



18 November 2015

The Secretary
NSW Department of Planning and Environment
Housing Land Release
GPO Box 39
Sydney NSW 2001

community@planning.nsw.gov.au

Dear Ms McNally

Submission to the Greater Macarthur Land Release Investigation from the West Appin Landowners Group

This submission has been prepared in response to the recently exhibited Greater Macarthur Land Release Investigation Preliminary Strategy and Action Plan (the GMLRI Strategy) and proposed amendments to the State Environmental Planning Policy (Sydney Growth Centres) 2006 (the Growth Centres SEPP).

This submission has been prepared on behalf of Ingham Property Group, Walker Corporation and other smaller landholders from West Appin including the following families - Brticivich, Blight, Darcy, Demanuelle, Dunbeir, Drivas, Gerace, Joseph, Miletto, Ostaric, Pangis, Pizutto and Smith.

This group represents the bulk of land holders within West Appin.

The West Appin landowners generally support the vision for the Greater Macarthur area. However, the purpose of our submission is to present the case to Government that West Appin should be included into the Growth Centres SEPP as part of the current proposed amendment and not deferred until after 2036.

By applying the Government's criteria for considering new growth areas from *A Plan for Growing Sydney* this submission will demonstrate that the decision not to include West Appin as a Priority Precinct does not provide a sound public policy response to managing growth in Sydney's South West.

While the landowners are disappointed that the area has not been included within the revised boundaries of the Growth Centres SEPP we believe we can continue to work with Government to demonstrate the benefits of revising the draft boundaries to include West Appin.

This submission evaluates West Appin against the criteria for identifying new growth areas in *A Plan for Growing Sydney* (Action 2.4.2) to demonstrate the significant benefits achieved by including West Appin in the Growth Centre SEPP.

STRATEGIC FIT

Action 2.4.2 in *A Plan for Growing Sydney* identifies that a long term growth planning framework to manage Sydney's growth needed to consider:

- The sustainability of Sydney's agricultural and resource sectors;
- The cost of delivering roads, transport, and services infrastructure;
- The costs to communities of higher transport and infrastructure costs, reduced social outcomes and poorer access to economic opportunities and services;
- The compatibility of development with adjacent land uses; and
- Access to employment.

In considering changes to the boundaries of the Growth Centres SEPP, the West Appin landowners argue that proper consideration was not given to West Appin in the assessment process. Urban development at West Appin represents a logical and sound option for urban expansion in the South West corridor and that it could:

- contribute to the supply of short and longer term affordable housing opportunities,
- provide for employment self-containment thereby reducing private vehicle use,
- support existing planned infrastructure investment in the regional city of Campbelltown by delaying the need to provide additional or duplicated social infrastructure further south at Wilton Junction,
- deliver immediate returns to Government on planned infrastructure including the M9 Orbital, and
- be delivered at minimal or no-cost to Government with the introduction of an infrastructure levy comparable or less than the levies currently charged in existing Growth Centres.

The following Table presents the findings of an assessment of West Appin against the criteria detailed in Action 2.4.2 of *A Plan for Sydney*.

TABLE 1 – ASSESSMENT OF WEST APPIN AGAINST ACTION 2.2.4 OF ‘A PLAN FOR GROWING SYDNEY’

DPE ASSESSMENT – WEST APPIN	WEST APPIN LANDOWNERS RESPONSE	ADDITIONAL COMMENTS	CONCLUSION
Criteria - The sustainability of Sydney’s agricultural and resource sectors			
<ul style="list-style-type: none"> • There is minimal Class 2 land (greater agricultural value) identified within West Appin. • There is a “poultry cluster” at Appin based around the Ingham’s property holdings. • There are minimal resource sector constraints at West Appin. The only impacted area is a small area of unmined coal resource at the end of Macquariedale Road. 	<ul style="list-style-type: none"> • Mt Gilead and Menangle Park Priority Precincts have significantly larger areas than West Appin identified as high quality agricultural land including productive irrigation land. The productive and landscape value of these agricultural areas is identified as being ‘high’. • Both Mt Gilead/Menangle Park and Wilton are significantly impacted by resource constraints (Coal Seam gas and Coal Mining respectively). • Inghams Enterprises Pty Limited (non-related company owned by TPG) currently lease the Appin facility from Ingham Rural Property Group Pty Limited (owned by the Ingham family). • The facility currently contains a total of 96 broiler sheds within 6 farming units. • Inghams Enterprises have long considered the Appin facility surplus to requirements and have 	<ul style="list-style-type: none"> • The government has previously deferred most development in Macarthur to allow time for approved mining operations to cease operate to the end of their productive life, ahead of new urban development. Mining operations around West Appin have ceased and been subject to rehabilitation/remediation and can now be developed with minimal risk of subsidence or impacts from further mine exploration or gas drainage. • The government has a general 2 kilometre exclusion zone between urban development and coal seam gas wells. It is unclear how this would impact on the numerous gas wells at Mt Gilead and Menangle Park but it may constrain development for some time. 	<ul style="list-style-type: none"> • With significantly fewer constraints and fewer potential impacts on existing higher quality agricultural lands, West Appin should have been ranked higher than the identified Priority Precincts in this category. • The status of the “poultry cluster” facility identified in the assessment was not verified with the owner. The site is subject to a short term lease that will see the facility demolished on or before 2019. The potential impacts this facility has on adjoining land will therefore be restricted to a short term impact that can be actively managed. • The presence of the poultry cluster in this West Appin area should therefore not be considered an ‘absolute’ constraint in terms of considering the timing for the release of land at West Appin and should not be provided significant weight in the comparative

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	<p>been working on an exit strategy for the site for some time. Background to this decision include:</p> <ul style="list-style-type: none"> ○ The facility is approaching 50 years of age, which reached the end of its economic life many years ago ○ Due to the age, the construction does not meet current standards for poultry farms ○ It is no longer desirable to have such a concentration of farms/birds in the one area due to bio-security concerns ○ With interstate expansion, the capacity is no longer required in this location • Inghams Enterprises required the expiry date of the lease to be no later than 2019, with the right to terminate earlier. • On lease expiry, Inghams Enterprises will demolish all improvements on the land (essential term of the lease). • Identification of a “Poultry Cluster” 		<p>assessment of potential Priority Precincts.</p>

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	<p>at this location is totally incorrect as it will not exist beyond 2019 (if not earlier). Identification of this facility as <i>“providing benefits to the area and wider region and should be retained”</i> is both erroneous and misleading and must be retracted by the Department immediately.</p>		

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Criteria - The costs of delivering roads, transport and services infrastructure; and the costs to communities of higher transport and infrastructure costs, reduced social outcomes and poorer access to economic opportunities and services			
<ul style="list-style-type: none"> • A number of roads need to be constructed or require upgrading as a result of the planned growth. • Affected roads include: <ul style="list-style-type: none"> ○ Spring Farm Link Road, ○ Appin Road, ○ Menangle Road, ○ Hume Highway and ○ Picton Road • Modelling undertaken by the landowners and previously submitted to government show that the cost of including West Appin is not prohibitive and given the commitment of no additional cost to government for 15 years there is no risk for Government. • Costs associated with public transport infrastructure delivery would be higher for West Appin compared to Mt Gilead/Menangle Park, but significantly less than costs to extend the electrification of the rail network to Wilton. • For example – electrification from 	<ul style="list-style-type: none"> • Mt Gilead and Menangle Park Priority Precinct, being located closer to the existing transport ‘hub’ services at Campbelltown could be serviced more economically than West Appin. • However, from a strategic planning and infrastructure spending and supply perspective, ‘leap-frogging’ the provision of services to the Wilton precinct does not represent a sound policy or expenditure of public money response. Even if Government relied on the private sector to deliver public transport infrastructure to Wilton, the delay in return on investment to the private sector would be significant. • The cost of delivering all remaining infrastructure including social infrastructure was assessed in the West Appin Landowners Business Case (Addendum 3). The Business case found “all other infrastructure can be provided in a business-as- 	<ul style="list-style-type: none"> • A representative from one of the companies authoring the High Level Services Infrastructure Strategy supporting the GMLRI exhibition states: <i>“Overall it makes sense that the northern precincts of GMLRI (Stages 1 and 3) [Menangle Park and Mt Gilead-author] are developed first followed by Stages 4 and 5 [West Appin, Menangle and Douglas Park]. Stage 2 [Wilton] would require significant regional infrastructure upgrades and therefore significant cost is expected to be associated with the development of this precinct before the development of most of the other precincts in GMLRI”.</i> (AECOM in a memorandum to Planning & Environment dated 10 June 2015 at Appendix I). 	<ul style="list-style-type: none"> • While the cost to provide road infrastructure to West Appin is marginally higher than the two Priority Precincts, minor variations in cost at this level are meaningless. The final costs will be influenced by staging, rates of growth, cost apportionment (backlog costs vs growth costs), construction costs at time of delivery and opportunities for leveraging funding from Federal and State programs. • West Appin must be considered to be a strategic fit from the perspective of supporting the case for the logical and more efficient extension of public transport infrastructure. • West Appin should not have been excluded as a Priority Precinct due to the minimal per lot cost variation for road infrastructure provisions identified at this stage. • If employment areas proposed at

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<p>Macarthur to Menangle (9.2 kilometres) was estimated at \$850,000,000 (includes \$100million for bridge over Nepean) in 2007 (refer: Macarthur South Strategic Review - AAP; September 2007). This would service Mt Gilead/Menangle Park, Menangle /Douglas Park plus West Appin (subject to the east-west connector road linking Hume Highway and Appin Road). If you apply the same kilometre rate (excluding bridges) to electrification from Menangle to Maldon (13.4 kilometres) an additional cost of \$1,100,000,000 is incurred to service Wilton.</p>	<p>usual process, similar to any normal greenfield development, with limited exposure to Government”.</p> <ul style="list-style-type: none"> • The West Appin landowners group proposed in its master plan that 15,000 additional jobs would be delivered. While this would not ensure self-containment it would reduce the impact of higher transport costs and poorer access to economic opportunities. • West Appin is located closer to the Macarthur Regional Centre with its university campus, regional hospital and major employment centres than the proposed priority precinct at Wilton. 		<p>West Appin are planned and promoted a reasonable level of employment self-sufficiency achieved.</p> <ul style="list-style-type: none"> • There is no evidence to suggest in the GMLRI exhibition material that a priority Precinct in Mt Gilead / Menangle Park or Wilton would have significantly lower community transport costs and better social outcomes than West Appin. • West Appin should therefore be considered on balance to provide an equal proposition when compared to the two Priority Precincts and in the short to medium term is more strategically located to provide better access to existing social infrastructure at Macarthur than Wilton.

DPE assessment – West Appin	West Appin Landowner's Response	Additional Comments	Conclusion
Criteria – Compatibility of development with adjacent land uses			
<ul style="list-style-type: none"> In determining “compatibility” the GMLRI considers the following issues: Sydney Water catchment area, biodiversity, Aboriginal heritage, agricultural land value, scenic and landscape values. West Appin has some “high constraint biodiversity”, some “ecologically endangered communities” and some “priority conservation lands” 	<ul style="list-style-type: none"> West Appin does not impact on the Sydney Water catchment and has similar aboriginal Heritage constraints as Wilton within gorges that would not be impacted by development. The proportion of “high constraint biodiversity”, some “ecologically endangered communities” and some “priority conservation lands” is no more significant than either Mt Gilead/Menangle Park or Wilton. 	<ul style="list-style-type: none"> The location and significance of biodiversity, Aboriginal heritage and scenic and landscape values were all considered as fundamental land use planning inputs into developing the proposed master plan for West Appin. All significant values have been identified and where possible retained and safeguarded through inclusion in the open space and biodiversity/conservation corridors and networks. The West Appin landowners have already therefore demonstrated their commitment to safeguarding the intrinsic values of the area, thereby reducing the level of incompatibility with adjacent uses. 	<ul style="list-style-type: none"> With a similar proportion of land identified as having potential impacts on adjacent land uses, West Appin must be considered as an ‘equal’ to Mt Gilead/Menangle and Wilton in this criteria. Arguably, with the level of detailed investigations and background studies already completed by the landowners, West Appin is better placed to safeguard, protect and manage any impacts on identified significant areas than the Priority Precincts. In addition, the landowners have already demonstrated their commitment to minimising impacts of future development by identifying and safeguarding areas as part of the master planning process.

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Criteria – Access to employment			
<ul style="list-style-type: none"> West Appin is 16km from employment areas in Campbelltown which is more distant than Mt Gilead/Menangle Park (8 km) but closer than Wilton (24 km). West Appin is 36km from employment areas in the Illawarra and Wollongong Regional City. This is the same as Wilton but closer than Mt Gilead/Menangle Park. 	<ul style="list-style-type: none"> West Appin is currently not as well located to future employment areas in the Western Sydney Employment Lands or the second Sydney Airport. The area is closer to the existing regional city of Campbelltown than Wilton and there has been a significant area of land identified in the preliminary master planning for the area to accommodate a range of large scale and local employment uses. Identification of the preferred route orientation for the M9 will significantly increase the connectivity of West Appin to future employment areas however as it is expected the route will intersect with the Hume Highway at a point in the immediate vicinity of West Appin. 	<ul style="list-style-type: none"> Western Sydney in particular has suffered matching employment growth with housing growth. Planning for West Appin has acknowledged this and employment areas have been identified in initial master planning for the area. From the perspective of generating potential employment opportunities, growth in the service industry is expected to rise significantly. This initial employment growth would support housing growth in the area and assist in promoting employment self containment. In addition, the location of West Appin (which is closer to Campbelltown than the Wilton precinct) will also mean future 'higher order' and key worker employment opportunities 	<ul style="list-style-type: none"> Although employment generation usually follows housing development, West Appin is significantly better placed than the Wilton Precinct in particular to take advantage of a number of factors assisting employment growth including: <ul style="list-style-type: none"> ○ Closer proximity to Campbelltown Regional City Centre to take advantage of current jobs and future growth in a range of sectors. ○ The future route of the M9 Orbital is expected to intersect with the Hume Highway immediately adjoining the West Appin landowner's area, significantly improving jobs accessibility for future

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		<p>generated with ongoing Government investment in hospitals, universities and public transport infrastructure at Campbelltown are more easily accessible.</p>	<p>residents.</p> <ul style="list-style-type: none"> ○ Being located in close proximity to Wollongong also provides significantly improved employment opportunities for future residents. • Consequently, the landowners of West Appin area believe that when considered holistically and in an integrated strategic planning context, that the West Appin area should have been considered as having more employment generation potential than Wilton Junction in particular.

ADDITIONAL CONSIDERATIONS

As demonstrated in the previous section, landowners in West Appin believe the area should be identified as a Priority Precinct under an amended Growth Centres SEPP. The West Appin area represents a logical and sound extension to urban growth in the South West corridor.

To further support our position, there are several other issues which we believe the Government should consider as part of its review. These matters are explored in more detail below.

LAND SUPPLY

The GMLRI states the Priority Precincts in Mt Gilead / Menangle Park and Wilton can deliver 35,000 new homes through to 2036 and concludes this is sufficient to meet unmet demand from within the NW and SW Growth Centres.

This is misleading and incorrect for a number of reasons:

- Assuming actual lot production commences in 2016, over the 20 year timeframe to 2036, this would equate to 1,750 lots produced and ready for construction every year. Without an immediate commencement to greenfield lot production, further backlogs will be experienced
- The AEC housing study supporting nomination of the two Priority Precincts is fundamentally flawed in its assumptions. The report argues that the housing markets in the North West Growth Centre and South West Growth Centre can operate as a single market for housing supply purposes. The report assumes any unmet supply in either growth centre can be met in the other growth centre. This assumption is flawed. Work undertaken by the DPE in developing its Urban Feasibility Model (UFM) developed to assist in determining the feasibility of supplying housing under current planning controls, identifies that the Sydney housing market operates in discreet and mostly contained sub-markets. Potential purchasers in the South West are very unlikely to relocate to the North West (and vice versa) if they are unable to purchase a lot. The modelling suggests they will remain in the sub-market and purchase a 'comparative' property (even as an interim measure) until they are able to purchase within their preferred location. Consequently the demand figures included in the report are misleading and do not present a true and accurate picture of the nature of the housing market in the South West.

As a result of the anticipated delays in bringing housing product to market in a volume significant enough to meet demand and based on the fundamentally flawed approach to predicting demand and supply in the AEC study, the landowners contend that additional Priority Precincts should be identified.

Experience in the process of bringing housing to market across Sydney has demonstrated that delays are common for a variety of reasons. Consequently, a sound approach to managing growth requires that significantly more supply should be in the 'planning pipeline' than required to meet minimum annual supply figures. Failure to do so has potential impacts in terms of prolonging the existing backlog. Inadequate supply pipeline also has potential impacts on affordability and potentially increases the number of purchasers facing housing stress as they financially extend themselves simply to get into the housing market.

West Appin should therefore also be identified as Priority Precinct contributing to the housing supply pipeline. It is contended that the lot production figures included in the GMLRI supporting material are misleading as detailed below:

The likely potential production from known developer holdings within the proposed Priority Precincts out to 2036 is well short of the 35,000 homes that the GMLRI suggests are “immediate opportunities”. If production is further reduced due to delays caused by mining in Wilton even less dwellings will be produced.

LAND CONSTRAINTS

Coal mining may delay approximately 7000 lots within Wilton and coal seam gas wells may delay approximately 2-3000 lots in Mt Gilead. In addition there is uncertainty around whether approval will be granted to develop over high value agricultural land in Mt Gilead and Menangle Park. This could reduce lot yields by further 1-2000 lots.

The GMLRI mapped areas of “high constraint biodiversity” and “ecologically endangered community” which may reduce and or delay dwelling production particularly in Wilton west and parts of Mt Gilead.

Land constraints within the GMLRI area will reduce the ability of the Priority Precincts to deliver housing at the rate and volume that has been planned.

GENERAL PLANNING CONSIDERATIONS

Thirty years of sustained growth and development in the Campbelltown-Macarthur region has created a situation where many major roads are already operating at, or above, planned capacity. This has significant impacts on quality of life for residents in the area as they travel for increasingly longer periods of time to access employment, sport, education and social and cultural development opportunities.

Further development within the South West will continue to impact on the level of service experienced on some roads. For example:

- Appin Road will reach level of Service E by 2022 if Mt Gilead and Wilton are developed as proposed under the GMLRI; and
- The single lane bridge through Broughton Pass will also experience increased delays as Wilton expands and traffic between Wilton and Campbelltown and Mt Gilead grows.

Initially extending the urban footprint further to the south to include Wilton potentially has significant infrastructure and servicing implications for ‘hard’ and ‘soft’ infrastructure provision.

Extending the reach of existing services may have impacts on the health, vitality and wellbeing of the existing community as well as on developing communities further to the south. Services in Wilton for example (eg health consulting and allied health services; social and community support networks) will generally not be available immediately as the growth rates will not generate the demand to warrant some services for many years into the development’s lifecycle.

Including the larger West Appin into the Growth Centre SEPP would ensure planning of this region occurs in a more co-ordinated and efficient way. The land owners in West Appin do not support the poor planning outcomes and inefficiencies that will be generated as a result of development ‘leap-frogging’ a significant distance to the south. The potential impacts on community wellbeing typically experienced in new greenfield release areas will be further exacerbated in the south west by the distance residents will initially have to travel to access essential services.

CONCLUSION

From both a strategic land use planning and strategic service and infrastructure delivery perspective, there is merit associated with identifying West Appin as an immediate Priority Precinct area. West Appin can effectively contribute to:

- Housing supply in a planned and coordinated manner as a consequence of the less fragmented land ownership pattern compared to the two nominated precinct;
- Supply of employment opportunities in strategic locations easily accessible from existing road networks;
- A more coordinated and cost-effective approach to infrastructure delivery;
- The opportunity for Government agencies to 'sweat' current assets within the Campbelltown Regional City Centre prior to allocating funding for new infrastructure further south in Wilton; and
- A healthier and more vibrant community with better access to services and facilities in the Campbelltown Regional City Centre than residents in areas further to the south.

The West Appin landowners generally support the GMLRI Strategy and the approach taken by the State Government to plan for new priority growth areas in Macarthur, including Wilton. However as illustrated in this submission, we are strongly of the view that the potential contribution West Appin can provide to employment and housing supply in the area has been underestimated based on flawed assumptions and the application of poor planning principles.

We are not seeking the inclusion of West Appin to the exclusion of either Wilton or Mt Gilead/Menangle Park as identified Priority Precincts. Instead we believe the inclusion of West Appin provides Government and the community with improved opportunities to plan for and deliver a more 'holistic' response to managing growth in the South West corridor.

We therefore request that West Appin be included within the Growth Centre SEPP. This will allow proposals for the release and development of land to be considered by the Government and council within the growth centre framework. We believe that West Appin can assist in meeting many of challenges associated with managing growth in Sydney's

Yours sincerely

INGHAM PROPERTY GROUP

WALKER CORPORATION

OTHER SMALL LANDHOLDERS