



13377  
26 August 2013

Bruce Colman  
Department of Planning and Infrastructure  
23-33 Bridge Street  
SYDNEY NSW 2000

Dear Bruce

**BROADER WESTERN SYDNEY EMPLOYMENT AREA  
SUBMISSION**

JBA has been engaged by Medich Corporation to make a submission in relation to the Broader Western Sydney Employment Area (WSEA) Draft Structure Plan.

We commend the Department of Planning and Infrastructure (DP&I) for progressing with the preparation of this vitally important strategic planning study for Western Sydney.

However, Medich Corporation has a number of concerns in relation to:

- The underlying assumptions that have informed the Draft Structure Plan – in particular that only 2,080 ha of employment land is forecast to be required over the next 30 years. This is clearly an unacceptably low amount of employment land if the Broader WSEA is to contribute meaningfully to improving the existing employment imbalance in Western Sydney in the medium term.
- The proposed staging of the employment lands – in particular that the inferred staging scenario has not been tested in terms of suitability, viability and the delivery costs/benefits of traffic infrastructure, or that alternative staging options have not been identified and comparatively assessed.
- The location of a specialised centre on the Commonwealth (airport) land at Badgery's Creek, which places it outside of the control of the NSW Government in terms of planning, design and delivery.

These issues are discussed below in detail. In short, whilst Medich Corporation is very supportive of the stated intent of the Broader WSEA Draft Structure Plan to protect the majority of the 8,900 ha of newly investigated lands within the study area, it is concerned that only 2,100 ha are forecast to be rezoned over the next 30 years. This represents a significant under supply of employment land in the Broader WSEA and effectively places the remaining lands in a continued state of sterilisation for the foreseeable future. It will also ensure that the cost of employment land in Sydney remains un-competitively high (compared to Victoria and Queensland), and will provide limited contribution towards stimulating investment in Western Sydney, or contributing to achieving (or exceeding) the NSW Government's employment targets for Western Sydney.

Further, the Draft Structure Plan is essentially backward looking which reinforces the status quo and a 'business-as-usual' approach to the planning and delivery employment land. What is required

is a forward looking strategy to facilitate increased investment in employment generating development within Western Sydney. It is a fundamental objective of the *Draft Metropolitan Plan for Sydney to 2031* to provide employment in Western Sydney, commensurate with (or exceeding) the projected housing and population growth, and addressing the increasing number of people commuting for work outside of Western Sydney, which places a growing impost on transport infrastructure for commuters.

The Broader WSEA is an opportunity to deliver an effective strategic plan to promote change rather than reinforce the status quo, and should be prepared on that basis. Indeed, as one of the 9 City Shapers designated in the *Draft Metropolitan Strategy for Sydney to 2031* (and the only city shaper delivering employment growth to Western Sydney), it is imperative that the Broader WSEA contributes substantially to jobs growth in Western Sydney. The Broader WSEA, as currently presented in the Draft Structure Plan, does not live up to its City Shaper status.

The Medich Corporation, as part of a broader Badgery's Creek Consortium, has actively investigated almost 1,000 ha land in the South Creek Precinct, land which is held in large consolidated land holdings across three landowners (which formed the Consortium). These investigations have found that development of the precinct for employment land is feasible and commercially viable. Detailed traffic studies have specified the required upgrading to Elizabeth Drive, and water, wastewater, and electricity reticulation plans have been prepared. All of the studies identify that the costs associated with delivery of this infrastructure to the consolidated South Creek Precinct land is manageable and can be delivered as part of a commercially sound development.

It is therefore requested that an alternative staging scenario be investigated for the Broader WSEA Structure Plan, which provides for the immediate rezoning of the South Creek Precinct as part of the initial employment land delivery (i.e. Stage 1).

The benefits of delivering the South Creek Precinct land as part of the initial land release in the broader WSEA are that it will:

- Provide flexibility to deal with the possibility of higher employment land demand should the appropriate economic conditions arise or should the NSW Government take other measures to increase the demand – noting that it can take up to 5 years for land to be brought to market after the initial rezoning.
  - Some 1,000 ha of land is owned in large consolidated lots, and has been demonstrated as being feasible for development today.
  - The South Creek Precinct is able to be serviced efficiently with water, electricity and sewer, and can use existing transport infrastructure, with minor improvements to Elizabeth Drive connecting directly to the M7.
  - Development of large landholdings can be delivered in a logical and orderly way, with lower risk and simpler administrative requirements.
  - No significant constraints to the South Creek Lands have been identified during consultation with agencies and technical studies by the BCC.
  - The development of the South Creek Precinct will act a catalyst for the development of the SWGC Industrial Land, through provision of infrastructure and employment generating activity.
- Reduce complexity and cost of delivering infrastructure:
  - Development of large land holdings result in reduced complexity and disruptions to infrastructure delivery, and ultimately lower costs to local, State and Federal governments.

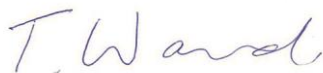
- One single development entity provides substantive upfront funding towards the transport infrastructure upgrades, and delivers services to this part of the Broader WSEA at minimal cost to Government.
  - Infrastructure costs are generally limited to contributions towards staged upgrading of Elizabeth Drive. Because of the staged nature of the upgrades the costs are incremental over time, and avoid the need for large initial upfront infrastructure costs.
  - Providing catalyst development activity to pay for services and infrastructure improvements that will support the delivery of fragmented land throughout the Broader WSEA, in particular the South West Growth Centre Industrial Land. The upgrades to Elizabeth Drive, and the provision of water, wastewater and electricity infrastructure, will act as a catalyst to support the development of the Broader WSEA employment lands (and in particular the SWGC Industrial Lands) thereby minimising the costs associated with servicing and infrastructure required to develop the remaining fragmented land. It is particularly highlighted that the wastewater treatment plant required to support the SWGC Industrial Land is located within the South Creek Precinct.
- Contribute to addressing the affordability issue of new employment land in Sydney, thereby increasing inter-state competitiveness and stimulating demand for employment land, ultimately contributing to addressing the jobs imbalance in Western Sydney.

The Medich Corporation would welcome the opportunity to meet with the DP&I in order to discuss these issues in more detail. In particular, the Medich Corporation notes that it is a major landowner within the Broader WSEA, and to date has not been given the opportunity to meet with the Department to discuss the respective benefits of progressing with the release of the South Creek Precinct land for employment uses.

The Medich Corporation is also willing to provide the documentation prepared as a result from the large number of environmental, planning, economic and infrastructure investigations that have been carried out in recent times for the Badgery's Creek Consortium land, to support the DP&I's ongoing studies.

Otherwise, please do not hesitate to contact me if you would like to discuss any matter raised in the submission in more detail, and we look forward to being involved in the ongoing development of the Broader WSEA Structure Plan.

Yours faithfully



Tim Ward  
Associate



Gordon Kirkby  
Director

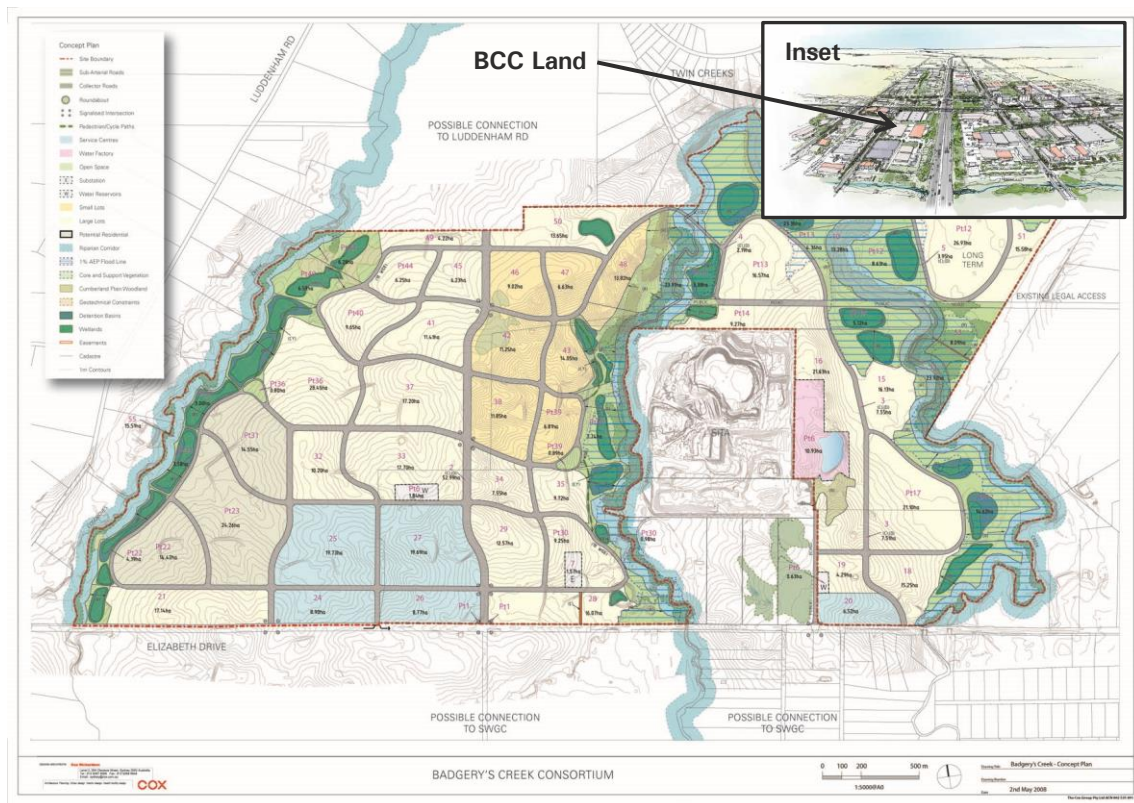
## 1.0 INTRODUCTION AND BACKGROUND

### 1.1 The Medich Corporation and the Badgery's Creek Consortium

Medich Corporation owns land within the Broader WSEA Structure Plan Study Area. The Medich Corporation was part of a consortium known as the Badgery's Creek Consortium (BCC), which included adjoining land owners the University of Sydney and the Damjanovich family.

The BCC has carried out extensive studies to investigate the development potential of the land. The BCC proposed the development of a multi-stage development of its 876 hectare site for a range of employment generating and business park uses including logistics, manufacturing, warehousing, commercial and enterprise uses. Overall, about 550-600 hectares were proposed to be developed, with the remaining area devoted to environmental protection and riparian corridors.

The BCC sought approval for super-lot subdivision, a maximum gross floor area of employment and residential uses, and the overall layout and distribution of land uses. The plan proposed that an average employment density in the order of 20 employees per hectare can be achieved over the site. In general, the proposed land uses are to be spread over 3 zones being B5 – Business Development (to allow a general range of industrial and business uses); B6 – Enterprise Corridor (to foster growth along Elizabeth Drive to provide an address to the site and development and provide for compatible land uses); and E3 – Environmental Management. **Figure 1** below shows an indicative layout of the development proposed by the BCC. The BCC proposal is consistent with the Elizabeth Drive Concept as visualised in Figure 20 of the Broader WSEA Draft Structure Plan.



Investigations have taken place into the feasibility of developing the BCC proposal, including detailed traffic studies which specified the required upgrading to Elizabeth Drive, as well as water, wastewater, and electricity reticulation plans. All of which identify that the costs associated with delivery of this infrastructure is manageable and can be delivered as part of a commercially sound development of these consolidated land holdings for employment lands.

Since the original development proposal by the BCC (in 2008) additional lands (over 100ha) have been purchased by members of the BCC, increasing the land in consolidated ownership, and extending this land to the west out to Mamre Road. Further, whilst not formally part of the BCC the owners of four lots south of the SITA landfill site (totalling approximately 45 ha) have indicated that they would support redevelopment of the BCC lands, and would seek to be included in such a redevelopment. This brings the total of land that could be redeveloped to approximately 1,000ha.

## 1.2 Employment Lands in Western Sydney

The delivery of employment land in Western Sydney has been a matter of numerous studies in recent times – including those carried out as part of the South Creek Valley Plan in 1989, and those carried out more recently as part of the WSELIA investigations.

The South Creek Valley Plan included a Regional Environmental Study (RES) and draft Regional Environmental Plan, which were prepared in response to proposed location of the second Sydney airport at Badgery's Creek, the proximity to educational facilities, and the presence of large landholdings which can be economically and efficiently serviced. The land use strategy identified in the RES locates future employment areas around the airport site at Badgerys Creek. The former CSIRO lands (now the Medich Corporation land and part of the BCC) were identified as being suitable for future employment use.

In 2007 and 2008 the DP&I carried out further investigations into the Western Sydney Employment Lands Investigation Area (WSELIA). It is understood that work is progressing across a number of agencies into the funding and delivery of essential infrastructure into the South Creek Valley / WSELIA lands. It is therefore concerning that no infrastructure studies were provided in support of the Broader WSEA Draft Structure Plan.

The Draft Structure Plan seemingly disregards previous studies, and has sought to re-create a basis for delivering these lands as employment lands. It is suggested that the wealth of historical analysis would be beneficial in establishing a clear and long term planning objective for the lands within the Broader WSEA, and should be referred to in the Draft Structure Plan documentation. Further, infrastructure studies should be provided as part of the structure planning process.

The need for improvements in developing policies and strategies that ensure ongoing improvements to the coordination, delivery, servicing and accessibility of employment lands was identified as part of the 2010 *Metropolitan Plan for Sydney 2036*. As a result of this need, the Employment Lands Development Program was initiated and an Employment Lands Task Force was established. These programs have been maintained by the current Government, and the provision of a well-located supply of industrial lands is a key objective of the *Draft Metropolitan Strategy for Sydney to 2031*.

Further, the *Draft Metropolitan Strategy for Sydney to 2031* identifies that the NSW Government is investigating expansion of the existing Western Sydney Employment Area (WSEA) to increase the supply of future industrial land to help meet supply benchmarks, provide much needed jobs in Western Sydney, meet industry needs and keep industrial land prices competitive. \



## 2.0 THE NEED FOR JOBS IN WESTERN SYDNEY

The *Draft Metropolitan Strategy for Sydney to 2031* identifies an overall current (2011) jobs imbalance of some 197,000 in Western Sydney, as shown in **Table 1**.

**Table 1 – Western Sydney Employment Shortfall (2011)**

Sub-Region	Population	Workforce *	Jobs	Shortfall
West	327,000	184,608 (56%)	119,000	65,608
West Central and North West	846,000	421,621 (50%)	389,000	32,621
South West	829,000	395,945 (48%)	298,000	97,945
<b>Total Western Sydney</b>	<b>2,002,000</b>	<b>1,002,174</b>	<b>806,000</b>	<b>196,974</b>

*Note \*: The brackets show the implied labour force participation rate based on the sub-regional population and the labour workforce figures presented in the Draft Metropolitan Strategy for Sydney.*

The Penrith Business Alliance (PBA) has carried out further analysis of the Australian Bureau of Statistics Journey to Work data for Penrith (which is part of the West Sub-Region). The PBA analysis indicates that over 51% of the Penrith workforce leaves the Penrith local government area (LGA) for work every day and a further 13.5% have an 'unknown' working location (indicating that they travel for work). This means that only 35% of the Penrith workforce work within the Penrith LGA. Alternatively, it implies that some 45,000 Penrith residents commute outside of Penrith every day, with a further 12,000 having an 'unknown' workplace. As Penrith is the largest LGA in the West Sub-Region, these figures are consistent with the employment shortfall shown **Table 1**.

Forecasting out to 2031 the growth targets set out in the *Draft Metropolitan Strategy for Sydney* indicate that the employment shortfall will increase to almost 340,000, as shown in **Table 2**.

**Table 2 – Western Sydney Employment Shortfall (2031)**

Sub-Region	Population	Workforce *	Jobs	Shortfall
West	416,000	208,000	156,000	52,000
West Central and North West	1,201,000	600,500	531,000	69,500
South West	1,298,000	649,000	432,000	217,000
<b>Total Western Sydney</b>	<b>2,915,000</b>	<b>1,457,500</b>	<b>1,119,000</b>	<b>338,500</b>

*Note \*: The forecast workforce has been calculated on an assumed average rate of 50%.*

This analysis shows that there is currently a severe jobs imbalance in Western Sydney (i.e. a jobs shortfall), and with the growth targets set out in the *Draft Metropolitan Strategy for Sydney* (for population and employment) the jobs imbalance in Western Sydney is expected to worsen over the next 30 years.

That means that more and more people will be required to leave Western Sydney for daily employment opportunities. This places pressure on existing transport infrastructure and compromises future State Budgets in terms of the spending on avoidable infrastructure.

The need to create jobs in Western Sydney at a rate higher than that predicted in the Draft Metropolitan Strategy is therefore of paramount importance in the short, medium and longer term. The release of land within the Broader WSEA represents a unique opportunity to begin to address this jobs imbalance. Notably, the Broader WSEA is located within 30 minutes of every major population centre in Western Sydney, which would improve the percentage of the population living

within 30 minutes by public transport of a city or major centre in metropolitan Sydney, consistent with Goal 20 of the NSW State Plan.

### 3.0 ECONOMIC ISSUES AND DRIVERS

The Broader WSEA Draft Structure Plan is underpinned by an Economic Issues and Drivers Study (EIDS). The EIDS includes as its objectives to:

- Provide accurate and current data on employment land supply and demand across the Sydney Region to inform the development of the Broader WSEA Structure Plan;
- To incorporate quantitative and qualitative analysis to improve the robustness of inputs to the Structure Plan;
- To provide recommendations regarding the appropriate amount and type of employment and other land uses to be incorporated into the Structure Plan for the area;
- To inform the staging and implementation of the Structure Plan; and
- To consider potential opportunities and possible interventions to alter the growth scenario and drive greater job diversity.

As such, EIDS is a critical input into the Draft Structure Plan in terms of the appropriate amount of employment land uses, as well as the staging and implementation of the Structure Plan. The EIDS purports to provide a detailed analysis employment land supply, drivers for employment land demand and employment land trends. However, this analysis is contingent predominantly on recent historical land take up rates.

#### 3.1 Demand Forecasting

Based on the recent historical take up rates the, the EIDS carries out detailed demand forecasting to determine the aggregate demand for employment land within the Greater Western Sydney Region. Key outcomes of the demand forecasting analysis are as follows:

- Total industrial employment land demand within Western Sydney to 2046 is 5,377 ha, based on an annual take up of approximately 153ha.
- Of this, approximately 4,603 ha is assumed to be catered for by the existing undeveloped zoned or strategy proposed employment lands in Western Sydney (generally outside of the Broader WSEA, but including some 2,386 of land within the existing WSEA and 1,078 ha of land within the South West Growth Centre (SWGC)).
- This translates to net demand within the Broader WSEA of 774ha to 2046 (on top of the 1,078 ha of proposed industrial lands already identified in the SWGC).
- Net demand for business park land which could be accommodated within the Broader WSEA is approximately 230 ha. This demand is not expected to emerge until the later stages of the 30 year timeframe and would be subject to the provision of appropriate infrastructure and amenities.
- Total net demand for employment land within the Broader WSEA to 2046 is therefore approximately 2,080ha.

The EIDS draws the following conclusions from this demand modelling and analysis:

- That the potential supply of new employment land in the Broader WSEA significantly exceeds projected demand over the next 30 years.
- Therefore, that the staging and sequencing of release of land within the Broader WSEA requires careful consideration.

It is a principal contention of this submission that too much emphasis has been placed on the outcomes of this demand analysis and that the demand analysis, as it is currently prepared, should

not form the basis to determine the amount of employment land or the staging of its release. With consideration of this, the following issues are raised in relation to the demand modelling.

#### **Employment Land Take Up Rates**

Demand forecasting is based on an annual take up of approximately 153ha. By its own admission this take up rate is low because of a number of factors, including weak consumer demand, the Global Financial Crisis and cyclical economic factors – which are entirely outside of the control of the NSW Government (see page 72 of the EIDS).

However, the recent historical take up rates for employment lands have also been hindered by the un-competitive costs of employment land in Sydney (see page 70 of the EIDS, which identifies a premium of approximately 60% for employment land in Sydney compared with Brisbane and Melbourne) and the mis-match between supply and the needs of the market in terms lot size, serviceability and/or infrastructure (see page 72 of the EIDS). These factors are directly related to the under-supply of suitable zoned and serviced employment lands.

It is clearly a reasonable expectation that the annual take up of employment lands will increase in Western Sydney in coming years – indeed it is imperative on the NSW Government to increase demand for employment lands if the employment targets for Western Sydney are to be achieved (see **Section 3.3** below). It is highlighted that recent ANZ Quarterly Economic Update forecasts that the NSW economy will return to being the main driver for growth in Australia, and that economic growth in NSW will increase over recent years.

Notwithstanding the low take up rate in recent times, the supply of existing and zoned employment land remains below the supply standards adopted interstate for industrial land planning which require a minimum of 5-7 years of supply (ELDP, 2011).

Further, it is a realistic interpretation that insufficient employment land supply has hindered demand in the past. Ensuring an adequate supply of employment land that is available to meet the market demands is therefore a critical demand-side lever available to the NSW Government in terms of encouraging investment in Western Sydney, and providing sufficient employment opportunities for the people of Western Sydney. This is discussed further in **Section 3.3** below.

The importance of the employment land supply lever has been recognised through the establishment of the Employment Land Task Force and the Employment Land Development Program, which have been continued by the current NSW Government.

#### **Suitability of Land 'Assumed' to Meet Demand**

The EIDS assumes that the majority of employment land demand will be met through undeveloped zoned or strategy proposed employment lands, in Western Sydney (i.e. within the Broader WSEA). However, the EIDS does not carry out an analysis of these zoned or strategy proposed employment lands to determine whether they are suitable to meet the market demand (in terms of lot size, serviceability and/or infrastructure) or whether they are likely to be available for development over the next 30 years. In particular, page 84 of the EIDS states:

*“... there remain gaps in servicing and infrastructure in the area which mean that the actual supply and availability of land for development in Western Sydney may be overestimated.”*

It is suggested that, if this zoned or strategy proposed but currently undeveloped land is to be relied upon as being the primary supply for meeting the future projected demand for employment lands, then it should be subject of some analysis to determine if it is, in fact, suitable for that purpose.

In particular, take up rates have been strong for large A-grade warehouse developments in areas with good access to key infrastructure (ELDP, 2011). As such, whilst demand may be low overall



in recent years, this is not necessarily reflected across the spectrum. This indicates that the existing stock of zoned or strategy proposed but currently undeveloped land is not suitable for the development typology experiencing strong demand (that is large A-grade warehouse), which could be catered for in the Broader WSEA.

The EIDS assumes that the projected employment land demand over the next 30 years will be largely met through undeveloped land in the existing WSEA and 1,078 ha of land within the SWGC (in addition land outside of the Broader WSEA). It is reasonable to assume this for the existing WSEA land. However, the Draft Structure Plan provides a unique opportunity for the entire Broader WSEA, including the SWGC employment lands, to be assessed on its merits. With consideration of the preceding point, rather than simply assuming that the SWGC land will be utilised in meeting demand over the next 30 years, the suitability of that land in terms of lot size, serviceability and/or infrastructure, as well as other constraints such as flooding and vegetation, should be assessed and the likely availability of that land considered as part of the Draft Structure Plan process.

With particular reference to the SWGC employment lands, it is clear that they are currently heavily fragmented, un-serviced, lacking infrastructure, constrained by vegetation and topography (in part) and, in regards to Boral and Inghams, it is by no means certain that the land will be available for redevelopment within the projected timeframes. Particularly, activities at the Boral site are synergistic with the residential development of the SWGC, and so it is unlikely that Boral would decommission and leave during the build out phase of the SWGC.

Further, Inghams (and Boral to some degree) is an existing employment generating industry. It is questionable whether this land should be included as “undeveloped” land, irrespective of whether it becomes available for redevelopment during the next 30 years – development of these sites will not result in a net increase of employment, just a change in the nature of the employment activity. As such, it is suggested that the study re-visit its assumption that the SWGC lands will contribute to meeting employment land demand over the next 30 years.

### 3.2 Jobs Targets and the Gap for Western Sydney

As part of the employment land demand analysis, the EIDS forecasts population growth, and employment growth, across the economy by industry sector. This forecasting is used to calculate the demand for employment lands, through determining the amount of people likely to be employed in sectors associated with employment zoned lands (such as manufacturing, transport and warehousing). The forecast anticipates an additional 244,000 jobs in Greater Western Sydney by 2031.

The forecast for 2031 is some 69,000 additional jobs less than the targets set out in the Draft Metropolitan Plan for Sydney (which sets a target out to 2031 of approximately 313,000 new jobs in Western Sydney).

Further, whilst the forecasts set out on page 92 of the EIDS identify (or assume) an increasing Net Job Balance (i.e. the number of jobs in Greater Western Sydney as a percentage of the total workforce in Greater Western Sydney), which highlights that jobs are growing at a faster rate overall, the “gap” (i.e. the actual difference between number of jobs in Greater Western Sydney and the total workforce in Greater Western Sydney), is increasing.

If this demand forecast is to be believed, then the NSW Government needs to implement measures to stimulate investment to create employment opportunities in Western Sydney, over and above what would be achieved through the status quo, simply to meet the targets set out in the *Draft Metropolitan Strategy for Sydney*. Not doing so will place increasing pressure on existing transport infrastructure and compromise future State Budgets in terms of the spending on avoidable east-west linking infrastructure to connect population centres in Western Sydney to employment centres in Eastern Sydney.

### 3.3 Employment Land Supply as a Driver of Demand

The EIDS identifies that the employment lands within the Broader WSEA are likely to be highly competitive due to its lower underlying land value. In this respect, the EIDS concludes that demand for employment land is likely to be strong within the precinct (see page 82).

This concept of employment land supply as a driver of demand is specifically identified in the EIDS (page 84):

*“The WSEA and Broader WSEA remains the single largest potential supply of employment land in the Sydney region which can offer large, greenfield sites that can be developed to custom specifications to suit the operational requirements of modern and emerging industries and business typologies.*

*The availability of suitable land in the Broader WSEA will therefore drive demand for employment land development, particularly of the type which cannot be readily serviced elsewhere in the Sydney market. This includes those operators seeking out large industrial sites which are in short supply in other, more mature employment lands precincts in Sydney. “*

In terms of attracting investment into NSW, and stimulating demand for employment lands in Western Sydney, the supply of a significant amount of good quality and competitively priced employment land within the Broader WSEA is a unique opportunity. Release of such land, which is suitably supported by the NSW Government in terms of commitment to infrastructure and servicing, will allow the private sector to seek out catalyst industries and tenants, ultimately stimulating demand for employment land in Western Sydney.

### 3.4 Summary of Key Points

The purpose of this section is to question the outcomes of the EIDS as an underlying basis for the Draft Structure Plan. That is, that the underlying basis for the amount of land proposed to be released over the next 30 years (2,100 hectares), and the staging and sequencing of that land (assumed inclusion of the SWGC lands), should be subject of further testing.

Further, notwithstanding that demand may be low based on historical trends and the existing set of policies, it is incumbent on the NSW Government to identify opportunities to stimulate investment to create employment opportunities in Western Sydney, over and above what would be achieved through the status quo. Ensuring an adequate amount of good quality and competitively priced employment land within the Broader WSEA is one such measure, which is supported by both Liverpool and Penrith Councils.

The EIDS includes a range of mechanisms which could be implemented by the NSW Government to stimulate demand for employment land and generate employment industries in Western Sydney. The Broader WSEA Structure Plan should investigate and seek to implement these measures. In particular, the release of employment land will allow for the private sector to seek out catalyst industries and tenants which will ultimately stimulate demand for employment land in Western Sydney. This is consistent with approach taken at the Norwest Business Park, where the land was released, the catalysts industries and anchor tenants found, and only after substantial development has the public transport infrastructure followed (i.e. the M7 motorway link and now the North West Rail Link).

Considering that employment land can take up to 5 years to bring to market after the initial rezoning, the NSW Government needs to act quickly and decisively in releasing the Broader WSEA employment land to stimulate demand before population increases in Western Sydney makes the growing jobs imbalance untenable.

#### 4.0 OPTIONS ASSESSMENT AND VIABILITY OF LANDS

An Enquiry by Design workshop was held in January 2013, and it is understood that multiple options for the Broader WSEA were identified and assessed at the Enquiry by Design Workshop. These options should be provided, along with an explanation and justification for the proposed 'preferred option' to ensure maximum transparency in the structure planning process.

It is suggested that on a range of measures the South Creek Precinct is the most viable land for development within the Broader WSEA. Key measures for viability are listed below:

- As shown in **Figure 2**, some 1,000 ha of land is owned in large consolidated lots, and has been demonstrated as being feasible for development today.
- The South Creek Precinct is able to be serviced efficiently with water, electricity and sewer, and can use existing transport infrastructure, with minor improvements to Elizabeth Drive connecting directly to the M7.
- Development of large land holdings result in reduced complexity and disruptions to infrastructure delivery, and ultimately lower costs to local, State and Federal governments.
- Development of large landholdings can be delivered in a logical and orderly way, with lower risk and simpler administrative requirements.
- No significant constraints to the South Creek Lands have been identified during consultation with agencies and technical studies by the BCC.
- The development of the South Creek Precinct will act a catalyst for the development of the SWGC Industrial Land, through provision of infrastructure and employment generating activity.

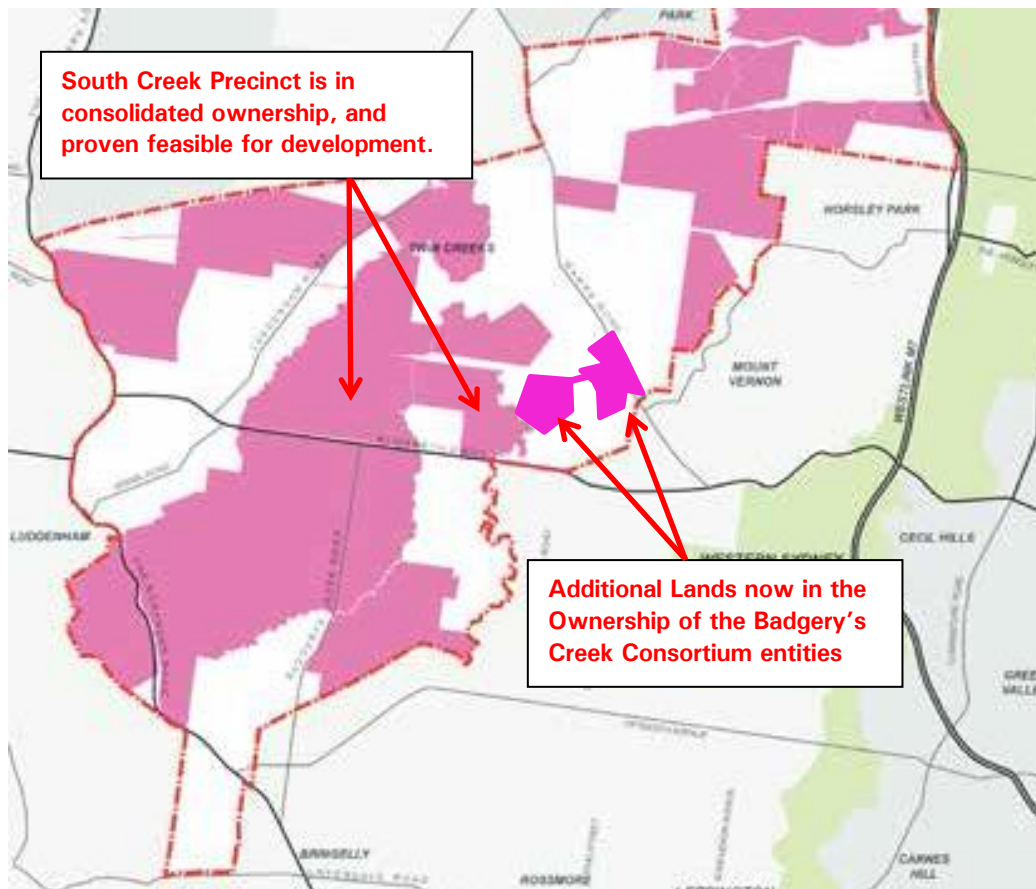


Figure 2 – Broader WSEA Consolidated Ownership Map

## 5.0 TRAFFIC AND TRANSPORT

The Draft Structure Plan is supported by a Transport Planning – Preliminary Analysis Report (Transport Report). The Transport Report establishes key transport planning criteria, key drivers for transport structure planning, and sets out a preferred transport concept and infrastructure strategy for the Draft Structure Plan.

The Transport Report focusses on the transport infrastructure to service the ultimate development. We are generally supportive of the approach to transport planning across the entire Broader WSEA Structure Plan, including the benefits of clustering to achieve ‘critical mass’, and the provision of transport nodes. We are also supportive of the proposed rail connections, the Outer Sydney Orbital, which should be located generally along the western alignment, and the provision of a primary road generally along the alignment of the Werrington Arterial.

However, whilst this is important, the transport infrastructure is also a key input into the preferred staging option. In support of this, one of the stated objectives of the Transport Report is to:

*“Examine transport infrastructure staging to achieve optimal integration of transport and to ensure coherent development of BWSEA.”*

The importance of transport planning to the proposed staging is further highlighted in Page 114 that the infrastructure strategy should:

*“...ensure that the use of existing infrastructure and any spare capacity is maximised early in the process to minimise upfront infrastructure investment and generate economic activity and a cash flow of contributions to facilitate investment in new or upgraded infrastructure.”*

And that,

*“Infrastructure planning and implementation is by its nature incremental and the smart sequencing of infrastructure will minimise the upfront cost of a staged development.”*

The Transport Report is therefore a critical input into the development of a proposed staging and delivery strategy for the Broader WSEA.

In this context, the inputs that the Transport Report makes into the staging considerations are (see page 115) that:

*“That there may be some potential for an early win of employment product within the north-eastern portion of the site as it is the area most readily accessible to established transport and utility infrastructure, it is the area least constrained by physical and environmental constraints based on current development patterns.”*

However, the Transport Plan provides no real justification for such an approach. In particular, it is identified that Aldington Precinct is highly fragmented, complicating the delivery of transport infrastructure within the precinct itself. Further, the Aldington Precinct will be serviced, in terms of providing access to the Motorway Network, via the new Southern Link Road. The Southern Link Road is still in a planning phase, and delivery of the Southern Link Road is many years (or decades) away. In the intervening period, the Aldington Precinct will therefore rely on Mamre Road for providing access to the Motorway network. No analysis of the suitability of Mamre Road for this transport function (in the short to medium term) has been provided in the Transport Report. As such, whilst we accept that there are certain benefits associated with the proximity of the Aldington Precinct to the existing WSEA, it is not correct for the Transport Report to infer that the Aldington Precinct is already well serviced in terms of transport infrastructure.

The Transport Report goes on to identify that Stage 2 would involve linking the expanding Broader WSEA to link with the SWGC employment lands. This would involve new north south connections across Elizabeth Drive. Again, the Transport Report provides no actual justification for this being the preferred staging option, including consideration of the comparative transport infrastructure related costs and benefits. In particular, it is highlighted that development of the SWGC Industrial Land would necessarily trigger upgrades to Elizabeth Drive. It would be wasteful for upgrading of Elizabeth Drive to take place without also releasing land for development on the northern side of Elizabeth Drive which could contribute to upgrading works. Further, it is noted that the major infrastructure corridors associated with the Outer Sydney Orbital would service the areas outside of the Stage 1 areas. As with the Norwest Business Park, it would make sense for the development of areas that will ultimately be serviced by these major infrastructure corridors to occur so as to increase the viability of the infrastructure.

Because of this, it seems as though the Transport Report is designing a transport solution around a pre-existing preferred staging scenario, rather than investigating the transport infrastructure costs and benefits of various staging options in order to establish a preferred staging scenario based on the provision of transport infrastructure.

It is therefore requested that a detailed investigation into the transport costs and benefits of the initial development of the Aldington Precinct be compared against other possible Stage 1 options (and subsequent options where appropriate). In particular, these investigations should clearly establish a preferred staging scenario which provides for the optimal transport infrastructure services at minimal cost. That is, demonstrate that the proposed transport infrastructure scenario is consistent with the principles set out in the Transport Report to:

- ensure that the use of existing infrastructure and any spare capacity is maximised early in the process,
- to minimise upfront infrastructure investment and generate economic activity and a cash flow of contributions to facilitate investment in new or upgraded infrastructure, and
- to minimise the upfront cost of a staged development.

It is by no means clear in the Transport Report that these objectives have been achieved.

We highlight that an alternative staging scenario is available (see Section 6 below) that achieves the stated transport infrastructure objectives and principles more than the preferred staging scenario. In particular, initial release of the South Creek lands as part of Stage 1 would:

- Use existing infrastructure and spare capacity on Elizabeth Drive, which would minimise upfront infrastructure investment.
- Generate economic activity and a cash flow of contributions to facilitate investment in incremental improvements to Elizabeth Drive, minimising the costs of staged development.
- Provide transport infrastructure (as well as other infrastructure) that will support the release of the northern part of the SWGC employment lands.

The development of the South Creek Precinct has been investigated in detail by the BCC, and has been identified to be a feasible development. It is requested that this alternative staging scenario be analysed against the proposed staging scenario to ascertain the comparative costs and benefits associated with initial infrastructure delivery to support the delivery of employment lands in a timely and cost efficient manner.



## 6.0 STAGING

### 6.1 Proposed Staging in the Draft Structure Plan

As described above, the Draft Structure Plan assumes the development of the SWGC Industrial Lands, and so reducing the demand for release of employment lands elsewhere within the Broader WSEA. The purpose of the Draft Structure Plan is to establish a staging and sequencing program, so it seems inappropriate for an underlying assumption to be that part of the lands would be developed preferentially to others (and in particular a part that is so far away from the proposed initial Stage 1 at Aldington Road). Each area of land within the Broader WSEA should be considered on its merits.

In respect of the merits of developing the SWGC Industrial Lands there are two large holdings (Boral intend to continue quarrying beyond the timeframe for the Draft Structure Plan and Ingham's intend to continue operating in the short to medium term), and the remaining lands are fragmented, constrained by vegetation and topography (in part), are un-serviced and without infrastructure, meaning these lands may not be the most appropriate for initial release, and certainly cannot be delivered in isolation. The Draft Structure Plan therefore seems to be defending previous decisions in this regard, rather than considering the merits of all the land in the Broader WSEA.

The Draft Structure Plan identifies that (in addition to the development of the 1,078 ha of industrial land within the SWGC) the first stage would be the Aldington Road Precinct, immediately to the southwest of the existing WSEA, on the basis that it is a logical extension of the infrastructure and services that are in place for Erskine Park and the lands within the existing WSEA. However, this land is highly fragmented and unlikely to be able to be delivered efficiently and cost effectively in a timely manner.

Even if the Aldington Road Precinct land were to be delivered as part of the Stage 1 release, it would provide for only 390 ha of highly fragmented employment lands. Assuming a 20% contingency for roads, services and environmental conservation (see page 96 of the EIDS for contingency assumption), the Aldington Road Precinct would cater for only 312 ha of employment land demand, leaving some 462 ha to be delivered elsewhere in the Broader WSEA (over and above the SWGC Industrial Land). Following the same logic of staging/sequencing, this additional 462 ha demand would be expected to be met through the development of the land in the eastern part of the South Creek Precinct along Mamre Road. This part of South Creek Precinct is also heavily fragmented, as well as being flood prone.

As shown in **Figure 3**, in order to meet the forecast demand (even assuming that the underestimated demand figures from the EIDS are used), this scenario would involve:

- Coordination and development of infrastructure to four separate areas of highly fragmented land, which are separated by substantial distances.
- Relying on the availability of land currently used by Boral and Inghams.

The provision of additional employment land supply within the Broader WSEA is therefore contingent on a complex and costly development process across four separate areas. In addition, if, as we contend above, the demand forecast is too low, then this scenario is unlikely to be able to deliver additional incremental employment lands for development, without substantial additional infrastructure costs and complex land release arrangements.

As such, this staging scenario provides no flexibility to address the possibility of higher demand for employment lands should the appropriate economic conditions arise or should the NSW Government take other measures to increase the demand – noting that it can up to 5 years for land to be brought to market after the initial rezoning. Further, it does not provide the flexibility to address the possibility of land banking by existing land owners.

As such, with the possibility of higher demand, known complex and costly infrastructure delivery mechanisms (due to fragmentation of the land), and the possibility of land banking, the proposed staging scenario will not contribute to addressing the affordability issue of new industrial land. It will therefore not contribute to increasing inter-state competitiveness with, or stimulating demand for employment land, or ultimately addressing the jobs imbalance in Western Sydney.

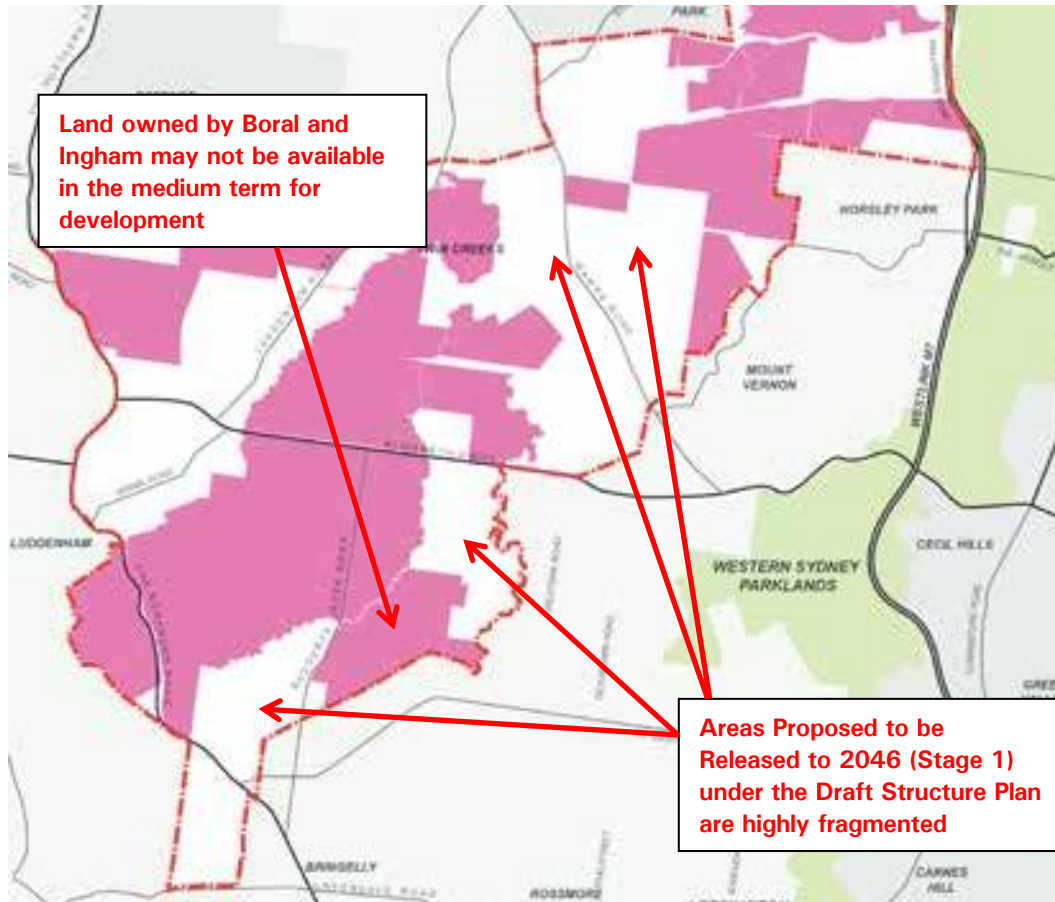


Figure 3 – Broader WSEA Consolidated Ownership Map: Showing Implied Initial Land Release Areas

## 6.2 Alternative Staging

As shown in Figure 9 of the Draft Structure Plan, approximately 850ha of the South Creek Precinct (including the Medich Corporation land) is held in large consolidated land holdings, across three owners (See Figure 2). This has since been increased to approximately 1,000 ha through recent acquisitions to the east.

It is requested that an alternative staging scenario be considered as part of the Broader WSEA Structure Plan, being immediate rezoning and release of the South Creek Precinct for development as shown in Figure 4.

Development of this South Creek Precinct land has been proven commercially feasible, and detailed traffic studies have been carried out which specified the required upgrading to Elizabeth Drive, as well as plans prepared for the reticulation of water, wastewater, and electricity. All of the studies identify that the costs associated with delivery of this infrastructure is manageable and can be delivered as part of a commercially sound development of these consolidated land holdings for employment land uses.

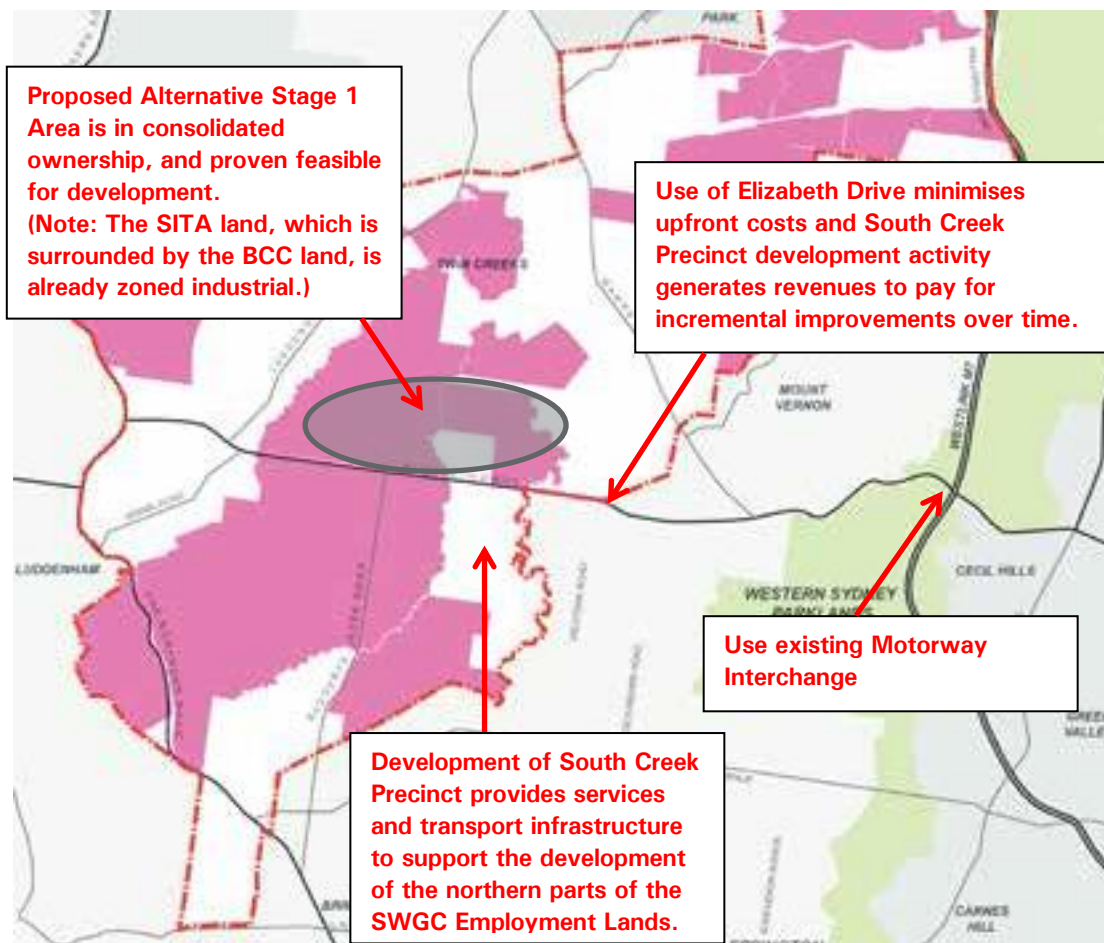


Figure 4 – Alternative Staging Option

Therefore, the advantages of releasing the South Creek Precinct as the initial land release area are as follows:

- Suitable time is afforded to ensure timely and efficient land consolidation in the Aldington Precinct, without relying on the land consolidation to take place in the short to medium term – noting that any land released today will still take up to 5 years to bring to market.
- Infrastructure costs are generally limited to contributions towards staged upgrading of Elizabeth Drive. Because of the staged nature of the upgrades the costs are incremental over time, and avoid the need for large initial upfront infrastructure costs. The costs associated with providing lead in works from Elizabeth Drive to the M7 could be provided for in a number of ways, including by an extension of the concession for the M7 motorway operator.
- One single development entity provides substantive upfront funding towards the transport infrastructure upgrades, and delivers services to this part of the Broader WSEA at minimal cost to Government.
- The upgrades to Elizabeth Drive, and the provision of water, wastewater and electricity infrastructure, will act as a catalyst to support the development of the Broader WSEA employment lands (and in particular the SWGC Industrial Lands) thereby minimising the costs associated with servicing and infrastructure required to develop the remaining fragmented land. It is particularly highlighted that the wastewater treatment plant required to support the SWGC Industrial Land is located within the South Creek Precinct.

Providing for the delivery of new employment lands in areas that are proven to be feasible will:

- Provide flexibility to deal with the possibility of higher employment land demand should the appropriate economic conditions arise or should the NSW Government take other measures to increase the demand – noting that it can take up to 5 years for land to be brought to market after the initial rezoning.
- Reduce complexity and cost of delivering infrastructure
- Contribute to addressing the affordability issue of new employment land, thereby increasing inter-state competitiveness and stimulating demand for employment land, ultimately contributing to addressing the jobs imbalance in Western Sydney.

## 7.0 SPECIALIST CENTRE

The Draft Structure Plan includes for a Specialised Centre located in the Commonwealth (airport) land. The Draft Structure Plan needs to address the underlying demand for employment lands, business parks and specialised uses. It is clearly inappropriate for the strategic planning process to rely upon decisions by the Commonwealth in relation to the timing or otherwise of an airport on this land. Irrespective of the development of an airport (or other development on the Commonwealth land), there is a demand for a specialised centre in this general location.

To ensure it is outside of the vagaries of Commonwealth airport planning, and can contribute to Sydney's economy in the short-medium-and-long terms this specialised centre should be located outside of the Commonwealth (airport) land. It would be well placed on the South Creek land, due to the existing access along Elizabeth Drive. It is highlighted that a business park (i.e. a Specialised Centre) was included as part of the BCC proposal.

Further, if the Specialised Centre is ultimately developed on the Commonwealth owned land (and in particular if the centre is part of a Badgery's Creek Airport) then control of this centre may end up within the Commonwealth jurisdiction. This would complicate planning and governance arrangements in relation to this centre, and would mean that the NSW Government would have limited (or no) ability to control the nature and extent of development in this area.

## 8.0 OTHER ISSUES

Other issues include:

- There is currently a possible rail intermodal terminal located on the Medich Corporation Land. If land is to be sterilised into the future on the basis of the 'lines on maps' then these lines / terminals need to be subject of further feasibility and corridor planning studies with a view to reserving the land and the land acquisition process be commenced by the NSW Government. This commitment is needed to provide certainty for all land owners.

It is identified that the timing of a possible future intermodal terminal would be likely for the longer term, rather than the shorter or medium terms. As such, with consideration of the contention of this submission that the South Creek Precinct should be the initial land release for the Broader WSEA, the South Creek Precinct is not considered to be the most suitable site, as it would result in unnecessary uncertainty in relation to the short-to-medium term development potential of the South Creek Precinct land.

- No information has been provided in relation to implementation or monitoring of the development identified in the Draft Structure Plan. It is suggested that Structure Plan (once finalised) needs to include a detailed delivery and implementation mechanism which ensures that delivery of the Structure Plan has ownership and impetus from Government agencies and service providers. This may include being subject of a Sub-Regional Delivery Plan and Infrastructure Delivery Strategy.