

FOCUS ON EMPLOYMENT



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50 years*



Urban Development Institute of Australia NSW
response to the Draft Structure Plan for the Broader
Western Sydney Employment Area

August 2013

INTRODUCTION

A principal objective of the Draft Metropolitan Strategy for Sydney 2013 is to provide jobs closer to where people live. It is vital that this objective is maintained but, more importantly, that a concerted effort is made to present employment areas outside of the Sydney CBD as an attractive investment option for employment-generating land uses.

The draft Structure Plan for the Broader Western Sydney Employment Area (Broader WSEA) provides the opportunity for Sydney to take advantage of the wealth of human capital that is available in western Sydney. Overall, UDIA NSW and the industry generally support the draft Structure Plan. When it comes to jobs, western Sydney is in need of a stimulus that can push jobs growth.

UDIA NSW recognises that delivering greater employment opportunities in western Sydney will take a long-term commitment from the NSW Government to drive jobs growth. The sequencing of land release and investment in infrastructure will be paramount to delivering the jobs that are needed closer to where people live. Delivering affordable employment land will be critical in achieving this goal.

The process the NSW Government has employed to prepare the draft Structure Plan must be commended. UDIA NSW, along with other stakeholders, was involved in a number of 'Enquiry by Design' workshops. These workshops showed that the Department of Planning and Infrastructure took up-front consultation seriously with the aim to ensure an industry-lead solution was identified. However, it is disappointing that not all of the information from these workshops has been made public, particularly the consideration of options. In the interest of transparency, UDIA NSW believes that this information should be released for public comment.

The reforms to the planning system highlighted in *A New Planning System for NSW: White Paper* (the White Paper) and the initiatives in the *Draft Metropolitan Strategy for Sydney 2013* (the Draft Metro for Sydney 2013), will play an important role in the success of delivery of the draft Structure Plan. A clear implementation plan, outlining how the draft Structure Plan will be delivered as well as time frames and performance indicators will be necessary to ensure that progress can be measured.

For the purposes of being constructive and concise, this paper's recommendations cover only the points of most relevance to the success of the draft Structure Plan for the Broader WSEA and propose solutions where clarity required. Where there is no comment, the reader can assume that the draft Structure Plan is supported by UDIA NSW or that it is considered to be of lesser consequence to the success of the strategy.

EMPLOYMENT IN WESTERN SYDNEY

To achieve a balance with job opportunities closer to where people live, a significant improvement to transport infrastructure to areas and centres identified for future employment growth is required. Commitments to improving key transport infrastructure are necessary and should be part of the strategy.

The Broader WSEA is located 30 minutes from major Regional Cities including Penrith, Parramatta and Liverpool, placing it in an ideal location to support a significant proportion of western Sydney's employment needs. As one of the nine 'City Shapers' identified in the Draft Metro for Sydney 2013, the Broader WSEA is highlighted as an areas that can support a significant amount of employment growth. It is also the only significant initiative for western Sydney and will have a material positive impact on the Sydney Region's economy. It is imperative that the detailed precinct planning begin as soon as possible.

Western Sydney Employment Opportunities

According to the Draft Metro for Sydney 2013, western Sydney will house more than half of Sydney's population by 2031 (approximately 52%). To support the growing population, an additional 313,000 jobs will be needed in western Sydney over the next 20 years¹. This means that western Sydney will need to accommodate half of the Sydney Region's jobs target.

The latest Employment Lands Development Program (ELDP) shows that the Sydney Region has some 15,394 hectares of existing zoned employment land, with only 830 hectares of that land being serviced (i.e. water and sewer connection). According to the Economic Issues and Drivers Study (EIDS) prepared by Urbis, there is a 4.5 year supply of employment lands, based on a take-up rate of 186 hectares.

Broader WSEA is the largest holding of future employment land in the Sydney Region and will be expected to supply the lion's share of all employment land jobs for western Sydney. While UDIA NSW understands that centres will play a role in delivering jobs growth, we are concerned that the proposed employment land demand over the next 40 years for the Broader WSEA will only be 2100 hectares to 2046 – accommodating only 57,000 jobs. This would suggest that the existing WSEA, surrounding centres and dispersed employment land will need to cater for almost 300,000 new jobs over the next 20 years.

UDIA NSW has analysed population, labour force and employment figures from the Draft Metro for Sydney 2013. The analysis shows that western Sydney is already facing a severe jobs shortage, with a shortfall of 196,174 jobs recorded in 2011. Alarmingly, a 338,000 shortfall is forecast for western Sydney by 2031.

¹ Draft Metropolitan Strategy for Sydney 2013, NSW Government

Figure 1

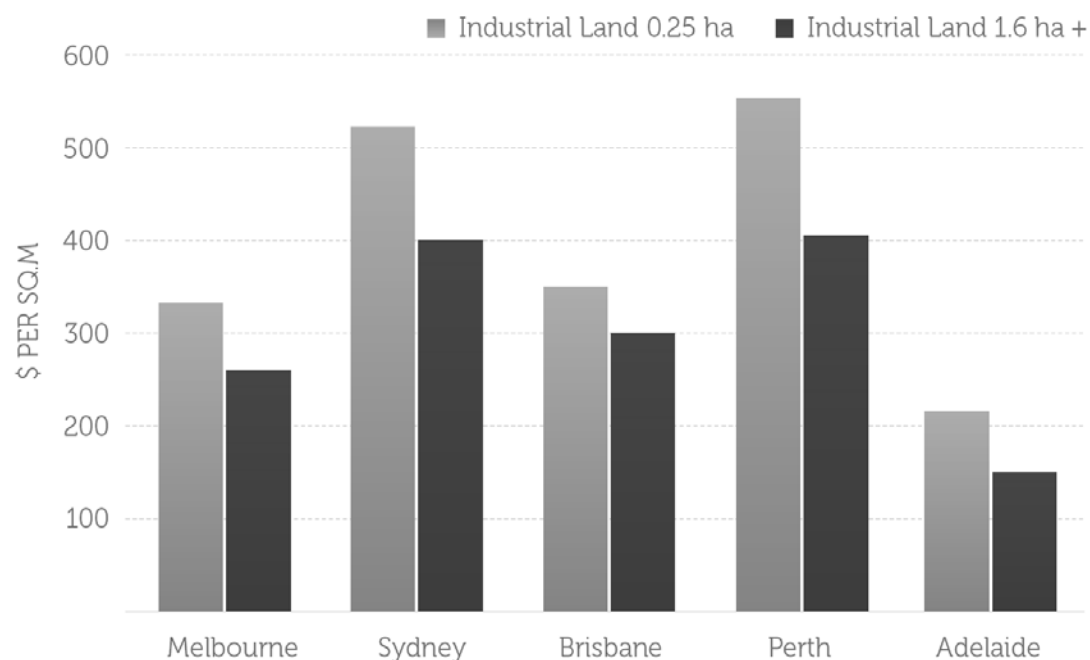
Western Sydney	2011	2031
1. Population (Draft Metro 2013)	2,002,000	2,915,000
2. Labour force ²	1,002,174	1,457,500
3. Jobs (Draft Metro 2013)	806,000	1,119,000
Shortfall (2) – (3)	-196,174	-338,000

What these figures show is that more and more people of western Sydney have to travel long distances, on already congested transport infrastructure, to their jobs. If the largest employment lands site can only produce 57,000 of these jobs by 2046, leaving the majority of jobs to be accommodated in other established employment land estates in western Sydney then there could be a major shortfall. This will have serious consequences, particularly regarding road congestion and overcrowding of public transport heading east.

Affordable Employment Land

Much like current affordability issues that are being experienced with housing, the lack of supply of affordable employment land is causing potential multinational organisations to either pay a premium for land or seek cheaper land in other States. In order for Sydney to attract business and investment, the price of land for employment purposes must remain competitive. As shown in **Figure 2**, it is clear that Sydney cannot compete with the local market, impacting on the growth of employment generating activities.

Figure 2³



² The labour force participation rate is based on population and labour force figures from the draft Metropolitan Strategy for Sydney 2013

³ (Adapted from: Economic Issues and Drivers Study, April 2013 – Urbis for the Draft Structure Plan for the Broader Western Sydney Employment Area:)

The EIDS highlights that there is a disparity between the type of supply and the demand in the market with the supply of smaller land holdings less than 0.5 hectares in good supply in the Sydney Region. However, as the lot sizes increase, there is a fall in the availability of land, causing a gap in the market. The EIDS also notes that there is a demand for larger parcels of employment land that are able to accommodate A-grade warehouse developments with access to major transport infrastructure. However, there is currently a gap in land that can cater to this demand.

UDIA NSW believes that this is where the Broader WSEA can play a major role in plugging the gap in the supply of larger land holdings. Its proximity to existing and below capacity major road infrastructure, such as the M7 and M4, means that the Broader WSEA is well positioned to cater for the demands of the market.

Attracting employment activities

The success of the Broader WSEA will be based on how well the area attracts and accommodates employment activity. While the take-up will depend, in part, on the market, UDIA NSW believes there are two additional considerations that will help in the establishment and growth of the Broader WSEA, including:

- **Zoning:** In order for the Broader WSEA to become an employment hub and attract a variety of employment activities, this must be reflected in the zoning.

In the White Paper, the NSW Government has proposed the introduction of the 'Enterprise Zone'. The purpose of the zone is to stimulate investment in employment generating activities, with designated areas potentially being afforded additional incentives. UDIA NSW strongly supports the implementation of this zone, particularly for the Broader WSEA. However, if the new zone is to achieve its intended purpose of supporting jobs growth and encouraging investment, then the types of uses should be broadened further than those identified in the White Paper (i.e. uses currently under the 'B6 Enterprise Corridor Zone').

UDIA NSW contends that a flexible zone, potentially broader to that which allowed Norwest Business Park to deliver a variety of employment land, will ensure that investment into the Broader WSEA is not limited to a small number of uses.

- **Staging:** It is clear from the EIDS report that the existing stock of employment lands does not necessarily meet market demand, particularly with the availability of larger lots. The staging plan in the draft Structure Plan considers the development of the Broader WSEA based on three scenarios. All scenarios identify the expansion of the existing WSEA to deliver more employment land. While this progression of development is sound, land to the immediate south of the existing WSEA is highly fragmented, making it difficult to properly plan and deliver infrastructure.

UDIA NSW contends that in order to kick-start the development of employment land, the quick release of land to the market is imperative. This can only be achieved by concentrating early detailed planning and release in areas with larger land holdings. As highlighted by Figure 9 of the draft Structure Plan, the area with the highest concentration of large land holdings, with the exception of the Commonwealth site, is Precinct C. Planning for the release of this precinct first would give the region a boost of employment land, which could potentially cater for the current

gap in the availability of larger sites. Additionally, the precinct has access to Elizabeth Drive, with direct access to the M7 Motorway, taking advantage of existing infrastructure. While the condition of the road may not be able to support a fully functioning precinct, it may be able to cater for the initial stages of development – with upgrades to the road phased in when required.

UDIA NSW also notes the consideration of ‘out of sequence’ development as a possible scenario, giving land owners an opportunity to bring employment land on the market by bringing their project forward. UDIA NSW believes that allowing the development of employment land ‘out of sequence’ can potentially help deliver land to the market in a more timely manner. It is recommended that the Land Release Policy, currently being developed, be extended to include land within the Broader WSEA.

Monitoring Success

Monitoring the progress of any plan is vital to ensure key objectives are met and infrastructure is delivered. This requires meaningful and measurable actions and targets to be set. As put forward in our submission to the Draft Metro for Sydney 2013, UDIA NSW believes that monitoring progress must be conducted by an independent panel. This should be outside of government and its agencies and should objectively critique the achievement, or otherwise, of the Governments objectives and actions.

It is assumed that the progress in delivering the final Structure Plan will be through the ELDP, however this is not made clear. If this is the case, improvements in the reporting of take-up of employment supporting land under the ELDP will be necessary. UDIA NSW suggests that the release of information would need to be in line with the current reporting regime of the Metropolitan Development Program (MDP).

CENTRES

Centres play an important role in supporting the surrounding uses with a concentration of activities. UDIA NSW believes that specialised centres are important in providing amenity and services to the surrounding residents and workers. However, there is concern with the current location of two of the three centres, in particular the specialised centre on the Commonwealth site, and at the junction of Arlington Road and the Erskine Park Southern Link Road. The concerns are as follows:

- **Commonwealth site specialised centre:** The future use of the site will be determined by the Federal Government. While UDIA NSW believes the NSW State Government can play a significant role in influencing its future use – particularly as Sydney’s second Airport – the decision ultimately lies with the Federal Government. UDIA NSW contends that the location of a centre should be just north of the Commonwealth site. This will offer a level of flexibility and allow the specialised centre to be established regardless of the timing of the announcement of whether the Commonwealth site will be an airport.
- **Arlington Road and the Erskine Park Southern Link Road:** A specialised centre in the north of the Broader WSEA is supported. However, UDIA NSW is concerned that the centre is located in an area that is characterised by fragmented land. This would make it difficult to deliver a centre in any reasonable time. UDIA NSW believes the location of the centre should be moved to an area that would be able to accommodate a centre in a shorter period of time.

A SECOND AIRPORT FOR SYDNEY

It is significant that a structure plan for an employment area, which encompasses the site of what may become Sydney's second airport in the future, makes no consideration of the significant role an airport would play in driving jobs growth in the area. The fundamental, catalytic potential of this item and its associated infrastructure is unrivalled in NSW or the eastern seaboard. UDIA NSW contends that the development of an airport in western Sydney would provide:

- A catalyst for jobs growth within the Broader WSEA;
- The counter weight to the Sydney CBD and a combined growth node/corridor focus for Western Sydney;
- The opportunity to expand infrastructure in the west, with the case for delivering the M9 dual road and freight rail and the extension of the South West Rail Link north; and

The potential expansion of the global arc westwards.

The impact of an airport on the Commonwealth site cannot be underestimated. While the draft Structure Plan is careful in ensuring that the Commonwealth site is not affected, UDIA NSW believes that there is a case for the Government to prepare an alternative plan that includes the development of the site as an airport. Very few post-industrialised societies get such an opportunity as this to fundamentally amend the geographical inequities within the region.

In the interest of certainty, and future employment activity in western Sydney, a decision to develop the site as Sydney's second airport is required.

DELIVERING INFRASTRUCTURE

UDIA NSW believes that effective infrastructure planning encourages new investment in urban growth. There also needs to be an emphasis on early identification of infrastructure that is needed as these infrastructure projects can take years to plan, acquire land, design and deliver.

The current Government is providing more certainty in this regard, particularly in light of the planning reforms that place infrastructure delivery as a key platform to growth. It is encouraging that the draft Structure Plan identifies key infrastructure that will deliver more employment land.

Protecting Corridors

The draft Structure Plan identifies potential future corridors, including the M9 Outer Sydney Orbital (M9), future primary and secondary roads and potential transport and freight rail lines running north-south. Together, these transport corridors will be vital to the functioning of the employment land and the movement of people and freight.

UDIA NSW notes that the NSW Government has released a number of strategic plans, including the State Infrastructure Strategy (SIS), NSW Long Term Transport Master Plan (LTTMP) and Draft Metro for Sydney 2013. All these strategies, including the draft Structure Plan identify the M9 as a key piece of infrastructure and recognise its importance to the Greater Sydney Metropolitan Region and the State.

As highlighted in the SIS, the identification of the M9 corridor alignment must be identified in the short-term – i.e. within the next five years – with acquisition of the land to follow, particularly before any rezoning to higher order uses occur – similar to the M7 corridor. Investigations into the alignment should also consider a corridor large enough to accommodate freight rail activities and also to avoid the Commonwealth land.

UDIA NSW contends that the NSW Government must commence investigations on the alignment of the identified corridors with a view to rezoning, protecting and acquiring land immediately. UDIA NSW believes that the future growth, vitality and liveability of the region could be jeopardized if these corridors are not adequately protected to accommodate expansion of the transportation network.

Road Infrastructure

Timely investment in transport infrastructure can stimulate the growth of employment in the Broader WSEA. When considering whether to establish operations in the Broader WSEA, organisations will place a high priority on access to an efficient road network and travel time. Where there is no clear plan to upgrade existing infrastructure and provide new services to meet the needs of growing areas, there will be a reluctance to invest. Where there is a clear commitment to the necessary infrastructure and service improvements, operators will tend to be more willing to invest.

The draft Structure Plan identifies the primary and secondary road network. UDIA NSW generally supports the structure of the road network and believes that it provides for good access to the existing road network. In order to ensure the NSW Government receives the best return on its investment, The sequence, timing and delivery of road infrastructure (including upgrades, extensions and investment in new roads) should be based on a cost benefit analysis that identifies where the NSW Government will achieve the greatest benefit for its investment.

Freight Infrastructure

Access to good transport infrastructure of all forms will be critical to the functioning of the Broader WSEA. Enabling the efficient movement of goods and services and workers into and out of the Broader WSEA should be a key objective for the road, rail and transport network. The proposed road network, as well as the public transport routes is generally supported by the industry. They provide a logical network of primary and secondary roads that take advantages of the existing road network, particularly the M7 and M4 motorways.

As mentioned above a key piece of infrastructure will be the M9 and its role as a major freight distributor north and south of the Broader WSEA. Given that the Broader WSEA area will cater for a significant number of freight and logistical operations, particularly in the early stages, it is welcomed that the draft Structure Plans is considering co-location of a freight line along the M9 corridor. This would allow for the connection to the Maldon to Dombarton Rail Link, which is currently undergoing environmental investigations and cost planning by Transport for NSW. Continuing the line south along the proposed Maldon to Dombarton Rail Link should be a key priority for the NSW Government as it would open a number of opportunities for western Sydney and Wollongong, including:

- Better access to Port Kembla, with the potential to become a secondary freight port for Sydney, and;
- Provide the opportunity to establish an intermodal terminal near the Commonwealth land. If the Commonwealth site is developed as Sydney's second airport, there is an opportunity for the establishment of a fully integrated multi-modal freight facility with access north and south, and to the Sydney region.

Passenger Transport

Effective transport planning underpins the sustainable growth of cities. Integration of land use and transport planning ensures new communities have the transport services and infrastructure necessary to function in a more sustainable manner. This is reflected in people having transport choices available to meet their travel needs.

The draft Structure Plan proposes a number of transit corridors. These transit corridors will form a key part of passenger transport in the Broader WSEA, particularly during early stages of the development in the area. However, UDIA NSW believes that early delivery of public transport to the Broader WSEA will encourage more sustainable travel choices. This will require the upgrading of roads in a timely manner as the Broader WSEA develops, allowing people to access employment more efficiently,

reducing travel times. A range of transport choices also assists in achieving social sustainability by improving access to services and jobs.

The potential for a passenger rail line to run north through the Broader WSEA, enabling a connection between the South West Rail Link and the North West Rail Link, is a positive initiative and should be pursued by the NSW Government. While such a line may not be necessary in the short term, there is a compelling argument for a passenger rail line in the medium to long term, particularly if the Commonwealth land is developed as Sydney's second airport.

The draft Structure Plan shows the alignment of the rail line through the Commonwealth site. While it is understood that the draft Structure Plan alignment is indicative, UDIA NSW would like to stress that planning for the rail line should not impact on the future development of the Commonwealth site as an airport. Further consideration as to the alignment of the line and location of the station would have to take into account the future use of the Commonwealth site. As mentioned above, identification and protection of corridors is essential to the future development of the area.

CONCLUSION

UDIA NSW supports the NSW Government's focus on the delivery of more housing and jobs, linked and serviced by good infrastructure. The preparation of the draft Structure Plan for the Broader WSEA is a clear commitment by the NSW Government to providing better employment opportunities for western Sydney residents.

Meeting the employment challenges of western Sydney will not be an easy task and will take clear direction and leadership from State and Local Government. Providing a clear structure and a commitment to drive jobs growth in Sydney's western suburbs will ensure that the growing population is supported by more employment opportunities.

UDIA NSW, and the industry, is committed to working together with the NSW Government in delivering the adopted Structure Plan and ultimately more jobs in western Sydney.

ABOUT UDIA NSW

The Urban Development Institute of Australia NSW (UDIA NSW) is the leading industry group representing the urban development sector in NSW.

UDIA NSW aims to secure the viability and sustainability of urban development for our members and therefore the communities that they create. Our campaigns support the delivery of more new homes in NSW, the provision of quality, affordable infrastructure to support development and the delivery of more jobs.

UDIA NSW represents the leading participants in the urban development industry with more than 500 member companies including developers, financiers, consultants, property managers, planners, builders, manufacturers, and State and local government bodies. A quarter of these members are based in regional NSW.

UDIA NSW members are represented by an elected Council of 13 leading industry practitioners who are responsible for the strategic direction of the Institute. UDIA NSW also has an extensive committee and regional chapter structure that involves more than 300 of the development industry's key stakeholders in policy formulation.

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