

Department of Planning and Environment  
Housing Land Release  
Sydney NSW 2200

Dear Sir/Madam,

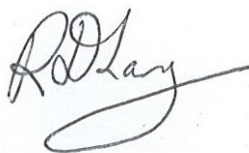
Thank you for this opportunity to provide input to the *Greater Macarthur Land Release Strategy*.

Regional Development Australia (RDA) is a partnership between the Australian, State, Territory and Local governments established to support the growth and development of Australia's regions.

We have included in our Submission relevant information on some key projects and initiatives undertaken by RDA Sydney related to land use planning, as well as recommendations for the implementation of the *Strategy*.

Please do not hesitate to contact Bob Germaine, CEO, RDA Sydney on 9890 7804 should you have any further questions. We are very interested in initiating a dialogue in relation to the recommendations outlined in the Submission.

Yours sincerely,



Robert Lang  
Chairman  
11/11/2015



An Australian Government Initiative



A NSW Government Initiative



## **Submission on the Greater Macarthur Land Release Strategy**

*November 2015*

*Regional Development Australia Sydney brings together people to promote collaborative decision making for the sustainable and just economic development of Sydney, with a focus on employment growth.*

## Background on RDA Sydney

Regional Development Australia, Sydney (RDA Sydney) welcomes the opportunity to comment on the *Macarthur Land Release Strategy*, issued by the Department of Planning and Environment.

RDA Sydney is a COAG initiated partnership between the Australian and NSW governments created to strengthen communities. It is part of national network of 55 RDA committees made up of local leaders representing government, business, community groups and other key regional stakeholders to provide targeted advice to government on key issues affecting the economic development of the Sydney region.

For some time now RDA Sydney has been working with all levels of government, industry groups, business, research, development and education organizations and community representatives to identify the needs and opportunities of Sydney, and facilitate the development of new ideas, projects and initiatives that create economic, social or environmental outcomes across the Sydney regions.

We progress agendas through the establishment or participation in interest groups, round table discussions and leadership networks.

- RDA Sydney is a founding member of the Western Sydney Airport Alliance - a coalition of community groups, business and trade unions that support the development of a second Sydney airport in Western Sydney at Badgerys Creek.
- It facilitates and now facilitates the South West Sydney Manufacturing and Engineering Skills Taskforce established to identify the skills and actions needed to help transform manufacturing and drive change.
- It founded the Manufacturing Lighthouse for Sydney, a one-stop shop for manufacturers to gain assistance and a central place to gather intelligence about the sector.
- It has partnered with Liverpool Council to map and facilitate the formation of the Liverpool Education and Health precinct.
- It was part of a network which resulted in the piloting by NSW government of a smart work centre at Oran Park and it is now exploring opportunities for the potential development of Tech Start-up initiatives.
- RDA Sydney was instrumental in the establishment of the Shared Homeownership Working Group which has published *Doors to Ownership. A business case and guidelines for a shared homeownership scheme with NSW community housing associations* and it is now exploring opportunities for affordable housing in old and new released areas.
- RDA Sydney has facilitated input from key stakeholders for the development of the *NSW Freight & Ports Strategy*.
- It is the founder and facilitator of the Sydney Aerospace and Defence Interest Group (SADIG).
- RDA Sydney is scoping business growth opportunities in Western Sydney employment areas and produces yearly Economic Baseline Assessments of the whole of Sydney.

One of our objectives is to champion integrated whole-of-Sydney planning by supporting plans that encourage the development of jobs closer to home and affordable housing options across all Sydney areas.

This submission is informed by our direct experience managing economic development projects and designing alternative solutions that in many cases represent a departure from the current approaches.

## Submission

RDA Sydney agrees in principle with the Greater Macarthur Land Release which will see the construction of 34,700 new homes. We believe this large scale urban development has the potential to revive Macarthur's local economy by creating considerable employment opportunities both, during the capital work phase and the operational phase. The deployment of local residents into the project will also offer opportunities for upskilling and training.

At the same time urban densification will create new businesses and new markets which will strengthen the local service economy creating new employment opportunities in retail, education and health services to serve an increasing growing population.

However, once the construction is completed and a new population settles down in the new released area, we are concerned that there is an absence of significant current or future planned and zoned employment land, (according to the *ELDP 2015 Report*) or identified employment opportunities that will provide much needed jobs near home, in an area characterized by its remoteness and isolation.

As mentioned in the *Greater Macarthur Land Release Investigation*, about 46,700 new jobs will be needed. However South-West Sydney has long struggled to attract jobs. Unemployment rates are usually higher than average. In the June 2015 quarter it was 5.95 percent as opposed to 5.2 percent in the Sydney region.

Lack of local employment opportunities is forcing 69 percent of the current working population to travel to work outside the region, in some cases long distances, which is impacting on their families, economy, quality of life and it is adding to the current pollution and congestion problems which will only be exacerbated by a larger population of more than 100,000 people. \*\*Note that yield of 34,700 dwellings assuming an occupancy rate of 2.9 persons per dwelling equals 100,630 population\*\*

## Poor connectivity

The new-release area, particularly Mt Gilead and Menangle Park have poor connectivity not only to Campbelltown centre but also to the general Macarthur area and other regional centres. Currently no public transport exists connecting it to the broader Western Sydney employment lands, (located north of the future Western Sydney airport), or to the new airport itself.

Due to the lack of significant employment lands in the GMLRI (apart from the Wilton precinct) capable of absorbing large numbers of businesses or employees, connectivity to the Campbelltown regional centre and surrounding regional employment centres, is essential for new residents to access jobs and it needs to be planned for and developed prior to the new population moving into the area.

RDA Sydney believes an extension of the South West Rail Link from Narellan Road back into the T2 southern line (in the vicinity of Macarthur station) is absolutely essential and should be considered as part of this planning process.

The *Greater Macarthur Land Release Investigation – Land use and Infrastructure Analysis* mentions the need to upgrade Appin Road to provide direct connections to Campbelltown-Macarthur and the construction of Spring Farm Link Road including north and south facing access ramps to the Hume Highway to ease congestion on Narellan Road (Figure 6 on page 8). Furthermore, Appin Road needs widening from two to four lanes.

An upgrade of the Hume Hwy between Picton Road up to Raby Road to Campbelltown is also included in the *Analysis*. However no budget allocation has been made by the State government under the special infrastructure contributions.

A planning proposal is being processed by Council for zoning Mt Gilead that includes the upgrade of Appin Road from the released area and back to Rosemeadow (\$42 million). While the proponent will cover half of the cost (\$21 million), public funding will be necessary, (about \$22 million) to cover the remaining costs. However, no budget allocation has been made by the State government under the special infrastructure contributions.

**RECOMMENDATION:** that a commitment from the Roads and Maritime Services and TfNSW be made to improve the connectivity to services, jobs and city centres.

### **The need to develop Macarthur's local economy**

Minister Stokes has announced that “the government is aiming to create the circumstances for the private sector to invest in jobs in these areas”. RDA Sydney believes that intervention is needed to adequately plan and generate the type of economic development able to absorb such large working population, rather than leave it to the vicissitudes of the market, which can be erratic or unable to produce the outcomes needed. The market may just deliver retail and some services, but it is highly unlikely it will create the large number of jobs needed.

According to Campbelltown Council and the Macarthur Regional Organisations of Councils (MACROC), there is a need to diversify Macarthur's economy beyond its manufacturing base into more knowledge-based industries and office jobs.

According to BI Schrapnel, which undertook a study *Demand for Commercial Office Space across Sydney to 2035*, and forecast office employment growth, Campbelltown while being identified as a regional centre, has failed to develop a critical mass of commercial office space since the 1970s.

The report says that despite being located in a high population growth area, much of the employment growth has been manufacturing, construction and wholesale logistics. The projections for the future, according to the report, are low.

RDA Sydney believes there is a need for government to plan and boost knowledge-based jobs and provide direction and leadership in the future economic development of the region. This will be essential to build economic resilience in the short and long term.

The cost of not intervening could result in urban sprawl, with all the added disadvantages - long commutes, mortgage pressures, family tensions, poor quality of life, domestic violence, unemployment and gradual marginalisation.

**RECOMMENDATION:** RDA Sydney recommends that State Government and MACROC organise a series of consultations with Macarthur stakeholders to develop an economic development strategy for Macarthur aimed at increasing jobs, and ultimately, achieving regional self-containment.

A Taskforce made up of local key stakeholders, led by Councils and the State Government could be engaged in the development and implementing of the strategy.

While both Wollondilly, Camden and Campbelltown councils are most willing to provide leadership, expertise and guidance will be needed from a broader range of stakeholders, particularly state government. Councils do not have the expertise or even the resources to purchase the expertise to undertake such a large project.

We suggest the Macarthur Economic Development strategy could focus on:

### **1. Building on Macarthur's economic strength: Manufacturing**

Campbelltown Gross Regional Product (GRP) was \$6,050 million (2013-14). GRP has been growing at an annual average rate of 1.1 percent over the past five years.

Macarthur boasts a strong manufacturing sector that includes a diversity of companies located in four industrial sites. This is the largest industry sector by far, at 14.9 percent of total GRP. However the sector has been declining from 17.1 percent in 2008-9. Manufacturing accounted for 15.6 percent of jobs in Campbelltown (2013-14), which have been decreasing at an average annual rate of 2.2 percent over the past five years.

In 2014 MACROC surveyed 443 businesses in Camden, Campbelltown and Wollondilly, among these were manufacturers. The research showed that 76 percent of companies operated in relative isolation as they did not belong to any industry association, chamber of commerce or business networks. However when asked about their needs, 67.3 percent said they needed assistance with business developments, marketing, networking and collaboration, which are essential to compete in a fast changing, globalized economy.

The research showed there is a need to provide leadership and assistance to manufacturing companies, particularly those that are interested in expanding, transitioning to advanced manufacturing, specialising or building export markets. Some of the industries may need to be revitalized others may need assistance with innovation and business development.

**RECOMMENDATION:** RDA Sydney recommends that the Macarthur Economic Development Taskforce be actively engaged in existing initiatives created to grow the manufacturing sector such of the Manufacturing Lighthouse for Sydney.

The Lighthouse, an initiative being created through a partnership between industry associations, universities, CSIRO, WSBC, State and Federal Government, MSA and RDA Sydney, will be a one stop-shop for manufacturers to access information to solve their problems (government programs, links to supply chains and markets, networking, innovation, clustering, research, etc) with a knowledge broker

and the collaboration of partners of the Lighthouse (government, research organisations and business services).

The Lighthouse will become a central point for gathering intelligence on the sector and for all stakeholders to work in partnership and to connect companies wanting to innovate with research organisations.

A prototype is being developed which will be tested in Western Sydney. Mapping the industries is needed as there is little information available about the nature of these industries, their employment capacity and potential growth.

## **2. Building on Macarthur's economic strengths: Expanding the education and health care sectors**

This action is included in Campbelltown Council's own profiles and in *A Plan for Growing Sydney*, which states (p55) "The Government will ... plan for the land use and infrastructure requirements of significant metropolitan health and education precincts at ... Campbelltown-Macarthur" and "work with councils to put in place enabling planning controls which encourage and promote clusters of related activity such as higher education facilities, health infrastructure and research institutions."

According to the *RDA Sydney 2015 Economic Baseline Assessment*, the education and health sectors are currently growing and projected to grow in the future, with a capacity to create additional jobs. In fact health care, retail trade and education are all relatively close in absolute employment number terms, though health care and social assistance are stronger in terms of annual growth, at 3.8 percent per annum.

In terms of GRP, health care and social assistance was 8.1 percent of Campbelltown GRP (2013-14), followed by education and training with 7.7 percent. GRP in health care and social assistance has been increasing at an average annual rate of 3.6 percent over the past five years with education and training at 0.8 percent. There is no doubt GRP will increase with a growing population.

RDA Sydney believes there is potential for the current services (ideally situated in the heart of the Campbelltown CBD near public transport), to be transformed into a precinct/business park which could complement and build on the current opportunities already provided by the health and education services.

**RECOMMENDATION:** RDA Sydney recommends that a health and education precinct strategy be developed and implemented by a key group of stakeholders, including precinct members, government and RDA Sydney.

The objectives of the strategy could be to:

- Develop a vision for the precinct/business park
- Profile the precinct, its services and business opportunities to potential investors and government
- Identify links to other potential strategies including industry and employment.

It is crucial that State government has buy-in the strategy as impetus will be needed from government to lead this strategy that has the potential to create jobs and attract investment in these rapidly growing sectors. The Strategy would leverage existing public investment in health and education and would

capitalise on existing initiatives such as the Western Sydney University's (WSU) *Plan for the Western Sydney Innovation Corridor* which includes its Campbelltown campus as the Integrated Health Hub. According to WSU, expertise ranges across nursing, medicine, allied health, community health, complementary medicine and telehealth. The Hub will deliver the globally-integrated innovations in whole-of-community healthcare needed to keep pace with one of the region's most rapidly growing (and ageing) populations. At the same time, a newly forged MOU between the WSU National Institute of Complementary Medicine has been signed with the University of Shanghai as part of the China Australia Free Trade Agreement with potential for jobs creation.

The precinct would also include:

- Campbelltown Hospital which is networked with Camden Hospital under the South Western Sydney Local Health Care District (SWSLHD). According to the SWSLHD, *Macarthur Corporate Plan 2014* there were 1,997 people employed in both hospitals in 2013.
- A clinical school funded by the NSW Government is currently under construction on the grounds of the Campbelltown hospital, which will include shared research facilities, a simulation lab, 16 clinical rooms and a library. In addition, it is reported that a new Centre for Education and Workforce Development will be established within the clinical school.
- Campbelltown Private Hospital.
- WSU (The National Institute of Complementary Medicine, School of Medicine, School of Nursing and Midwifery and research – WSU Molecular Medicine Research Group)
- TAFE SWSi – Campbelltown campus that provides training to over 7,500 students in 100+ courses per annum.

In addition there are organisations covering the whole region, such as the SWSLHD: an administrative, coordinating body for government health services in SW Sydney. The South Western Sydney Primary Health Care Network and the South West Sydney Research Hub, based within the Ingham Institute. Its role is to bring together health, research and health education entities in South West Sydney into a co-ordinated hub.

The actions to develop the precinct could include:

- Research – mapping the eco-system of stakeholders. Identifying the economics first, then tie back to health, education, research, business opportunities and jobs.
- Bringing stakeholders together and identify areas stakeholders can work on together, ensuring the precinct is eventually led by the business community with support from council and State Government.

A strong commitment will be needed from core partners who can learn from similar initiatives taken in Westmead and Liverpool.

#### **Creating knowledge jobs in the Macarthur region:**

Given the jobs deficit, a strategy is needed to attract knowledge-based jobs, including office jobs to the



Macarthur region in order to capture the local human capital –those that leave Macarthur to work elsewhere in Sydney or Wollongong (technical, managers and professionals) back into the area and create appropriate jobs for future residents.

This could be done through:

- Boosting the overall university graduate professional qualifications
- Relocation of government departments
- The provision of affordable and flexible rent or lease options for companies wanting to relocate to Macarthur
- Potential tax breaks, and regulatory concessions
- A business attraction strategy that highlights the advantages of the area
- WSU connections to the broader knowledge economy
- Creating amenities, tourism attractions and connectivity.

These have the potential to create an environment where entrepreneurs are attracted to the area to create industries that bring innovation and the much needed knowledge-based jobs for a growing population.

According to *RDA Sydney 2015 Economic Baseline Assessment*, professional, scientific and technical services manufacturing, changes in medical technology, restructuring in ICT, transport and logistics and digital disruption, have all led to a rapid growth of new SMEs in the professional scientific and technical services. The industry has recorded employment growth across the Sydney Metropolitan region of nearly 30,000 jobs during the last five year.

According to the RDA Sydney report. It is important that new investment in SME businesses with innovative products and services (particularly those capable of growing employment) is encouraged for local growth centres.

### **Conclusion:**

There is a need to integrate land use, transport and employment in the planning of this land release. Otherwise houses will be built, but not the transport or the employment needed. If that is the case housing targets may not be achievable due to poor demand from potential residents that are reluctant to move to an area with poor employment prospects and connection. It may also be difficult to attract the right type of residents with skills and expertise to diversify the economy, the labour market and ultimately make a difference to Macarthur.