community building. It has committed significant staff and financial resources to the Project. It has also put significant effort into defining an approach to development approval that reflects FCC's support for social and physical renewal of the Estate. FCC has also played an important role in the planning and governance of the Project.

The Department has developed a strategic partnership, set out in a memorandum of understanding with FCC, that broadly expresses the intent of both parties to work in partnership to achieve a range of objectives and outcomes across a number of initiatives, of which the Project is but one.

7. Other Relevant Considerations

Given that the Project will have a capital investment value of over \$50 million, the Department has reviewed the *Draft Guideline - Criteria for Construction Projects under the Major Projects SEPP* (the "Guideline"), as prepared by Department of Planning. The sections that follow address relevant considerations identified in the Guideline.

- a) *The project is located in an area identified in the Metro Strategy or regional strategies for urban renewal or increased urban development and there are local impediments identified as a result of consultation with local council to implementing the project?*

It is the Department's understanding that the Project lies in an area that has been identified for future growth within the Metro Strategy. While the current LEP and DCP are supportive of this growth and Fairfield City Council is supportive of the Project, to achieve the optimal urban design outcome from the Project, zoning changes will be required. While a Part 4 process is possible and feasible, application of Part 3A (perhaps via the Concept Plan process) would significantly increase the probability of an optimal urban renewal outcome.

- b) *The project will contribute to major employment or residential growth in centres or urban renewal areas identified in the Metro or regional strategies?*

The Project will provide a substantial increase in the number of residential dwellings in the Estate area, perhaps doubling that number. While there is potential for short-term employment opportunities associated with the construction phases of the Project, there are also opportunities for longer-term employment associated with the various local service industries (i.e. the retail sector, schools, etc) that will flow from the increased

number of local dwellings. One of the outcomes sought by the Department is improved access for tenants to employment opportunities.

- c) *The project will contribute to increased accessibility to public transport services by providing quality housing or employment generating development within a transport corridor or in the vicinity of a transport hub?*

The Project is located within walking distance to the Bonnyrigg T-way stop. An increase in density and reconfiguration of the road patterns within the Estate will increase accessibility to the T-way.

- d) *The project will complement and enhance government infrastructure services or facilitate improved public service delivery outcomes or public spaces or foreshore access?*

One of the outcomes sought by the Department is an improved social environment and the creation of a more sustainable community. The Project will see a reduction in the existing concentration of social disadvantage, thereby addressing the stigma that currently attaches to the Estate, promoting an influx of services to the area and improving the access of tenants to services and opportunities. The Project will achieve better community integration through better urban design that encourages community interaction in the public spaces. These outcomes, combined with improvements to the condition, configuration and maintenance of public housing, will act to improve the State government's delivery of public housing.

- e) *The project is located in an environmentally sensitive area with risks to conservation values or is likely to result in significant environmental benefits?*

The project is not located in an area of high conservation significance and therefore is unlikely to put at risk conservation values. The project will not significantly contribute to conservation outcomes.

- f) *The project is located or will impact on more than one local government area or where there is potential for conflict of interest?*

Currently, the Project is expected to be entirely contained within the Fairfield local government area. However, it is possible that, as procurement and master-planning progresses, acquisition of replacement public or social housing (which is part of the PPP contract scope) may need to be executed in other local government areas, particularly in adjoining local government areas.

An optimal planning outcome will require rationalisation of existing open spaces. This may require acquisition by the Department of some open space currently in the ownership of Fairfield City Council. This may present some conflicts for Council.