APPENDIX 1

Charter Keck and Cramer letter dated 17 November 2015

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Property
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16 November 2015

Mr Grerry Beasley
Walker Corporation
E: Gerry.Beasley@walkercorp.com.au

Dear Gerry

Re: South-West Sydney Greenfields Market Assessment.

Further to your instruction, the following letter provides an outline of some key metrics about the South-West and metropolitan Sydney greenfield land market with reference to data from National Land Survey Program (NLSP). For the purpose of relativity, these metrics have been benchmarked to the metropolitan Melbourne greenfield market.

Sales Activity

Metropolitan Sydney
Sales activity across the metropolitan Sydney's greenfield market peaked at almost 9,300 lot sales in the year ending June 2014 and has fallen by 15% to 7,860 over the year ending June 2015.

Over this same period the number of trading estates has been approximately 40 and 50 trading estates as compared to a peak of 77 trading estates in early 2013.

South-West Sydney
Sales activity across South-West Sydney has been much more resilient as compared to the rest of Sydney with the peak of annual sales remaining consistent between approximately 3,500 - 3,600 lots since early 2014.

There was a rapid pick-up in sales activity since early 2013 with approximately 20 trading estates although this level of completion has more recently fallen to 13 estates in the June 2015 quarter.

Metropolitan Melbourne
The annual number of greenfield lot sales reached a new peak in the June 2015 quarter with 15,650 sales which is slighly above the level achieved in mid 2010 when first home owner incentives were significantly higher than the prevailing level.

The increase in sales has been driven by both competitive pricing as well as substantially greater competiton with 168 trading estates being recently observed as compared to 95 estates at the previous peak.

Sales Rate Per Estate

Metropolitan Sydney

The average number of lot sales per active estate, expressed as a per calendar month (p.c.m.) ratio, has moved between 12 and 18 lots p.c.m. per estate since late 2013 with a rapid escalation in 2013 from the prevailing rate of 4 – 8 lot sales p.c.m. per estate through 2009 – 2013.

In a sample of over 80 estates that have traded for at least 6 months between 2008 and 2015, it is observed that there has been a median of 7.0 lot sales p.c.m. per estate ovr their trading history (to date for still active projects) across metropolitan Sydney.

Significantly however, sales propensity has been directly related to project size. The largest estates, defined as containing a yield of more than 1,000 lots, indicated a median of 21 lots p.c.m. per estate. The smallest estates, defined as having yields of less than 500 lots, achieved a median of only 3.2 lots p.c.m. per estate.

South-West Sydney

The average number of lot sales has moved between 18 and 23 lots p.c.m. since late 2013 with a rapid escalation in 2013 from the prevailing rate of 5 – 8 lot sales p.c.m. through 2009 – 2012. In the June 2015 quarter, the average jumped to 30 lots p.c.m. per estate.

In a sample of over 30 estates in South-West Sydney, the same pattern of sales propensity relative to project scale was also observed. The largest estates demonstrated a median sales rate of 17 lots p.c.m. per estate compared to only 4.6 lots p.c.m. per estate for the small sub-500 lot projects.

Metropolitan Melbourne

At the previous sales peak, Melbourne's market achieved an average of 16 lot sales p.c.m. per estate. Currently, under the more competitive environment, this ratio has fallen to 10 sales p.c.m. per estate.

Lot Prices

Metropolitan Sydney

The median lot price for a greenfield lot in Sydney has escalated from $295,000 in the June 2010 quarter to $412,750 in the June 2015 quarter which represents an annual increase of 7.0% p.a.

Significantly, as the sales rate has slowed across Sydney in 2014-15, the median lot price has grown by 29% over the year. In this same period the number of new lots released for sale have diminished by 8% to 7,750 over 2014-15.

South-West Sydney

The median greenfield lot price across the South-West Sydney region has moved from $250,000 in the June 2010 quarter to $364,500 in the June 2015 quarter at an average annual growth rate of 7.9% p.a.

There has been a spike of price growth to 19% over 2014-15 although this is less than observed across the broader Sydney market given that the number of new lots released for sale has increased by 8% in 2014-15 relative to the preceding year which suggests that the higher supply has capped price growth (to some extent).

In the Local Government Areas (LGAs) surrounding the greenfield markets it is observed that the median house prices in year ending September 2015 vary between $533,000 in Campbelltown LGA and $675,000 in Liverpool LGA. Wollondilly LGA and Camden LGA had median house prices of $610,000 and $630,000 respectively.

Metropolitan Melbourne

In comparison, the median greenfield lot price across metropolitan Melbourne has increased from $196,000 in the June 2010 auarter to $212,000 in the June 2015 quarter which represents average annual growth of 1.6% p.a. and a real fall a peak of $220,000 in the June 2011 quarter.

Notwithstanding the strength of underlying housing demand and the historic low level of prevailing interests rates and a spike in new sales activity, Melbourne's lot price has only increased by 6% across 2014-15.

In 2014-15 the number of new lots released for sale peaked at over 15,000 lots which was a 47% increase over 2013-14. This evidenced elasticity of supply to meet changes in demand,and the inherent level of competiton across the multiple submarkets, has allowed Melbourne's price growth to remain under significant downward pressure.

The established housing markets in the LGAs surrounding the greenfield region demonstrate median house prices of $360,000 - $380,000 in year ending September 2015 which are substantially less than observed even in South-West Sydney. Melbourne's most expensive outer suburban LGA (Casey) had a median house price of $420,000.

Further Information

I trust that this brief analysis is instructive. If you have further enquiries please call the undersigned on 03 8102 8811 or robert.papaleo@charterkc.com.au.

I will be pleased to arrange a time to meet with you to further discuss any specific requirements.

Please visit our web site: www.charterkc.com.au

Yours sincerely
Charter Keck Cramer

Robert Papaleo
National Executive Director – Research
B.P.D. (Planning) , B.Bus. (Property)

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APPENDIX 2

Submissions by Walker Corporation to Sydney Metropolitan Strategy 2010 and 2013

METROPOLITAN STRATEGY REVIEW

SUBMISSION

MAY 2010

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1. INTRODUCTION

The State Government has requested submissions to the Metropolitan Strategy 5 year review.

This submission has been prepared by Walker Corporation.

Walker is a large, well resourced and experienced development company.

For 40 years, Walker has been involved in all property sectors, in every Australian state and territory.

Walker manages all aspects of its projects, from sourcing the sites, obtaining planning approvals, design, construction of estates and buildings, and providing the end user with tailored facilities.

In many of its projects, Walker continues with ongoing ownership and management.

Annexure 1: Information on Walker projects.

In 2005, Walker had 19 major projects in NSW, and 3 major projects in other states.

Now, Walker has 1 minor project in NSW, and 15 major projects in other states.

Anecdotal evidence from other property industry members would suggest Walker is not alone in finding its work concentrated outside of NSW.

This submission addresses the questions:

- "*Should we continue to concentrate greenfields development in the Growth Centres?"*
- *"How can the process of greenfield land release be improved?"*

It considers only outer Sydney, where 121,110 households are in housing stress. That's 51% all of Sydney's households in housing stress (*Metropolitan Strategy Review – Discussion Paper page 21*).

Sydney's population will grow significantly in coming decades, and new homes will be needed for those people to live in.

This growth is necessary to support ongoing economic prosperity.

Table One: SYDNEY WILL CONTINUE TO GROW STRONGLY

YEAR	TOTAL POPULATION
2006	4,300,000
2020	5,000,000
2036	6,000,000
TOTAL GROWTH	**1,700,000**

YEAR	'NATURAL' GROWTH
2006 to 2036	1,173,000 (69% of total growth)

YEAR	NET MIGRATION
2006 to 2036	527,000 (31% of total growth)

YEAR	RATE OF GROWTH
1986 to 2006	38,000 people per year (average)
By 2035/2036	59,000 people per year

Source: MDP Report February 2010, Department of Planning page 62

Even without migration into the city, housing the 1.173 million people added to the city as a result of births and longevity will be a challenge.

How are we facing this challenge?

Sydney has more 'planning' than ever before. We have 'housing targets', corridors, centres and 'Growth Centres'. And that's not counting the plethora of statutory planning controls and *Environmental Planning and Assessment Act* amendments.

Yet housing production is at all time lows.

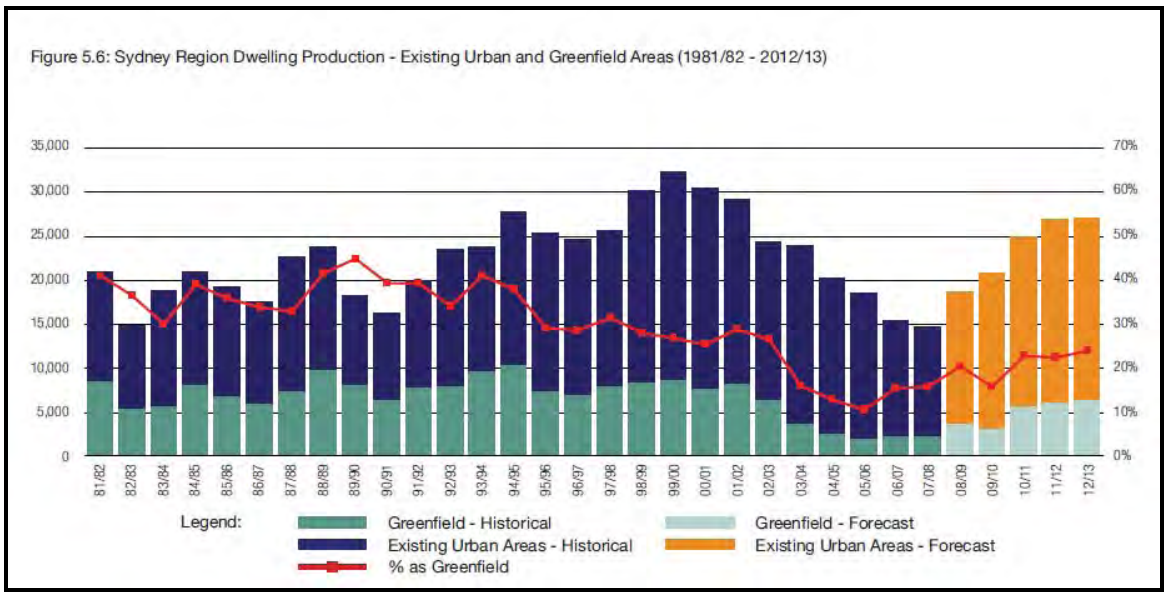


Figure 1: DWELLING PRODUCTION IS AT ALL TIME LOWS (1981/82 TO 2007/2008)
Source: MDP Report February 2010, Department of Planning

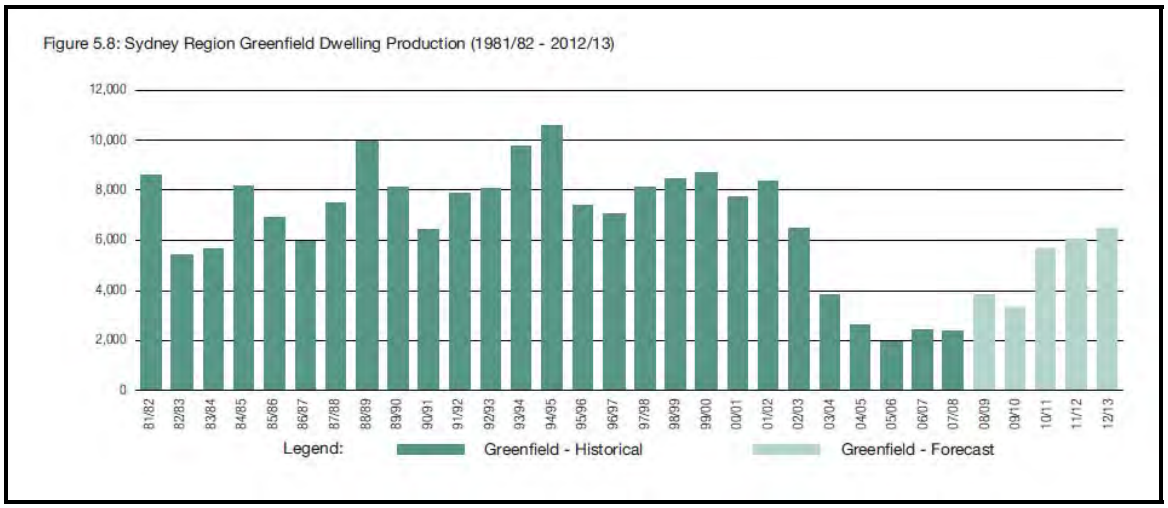


Figure 2: GREENFIELD DWELLING PRODUCTION IS AT ALL TIME LOWS (1981/82 TO 2007/2008)
Source: MDP Report February 2010, Department of Planning

The MDP projects a growth in annual housing production in coming years.

However, this growth will not bring housing production to the levels achieved in years when the rate of population growth was much lower.

In addition, the projected increases in housing production cannot be sustained, as much of the land in the MDP pipeline is unsuitable for large scale efficient lot production.

People need affordable homes, whether to rent or buy. Without affordable homes, people will leave Sydney and NSW.

The gap between demand and supply is affecting affordability, with economic and social impacts.

The construction of homes generates economic benefits. The construction sector is an important employer. Many large and small businesses rely on construction activity, from mining companies to neighbourhood plumbers.

The Metro Strategy's objective is to see lot production reach ambitious targets has not, and will not be achieved.

The government has instead focused on 'planning', which results in coloured 'Plans' and announcements that land supply is increased.

The planning framework created by the Metro Strategy, NSW's statutory controls, the MDP's application as a quasi environmental planning instrument and 'protocols' and 'processes' is compounding the failure.

'Planning' has actually become the problem, blocking achievement of Strategy objectives.

Walker believes lot production can be increased, if 'planning' is used as it should be, to solve problems, balance competing factors and achieve desired objectives. Planning needs to be put back in perspective, it is only one part of the lot production process.

1.1 Metropolitan Sydney's South West Region

This submission focuses on metropolitan Sydney's south west region in particular, as Walker Corporation has land interests there.

Walker is concerned the Metro Strategy's principle of curtailing lot production outside of MDP release areas and the South West Growth Centre, is stifling the supply of new housing land, with impacts on Sydney's economic and social health.

The unsuitability of MDP areas and the Growth Centre to actually accommodate growth is exacerbating the shortfall of new housing land already evident in the region.

In metropolitan Sydney's south west region there are many land release areas at various stages of the planning process, however, there is actually very little land with both the right planning and environmental conditions to actually facilitate lot production.

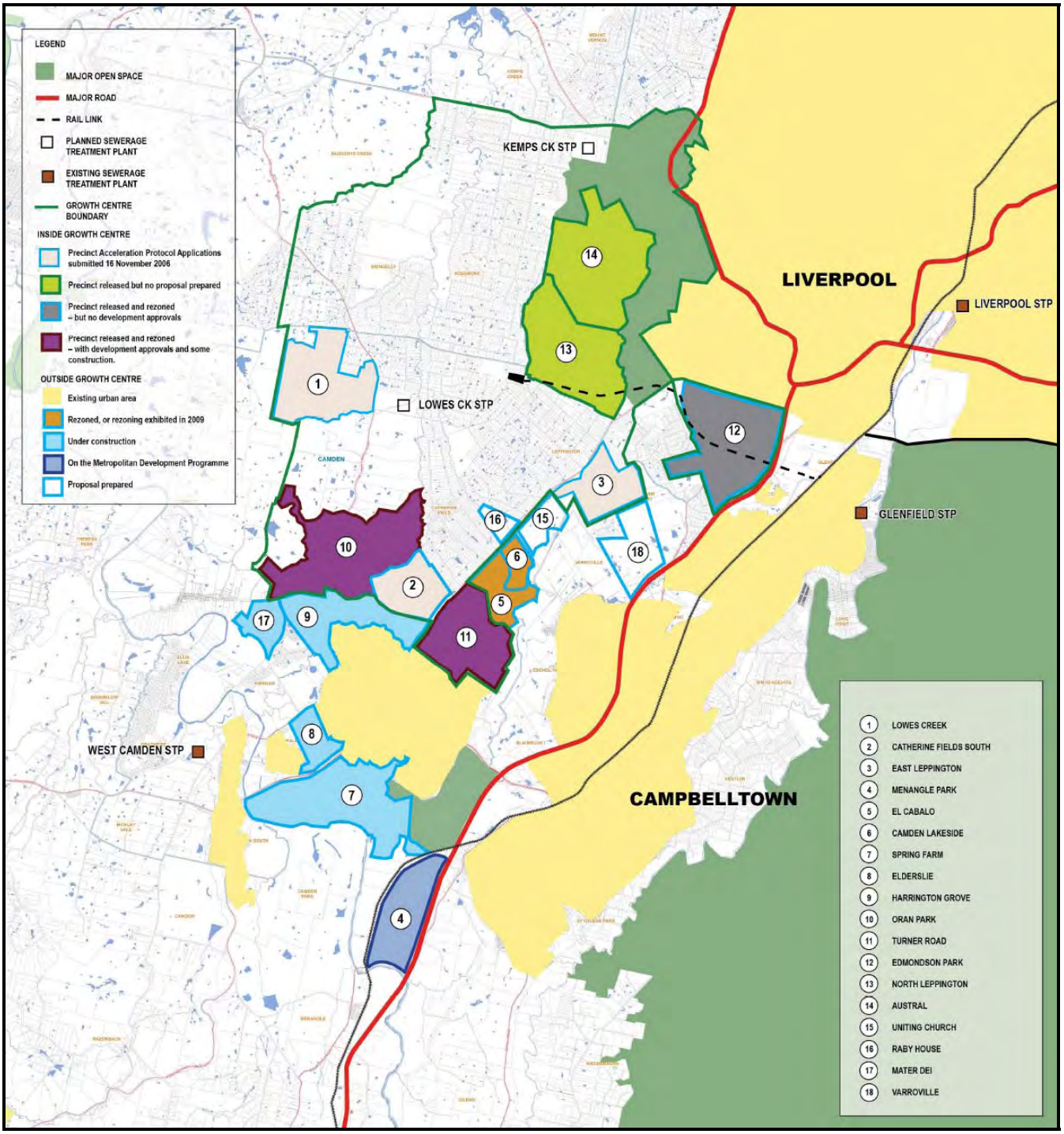


Figure 3: LAND RELEASES IN SOUTH WEST SYDNEY

2. HOUSE LOTS ARE NOT BEING PRODUCED FAST ENOUGH

The city is a series of sub markets. This discussion focuses on the Growth Centres and metropolitan Sydney's south west sub market.

2.1 Years of Expensive Planning Has Not Produced Lots

By 2036, the Metro Strategy targets 70,000 new homes in the North West Growth Centre, and 110,000 homes in the South West Growth Centre.

On 17th May 2010 Minister Kelly said, "*We have been planning for sustainable growth on Sydney's fringes since 2005*"

However Growth Centre planning actually commenced in 2000/2001 with workshops and studies culminating in a decision to prepare a Bringelly structure plan (MDP 2008/2009:18). The first background reports were finalised in early 2003, and the Growth Centres were officially gazetted on July 2006.

Table Two: GROWTH CENTRES COMMISSION'S EXPENSES

YEAR	AMOUNT	REFERENCE
2005/2006	**$5,155 total**	Growth Centres Commission *Annual Report 2006 – 2007:* page 45.
2006/2007	**$8,831 total** (including $2.444 million for consultants doing 'Precinct Planning')	Growth Centres Commission *Annual Report 2006 – 2007:* page 45. Growth Centres Commission *Annual Report 2006 – 2007:* page 55.
2007/2008	**$9,579 million** (including $4.996 million for consultants doing 'Precinct Planning')	Growth Centres Commission *Annual Report 2007 – 2008:* page 33. Growth Centres Commission *Annual Report 2007 – 2008:* page 39.
2008/2009	**$5,421 million** (including $3.952 million for consultants doing 'Precinct Planning')	Department of Planning *Annual Report 2008 – 2009:*page 248 Department of Planning *Annual Report 2008 – 2009:*page 258
TOTAL	**$28,986 MILLION**	

Note: Excludes Department of Planning's expenditure on Growth Centre planning between 2000/2001 and mid 2006 when the Growth Centres Commission was established.

Table Three: ACTUAL GROWTH CENTRE LOT PRODUCTION

NORTH WEST							
	RELEASED	BOUNDARY REVIEW PROCESS	DRAFT PRECINCT PLAN	REZONED PRECINCT	LOTS BEING BUILT	LOTS PRODUCED	2036 LOT TARGET
NORTH KELLYVILLE	04/12/06			Nov 2008	0	0	
MARSDEN PARK	09/06/08		Exhibited 01/02/10		0	0	
ALEX AVENUE	04/12/06		Exhibited 6/02/09	May 2010	0	0	
RIVERSTONE	04/12/06		Exhibited 6/02/09	May 2010	0	0	
RIVERSTONE WEST	04/12/06			07/08/09	0	0	
COLEBEE**	NA**			May 05**	100**	97**	
AREA 20	04/12/06	07/01/09			0	0	
SCHOFIELDS	17/10/09	Exhibited 01/02/10			0	0	
BOX HILL	17/10/09	Exhibited 01/02/10			0	0	
BOX HILL INDUSTRIAL	17/10/09	Exhibited 01/02/10			0	0	
				TOTAL (PRECINCTS)	**100****	**97****	
				TOTAL (GROWTH CENTRE)			**80,000**

SOUTH WEST							
	RELEASED	BOUNDARY REVIEW PROCESS	DRAFT PRECINCT PLAN	REZONED PRECINCTS	LOTS BEING BUILT	LOTS PRODUCED	2036 LOT TARGET
AUSTRAL	17/10/09	Exhibited 01/02/10			0	0	
LEPPINGTON NORTH	17/10/09	Exhibited 01/02/10			0	0	
EDMONDSON PARK**	NA**			March 2006**	190	0	
TURNER ROAD	04/12/06			Dec 2007	350	0	
ORAN PARK	04/12/06			Dec 2007	300	0	
				TOTAL (PRECINCTS)	**840**	**0**	
				TOTAL (GROWTH CENTRE)			**110,000**

**** Precinct rezoned prior to Growth Centre's creation**

There has been nearly 10 years of 'planning'. Millions of dollars of the NSW's community's money has been spent on:

- Years of Department of Planning staff time.
- Volumes of background consultant reports
- Consultation with the community and government agencies
- Information brochures, CDs, fact sheets, media releases, web pages and animations
- Growth Centre structure plans – and amendments
- State Environmental Planning Policy *Sydney Region Growth Centres.*
- A short lived Growth Centres Commission, with a Board, staff and offices
- Growth Centre management and business plans
- Biodiversity Certification
- Boundary review processes
- Precinct Acceleration Protocol processes
- Precinct Planning processes – with more consultant reports
- Development Code
- Infrastructure Plans

Even with the government's investment of time and money in 'planning' not a single lot has been produced in the Growth Centres.

The exception is Colebee, which was actually rezoned before the Growth Centre were created, using the old fashioned Council driven process.

2.2 Government Production Targets Will Not Be Met

The Metropolitan Development Programme projects a shortfall between Metro Strategy's targeted number of new dwellings in Sydney's south west, and actual production.

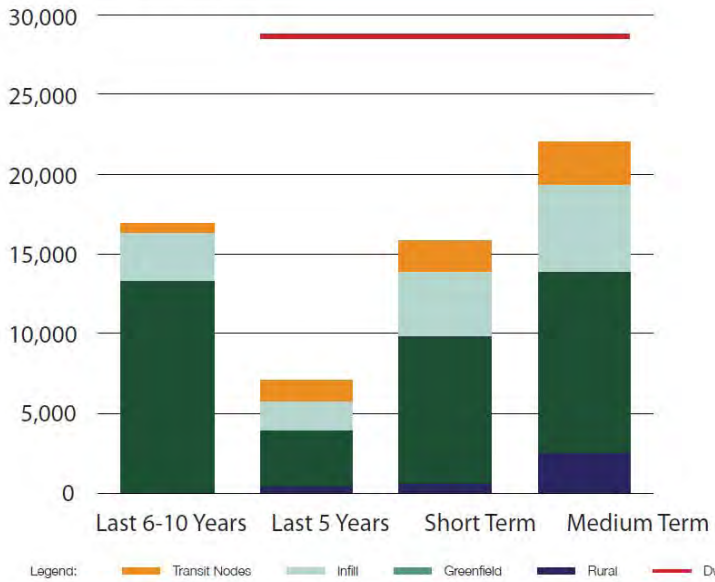
These projections assume Growth Centre precincts will produce lots in accordance with their planning controls.

However, lot production in those precincts is likely to be slower than projected.

The shortfall in dwelling supply will therefore be greater than already predicted.

Section 7.1: Subregion/Region Dwelling Production and Dwelling Targets

South West Subregion



Note: Last 6-10 Years = 1998/99 - 2002/03, Last 5 Years = 2003/04 - 2007/08, Short Term = 2008/09 - 2012/13, Medium Term = 2013/14 - 2017/18

Subregion	Target
Sydney City	55,000
East	20,000
South	35,000
Inner West	30,000
Inner North	30,000
North	21,000
North East	17,300
West Central	95,500
North West	140,000
South West	155,000
Central Coast	56,000

The figures compare the 2031 dwelling targets to the forecast. These comparisons should only be taken as a guide as the targets are long term. In the shorter term dwelling production levels are influenced by production cycles. In addition, councils are currently preparing Principal LEPs which are responding to the dwelling targets.

Dwelling targets and forecasts are not included for the Lower Hunter and Illawarra Regions. Separate Urban Development Programs are being prepared for these regions.

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MDP | 2008/09 | Section 7 Subregion Targets 7.1

Figure 4: LOT PRODUCTION IN THE SOUTH WEST REGION WILL NOT REACH TARGETS
Source: Department of Planning 'MDP2008/2009' May 2010

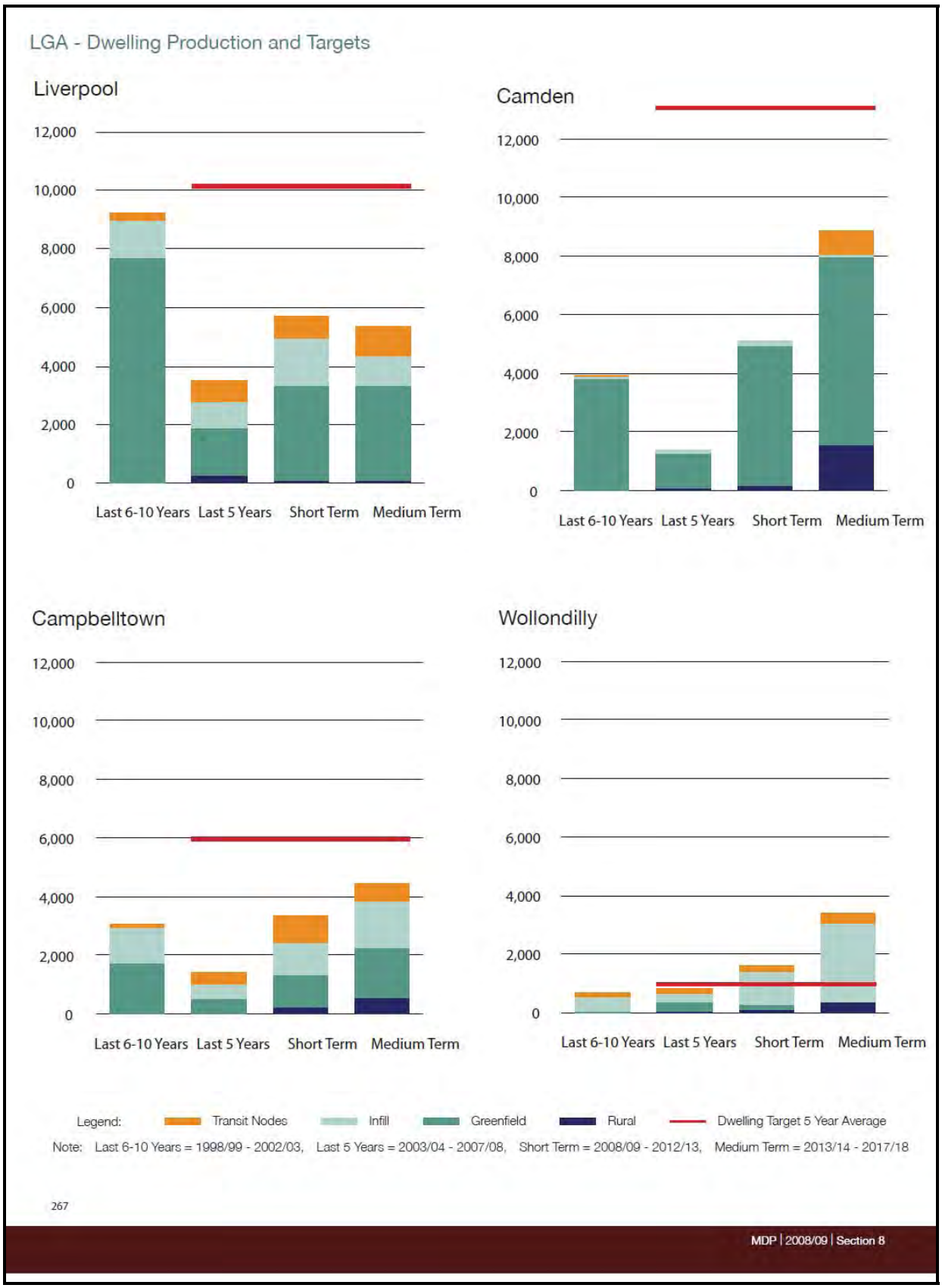


Figure 5: LOT PRODUCTION IN THE SOUTH WEST LGAS WILL NOT REACH TARGETS

Source: Department of Planning 'MDP2008/2009' May 2010

2.3 The Metro Strategy Curtails Lot Production

Obstacles to lot production are implicit in the Metro Strategy.

At a regional level, planning for lot production, let alone actual lot production, cannot commence outside of the Growth Centres, until the Growth Centres have reached their full development potential (Department of Planning *City of Cities*: 224).

This obstacle is based on flawed strategic planning which failed to identify all the constraints and opportunities evident in metropolitan Sydney's south west.

- The Metro Strategy fails to identify the Growth Centres are not greenfield, but are actually established housing and horticultural areas unsuitable for large scale efficient lot production.
- The Metro Strategy fails to identify true greenfield areas within the region, where large scale efficient lot production can occur, and where there is existing infrastructure and previous government planning in place.
- The Metro Strategy erroneously concluded these true greenfield areas are constrained by the presence of coal and agricultural resources.
- The Metro Strategy fails to consider the strategic economic, social and transport connections between Sydney's south west and west, and Wollongong Regional City and Port Kembla employment area.

Most land within the Growth Centre will take decades to develop and will be highly inefficient and expensive, given existing constraints.

Therefore it will be 30 to 40 years before true greenfield areas elsewhere in the region will commence producing lots.

Obstacles to lot production are explicit within the Growth Centres.

Planning for lot production, let alone actual lot production, is prohibited except in those Precincts which have been 'released' under Clause 267 of the *Regulations.*

Most released Precincts are highly constrained and will take decades to develop.

Therefore, commencement of planning, let alone production, in other precincts will also be delayed for decades.

Growth Centre Precincts are being 'released' in accordance with a government adopted 'sequence'. The 'sequence' has not been published, nor the factors which were considered by the Growth Centres Commission when they established the 'sequence'.

Where well resourced private developers wish to produce lots on their land they must follow the 'Precinct Acceleration Protocol' operating outside the bounds of the *Environmental Planning and Assessment Act 1979.*

Needless to say, no residential precincts have been 'approved' through the Protocol.

The Metro Strategy's implicit and explicit obstacles to lot production, in tandem with NSW's long planning lead times, will delay lot production in Sydney for decades to come, while slow, inefficient, and expensive development occurs, resulting in sub optimal residential areas within released MDP areas and Growth Centre Precincts.

The shortfalls between metropolitan Sydney's south west region's housing targets and actual production will be greater than those already predicted by the MDP.

3. WHY IS LOT PRODUCTION SO SLOW?

3.1 It's Not Developers or Banks

Developers respond to demand by producing lots.

That's all they do. Given the evident demand, if it is at all possible developers will produce lots. The MDP shows the Metro Strategy's targets for housing south west Sydney's residents are not being met.

3.1.1 Developers are not 'land banking' outside of the Growth Centres.

In September 2007, Walker requested its south west region landholdings be investigated for lot production by inclusion on the Metropolitan Development Programme.

Inclusion on the MDP is the first 'step' in the lot production process, although it is not included in the *Environmental Planning and Assessment Act,* and the MDP is not an Environmental Planning Instrument with associated transparent and accountable process. (MDP 2008/2009:23)

The MDP is indeed, only an information tool.

These landholdings are outside of the Growth Centre.

Government has long considered the area, known as 'Macarthur South' for urban development.

In accordance with written advice from the Department of Planning, the submission considered the area as whole and provided strategies for infrastructure provision and addressing environmental issues.

It is understood other well resourced proponents, ready to produce lots in the south west region have made similar submissions, but these have also not been progressed by government.

In July 2009, then Minister Keneally announced the area would not be considered as infrastructure costs were thought to be too high. This was based on minimal planning investigation of the area's potential by APP Consulting on behalf of government, and infrastructure cost estimates based on minimal, and incorrect infrastructure concepts.

E4.2.1 Focus land release in growth centres.

Many regions in Western Sydney are experiencing increasing pressure to allow rural residential lots to be developed on agricultural land, particularly around rural towns.

The Government has already declared that the focus of new urban communities over the next 25 years will be the identified North West and South West growth centres.

E4.2.2 Implement sustainability criteria for new land releases.

The process and criteria for any future land release will be strengthened and new urban development outside of areas listed on the Government's land release program tightly restricted and subject to the sustainability criteria. (Refer to E3.1)

E4.2.3 Review the long term development capability of Macarthur South beyond the next 25 years to provide land for a range of urban activities.

There is no case for any urban development in Macarthur south prior to the full development potential of the North West and South West growth centres. Macarthur south may be investigated beyond 25 years for its potential to provide land for a range of urban activities including residential, employment, open space, conservation and industry. The Metropolitan Strategy review process will provide a context for timing and need for future urban investigation areas.

The Macarthur south area contains important coal resources, and mining of these resources is expected to continue for at least 30 years.

Figure 6: THE METRO STRATEGY LIMITS PRODUCTION OUTSIDE THE GROWTH CENTRE
Source: Department of Planning 'City of Cities' December 2005: 224

The Metropolitan Strategy considers the potential of this area.

However, it wrongly notes coal mining will be active there for 30 years.

In fact, mining is substantially complete in the area's central part.

It wrongly implies the area is needed for agriculture, while the Growth Centres are not.

In fact, the area is relatively poor agricultural land with negligible investment in supporting infrastructure, and there is much more productive land within the Growth Centres, complemented by investment in horticulture infrastructure.

The Metropolitan Strategy has blocked lot production in the south west region, by 'sequencing' lot production so areas outside the Growth Centres must wait until 'the full development potential of the North West and South West growth centres' is realized.

If the government maintains this approach in Sydney's south west region, lot production will be well below targets for decades to come, with the shortfall increasingly exacerbated as the Growth Centre fails to produce the lots targeted, and takes much longer than projected.

3.1.2 Banks Are Not Withholding Finance

The government is planning for lot production on land that cannot support efficient, economic lot production.

Therefore well resourced developers are not considering lot production, and are therefore not seeking project finance.

Therefore banks are neither withholding project finance, nor approving finance with unacceptable conditions.

3.1.3 Developers are not 'land banking' in the Growth Centres.

In Oran Park and Turner Road Precincts, Development Applications for subdivision were lodged immediately upon those Precincts being rezoned.

In four other Precincts, where there are large land holdings with committed land owners and well resourced developers, 'Precinct Acceleration Protocol' applications have been lodged, seeking 'approval' for their land's formal release.

Formal release does not allow lot production, but only signals the commencement of Precinct Planning.

It is understood PAP applications have been lodged for:

- East Leppington (Growth Centres Commission Website accessed 12 May 2010).
- Lowes Creek (Growth Centres Commission *Annual Report 2007/2008:*24)
- Marsden Park Residential (no information).
- Catherine Fields South (no information).

East Leppington and Lowes Creek were lodged on 16th November 2006 and have therefore been under consideration for over 3 years.

It is unknown when Marsden Park Residential and Catherine Fields South were lodged.

These Precincts are not released, let alone planned and are therefore still years from lot production.

The 'Precinct Acceleration Protocol' has no basis in the *Environmental Planning and Assessment Act* or any other Australian planning statutory framework.

The PAP is therefore not transparent, and the following aspects cannot be challenged, nor scrutinized by Land and Environment Court:

- Requirements for money and works in kind contributions to infrastructure over above those sought for other, similar land releases.
- 'Applications' and 'approvals'.

Needless to say, no potential residential land has been released under the PAP.

3.2 It's Not Lack of Demand

There is solid underlying demand for new houses in new suburbs (*Metropolitan Development Programme 2008/09* Dept. of Planning: 81). People camped out to buy lots at Oran Park's recent marketing release.

The median family incomes in Sydney's south west and Melbourne's north west growth corridors are identical at $1,165 and $1,175/week respectively.

However, in Sydney's south west growth corridor, new lots are much less affordable than in Melbourne's growth corridor:

- In Sydney only 13% of new lots are sold at $200,000 or less.
- In Melbourne 65% of new lots are sold at $200,000 or less. (Charter Keck and Cramer 'National Land Survey Program' December 2009).

Consequently, Melbourne's growth corridors are selling, then producing many more lots.

Same incomes, both large Australian cities, but Sydney is failing to provide the housing families with moderate incomes need.

Only 31% of the expected demand for greenfield lots can actually be met with lots being offered for sale. (Charter, Keck and Cramer "National Greenfield Residential Land Market – Sydney South West March 2010:12).

Entry level households have a yearly income of $70,000 a year, which, with the first home buyers grant allows them to purchase:

- House and land packages to $320,000
- New lot to $170,000. (Charter, Keck and Cramer "National Land Survey Program – Sydney South West March 2010:12).

The south west region has both a high proportion of entry level households, and households who move from one part of the region to another, preserving connections to their communities and families.

- 55% (68,286) of the region's households earn under $70,000/year.
- 69% of households moving to the region, come from the region (Andrew Jackson, Executive Director, Strategy and Infrastructure – presentation to the UDIA 12 May 2010).

Land ahoy! New players in the property game

MANUEL MITTERNACHT
March 28, 2010

First in . . . Simone and Dallas Murphy, with four-month-old son Aden, who have camped since Monday. Photo: Dallas Kilponen

EAGER buyers snapped up the first 30 blocks of land yesterday in the biggest land release that Sydney has had for a decade.

Dozens of families had camped for days to secure the lots at Oran Park Town, on the old race-car circuit about 60 kilometres south-west of the CBD.

The Landcom development will eventually house 22,000 people in 7540 homes.

The lots sold yesterday went for between $185,000 and $275,000.

Yesterday's buyers are the first of what the NSW government expects to be 450,000 new residents across the city's south-west fringe by 2036, taking in the Liverpool, Campbelltown, Camden and Wollondilly local government areas.

Simone and Dallas Murphy, both in their late 20s, with four-month-old son Aden, from Penrith, were first in line to buy the land for their dream home.

"We knew exactly what we wanted; we have been camping out here since Monday," Mrs Murphy said.

The walking distance to shops and community facilities, the environmentally sustainable lifestyle and the price attracted the couple to the new development, about an hour's drive from the CBD.

"We don't expect to get much change out of $600,000 for our four-to-five bedroom house," Mr Murphy said. Landowners can choose from 43 home designs on display at the site, and discuss options and custom designs with local builders.

Although Danielle Langer, 22, and her partner, Trent Hodgson, 23, from Leumeah, spent nights in their car to secure their first choice block, they had to settle for another.

"We were number 21 in the line, but the block we had chosen was already taken," Ms Langer said. The couple chose a 450-square-metre lot and are now considering a quote of more than $360,000 for a three-bedroom home.

Ms Langer commutes to her work in North Sydney and does not mind the daily trip.

"I catch the train from Campbelltown; it only takes about one hour and 15 minutes," she said.

The bonding experience of camping and in-line waiting has already put her in touch with her future next-door neighbours.

"Everyone is getting along; it's great," she said.

Lee and Natalie Chamberlain, from Mount Annan, were thrilled to secure their 744 square metre lot, the biggest block of this weekend's release. Mr Chamberlain is working as a painter in the area and is not afraid of the tasks ahead.

"I love a big garden; I love mowing lawns," he said.

One buyer, walking with crutches, almost missed out on his dream home when he was beaten to the line by a faster competitor who overtook him on the way from the car park to the buyers' queue.

Excavator operator T. J. Iofrida, 25, from Rossmore, was on crutches after stepping on a steel rod

Figure 7: BUYERS CAMP OUT TO SECURE NEW LOTS

Source: Sydney Morning Herald 28th April 2010

However, the median price for a greenfield dwelling is out of reach for most of these households:

- Camden and Campbelltown $470,000
- Liverpool $435,000 (MDP 2008/2009:91)

Therefore, by 2013, the supply of affordable lots in Sydney's south west will be gone (Charter, Keck and Cramer "National Greenfield Residential Land Market – Strategic Overview April 2010:slide 37).

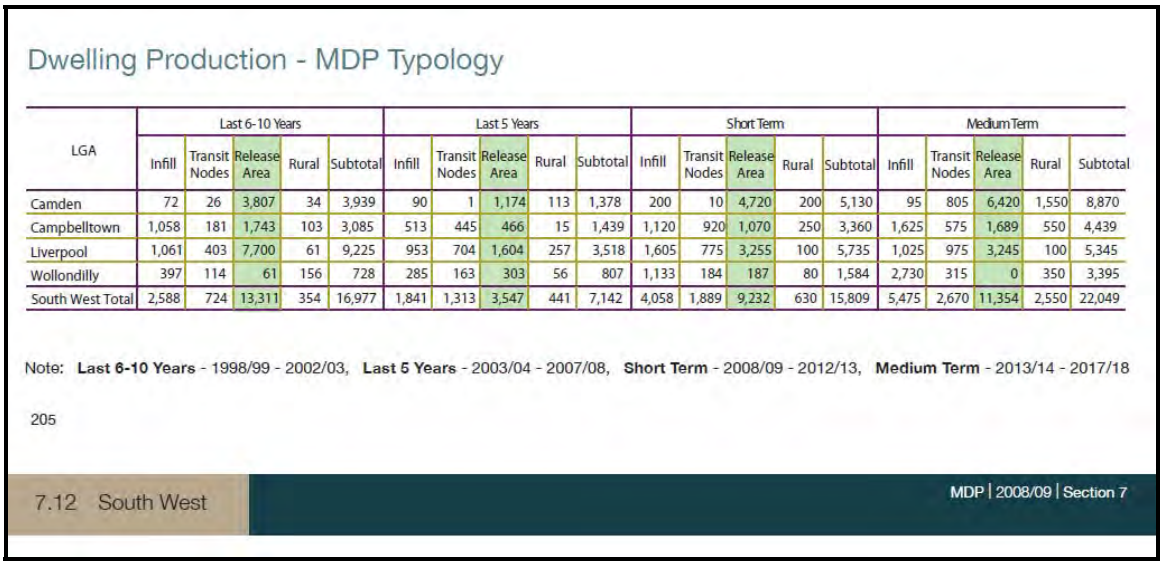
The Metro Strategy targets total of 125,000 new houses, 15,000 outside the Growth Centre, and 110,000 in the Growth Centre in response to predicted demand from a growing population (Department of Planning draft '*South West Subregional Strategy'* December 2007: 74) (Growth Centre web site – accessed 12 May 2010).

That's an average of 5,000 new greenfield dwellings each year, until 2036.

Nowhere near the required amount of lots is being produced, or will be produced to meet this target.

Only 709 new greenfield dwellings were produced on average per annum between June 2003 and June 2009.

While production is projected to increase over the next 10 years, it will still not meet targets. An average of 1,845, then 2,271 dwellings per annum is projected.



Dwelling Production - MDP Typology

LGA	Last 6-10 Years					Last 5 Years					Short Term					Medium Term				
	Infill	Transit Nodes	Release Area	Rural	Subtotal	Infill	Transit Nodes	Release Area	Rural	Subtotal	Infill	Transit Nodes	Release Area	Rural	Subtotal	Infill	Transit Nodes	Release Area	Rural	Subtotal
Camden	72	26	3,807	34	3,939	90	1	1,174	113	1,378	200	10	4,720	200	5,130	95	805	6,420	1,550	8,870
Campbelltown	1,058	181	1,743	103	3,085	513	445	466	15	1,439	1,120	920	1,070	250	3,360	1,625	575	1,689	550	4,439
Liverpool	1,061	403	7,700	61	9,225	953	704	1,604	257	3,518	1,605	775	3,255	100	5,735	1,025	975	3,245	100	5,345
Wollondilly	397	114	61	156	728	285	163	303	56	807	1,133	184	187	80	1,584	2,730	315	0	350	3,395
South West Total	2,588	724	13,311	354	16,977	1,841	1,313	3,547	441	7,142	4,058	1,889	9,232	630	15,809	5,475	2,670	11,354	2,550	22,049

Note: **Last 6-10 Years** - 1998/99 - 2002/03, **Last 5 Years** - 2003/04 - 2007/08, **Short Term** - 2008/09 - 2012/13, **Medium Term** - 2013/14 - 2017/18

205

7.12 South West

MDP | 2008/09 | Section 7

Figure 8: DWELLING PRODUCTION WELL BELOW THE METRO'S TARGETS

Source: Department of Planning 'MDP 2008/2009': 205 – adapted by Walker

Even this improved production will not be sustained, as supply in Spring Farm, Harrington Park, Oran Park and Turner Road becomes depleted, and Edmonson Park struggles and suitable new areas are not planned for.

Even if all goes well, dwelling production in Sydney's south west will not meet government targets.

3.3 It's Not Existing Land Owners Waiting for Higher Prices

3.3.1 Owners Make Decisions for Their Families and Businesses

Land which has appropriate planning conditions to facilitate lot production is held in thousands of individual ownerships.

The MDP 2008/09 notes residential land acquisition costs are high relative to retail lots, *"due to englobo land holders being unwilling to sell their land below the price benchmarks set at the market peak."*

However it is perfectly appropriate in Australia for vendors to offer their homes and businesses to the market at any price they choose. They can then choose to wait until their price is met, or lower their price.

Owners value their properties based on a range of logical and reasonable reasons, for example, lifecycle phase, lifestyle value, sentimental value, cost of obtaining a similar property elsewhere, or the value of investment they have made on the property.

It is not the responsibility of existing land owners to ensure Metro Strategy's goals are met or Sydney's growing population housed.

It is only their responsibility to make the best decisions for their families and businesses.

3.3.2 Land Must be Identified Where Owners Want to Produce Lots

The reviewed Metro Strategy must identify new growth areas where there are land owners and well resourced proponents with a commitment to producing lots.

This will encourage lot production at minimal cost to the NSW Community, and with minimal disruption to existing homes and businesses.

If this does not occur, within the current Metro Strategy's planning framework, the only solutions are:

- Government compulsorily acquires land. This is not a satisfactory solution. The cost to the NSW community will be huge, and it is a questionable approach to a solving a planning problem.

- Government pays for servicing the land in the hope that this will make lot production feasible given the asking price. This is not a satisfactory solution. This cost to the NSW community will be huge, and inefficiently spent, as services will be idle while lot production occurs slowly, and in a haphazard pattern over the serviced area.

  This approach has been taken in the past, resulting in the Metropolitan Water, Sewerage and Drainage Board carrying $millions of unused infrastructure.

3.3.3 Land is being used for horticulture

52% of Sydney's farms are located within the North and South West Growth Centres, comprising 60% devoted to intensive growing in green houses (Sydney Morning Herald- 12 October 2009).

While this is a small amount of Sydney's total food consumption, it has an impact on the value of that land.

Some businesses within the South West Growth Centre are substantial enterprises, with heavy investment in machinery, sheds and buildings, and employing people. Some are supported by infrastructure, for example B-double access.

The government could:

- Rezone other land in the region for intensive agriculture on small rural land holdings.
- Produce those rural landholdings.
- Assist and encourage horticultural businesses to move, with subsequent disruption and expensive new investment.

This is an inefficient, costly solution, which will take decades to achieve.

It is also unnecessary, given the horticultural small rural landholdings is already there, with investment already made.

The only realistic efficient solution is inclusion of new growth areas in the Metro Strategy which are not constrained by horticultural activity.

This will not impose additional costs on the NSW community, while ensuring lot supply.

Fringe farmers feel the squeeze

DEBRA JOPSON

May 16, 2010

Growing concerns... Joe El Boustani at his Rossmore farm. Photo: Jon Reid

Joe El Boustani says he grows the "best cherry tomatoes in the world" at Rossmore in Sydney's west, but when he sells his farmland, now worth about $1 million, he cannot imagine where he will set up next.

The practice of farmers buying blocks on the metropolitan fringe at low prices, growing food for decades, then selling the property for a good profit cannot continue because metropolitan land is running out.

Demand for housing is gobbling up land faster than ever, with state government research predicting that about 200 vegetable farms will disappear from north- and south-west Sydney over the next 20 years.

Mr El Boustani wants the government to dedicate specific tracts of metropolitan land with an agricultural zoning that lasts "forever".

This would mean urban residents would not have to wake to the sound of tractors, while farmers would feel confident about investing millions in infrastructure such as greenhouses.

"Rural land is becoming more scarce. If you go too far away, it is hard to get access to the market, especially for fresh food. These are the issues we should be targeting," said Mr El Boustani, who is president of Greenhouse Vegetables NSW.

"You don't want to grow lettuce 100 kilometres away. Then transport and pollution are an issue," he said.

There is plenty of government land that could be earmarked for agriculture and greenhouses mean the amount required is minimal.

"On my five acres, for what I can produce over one year, you would need 10 or 20 times the amount of land for normal agriculture," he said.

"You don't need much land to produce vegetables for Sydney, with new technology and a new way of farming. But we still have to preserve land for that."

Figure 9: ROSSMORE PRECINCT FARMERS HAVE NO WHERE TO GO

Source: Sydney Morning Herald 15th May 2010

3.3.4 Rural residential lots are a scarce and desirable resource

Land for higher value housing is a scarce and desirable resource in metropolitan Sydney's south west region.

Land within the Growth Centre provides this housing and lifestyle resource.

This contributes to the high underlying value of Growth Centre land, contributing to high land prices and difficulty amalgamating sites for development.

The region's economic prosperity depends in part on being able to attract people employed in the management and professional sectors, and those operating successful businesses.

Rural residential land is important in retaining these people in the region. The government could:

- Rezone other land in the region for rural residential uses.
- Produce those rural residential allotments.
- Assist and encourage existing residents to move, with subsequent disruption and expensive new homes.

This is an inefficient, costly solution, which will take decades to achieve.

It is also unnecessary, given the rural residential allotments are already there, with homes and lifestyles established.

The only realistic efficient solution is inclusion of new growth areas in the Metro Strategy which are not constrained by existing housing.

This will not impose additional costs on the NSW community, while ensuring lot supply.

3.4 The Growth Centres Cannot Support Efficient Lot Production

Most of the Growth Centres are established residential and horticultural areas. They are not 'greenfield', ready for the new suburbs.

Over eighty five percent of the properties within the Growth Centres are small lots less than 3 hectares.

There are **10,000** property owners.

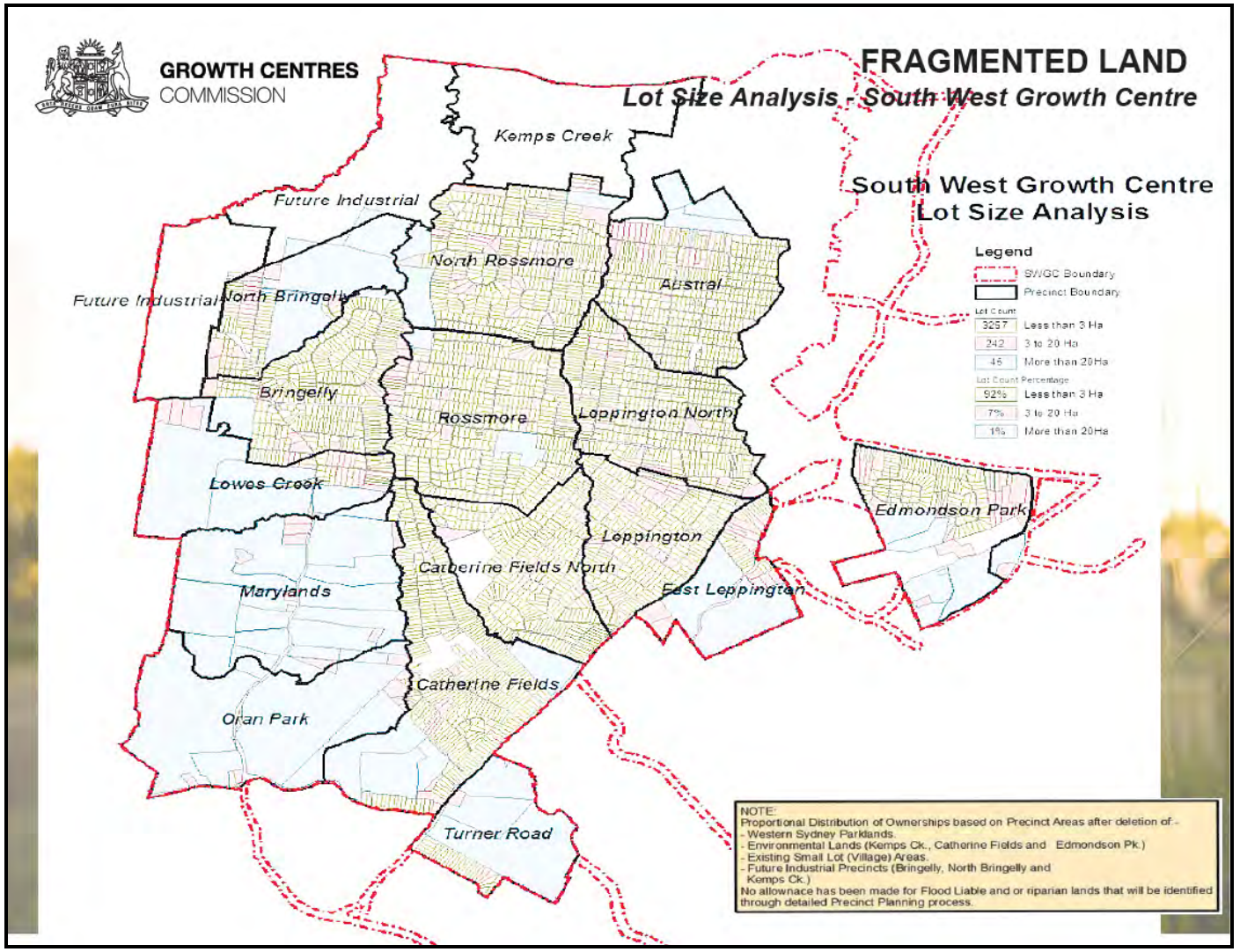


Figure 10: THE GROWTH CENTRE COMPRISES THOUSANDS OF SMALL LAND HOLDINGS

Source: Growth Centres Commission 2007

3.5 The Underlying Value of Raw Land is Too High

The Austral and North Leppington Precincts have been released, and the Department of Planning has commenced 'planning' new urban areas, which in theory will eventually be available for lot production.

However, their inclusion on the MDP 2008/2009 falsely inflates statistics of land with lot production potential.

Unfortunately, they are already developed into approximately 1,600 small lots, many are only 1 and 2 hectares.

These lots can cost over $1 million each, up to $2 million for larger lots with executive quality homes (variety of sources – including RPData).

Therefore the cost of raw land in Austral and North Leppington would be one of the highest in Australia.

The raw land cost could reach $100,000 per newly produced house lot.

This must be added to other costs associated with producing new lots:

- Building roads and services.
- Contributions to state and local governments.
- Holding charges.
- Marketing and sales costs.

Based on Walker's experience, these costs amount to approximately $150,000 per new lot.

So a new house lot will cost $250,000 to produce.

To provide a return to the developer a new lot must be offered to the market at a price higher than it cost to produce.

New house lots in Sydney's south west will certainly be priced at over $250,000, and that's before you build a house.

This places new homes out of first home buyers' reach. They may be forced not to buy a home at all, or buy a home unsuitable for them, such as an apartment, or something out of their area, such as the Central Coast, or Brisbane.

Home prices in Sydney's established areas are actually lower than a new home in a new suburb.

This is a peculiarly Sydney phenomenon.

Raw residential land costs are more reasonable in Melbourne, making the cost of a new house lot also more reasonable (*Going Nowhere* 2010 BisShrapnel & Urban Taskforce: 31).

Consequently, more new housing is being produced in Melbourne than in Sydney.

Figure 11: HOUSING & AGRICULTURE IN AUSTRAL & NORTH LEPPINGTON

Figure 12: HOUSING & AGRICULTURE IN AUSTRAL & NORTH LEPPINGTON

Figure 13: AUSTRAL IS DIVIDED INTO SMALL LANDHOLDINGS

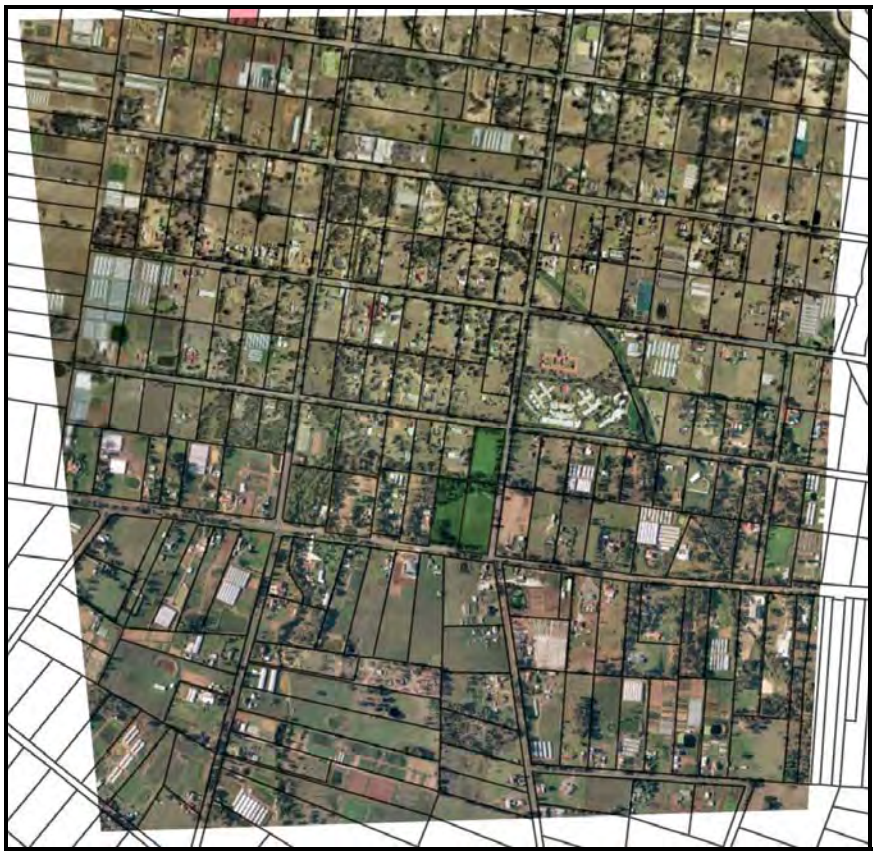


Figure 14: NORTH LEPPINGTON IS DIVIDED INTO SMALL LANDHOLDINGS

Fragmented lands delay, if not stop lot production, and push up the price of new lots.

- There is heavy investment in expensive executive housing, or agricultural enterprises, involving sheds and equipment.
- The scarcity and desirability of this type of land in south west Sydney pushes up the underlying land value.
- These uses are not 'obsolete' and ready for redevelopment for a high and better use. Unlike say, a disused factory in the inner city.
- Therefore it may be many decades before the value of land for new housing is high enough to make these areas economically suitable for redevelopment.
- By defining a 'Growth Centre', the government has actually reduced the possibility of new suburbs being created! Existing owners put their selling prices up even higher, because they believe being in the Growth Centre increases its value. However, higher land acquisition costs will actually make the creation of new suburbs even more unlikely.
- This effect is exacerbated by the scarcity of new release areas in the pipeline outside the Growth Centres.
- Many expensive small sites must be purchased and amalgamated to create a project site. This is impossibly expensive and time consuming.
- Then there will always be owners who hold out, with the price of their land escalating as their neighbourhoods sell out.
- Agreements from owners on how land is developed must be negotiated and this can take many years. For example, who pays for services? Who gives up land for roads, stormwater and parks?
- Existing residents face years of uncertainty, they cannot improve their homes or businesses. Owners within the Growth Centres have already been through 10 years of such uncertainty, including endless exhibitions and consultation, and raised then lowered then raised expectations. Within Edmondson Park it has gone on 16 years.

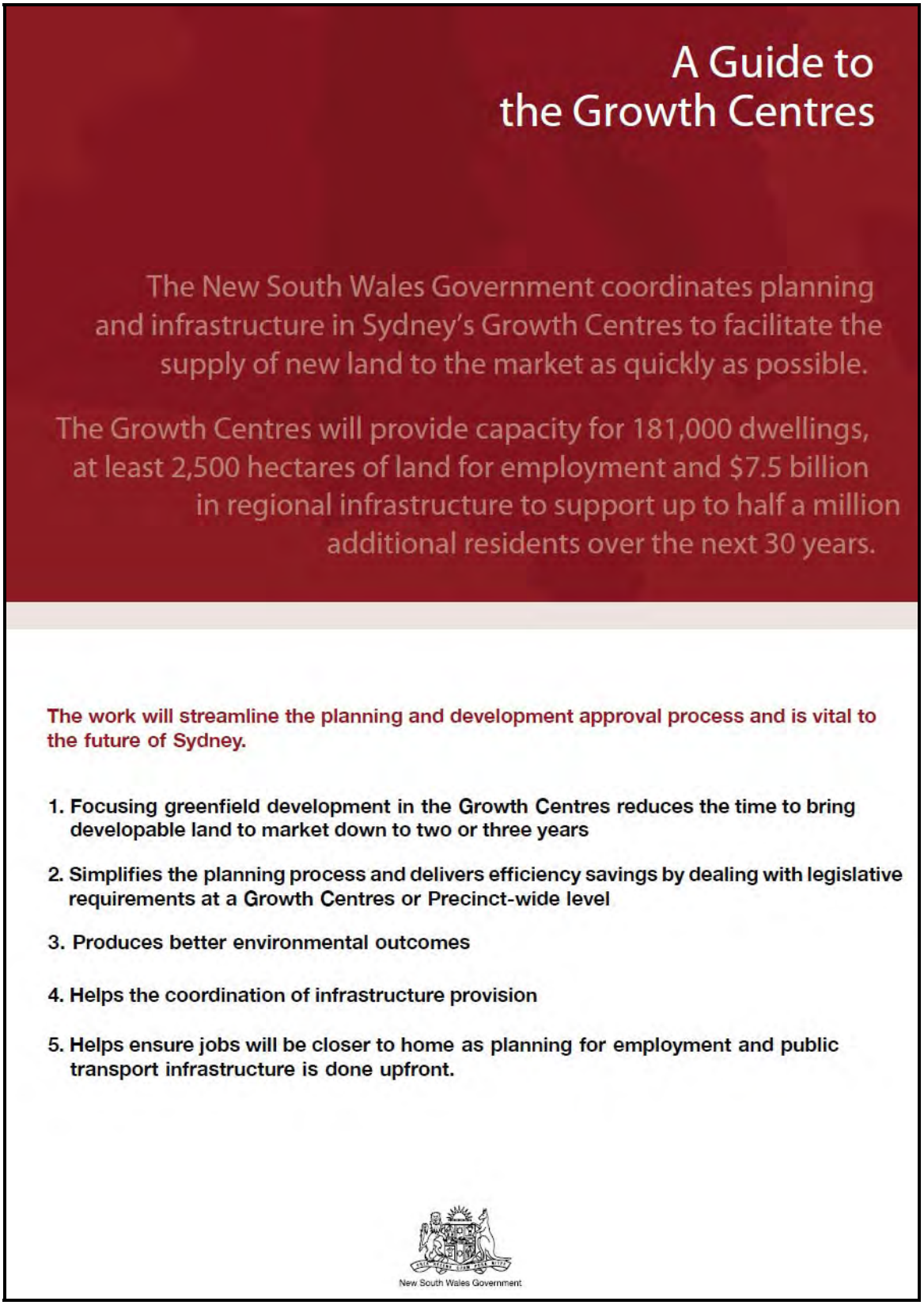


Figure 15: THE GROWTH CENTRE'S PROMISES ARE HOLLOW

When the process of creating new suburbs finally commences, there will be construction impacts, and afterwards their new neighbours will not appreciate the impacts of their activities.

- When new suburbs are eventually created, their quality and amenity is compromised by:
  - Disjointed streets and roads.
  - Poor bus routing.
  - Adjoining decaying horticultural activities, which are noisy, smelly and generate heavy traffic.
  - Illogical placement, and or delayed provision of centres and parkland.
  - Temporary roads and stormwater management works.

- There are additional costs to government and developers associated with providing infrastructure to disjointed, smaller, project sites at different times, and managing multiple construction sites.

- The government incurs additional costs associated with administering development over fragmented and disjointed sites, including:
  - Additional development assessment.
  - Compulsory and voluntary land acquisitions.
  - The implementation of precinct wide road networks and stormwater management schemes must be managed by Council over a long period of time, with temporary and disjointed facilities provided in the short to medium term.
  - The implementation of open space, stormwater and road facilities will involve land swaps, or hefty Section 94 contributions to ensure all owners are treated equitably in the redevelopment process.

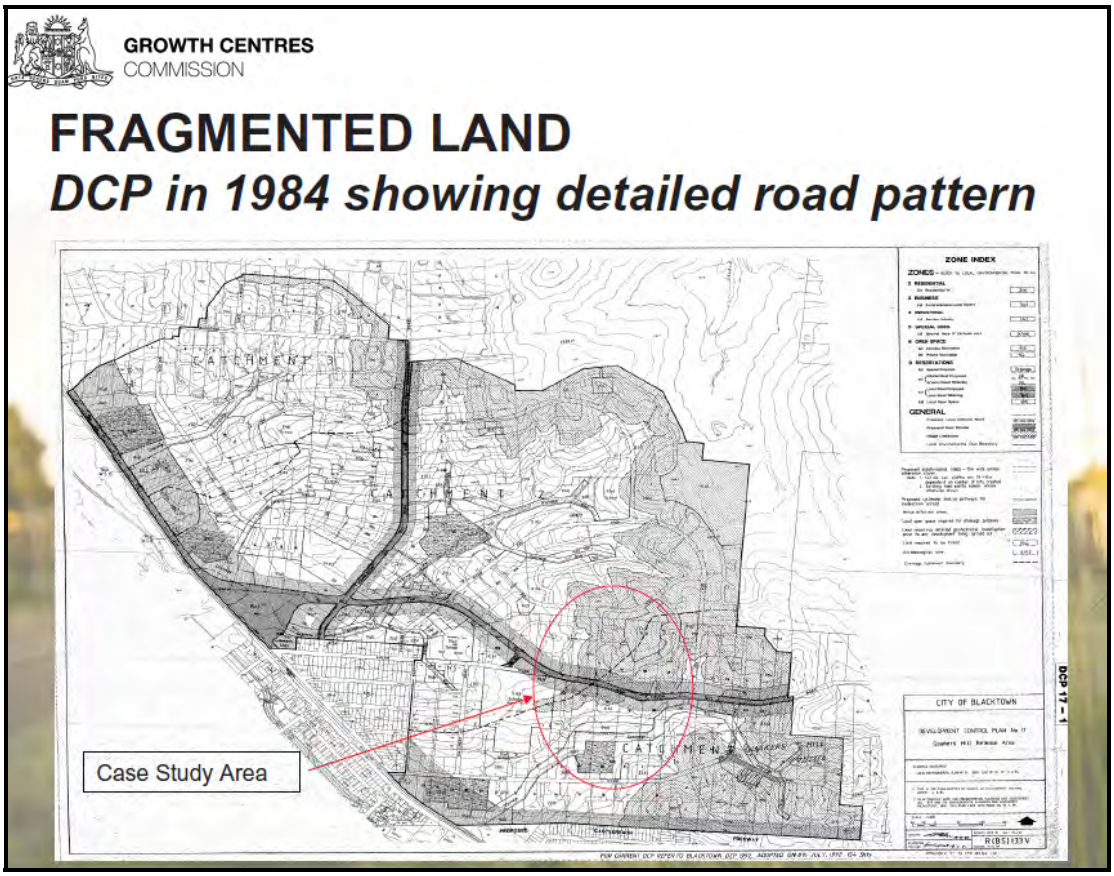
The areas being planned for lot production are not capable of producing lots in a manner which is consistent with the Growth Centres Commission's own stated aims.

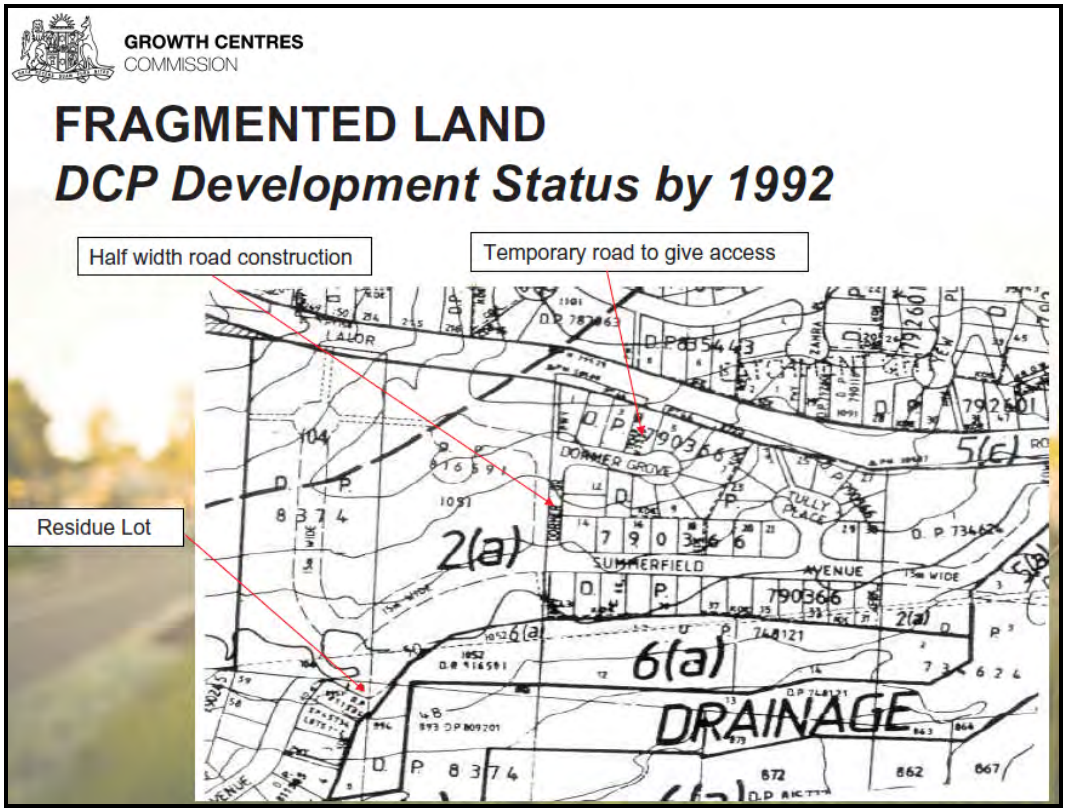
The Growth Centres Commission has examined the process of developing fragmented land.

Their case study shows the process of creating new suburbs on highly fragmented land is lengthy and painstaking.

After decades, in this case study only approximately 100 lots were produced.

The issues seen in this case study will be magnified many fold in the Growth Centre, where precincts are large, held by thousands of different owners, and are targeted to produce tens of thousands of new house lots each.





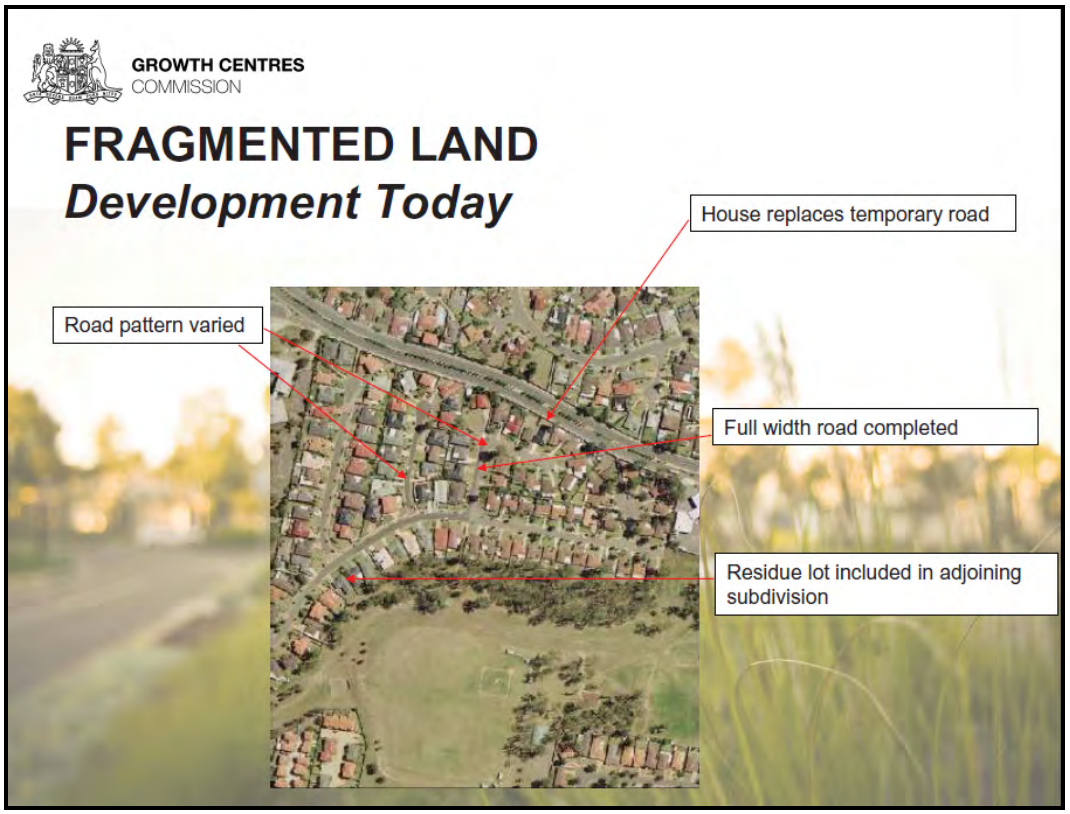
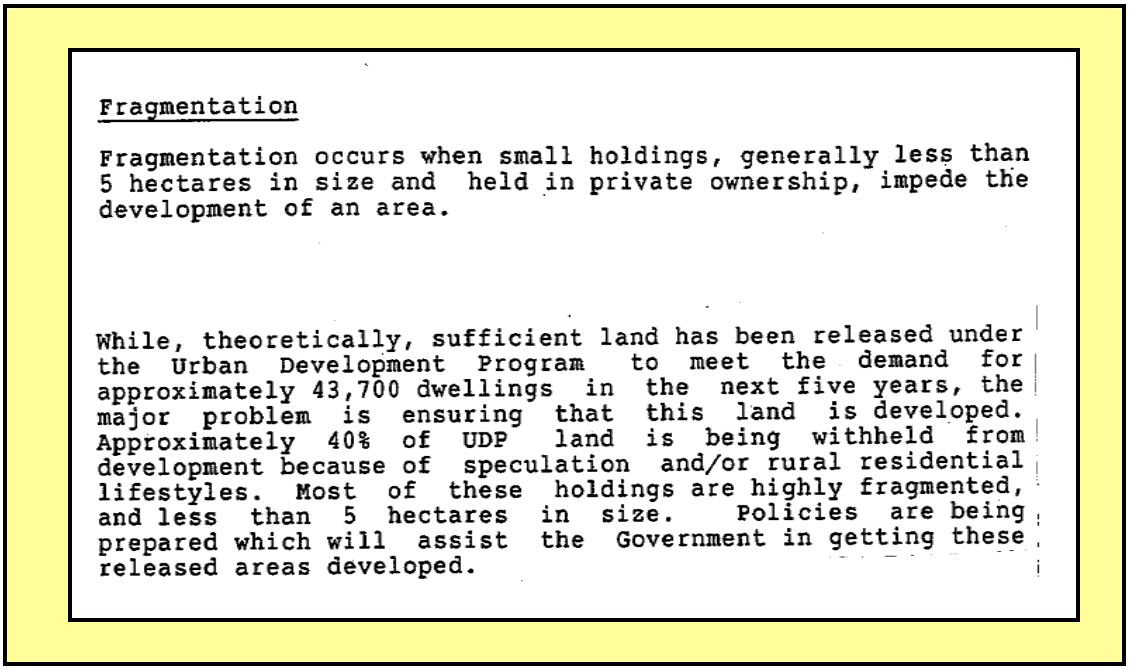


Figure 16: DEVELOPING FRAGMENTED LAND – A BLACKTOWN CASE STUDY
Source: Growth Centres Commission 'Planning for the Development of Greenfields Land in Fragmented Ownership' 12 December 2007

Turning fragmented land into new suburbs is not a new issue. The Department of Planning has always been aware of the problems.



Fragmentation

Fragmentation occurs when small holdings, generally less than 5 hectares in size and held in private ownership, impede the development of an area.

While, theoretically, sufficient land has been released under the Urban Development Program to meet the demand for approximately 43,700 dwellings in the next five years, the major problem is ensuring that this land is developed. Approximately 40% of UDP land is being withheld from development because of speculation and/or rural residential lifestyles. Most of these holdings are highly fragmented, and less than 5 hectares in size. Policies are being prepared which will assist the Government in getting these released areas developed.

Figure 17: FRAGMENTED LAND IS A WELL KNOWN PROBLEM
Source: Department of Planning 'Urban Development Programme 1998/1989 – 1992/1993

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3.3 Slow development of englobo land

Although from these estimates there appears to be in the order of about 96,000 potential lots in englobo land, much of this englobo land is not currently available for subdivision. There are many reasons for this. In particular the rural and other uses that existed prior to rezoning often persist long after the land has been rezoned. Some of it for example is in profitable use for intensive agriculture, and some of it in rural residential use, with large lots with residences already present. These uses can result in the land being locked up and unavailable for residential development, with a resultant waste of services already provided but not used. In some municipalities the proportion of zoned residential land that is being used for market gardens, flower farms, kennels, stables, chicken farms and other semi-rural uses is very high, even though the land has been rezoned and serviced in some cases for as long as 13 years.

In the U.D.P. release areas rezoned between 1970 and 1977 there are about 1300 hectares of residential land, equivalent to at least 11,000 lots remaining undeveloped. There is currently no mechanism to ensure that land once gazetted is developed in an orderly manner. As a result development can take place in disjointed areas. This leapfrogging can lead to low levels of services for people in these separated areas. It can also result in high public costs for providing unused services. Currently the Metropolitan Water Sewerage and Drainage Board has over $80m unrecouped from infrastructure that is underutilised, or not used at all, in the U.D.P. areas as a result of slow subdivision.

The problem is especially severe on the Central Coast where many lots are held for speculative reasons, or for some future development by individuals, perhaps for holiday or retirement homes.

Figure 18: FRAGMENTED LAND ADDS TO SERVICING COSTS
Source: Department of Planning 'Urban Development Programme 1998/1989 – 1992/1993

Servicing agencies will not repeat the past's mistakes. They will not service areas that are clearly going to grow haphazardly, be inefficient and uneconomical.

If they do proceed to service these areas in accordance with plans, it will be an expensive process, funded by the NSW community.

To solve this problem in Riverstone Precinct's northern area, held in hundreds of small parcels, the Department of Planning is negotiating with Sydney Water to service the land (Mr Ian Reynolds, Deputy Director General, Land Release and Strategy – Presentation to the UDIA 12 May 2010).

There is no well resource development company interested in developing the area, although for years the NSW community has been funding consultation and coordination of land owners through Landcom and the Department of Planning.

Should Sydney Water proceed with the Department's request, the NSW community will also have to fund huge infrastructure works.

This infrastructure will be inefficiently used as capacity will lie idle for decades while the process of producing residential house lots on hundreds on small parcels takes place.

To solve this new problem, the NSW Community will then be forced to fund:

- Intensive coordination of land sales and development site amalgamations by Landcom on behalf of NSW community over many years.
- Compulsory land acquisition.
- Inefficient lot production undertaken by Landcom on behalf of government.

3.6 Planned Release Areas are Inefficient

Inside the Growth Centres, the Edmondson Park, North Kellyville, Marsden Park, Alex Avenue, Riverstone, Riverstone West, Area 20, and Box Hill Growth Centre Precincts are not working.

They have been planned for since 2000/2001. They have been released, and in some cases rezoned, for years.

These Precincts are held in small parcels by thousands individual owners.

No well resourced, private developers are partnering government in progressing these Precincts.

These Precincts are yet to produce a single lot, despite huge public investment in 'planning' over 10 years by the Department of Planning, Growth Centres Commission, and in the case of Riverstone, Landcom.

Recently released Austral and North Leppington Precincts have the same characteristics as these other precincts.

Outside the Growth Centres the Menangle Park greenfield site is not working.

It has been on the MDP for decades. It has flooding, and biodiversity issues which require resolution.

No well resourced private developer is involved in its evolution to a productive area.

3.6.1 Kellyville

North Kellyville was zoned in November 2008.

North Kellyville is made up of 207 individual properties.

10 years after the commencement of planning, and 12 months after zoning, no Development Application for subdivision has been lodged to Blacktown Council.

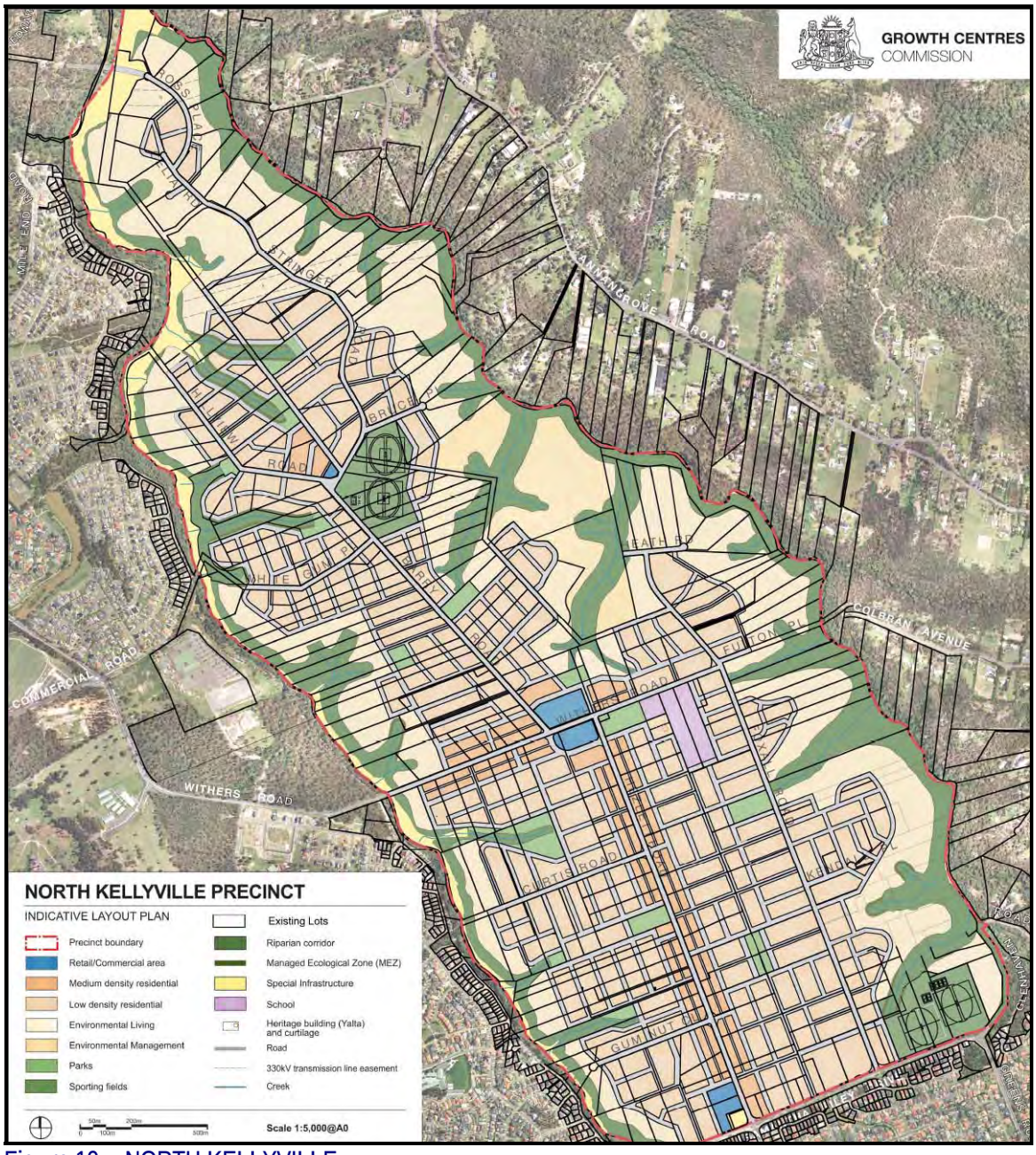


Figure 19: NORTH KELLYVILLE

3.6.2 Riverstone

In December 2006, Riverstone was released in accordance with Clause 276 of the Regulations.

In May 2010, Riverstone was rezoned, 3.5 years after its release, and after nearly 10 years of growth centres planning.

It has hundreds of small parcels and owners.

The NSW Government is spending time and money coordinating owners and planning Riverstone, through the Department of Planning and Landcom.

The NSW Government is proposing spending more time and money on servicing the area with water utilities prior to any development interest.

This will result in areas being serviced but without new lots to use those services.

To solve this new problem, the NSW Community will then have to subsidise lot production in Riverstone, to ensure its original up front investment in servicing is not wasted.

On 17th May 2010, the Minister for Planning noted, “These Precincts will have capacity for more than 15,000 new homes for 45,000 people, six new schools, parks, playing fields and two large conservation reserves to protect native vegetation.”

However, that ‘capacity’ is only a ‘plan’. Riverstone’s established uses, and highly fragmented land holdings will prevent efficient lot production.

Indeed, any lot production at all will only be achieved with tremendous expenditure of the NSW Community’s resources.

Lot production will be slow and painstaking, and the new suburb created will not be optimal.

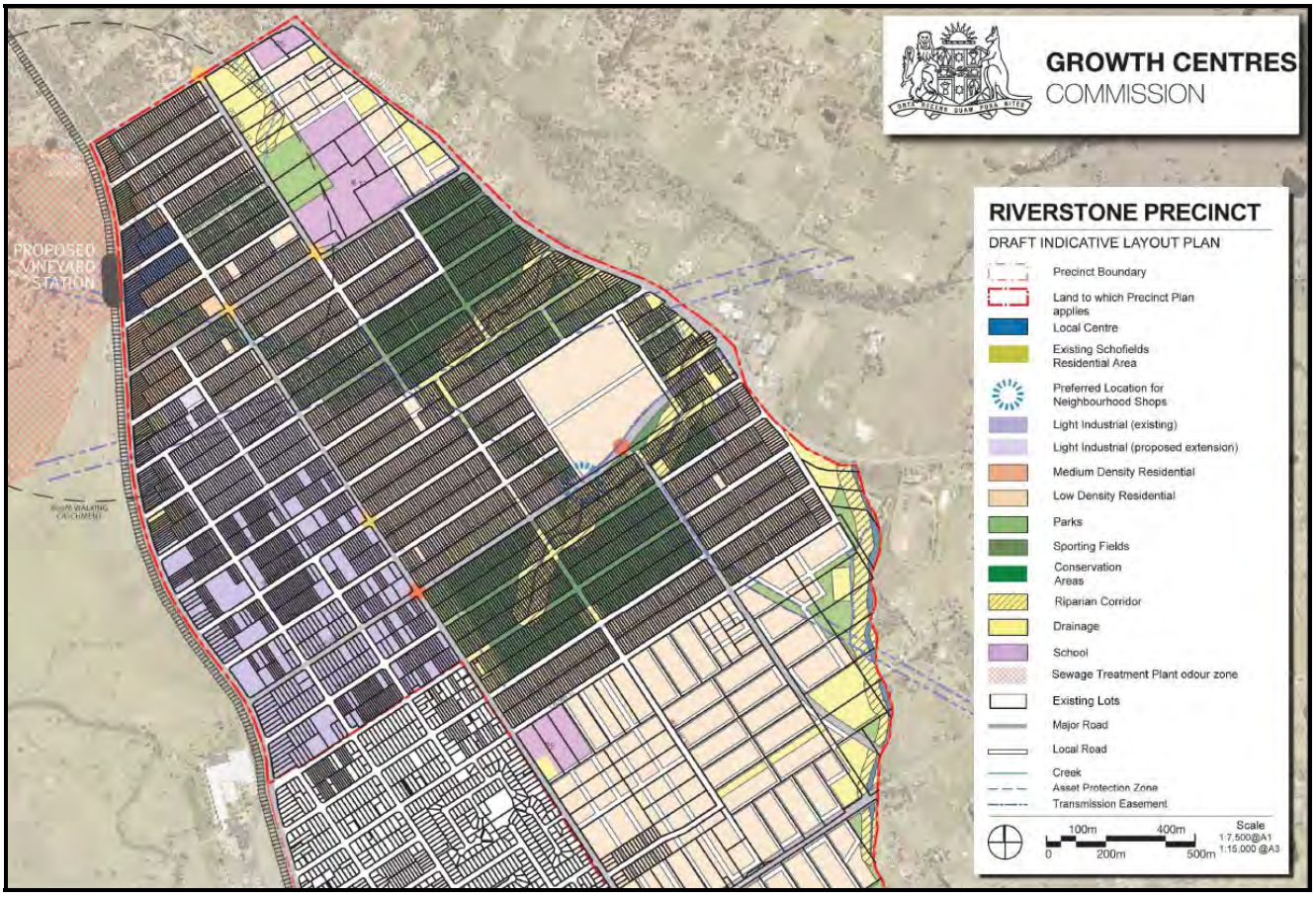


Figure 20: RIVERSTONE

3.6.3 Edmondson Park

In 1983 Edmondson Park Precinct was made a release area.

The Precinct was zoned in March 2006, and in July 2006 it was incorporated into the Growth Centre.

In 2006 the Department of Planning predicted Edmondson Park would have 7,730 lots available and serviced by mid 2008 (Department of Planning '*Metropolitan Strategy – Supporting Greater Sydney's Land Supply*' August 2006: 4).

In 2008 the Growth Centres Commission told us, "Over 6,000 lots were fast tracked for development in Edmondson Park..." and this will "…help address Sydney's housing supply needs." (GCC *Annual Report 2007/2008*:22)

However, these predictions were not met, and no new house lots have been actually produced. Landcom has recently commenced construction of an estate in Edmondson Park's north west corner (Mr James Damearmos, Landcom personal communication 26 May 2010).

This first subdivision may produce around 190 lots in 2011.

Lot production in Edmondson Park will have a lead time of 16 years.

It has 167 individual land owners. The commonwealth government, and state government own the only large parcels.

Local and state government resources have been invested in Edmondson Park's planning and very thick, comprehensive Local Environmental and Development Control Plans were adopted.

Unfortunately, as neither the LEP nor DCP considered the established road and land ownership pattern, more community resources then had to be invested in their subsequent amendment.

Also, the LEP is rendered inoperable over a large part of the Precinct owned by the federal government until biodiversity land is vested with the state government. (Clause 7.21 of Liverpool LEP 2008 and Clause 64 of Campbelltown LEP 2002).

Despite the Growth Centre's receiving state Biodiversity Certification in December 2007, the Commonwealth Government tied sale of its land to compliance with the federal *Environmental Protection and Biodiversity Conservation Act*.

More state government resources have been expended addressing this issue with the federal government, culminating in a Conservation Agreement signed in August 2009.

The government developer, Landcom, is the only large developer with interests in Edmondson Park. Their efforts to create housing are potentially unviable, creating more costs for the NSW community.

The Department of Planning now projects Edmonson Park will yield 2,294 lots in the short to medium term (2008 – 2018) (MDP 2008/2009:208).

Given its constraints, and slow start it is considered unlikely that this projection will be met, and if it is, at what cost to the NSW Community?

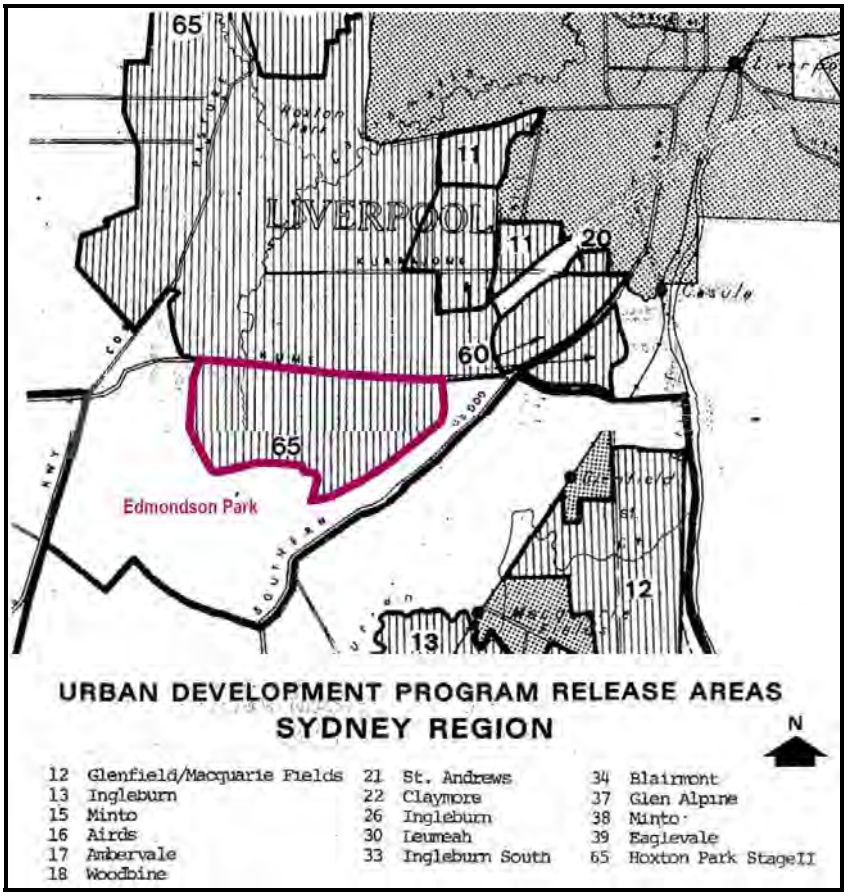


Figure 21: EDMONDSON PARK - 1983
Source: Urban Development Programme 1983

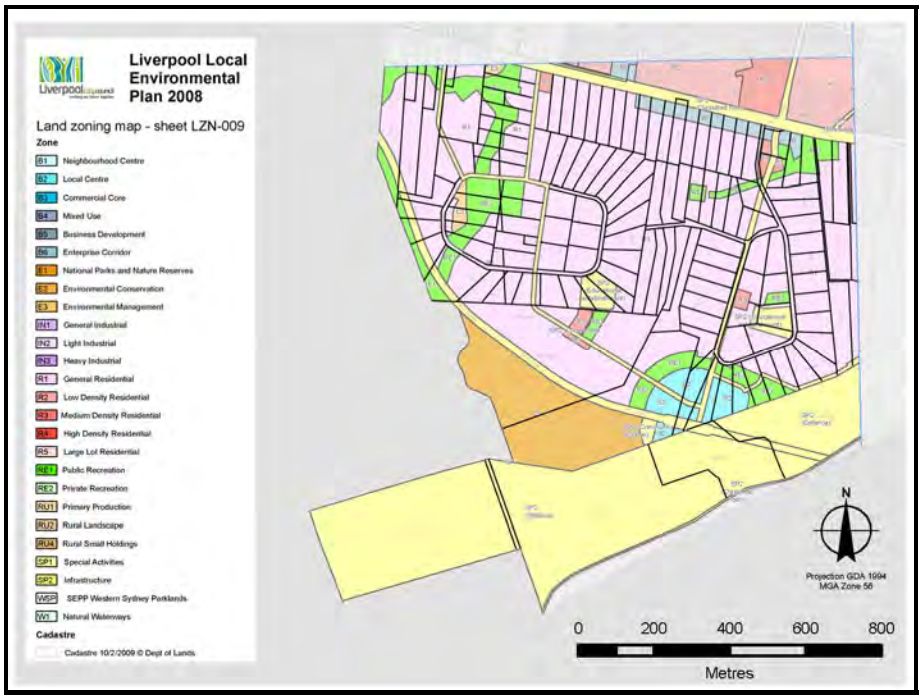


Figure 22: EDMONDSON PARK - 2010

3.6.4 Menangle Park

Menangle Park has been a nominated release area since 1983.

However, it has a problem with managing flood impacts.

Despite the significant resources being directed to its planning by Campbelltown Council and Landcom, also the major land holders, Menangle Park is still not rezoned.

Its draft LEP is due for exhibition in late 2010, with a rezoning gazetted next year.

Landcom and Council will then finally to turn their minds to lot production.

After 30 years of planning, lots may finally be produced in Menangle Park.

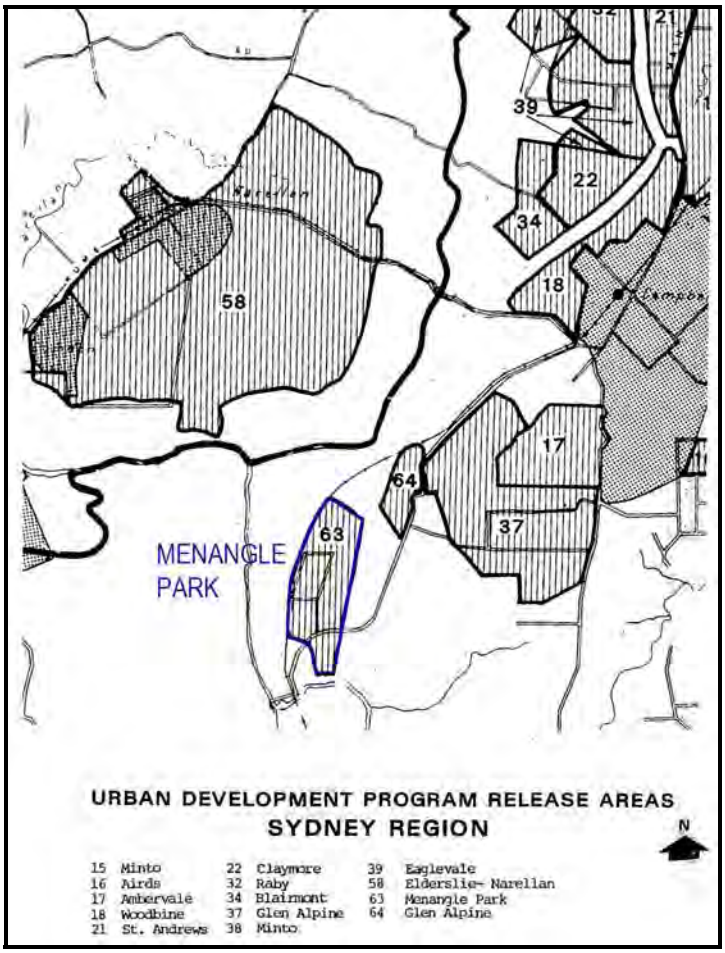


Figure 23: MENANGLE PARK – 1983

3.6.5 Area 20

Area 20 was formally released in December 2006, after nearly 6 years of Growth Centres' planning.

It is still not rezoned.

While not required by the *Environmental Planning and Assessment Act,* a 'Boundary Review Process' was completed in January 2009, resulting in Area 20 growing in size, by 'annexing' part of the Riverstone East Precinct.

The draft Precinct Plan can now be exhibited, and this is expected 'soon' (GGC 'Area 20 Community Newsletter' February 2010)

There are approximately 95 owners within Area 20, which has a total area of only 245 hectares. That's an average land holding of 2.7 hectares.

The Department of Planning predicts Area 20 will produce 2,500 lots, and this potential is repeated in MDP projections for Sydney's future land supply.

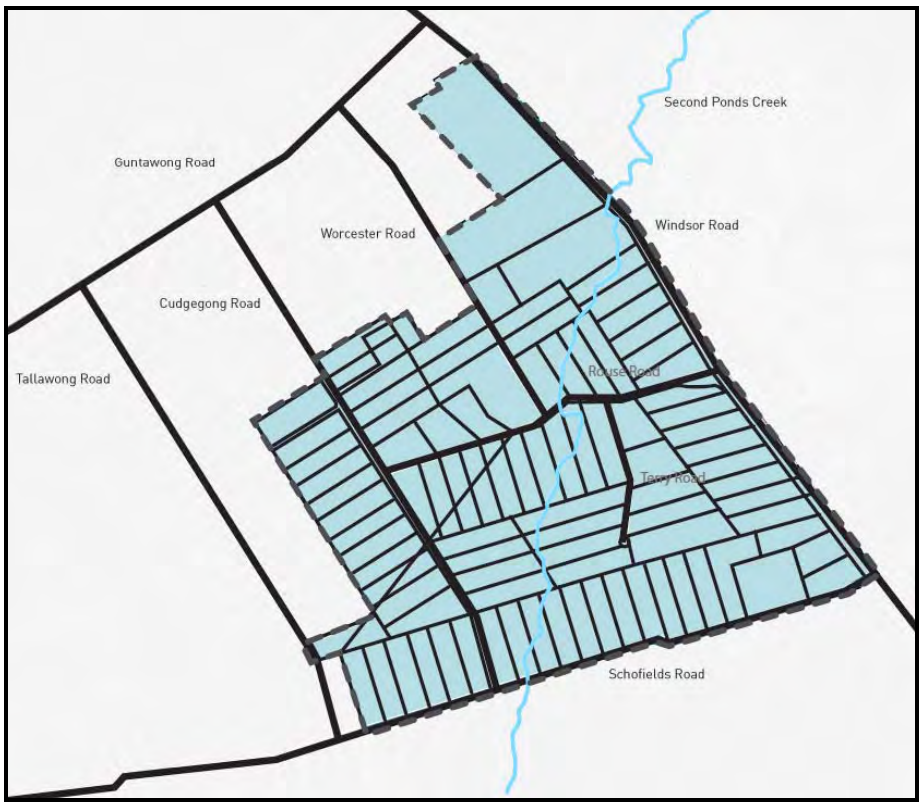


Figure 24: AREA 20

Whether this achievable, given the requirement to coordinate so many owners is questionable. Significant costs and time will be required to achieve lot production.

It is unclear why the 'Boundary Review Process' is required. This is a process undertaken outside the bounds of the *Environmental Planning and Assessment Act.*

Outside of the Growth Centres where 'Precincts' have not been created, the boundaries of a proposed rezoning can be reviewed and exhibited during the environmental investigations and consultation processes associated with the Local Environmental Plan making process.

This is transparent, allows application of planning principles and is within the bounds of the Act.

It is also more efficient and timely, as all planning issues are considered in one coordinated process, rather than two consecutive processes.

3.6.6 Austral and North Leppington

Austral and North Leppington Precincts were released in October 2009, after nearly 9 years of Growth Centre planning.

However, they are existing, established housing and horticultural areas with investment in infrastructure and substantial executive homes. There are 1,600 existing lots in Austral and North Leppington Precincts.

The NSW Community alone is funding expensive planning for Austral and North Leppington.

It is understood there is no well resourced private developer interested in actually creating the suburbs being planned.

The result will be the same as North Kellyville and Riverstone.

Expensive government planning and coordination of owners will occur over a long period of time, resulting in 'plans' which will be difficult to achieve.

The Growth Centre's 'Boundary Review Process', not required by the *Environmental Planning and Assessment Act,* will be undertaken, adding time to the planning process (GCC Website accessed 14 May 2010).

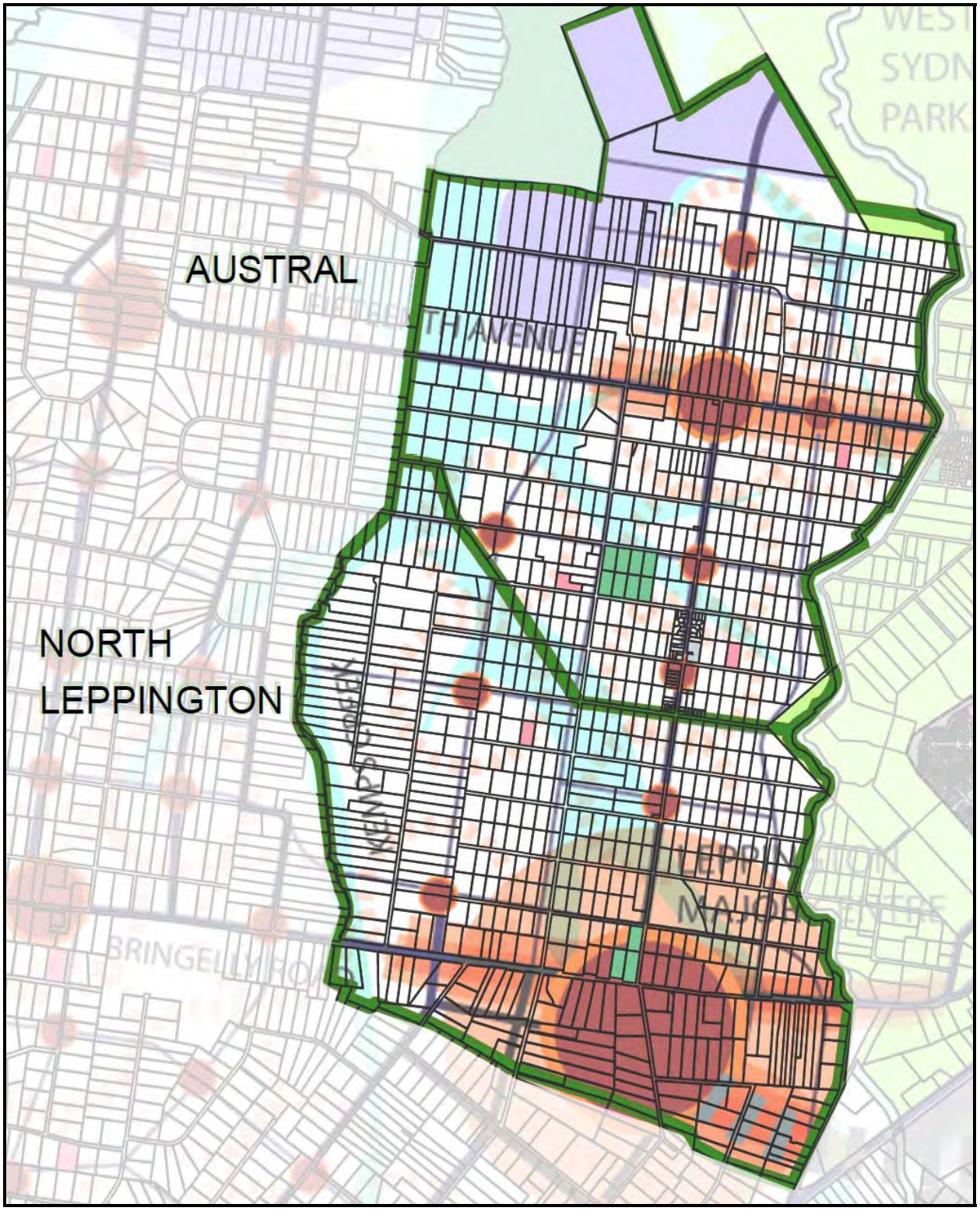


Figure 25: AUSTRAL AND NORTH LEPPINGTON
Source: South West Growth Centre Structure Plan adapted by Walker Corporation

This process could easily be combined with the environmental investigations carried out to support the rezoning.

The Department of Planning predicts a yield of 20,000 lots in Austral and North Leppington.

However, when creation of new suburbs commences, it will be in small disjointed pockets, uncoordinated and expensive, with poor amenity and design outcomes.

North Leppington is planned to accommodate the Growth Centre's major Town Centre.

This will be extremely difficult to achieve as the Town Centre location is held in hundreds of small holdings. It is understood no major retail developer is interested in commencing work on the Town Centre.

Nevertheless, the government is investing in detailed Town Centre planning.

3.6.7 Oran Park

Oran Park's planning took an unacceptable 10 years, contrary to GCC's claim it was achieved "a record time for a rezoning of this size" (GGC website, accessed 12 May 2010).

Planning for the Growth Centres commenced in 2001. Oran Park was released in July 2006, and rezoned in December 2007.

It will produce its first lots in mid 2010.

One must also wonder at the resources the state government invested in this planning, and Camden Council's significant contribution.

It is understood Camden Council devoted time and planning resources to planning and coordinating the provision of road infrastructure with Harrington Park release area immediately to the south.

Oran Park is held in 3 major ownerships. Well resourced development companies, including Landcom, pursued the rezoning and subsequent production of lots.

Immediately after rezoning, development applications for subdivisions were lodged and approved by Camden Council.

Thee Oran Park example demonstrates how government planning can result in lot production were there are large land holdings and a partnership with committed, well resourced developers.

It is possible planning lead times would have been reduced if Oran Park had been considered as an integrated extension of Camden's urban area, which indeed, it is.

Rezoning could then have been undertaken concurrently with Harrington Park to Oran Park's immediate south.

Instead it was planned as part of the 'Growth Centre', which includes unrelated areas west of Liverpool.

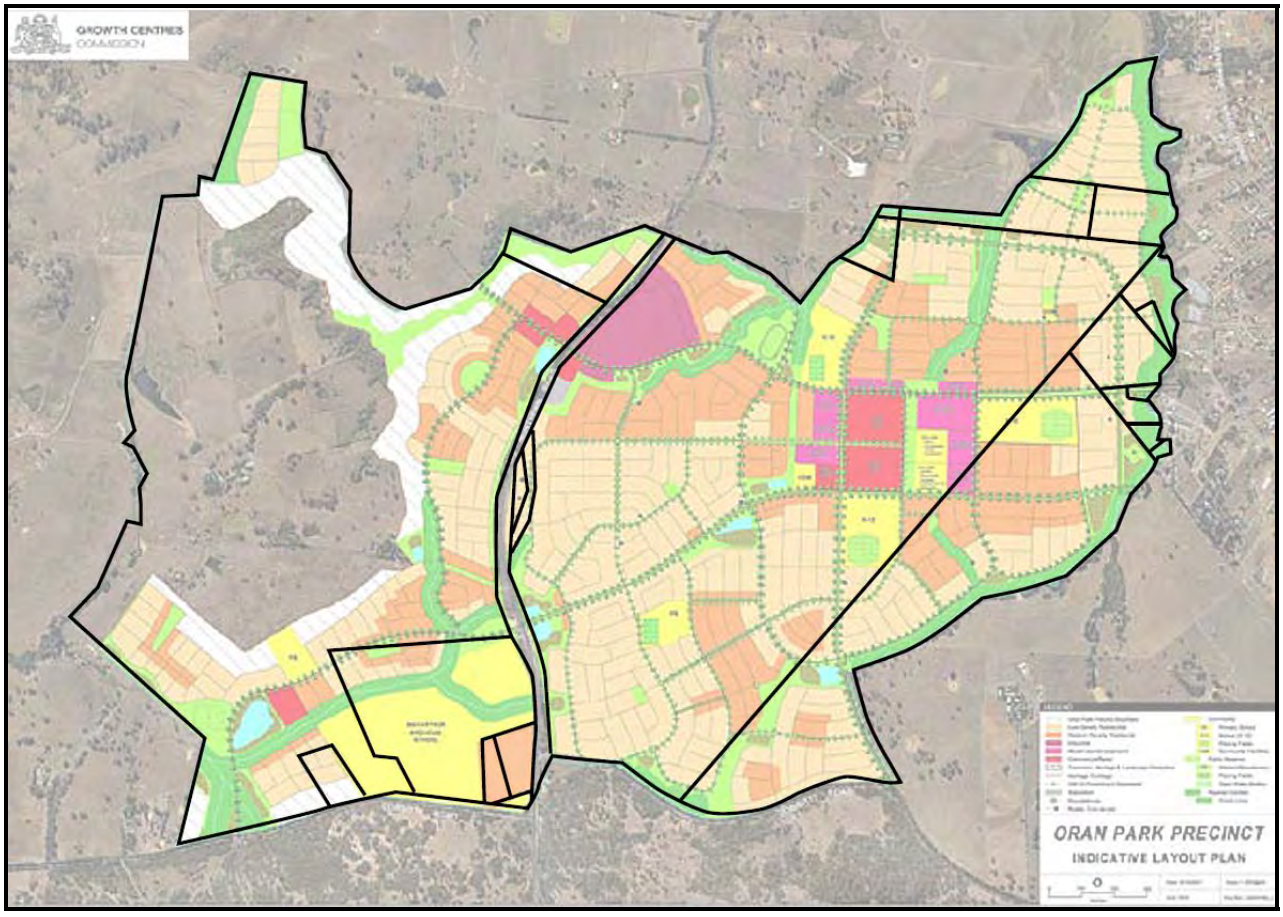


Figure 26: ORAN PARK

3.6.8 Turner Road

Turner Road's planning took an unacceptable 10 years, contrary to GCC's claim it was achieved "a record time for a rezoning of this size" (GGC website, accessed 12 May 2010).

One must also wonder at the resources the state government invested in this planning, and Camden Council's significant contribution.

It is understood Camden Council devoted time and planning resources to planning, and consultation and coordination of the 27 owners of the smaller allotments in the Precinct's southern area.

Planning for the Growth Centres commenced in 2001. Turner Road was released in July 2006, and rezoned in December 2007.
It will produce its first lots in mid 2010.

Turner Road is held in 3 major ownerships. Well resourced development companies pursued the rezoning and subsequent production of lots.

The Turner Road example demonstrates how government planning can result in lot production were there are large land holdings and a partnership with committed, well resourced developers.

It is possible planning lead times would have been reduced if Turner Road had been considered as an integrated extension to Camden's urban area which indeed it is.

Rezoning could then have been commenced much sooner and integrated with Smeaton Grange to Turner Road's immediate south.

Instead it was planned as part of the 'Growth Centre', which includes unrelated areas west of Liverpool.

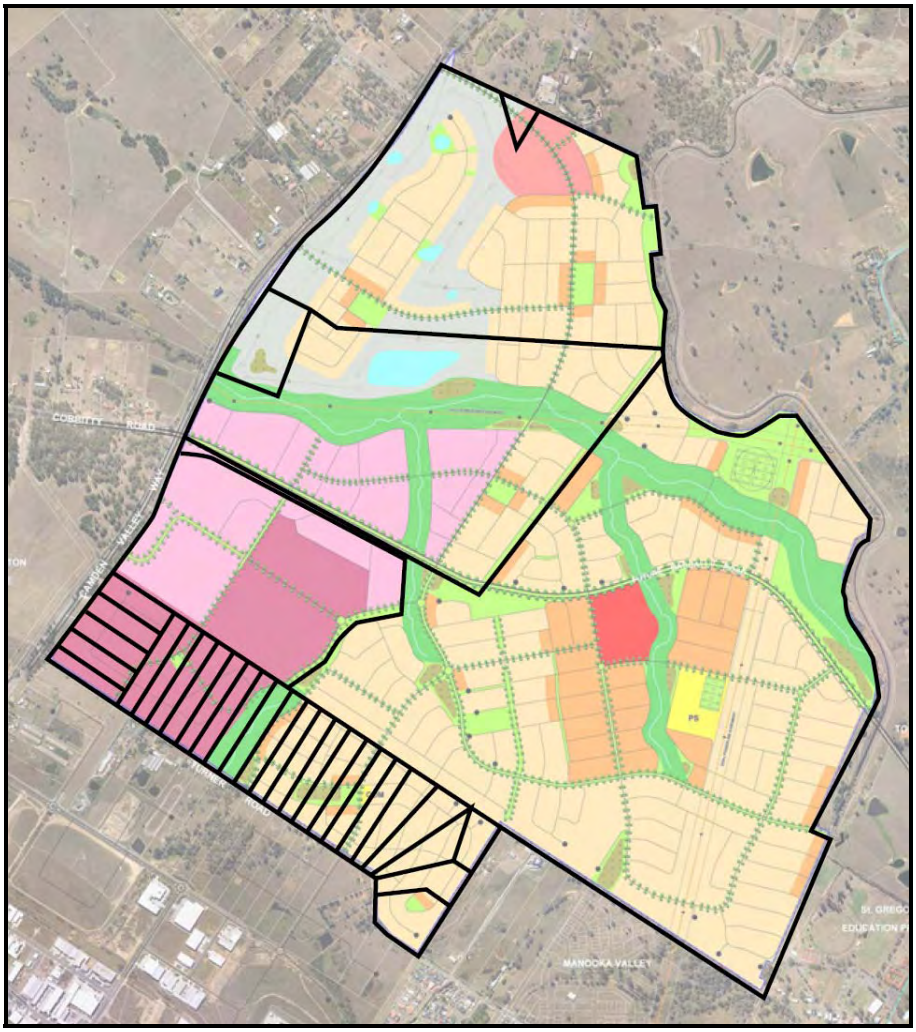


Figure 27: TURNER ROAD

3.6.9 Camden Lakeside

Camden Lakeside is outside of the Growth Centre, but adjoins its western boundary.

After earlier approaches, the owner of Camden Lakeside approached Camden Council in September 2006 with a rezoning proposal which Council supported and progressed.

After the rezoning process had progressed, Camden Lakeside was 'released' by placement on the MDP in 2007 as a major site.

It was rezoned in May 2009.

It is held in 1 ownership.

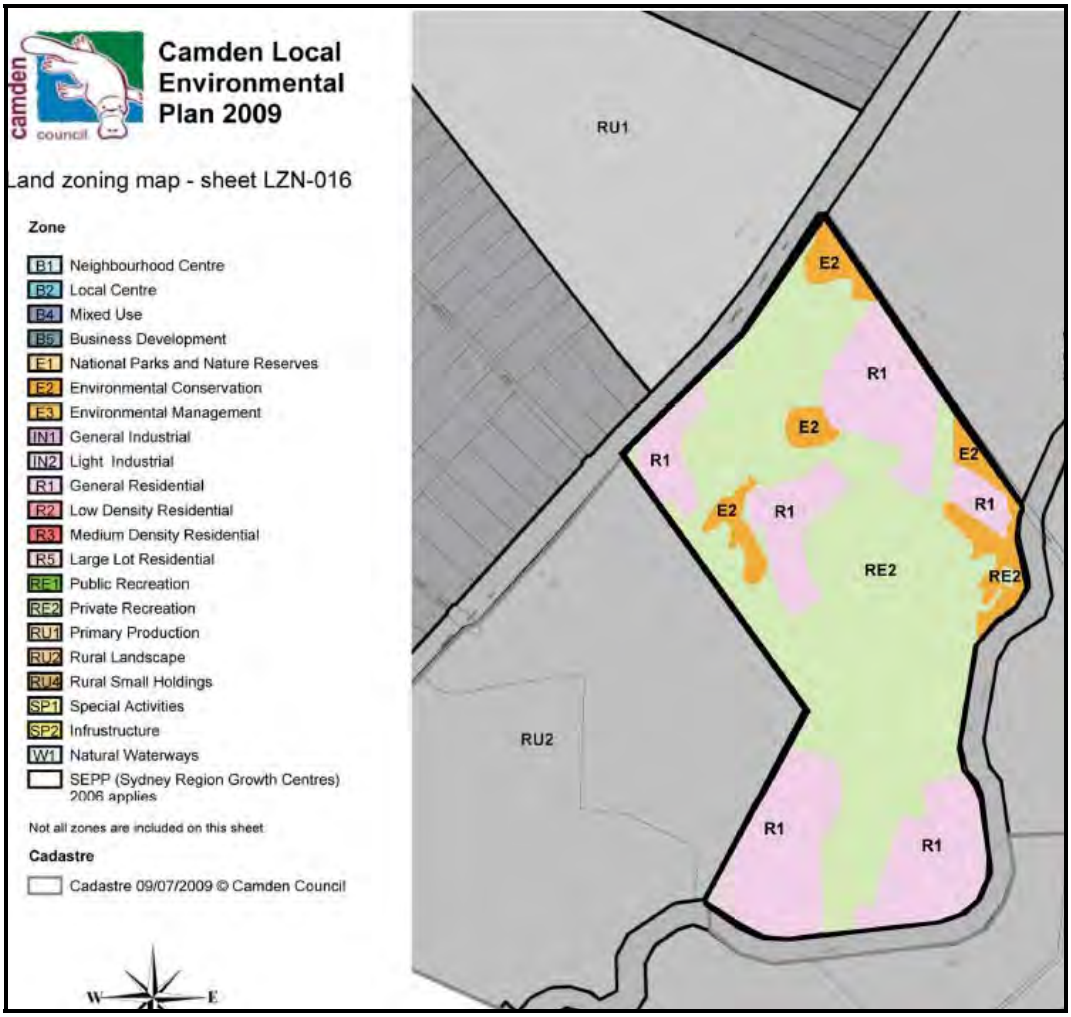


Figure 28: CAMDEN LAKESIDE

3.6.10 El Caballo Blanco

El Caballo Blanco is outside of the Growth Centre, but adjoins its western boundary.

After earlier approaches, the owner of El Caballo Blanco approached Camden Council in June 2007 with a rezoning proposal which Council supported and progressed.

After the rezoning process had progressed, it was 'released' by placement on the MDP in 2007 as a major site.

Its draft rezoning was exhibited in early 2009, and is expected to be finalised in late 2010.

It is held in 3 ownerships.

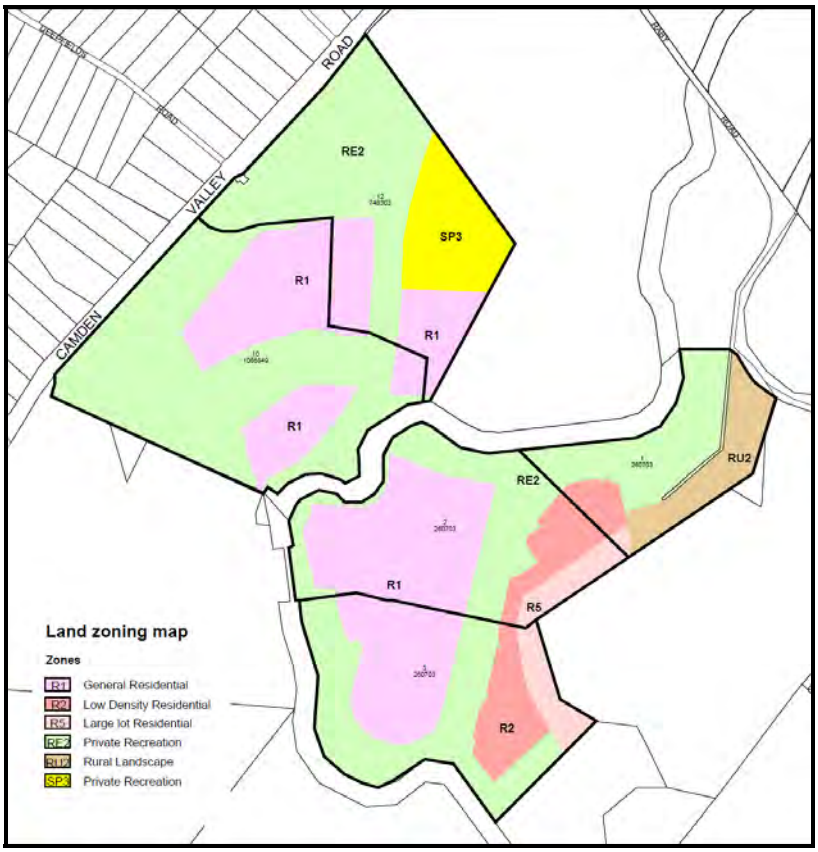


Figure 29: EL CABALO BLANCO

4. WHAT DOES PRODUCE LOTS?

Lots are being produced in Oran Park and Turner Road Precincts. Well resourced and committed developers have been involved right from the inception of these Precincts.

They have interests in the land, and have worked in close partnership with Camden Councils, and the Department of Planning and Growth Centres Commission.

Oran Park and Turner Road comprise a limited number of large landholdings.

Colebee Precinct's rezoning was achieved as an amendment to Blacktown Council's Local Environmental Plan, prior to the Growth Centres creation. It is held in only 12 ownerships.

The planning work associated with that rezoning would have been undertaken by the proponent, a developer, and Blacktown Council.

Oran Park, Turner Road and Colebee were rezoned in accordance with a process set out in the *Environmental Planning and Assessment Act.*

Therefore, they were required to pass through a 'Boundary Review Process' or 'Precinct Acceleration Process' prior to their rezoning.

Contributions to state infrastructure enshrined in a 'Voluntary' Planning Agreement, in accordance with the *Environmental Planning and Assessment Act.* Contributions were based on infrastructure required as a consequence of the development. This infrastructure was designed and costed.

Land releases outside the Growth Centre are working.

El Caballo Blanco will shortly be rezoned, with a rezoning process which will take approximately 4 years. Camden Lakeside has been rezoned, with a rezoning process which took approximately 3 years.

Neither El Caballo Blanco nor Camden Lakeside were subject to years of Growth Centre planning, nor to "Precinct Acceleration Protocol' applications or the 'Boundary Review Process'.

Good urban design outcomes are being ensured by Camden Council and the release areas' owners.

Preparation of draft LEPs and DCPs has coordinated roads, public transport, open space and centres across Camden Lakeside, El Calballo Blanco and Turner Road release area boundaries.

Camden Lakeside and El Caballo Blanco were considered as extensions to the Camden urban area, which indeed they are. They were planned considering availability of existing infrastructure, particularly an upgraded Camden Valley Way.

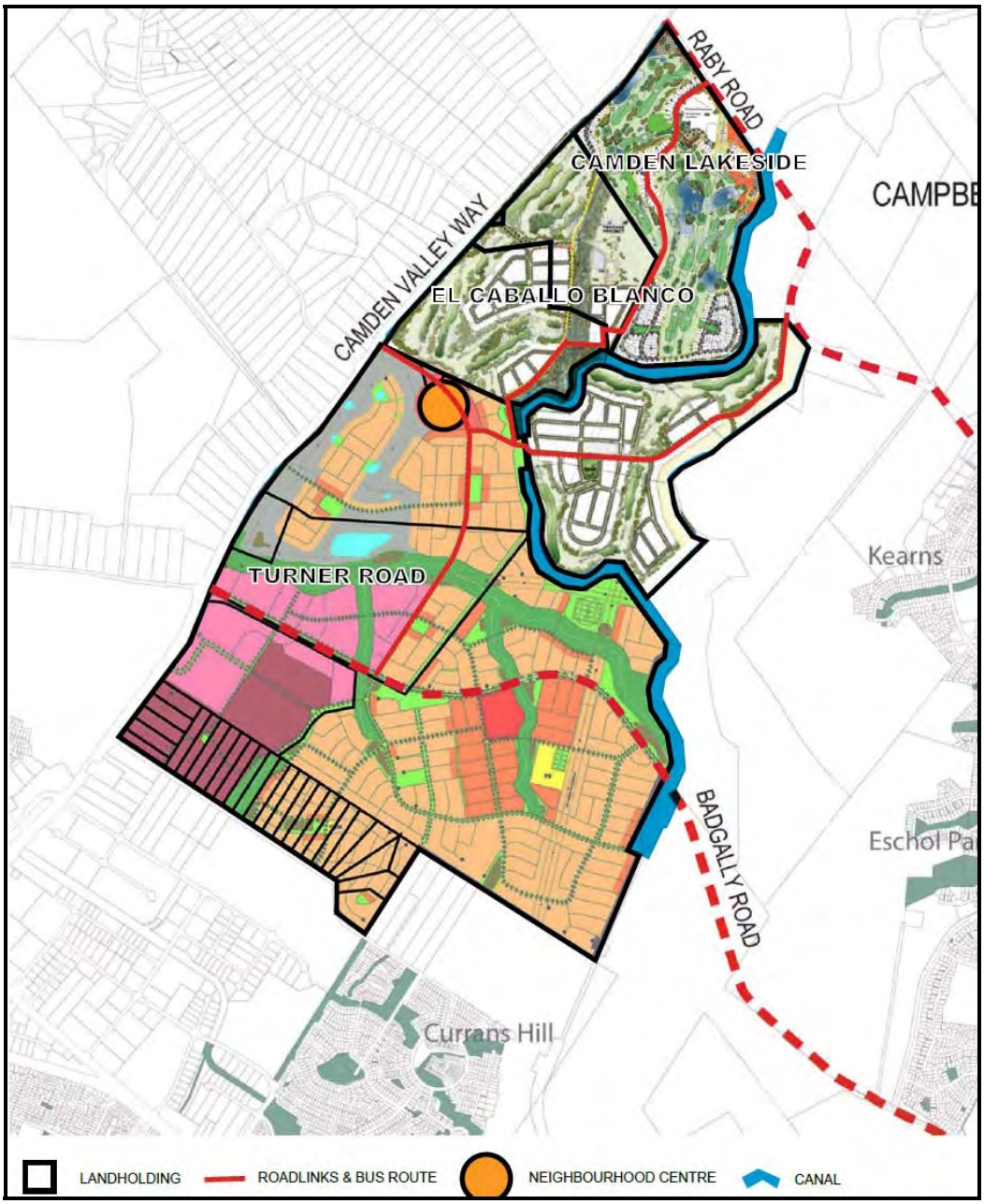


Figure 30: GOOD PLANNING CAN HAPPEN OUTSIDE THE GROWTH CENTRES
Source: draft Camden LEP 2009 and SEPP Sydney Region Growth Centres adapted by Walker

The Harrington Park, Mater Dei, Spring Farm and Elderslie release areas are working.

Camden Council has worked with Harrington Park's developer and the Growth Centres Commission to ensure infrastructure upgrades shared with Oran Park, particularly Camden Valley Way and Cobbity Road, are coordinated and achieved.

Each of these land release areas have well resourced private and public development companies involved in producing lots.

They were also involved in the planning and rezoning processes.

The common features of each of these land releases are:

- Large land holdings.
- A small number of committed land owners or well resourced proponents.
- Cooperation between those land owners/developers and Council and state government to achieve a shared desired outcome.
- Effective use of the NSW Community's funding for planning.
- Cooperation between those land owners/developers and Council and state government to achieve a shared desired outcome.
- A straightforward assessment process which focused on planning and environment issues, undertaken within the bounds of the *Environmental Planning and Assessment Act.*

5. WHAT DOES THIS MEAN?

5.1 Supply will become increasingly restricted

Sydney is already experiencing the impacts associated with restricted supply.

There will be a shortfall between the dwelling production in Sydney's south west region required to meet growth, and the lots produced (MDP 2008/2009:108).

This shortfall will be more severe than the MDP predicts as locations identified in the Metro Strategy to accommodate growth are unsuitable for large scale efficient and economic lot production.

Simultaneously, the Metro Strategy curtails lot production in locations were efficient and economic production could occur.

5.2 Lots will be become increasingly unaffordable

Sydney's housing affordability will be eroded, as demand grows while supply is restricted.

When lots are produced in the medium and long term their price will be increased by:

- High underlying land values.
- Additional construction and servicing costs.

Local and State Government will have to fund:

- Up front infrastructure provision.
- Subsidised infrastructure operation at below capacity while lot production catches up.
- Landcom's and the Department of Planning's involvement in coordinating existing owners, infrastructure agencies and additional planning.
- Compulsory land acquisitions.

These costs will be reflected in lot sale's prices, as higher Section 94 contributions or State Infrastructure Contributions.

Figure 31: VACANT LAND AND HOUSE & LAND PACKAGES ARE GETTING MORE EXPENSIVE

Lack of competition between a limited number of release areas under production, with a decreasing number of produced lots available to the market will result in higher new lot prices.

We are seeing this already.

5.3 The costs of bringing essential infrastructure will increase

The cost of providing infrastructure to service new and existing areas will be shared between fewer lots, increasing the cost per lot, and reducing the efficient use of new infrastructure actually provided.

6. WHO DOES THIS AFFECT?

In outer Sydney, there are 121,110 households in housing stress, or 51% of Sydney's households in housing stress (*Metropolitan Strategy Review – Discussion Paper page 21*).

The median family incomes in Sydney's south west and Melbourne's north west growth corridors are identical at $1,165 and $1,175/week respectively.

However, in Sydney's growth corridors, new lots are much less affordable than in Melbourne's growth corridors:

- In Sydney only 13% of new lots are sold at $200,000 or less.
- In Melbourne 65% of new lots are sold at $200,000 or less.
  (Charter Keck and Cramer 'National Land Survey Program' December 2009).

Same incomes, both large Australian cities, same market characteristics but Sydney is failing to provide the housing families with moderate incomes need.

Consequently, many more lots are being produced and sold in Melbourne than in Sydney. "National Greenfield Residential Land Market – Strategic Overview April 2010:slide 9)

69% of households moving into south west Sydney, come from south west Sydney. They are either upgrading their home, or grew up there - 'natural growth' (Andrew Jackson, Executive Director, Strategy and Infrastructure – presentation to the UDIA 12 May 2010).

Generally, households with lower skills and earning capacity can only borrow to meet an 'affordable entry level':

- For house and land packages - to $320,000
- For a new lot - to $170,000.
  (Charter, Keck and Cramer "National Land Survey Program – Sydney South West March 2010:12).

In Sydney's south west there are a high proportion of households at the entry level.

- 71.5% (209,804) of the population over 15 have no qualifications or vocational qualifications only.
- 55% (68,286) households earn less than $70,000 a year.
  (ABS 2006 Census, accessed from Liverpool Council's and MACROC's websites on 14 May 2010)

However, the median price for a greenfield dwelling is out of reach for most of these households:

- Camden and Campbelltown $470,000
- Liverpool $435,000
  (MDP 2008/2009:91)

Only 31% of the expected greenfield demand can actually afford to buy house. (Charter, Keck and Cramer "National Greenfield Residential Land Market – Sydney South West March 2010:12).

By 2013, the supply of affordable lots in Sydney's south west will be gone (Charter, Keck and Cramer "National Greenfield Residential Land Market – Strategic Overview April 2010:slide 37).

It is therefore entry level home buyers, mostly young people who will be affected.

These people will either:

- Stay in the family home, with financial and social impacts.
- Move to housing they don't want, such as apartments.
- Move somewhere they don't want to be, such as the Central Coast or Queensland.
- Stretch financially, becoming a household in housing stress, risking foreclosure and depriving their families of other things.

Young families in metropolitan Sydney's existing south west suburbs will not be able to offer their children the same lifestyle their parents provided for them.

They will not wake up one morning and think, "*I think I'll go live in a Green Square apartment!*"

The whole community will feel the economic effects of reduced activity in the construction sector.

Why is demand not being met?

Demand is not being met because the limited number of lots being produced are too expensive for the people who want to buy them.

Lots are too expensive because the supply of land which can effectively support large scale, economic lot production is limited, reducing efficiency and competition.

7. CONCLUSION

7.1 Should we continue to concentrate greenfields development in the Growth Centres?

No, it is imperative new growth areas are included in the reviewed Metro Strategy.

Lot production within the South West Growth Centre has been much slower than projected.

Overall, lot production in Sydney's south west region has been well below the Metro Strategy's targets.

Not enough lots will be produced in the coming decade to meet targets, even though the MDP predicts production rates will increase.

The shortfall will be exacerbated as Sydney's population is now projected to grow by 1.7 million, up from 1.1 million when the Metro Strategy's targets were set.

The shortfall will be exacerbated by the unsuitability of Growth Centre land for effective lot production at an economic scale:

- Land costs are high.
- Community disruption is high.
- Infrastructure provision costs are high.
- Construction costs are high.
- Planning costs are high.
- Competition between residential estates is low.

The NSW Community will have to invest significant resources to address these Growth Centre problems, and even then, lot production will never be large scale and economically efficient. The community's investment will not be well spent.

The cost of new lots will be higher, as local and state government seek to recoup the community's investment through Special Infrastructure Contributions and Section 94 Contributions.

Concurrently, in south west Sydney demand for affordable entry level housing is strong and unmet.

This demand will not translate into lot sales, as there will only be a limited number of lots on the market, and those lots will be too expensive.

While there are no sales, there will be no lot production.

While there is no lot production, the Metro Strategy's objective of housing Sydney's growing population will not be achieved.

There are social and economic consequences associated with the disparity between the price and quantity of lots being supplied and those demanded.

The lot production cycle goes:

- Economic lot production.
- Good lot sales as price meet the market.
- More economic lot production.
- And around again.

In Sydney's south west it is stalled.

The lot production cycle must be kick started by the reviewed Metro Strategy.

This is essential if housing is going to be produced to house south west Sydney's growing population, meeting Metro Strategy's targets and achieving the desired planning objectives.

Walker has submitted Preliminary Assessments for two new growth centres in Sydney's south west to the Director General.

It is requested these growth areas, at Appin and Wilton, be included in the reviewed Metro Strategy.

The proposed Appin and Wilton growth areas are capable of:

- Efficiently and economically producing lots in the short to medium term.
- Servicing with head works, and internal reticulation in an efficient and financially responsible manner.
- Providing true greenfield areas, held in large land holdings, with owners and proponents committed to producing lots.
- Utilising existing private and public transport infrastructure, and supporting enhancements.

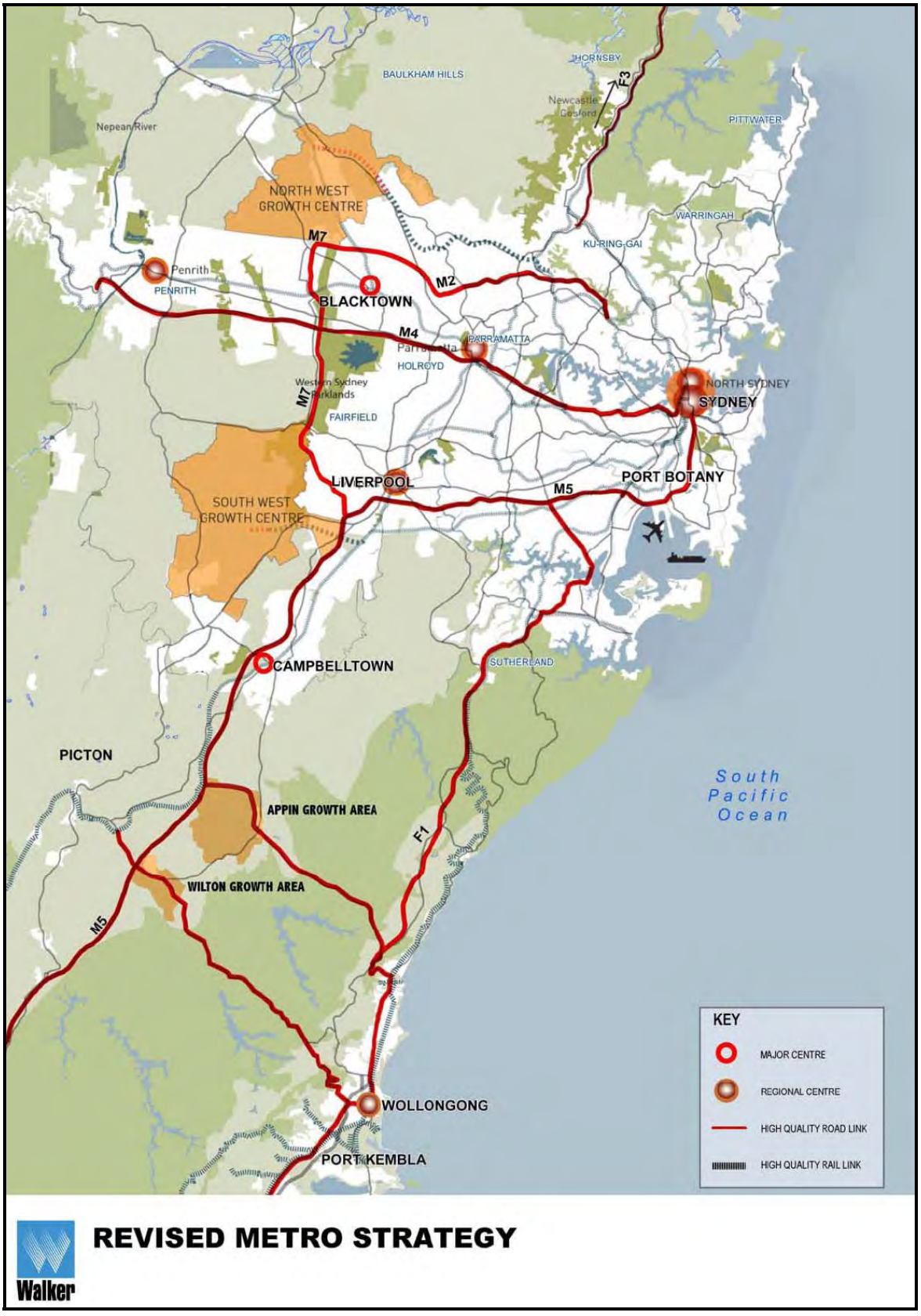


Figure 32: NEW GROWTH AREAS IN SYDNEY'S SOUTH WEST REGION

- Accommodating new estates which enjoy high residential amenity.
- Orderly development with the provision of Town and local centres, public transport, parks, roads and stormwater management facilities occurring efficiently and on time.
- Efficient environmental and planning and assessment, with minimal use of the community's resources.
- Responding to constraints and minimizing environmental impacts, if not, actually generating environmental benefits.
- Responsibly protecting natural and agricultural resources.
- Accommodating new estates without causing significant disruption to people and businesses.
- Creation of economic benefits to their locality and the NSW economy.
- Benefiting from a strategic relationship with:
  - Campbelltown Major Centre.
  - Wollongong and Liverpool Regional Cities.
  - Employment areas in Sydney's west and south west.
  - Employment areas in Port Kembla.
- Supporting and strengthening of these centres and employment areas.

7.2 Can the process of greenfield land release be improved?

Yes. If the Metro Strategy's housing targets are to be met the lot production planning process must be improved, not just the 'release' step.

'Greenfield land release' is only one small step, it does not produce lots, particularly if the released areas are unsuitable, as is the case in south west Sydney.

Strategic planning must identify new growth areas which are 'true' greenfield.

The government must 'release' and plan growth areas in tandem with well resourced and committed proponents.

This will ensure 'planning' results in good plans that can be implemented, achieving the objective of meeting targets for new dwellings.

Costs associated with planning will be reduced, as committed proponents prepare applications and investigations, and the NSW community's contribution is well spent.

Walker proposes the following process for releasing, planning and implementing the Wilton and Appin growth areas.

STEP 1: REGIONAL PLANNING - NEW GROWTH AREAS IN THE METRO STRATEGY

The Metro Strategy must identify new areas which can be assessed for lot production and the creation of new suburbs.

This does not require the government to undertake years of new planning assessment.

Sydney's south west region has been investigated since the 1970's for growth.

The land use pattern, transport links and location of existing urban areas, and constrained areas are identified in existing planning.

Government agencies, like Sydney Water and RTA have designed infrastructure to service new urban areas in the region's south, and indeed have built facilities and acquired land for that infrastructure.

The direction of the region's growth and investment, and its relationship with Wollongong Regional City and Port Kembla employment indicate the region's south is strategically located to accommodate sustainable growth.

It is clear new growth areas in Sydney's south west should be located south of Campbelltown, and west of Wollongong.

In this area the strategic and physical conditions are suitable. The statutory planning framework needs to acknowledge this reality.

Walker has prepared planning and environmental assessment for two potential growth areas at Wilton and Appin which provide further justification for including these areas in the reviewed Metro Strategy for investigations for growth.

STEP 2: MINISTER FORMS OPINION PROPOSALS ARE SIGNIFICANT

Lot production rezoning and development proposals must be assessed and consultation undertaken.

Proponents can lodge Preliminary Assessments in accordance with Part 3A of the Act, and SEPP *Major Development.*

The Minister can consider those assessments, and if the view is formed the proposals have state or regional significance, authorize lodgment of applications for:

- Inclusion of the growth area in SEPP *Major Developments* - Schedule 3.
- Concept Plan approval for proposal stages/precincts which are planned to produce lots in the short to medium term.
- Project approval for proposal stages/precincts which are designed to produce lots in the short term.

Walker Corporation has submitted Preliminary Assessments for two proposals in Appin and Wilton, which include strategic consideration of the localities as new growth areas.

The Minister can therefore commence consideration of these proposals, concurrently with the Metro Strategy's review.

The Director General then prepares investigation requirements.

During this process the Department can consult with agencies and Council, obtaining their requirements for the detailed assessment.

The Department would provide information to the agencies and Council, then convene a short planning focus meeting, or provide a limited time frame for response.

The Department would prepare a list of relevant requirements for the Proponent.

Proposals would then be prepared to meet the requirements and lodged with the Director General.

STEP 3: PUBLIC CONSULTATION

The Metro Strategy review has been exhibited for 2 months, and the Minister will consider submissions and finalise the reviewed Strategy, with provision for new growth areas in Sydney's south west if he forms the view these are required.

Consultation of regional strategic directions is therefore complete.

The Department of Planning publicly exhibit specific proposals, and consult with agencies again, in accordance with the Act.

Exhibition and consultation material would comprise:

- Structure Plans and zoning controls for the new growth area for inclusion in Schedule 3, which will guide development within the growth area over time.
- Infrastructure proposals and arrangements.
- Concept Plans with the development controls for proposal stages planned to produce lots in the short to medium term.
- Project subdivisions plans for proposal stages where construction is to commence immediately.

STEP 4: DETAILED PROPOSAL ASSESSMENT

In accordance with the Act and SEPP *Major Development,* the Director General will assess all aspects of the proposal, and consider submissions.

The Director General will then recommend a determination to the Minister.

A determination could be approval, approval with amendments and/or conditions, or refusal.

STEP 5: MINISTER'S DETERMINATION

Should the Minister approve the proposal, Structure Plans and zoning controls will be included in SEPP *Major Development* - Schedule 3, guiding the growth areas development over time, and allowing all owners to have detailed proposals considered for their land.

Concept Plan approval would set out the development controls applicable to the early stages, so these could be designed in detail.

The Project Approval would give consent to subdivision of the first stage, with conditions appropriate for construction. The subdivision would comply with the Concept Plan's controls.

Simultaneously, information on the proposals is included in the Metropolitan Development Programme, allowing infrastructure agencies to plan with confidence.

STEP 6: CONSTRUCTION DOCUMENTATION AND SERVICING CLEARANCES

The Proponents and agencies can undertake this work. Councils can certify construction documentation for a fee, as is standard.

STEP 7: LOTS ARE PRODUCED AND SERVICED

The Proponent, Councils and agencies are responsible for this Step.

It culminates in registration of the new lot.

STEP 8: LOTS ARE SOLD AND PEOPLE BUILD NEW HOMES

STEP 9: THE LOT PRODUCTION CYCLE MOVES ON

ANNEXURE ONE

WALKER CORPORATION

WALKER AT WORK

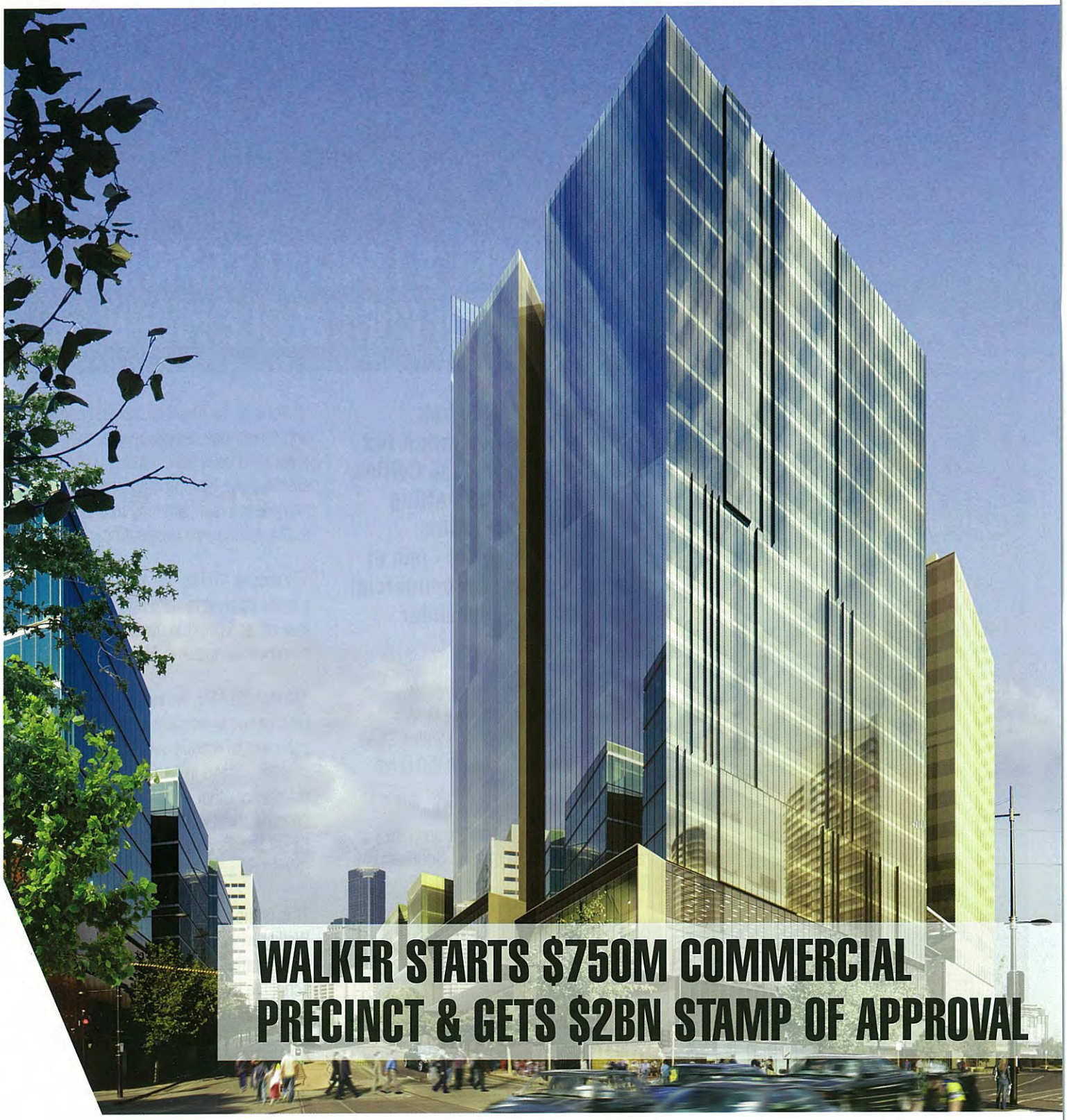
Walker

ISSUE 3

AUTUMN 09/10

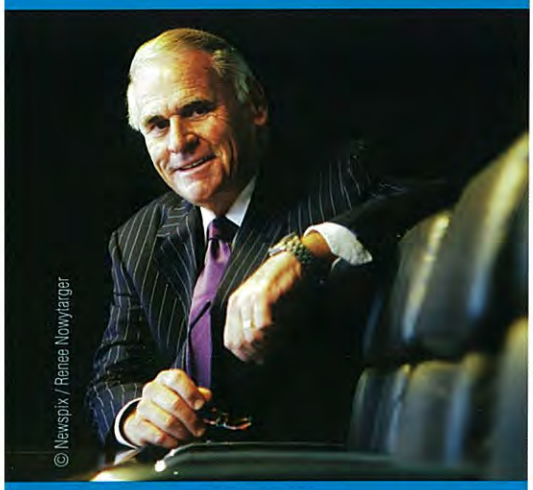
What a way to start 2010!

IN THIS EDITION



WALKER STARTS $750M COMMERCIAL PRECINCT & GETS $2BN STAMP OF APPROVAL

A MESSAGE FROM LANG WALKER



It's been a very exciting start to 2010 at Walker Corporation with two major projects worth nearly $3bn getting off the ground, and a string of deals in our industrial business giving confidence that the challenges of the previous 12 months have passed.

We're pleased to announce that the Australian Tax Office have taken up to 38,000sqm of space in our 735 Collins Street development, kickstarting this $750million project and securing our development future in Melbourne for at least another 5 years.

This month we also welcomed the State Government approval of the $2bn Buckland Park project in Adelaide's north. This very significant 25 year project signifies a long-term commitment by the company to development in Adelaide. We'll be delivering homes for over 33,000 people, as well as all the community infrastructure necessary to make this a sustainable, functioning and vibrant new community.

I congratulate our team of consultants and staff internally on achieving this result after a very rigorous planning assessment process. We look forward to continuing our work with the South Australian State Government, and relevant local councils and businesses to make the vision for Buckland Park a reality.

We're feeling optimistic here about a very positive 2010 and we're looking forward to working with our valued clients and suppliers througout the year ahead.

MELBOURNE'S LARGEST COMMERCIAL PRECINCT TO COMMENCE WORK

Walker Corporation has committed the Australian Tax Office (ATO) to the 735 Collins Street project, kickstarting the development of the $750million precinct - one of Australia's largest commercial and mixed projects under development.

735 Collins Street will encompass an entire city block with three to four commercial towers fronting Collins Street, Flinders Street, and Batmans Hill Drive.

An exciting retail domain will be developed at podium level, alongside the refurbishment of the historic Southern Goods Shed.

ATO will take one of the towers, a balance of 100,000sqm of commercial space will remain for lease within the precinct.

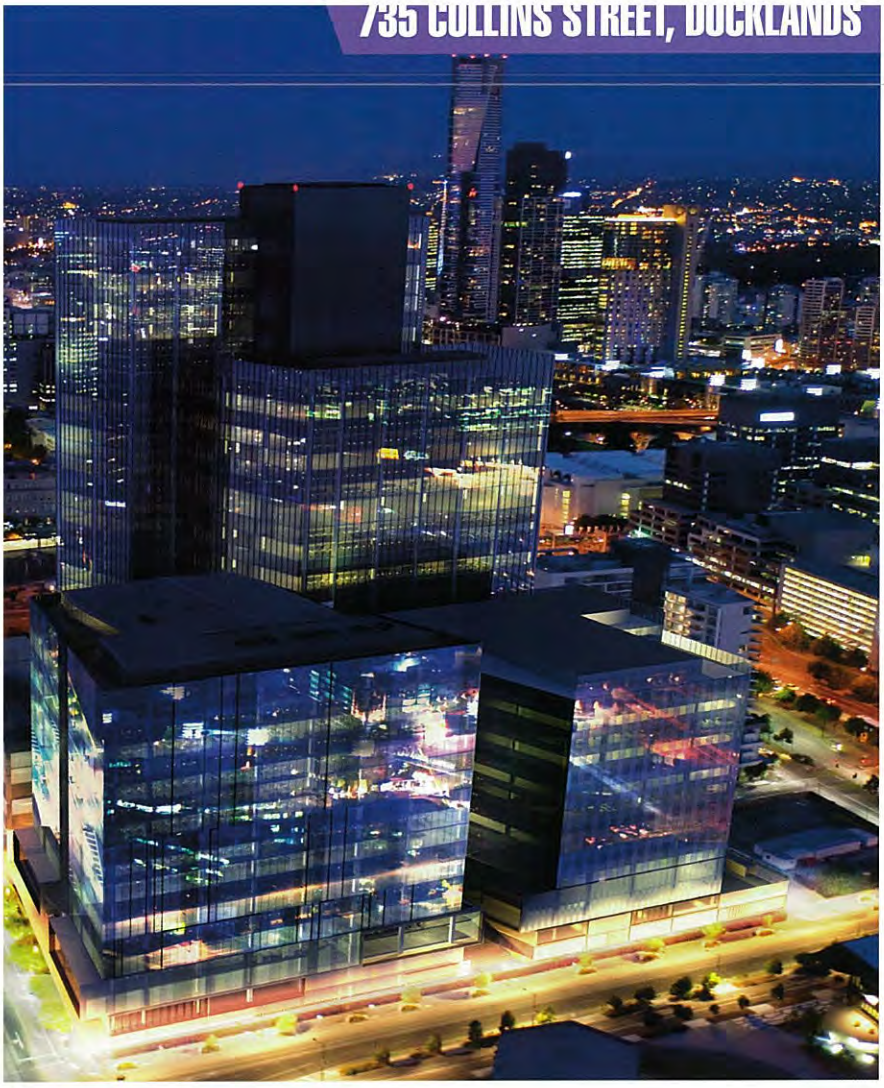
Executive Chairman of Walker Corporation, Lang Walker, said "Our vision for 735 Collins Street is to deliver a thriving new precinct for Melbourne.

"As one of the country's largest commercial and mixed-use developments, we're looking to set a benchmark for innovative architecture, leading environmental design and vibrant retail amenity to create an iconic Melbourne destination.

"To secure ATO as the anchor tenant is a great catalyst to help this new precinct take off and provide quality A-Grade commercial space in Melbourne.

"Alongside ATO, we've also seen a real resurgence in enquiry in the Melbourne commercial market over the last few months. We're in negotiations with a number of other companies for commercial space within the remaining 735 Collins Street towers and the Southern Goods Shed," he added.

This is the second major building that Walker will deliver for the Commonwealth of Australia – the company is on schedule to complete the new 40,000sqm headquarters for the Department of Education, Employment and Workplace Relations (DEEWR) in Canberra in June this year.



ATO TAKE 38,000sqm IN A-GRADE, 5 STAR BUILDING

ATO are committing to the development of A-Grade new offices at the 735 Collins Street development, in a building that will achieve leading environmental design ratings and cutting edge technologies.

The ATO premises, designed by leading Melbourne Architects Bates Smart, will comprise up to 38,000sqm of premium commercial office space over 16 storey's on the corner of Collins Street and Batmans Hill Drive.

The building will meet government mandated sustainability ratings, including a 5 Star NABERS rating and 5 Green Star Rating.

ATO's new headquarters will sport a number of cutting-edge technologies to reduce energy consumption, including a tri-generation plant which will enable the building to generate its own electricity.

High speed lifts, highly efficient floor plates, grey water treatment and fresh water collection also feature as part of the state-of-the art new offices.

ATO will consolidate a number of their existing premises within the Melbourne CBD to 735 Collins Street, housing the bulk of its Victorian operations under one roof to achieve greater flexibility, efficiency and integration across departments and improved amenity for staff.

ATO will move into their new headquarters in March 2012.

"Walker is on the cutting edge of commercial development in the country, and we are pleased to partner with the federal government on both the ATO & DEEWR facilities to deliver state-of-the-art new premises," said Mr Walker.

Walker has projects valued at over $1.7bn in Victoria, including 735 Collins Street, the Point Cook Town Centre, Axis South Morang Homemaker's & Business Centre and luxury residential development, Main Drive Kew.

"Victoria is an important destination for Walker – it's where the majority of our projects are happening and we will continue to look for more opportunities here throughout 2010.

"We've been developing projects here for over 30 years, and look forward to continued investment and development in the state," Mr Walker added.

For more information about 735 Collins Street, visit www.735collinsstreet.com.au.

"We're looking to set a benchmark for innovative architecture, leading environmental design and vibrant retail amenity to create an iconic Melbourne destination."

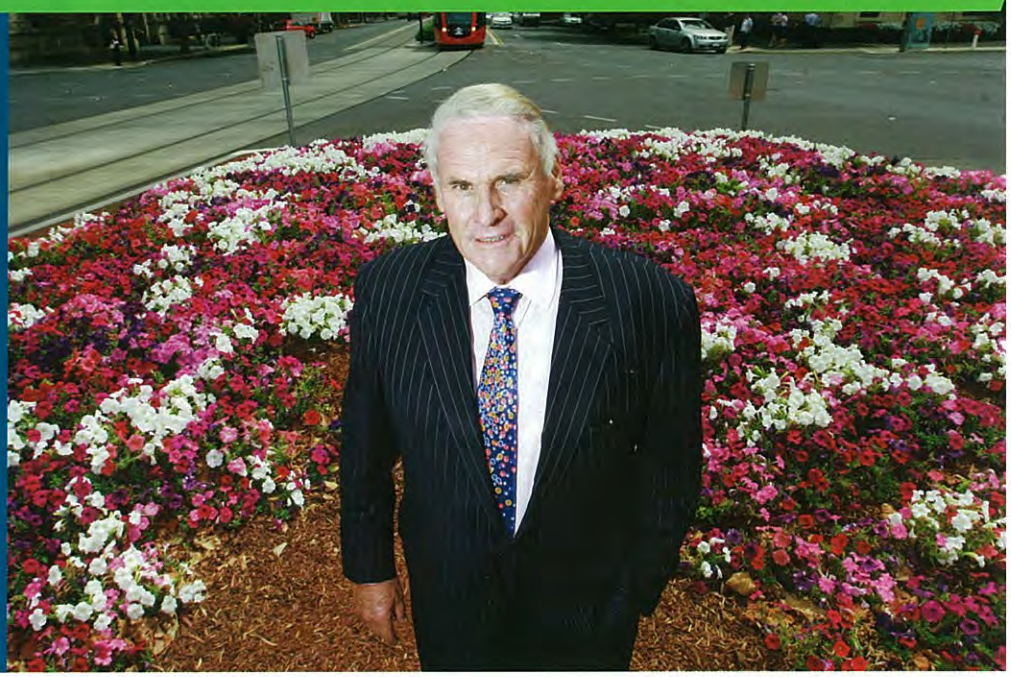
Lang Walker
Executive Chairman
Walker Corporation

NEW $2BN TOWNSHIP GETS STAMP OF APPROVAL FROM SOUTH AUSTRALIAN GOVERNMENT

BUCKLAND PARK, S.A.

"Buckland Park will be a flagship example of a new masterplanned community - every development we do is built with quality, sustainability and liveability at front of mind."

Lang Walker
Executive Chairman
Walker Corporation



IN EARLY FEBRUARY 2010, Walker Corporation was awarded State Government Approval for the development of the $2 billion, 12,000 home Buckland Park project in Adelaide's north.

Lang Walker said "We look forward to working with the Government of South Australia, the City of Playford and the local business community to deliver one of the country's largest residential project, and delivering thousands of new homes for South Australian families in one of the country's fastest growing areas."

Buckland Park measures 6km across and covers 1,340 hectares. It is nearly 50 times the size of Adelaide's Botanical Gardens and more than twice the size of Mawson Lakes.

The new township will be home to over 33,000 people in 12,000 new homes, and will be supported by all the infrastructure a new community can expect, including schools, shopping precincts, parklands, business and employment centres.

VISIONARY GOVERNMENT HELPS DELIVER GROWTH

Mr Walker paid tribute to the Rann Government's vision for growth in South Australia, and its commitment to deliver on that vision.

"We're investing in South Australia because the state government here are forward thinking, well organised and they're 'doers' – they are putting their vision into action, not just talking about it."

"The South Australian Government has clear guidelines and processes which ensure good, sustainable development in their state, and they're supporting this by successfully planning for, and implementing, solid infrastructure plans that will help take the state through continued and significant growth," Mr Walker added.

Mr Walker said that the Buckland Park project will also create a major boost for jobs and the economy in South Australia in the short and long term.

BUCKLAND PARK TO CREATE THOUSANDS OF JOBS

On average each year Walker expects 2,200 jobs to be generated annually for people working in the construction sector – lots of blue-collar jobs for trades-people and construction workers, as well as jobs for professionals like town planners, architects, engineers, and surveyors.

In addition to jobs created to construct the new community, by 2036 we also expect around 10,000 people will be employed in jobs at employment and centre precincts within Buckland Park, with the potential for a further 15,000 jobs to be indirectly generated within the economy.

FIRST STAGE OF A 25 YEAR PROJECT TO START THIS YEAR

Walker Corporation will create a number of residential stages over the entire Buckland Park site. Each stage will be progressively subdivided into housing allotments over 25 years to create a new community.

Mr Walker said State Government agencies had been assessing the Buckland Park proposal for 3 years and every element of the proposal had been scrutinised closely.

State Government approval covers the first stage of the project and incorporates:

- A display village of 32 houses;
- A neighbourhood centre for a supermarket, café and new community centre;
- A residential estate for 614 houses, with parks and a site for a new primary school; and
- The subdivision of the entire site into a number of super lots, which will eventually be re-subdivided into future neighbourhoods.

Construction of Buckland Park Stage One is expected to commence this year. Lots at the new masterplanned estate are expected to be priced from $130,000.

"Walker Corporation has dedicated significant time, effort and funding to make Buckland Park a reality," Mr Walker said.

"This has resulted in a masterplanned residential project that combines opportunities for economic prosperity and incorporates high standards of environmental responsibility."

WALKER MAKES LONG-TERM INVESTMENT IN S.A.

Walker Corporation has a significant investment in South Australia with the development of the $400million Vicinity Industrial Estate project at Direk in Adelaide's north and Bluestone Mt Barker, an 800 home residential subdivision in the Adelaide Hills.

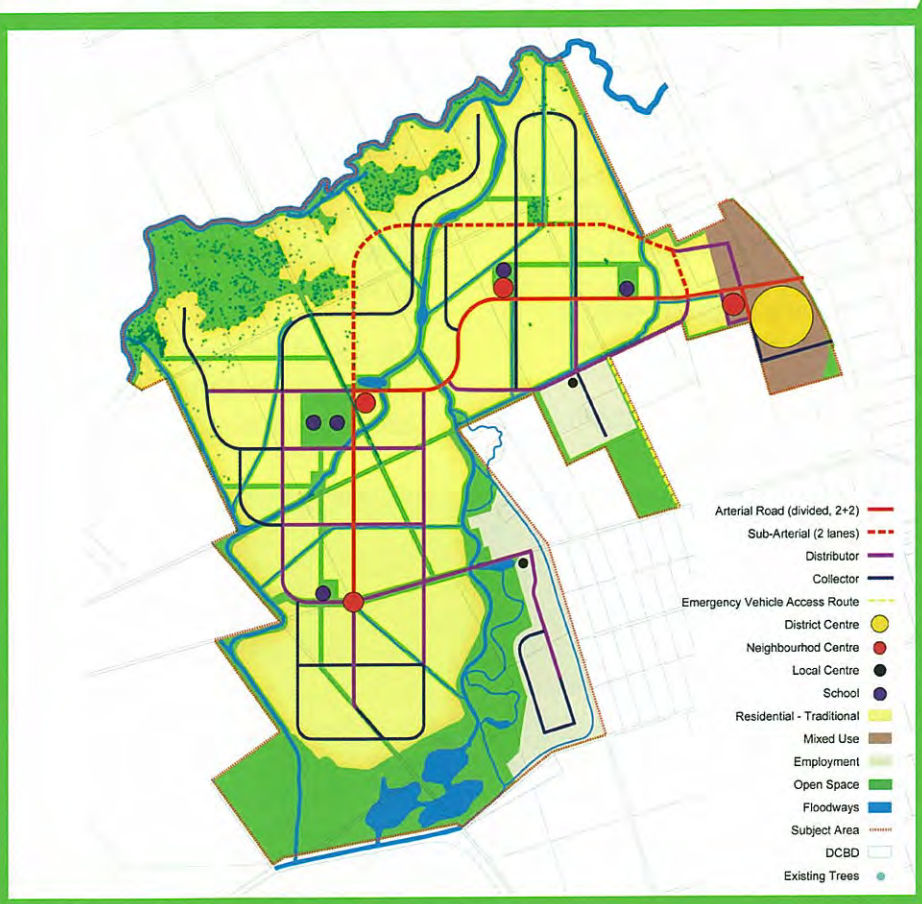
"Walker Corporation looks forward to building a quality new community at Buckland Park. Our residential developments are widely-known as popular places to live, work and play. Buckland Park will be a flagship example of a vibrant new masterplanned community - every development we do is built with quality, sustainability and liveability at front of mind, and Buckland Park will be no exception," said Mr Walker.

For more information visit the project website at www.bucklandpark.com.au

A WHOLE NEW TOWNSHIP...

By 2036, Buckland Park will be a whole new township connected to Metropolitan Adelaide. The masterplan accounts for:

- **12,000 new housing lots**
- **33,000 residents**
- **Community facilities**
- **279 hectares retained for District Open Space, including 180 hectares of significant vegetation**
- **Employment areas for businesses and industry**
- **Four primary schools**
- **Two secondary schools**
- **Three neighbourhood centres**
- **A District Centre**



SPATE OF NEW DEALS DRIVE INDUSTRIAL BUSINESS FORWARD

VICINITY INDUSTRIAL ESTATE, SA

WALKER TO BUILD NEW FACILITY FOR TOLL NQX IN ADELAIDE

"The choice by big Australian companies like the Toll Group , API, The Reject Shop & Kimberly Clark to work with us illustrates our commitment to deliver and the strategic selection of our industria sites on key transport routes and where the government is investing in major infrastructure."

Lang Walker
Executive Chairman
Walker Corporation

Walker Corporation is pleased to announced that Toll NQX have signed up for a new 20,000sqm block of land on which Walker will design and construct Toll NQX's warehouse and office facility at Vicinity Industrial Estate – the company's 100 hectare project near the Edinburgh Parks district in Adelaide's north.

The new Toll NQX facility is positioned just 3km from a major entry point onto the new $560m Northern Expressway, ensuring easy access to the main freight routes in and out of Adelaide.

Executive Chairman of Walker Corporation, Lang Walker, said the location of Vicinity made the site an excellent destination for the new Toll NQX facility.

"The position of our estate is an excellent location for transport and logistics businesses like Toll NQX – it's close to major freight and transport routes and key transport destinations, including the Port and CBD," said Mr Walker.

Toll NQX's commitment to the estate comes just as Walker finishes up a new 7,000sqm facility for Kimberly Clark Australia.

"The government is investing heavily in transport infrastructure in the northern suburbs to facilitate this region's designation as a new industrial growth corridor. This investment will directly benefit businesses that choose to locate to Vicinity, and has been a major factor in both Kimberly Clark and Toll choosing to locate at Vicinity.

"This new facility for Toll NQX continues the long-standing relationship we have with the Toll Group, having delivered other facilities for the group in recent years. As with all our clients, we approached the development of this new facility as a partnership. We worked together to achieve a flexible design and affordable rental options to ensure their continued growth in the Adelaide market," Mr Walker added.

The state-of-the-art new Toll NQX Facility was designed by Walker Corporation's team of industrial architects.

NEW SALES SHOW STRONG DEMAND FOR LAND IN CANBERRA

Two 5,000sqm land sales to local developers at Monaro Industrial Park in Canberra in January will deliver new small strata space for a tight Canberra market.

The deals, done in January 2010, come following a strong end to 2009 at the new estate, with over 30% of the 30HA estate now sold or leased to big name businesses including Grace Records Management, Downer EDI Works and Innaimo Transport.

According to National Industrial Manager, Michael Sutherland, Canberra remained strong throughout 2009 and the company intends to try and wrap up the project by early 2011. "Demand has been strong, we're seeing really positive results and are confident for a successful year ahead."

CITISWICH PICKS UP PACE AS THREE NEW BUSINESSES SIGN DEALS

January was a busy month at Citiswich with KSB, Caltex and ThoroughClean all purchasing land at the $1bn estate in QLD's Western Corridor.

KSB, one of the world's leading manufacturers of pumps, valves and related systems for water management, will build an ultra-modern 2,000sqm facility on 7,791sqm of land to accommodate its operations and brand new, state-of-the-art machinery.

ThoroughClean will build a new warehouse for manufacturing and distributing their high pressure cleaners.

Caltex will be developing a new unmanned diesel stop at the estate – a much needed piece of infrastructure not just for Citiswich, but the wider Ipswich logistics and trucking industry.

Regional Manager of Caltex, Scott Nichols, said "The vast majority of the state's available industrial land is at Ipswich and Citiswich provides us with the opportunity to service a wide range of businesses moving into the estate, as well as the existing industrial business operators within the Ipswich region."

All three companies expect to commence construction on new facilities by March, and anticipate being open and operational during 2010.

National Industrial Manager of Walker Corporation, Michael Sutherland, said that the commitments by these businesses marked an important phase of new growth in QLD's western corridor industrial market.

"We saw a marked increase in enquiry in late 2009, and the commitment of these businesses early this year gives us confidence of a very busy and exciting year ahead," said Mr Sutherland.

KSB , Thoroughclean & Caltex join API, The Reject Shop, Capral Aluminium, Australian Hardboards, Hume Masterpanel, and Australian Wood Panels at the $1bn estate.

For more information, visit the project website at **citiswich.com.au**.

API, THE REJECT SHOP, KIMBERLY-CLARK NOW COMPLETE

Walker has completed over 52,000sqm of industrial warehouse space for major tenants Australian Pharmaceutial Industries, The Reject Shop and Kimberly-Clark Australia.

API & The Reject Shop, both at the CITISWICH Business Park in QLD's Western Corridor, were completed early this year - with API already operational and The Reject Shop expecting to commence distribution operations from May 2010.

The Kimberly Clark Australia facility completed in December is at Vicinity Industrial Base in South Australia - the new state of the art centre allows KCA to distribute their wide range of products throughout SA and the Northern Territory.

NORTH POINT BUSINESS PARK, QL

Moreton Bay Council Mayor, Cr Allan Sutherland with Corporation's Michael Sutherland at the launch of Nort Park in December 2009.

Kimberly Clark Australia, Vicinity Industrial Estate SA

API, Citiswich Business Park QLD

The Reject Shop, Citiswich Business Park QLD

ker
oint Business

Walker Corporation has launched the new 30ha North Point Business Park in Queensland with businesses Malu Allocation Trust and Overseas Shipping and Packing already committed to the new estate.

Malu Allocation Trust, a spare parts manufacturer, have purchased land at the estate to build a new facility for their business and also undertake a small strata development at the estate.

Overseas Shipping and Packing are relocating from Eagle Farm to North Point at Murrumba Downs. The company has purchased 5,500sqm of land at the estate for a new purpose-built facility.

The first stage of North Point is now available for sale, lease or turnkey property solutions. For more information call 1800 WALKER.

MONARO INDUSTRIAL PARK, ACT

Lang Walker with ACT Chief Minister Jon Stanhope and Mike Hyland from Grace Records Management.

WALKER BREAKS GROUND ON NEW FACILITY FOR GRACE RECORDS MANAGEMENT

On 1 December 2009, Walker Corporation celebrated the start of construction of a new facility for Grace Records Management with the ACT Chief Minister, Jon Stanhope.

Construction of the facility will be complete by April 2010 providing Grace with a new facility to house their operations, which includes important high-security archives from the Federal Government. Civil works at the estate will be complete by March.

This is the second facility that Walker Corporation has built for Grace in recent years - the company completed a 17,000sqm facility in Campbelltown in Sydney back in 2004.

The commencement of the Grace facility is the first building to commence works at the estate, however, facilities for Downer EDI Works and Innaimo Transport will follow shortly, alongside two 5,000sqm strata unit developments being undertaken by local developers.

A further 51,000sqm is currently under negotiation with both national businesses and smaller local users, showing strong demand for land in Canberra.

For more information about Monaro Industrial Park, visit the project website at **monaroindustrial.com.au**.

NEW FEDERAL GOVERNMENT HEADQUARTERS NEARS COMPLETION

The new Department of Education, Employment and Workplace Relations headquarters in Canberra is nearing completion, with the exterior of the building now finished and fitout works taking place.

Walker was awarded both the Base Building tender, as well as the $40million fitout contract for the 5 Green Star, 5 Star NABERS rated building.

The $300million headquarters will be complete by July this year, when the department will move in and commence operations from their new offices.

This is the first of two major contracts that Walker has won with the Commonwealth Government, alongside the development of the new ATO Offices in Melbourne.

Project Director Stephen Dwight said that the completion of this building in Canberra marked a new benchmark for high quality office space in Canberra. Walker intends to hold the asset long term.

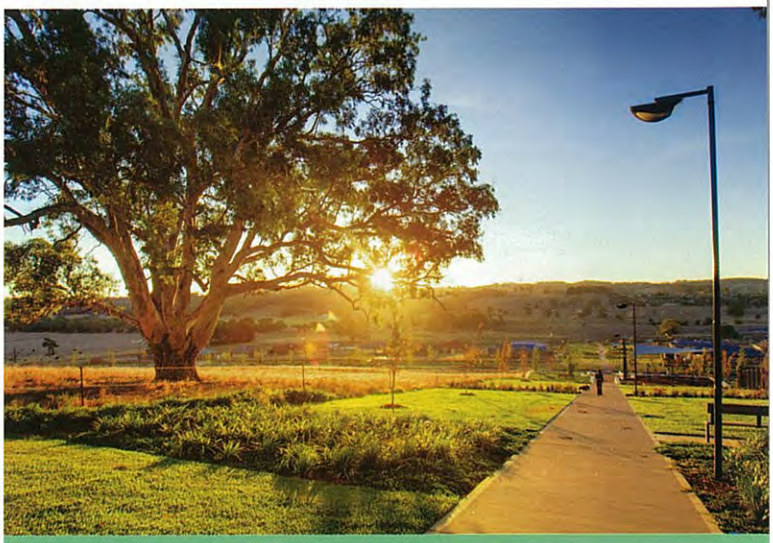
SEACHANGERS & HOLIDAY MAKERS FLOCK TO BEACHSIDE ESTATE

Walker's NSW South Coast Residential Estate, Reflections at Barlings Beach, is quickly taking shape with brand new houses now under construction, along with roads and installation of utilities and landscaping.

The estate is proving to be a big hit with the local community, Canberra and Sydney buyers with over 60% of sites sold in recent months to both holiday makers and seachangers.

Project Director, Blake Walker, said "We are developing the perfect haven for young families and retirees who are seeking a peaceful beachside setting, with a range of activities and amenities at the front door.

For more information, please visit the development website at **reflectionsbarlingsbeach.com.au**.



BLUESTONE EXPANDING WITH NEW HOUSING LOTS

Bluestone Mt Barker is expanding fast with the development of 110 housing allotments across the western reaches of the precinct.

The next two stages - Barker Rise and McFarlane's Crossing - mark the next phase in the creation of the Bluestone vision, with work to get underway on the project's proposed creek corridor and links established with the existing residential estate.

Roads and housing lots are being created across a section of grazing land with stunning red gum trees scattered across the site.

Bluestone Project Director Tim Solan said the installation of water, gas and fibre optic cabling would soon be the focus of capital works across the site.

"Work is progressing to schedule and we expect new owners of allotments across the site will be ready to begin building in 2011," Mr Solan said.

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INDUSTRIAL / COMMERCIAL ENQUIRIES:

1800 WALKER

WALKER AT WORK

ISSUE 1

WINTER 2009

FOCUS ON INDUSTRIAL

IN THIS EDITION

WORK STARTS ON MAJOR NEW DISTRIBUTION CENTRE FOR API

On 15 April 2009, Walker commenced construction of a new 19,000sqm Distribution Centre for Australian Pharmaceutical Industries at the 335HA CITISWICH Business Park in south-east Queensland.

The $1bn CITISWICH estate has also attracted major businesses The Reject Shop, Capral Aluminium, Hume Masterpanel and Australian Hardboards.

A MESSAGE FROM LANG WALKER

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Welcome to the maiden issue of Walker at Work, where we aim to keep our clients, business partners and staff informed about the group's latest projects across Australia.

This issue we focus on industrial, as Walker currently has over $2 billion of industrial projects under development making the company one of the most active developers in the Australian industrial market.

Our four estates have been carefully selected in areas designated by government as key growth corridors, benefiting from major government investment in transport and services infrastructure, as well as significant population and economic growth.

This month, we commenced construction of major distribution centres for Australian Pharmaceutical Industries and The Reject Shop at CITISWICH Business Park in QLD, and a 7,000sqm distribution centre for Kimberly Clark at Vicninty Industrial Estate north of Adelaide.

Businesses like API, The Reject Shop and Kimberly Clark have recognised the opportunity to capitalise on the growth opportunities these regions offer, and to work with Walker to help relocate their operations and corporate headquarters into purpose-built new facilities.

Walker Corporation continues to go forward with our expanding range of projects and I am delighted you are sharing the journey with us through this newsletter!

LANG WALKER
EXECUTIVE CHAIRMAN
WALKER CORPORATION

CITISWICH BUSINESS PARK, QLD

Left to Right: CR Paul Pisasale (Mayor of Ipswich City Council), Lang Walker (Executive Chairman, Walker Corporation), Peter Robinson (Chairman, API) and Stephen Roche (CEO, API) at the sod-turning for API's new 19,000sqm Distribution Centre.

APT LOGISTICS MAKE THE SWITCH

Queensland-based national transport company, APT Logistics, are making the move to CITISWICH Business Park through the development of a purpose-built 15,000sqm facility at the new estate.

APT Logistics operate over 35 trucks and 70 trailers, predominantly moving freight for earthmoving, equipment and truck manufacturers. The privately-owned company has been in operation for over 16 years at Sumner Park, however strong growth has meant the business needed to expand.

APT Logistics chose CITISWICH Business Park as the destination for their new headquarters due to it's location on the Cunningham and Warrego Highways – transport corridors APT Logistics sees as vital for their western freight business.

General Manager of APT, Peter Kinsella, said that CITISWICH Business Park will become "mini transport hub" for businesses utilizing western freight corridors from south-east Queensland.

"We are growing our business in freight corridors connecting south-east Queensland to Perth, Adelaide and Melbourne, and we require convenient access to our customers based predominantly along the Ipswich Motorway. The location of CITISWICH on the junction of the Ipswich Motorway, Warrego Highway and Cunningham Highway made it the logical choice for our business," he said.

The company needed a 'blank sheet of paper' to build their new facility and enough space to ensure that any future growth of their business could be successfully catered for.

"There's very little cleanskin development land left in south-east Queensland – Rocklea and Loganlea are basically finished and done. CITISWICH provides one of the only opportunities to develop a purpose-built facility in south-east Queensland."

APT Logistics will commence building their facility mid-year, and expect to be moved into their new headquarters by November of this year.

"The location of CITISWICH on the junction of the Ipswich Motorway, Warrego Highway and Cunningham Highway made it the logical choice for our business."

Peter Kinsella
APT's Logistics General Manager

Artist's impression of the new API Distribution Centre

NEW DISTRIBUTION CENTRE FOR API UNDER CONSTRUCTION

"The move to CITISWICH Business Park was a logical choice – working with Walker, Ipswich City Council and XAct Solutions was a marriage meant to happen."

Stephen Roche
API's Chief Executive Officer
& Managing Director

On 15 April 2009, Walker officially commenced construction on the new Australian Pharmaceutical Industries (API) Distribution Centre at CITISWICH Business Park, marked with a groundbreaking ceremony attended by over 100 people.

The leased centre forms a key element in Walker's flagship project – the $1 billion CITISWICH Business Park – which has also attracted The Reject Shop, Capral Aluminium, Australian Hardboards and Hume Masterpanel.

API's Chief Executive Officer & Managing Director, Stephen Roche said "This new development will be one of Australia's best distribution centres, helping to facilitate the growing demand for our services across Queensland and Northern NSW."

API distributes more than 18,000 different products to more than 4,000 of Australia's retail pharmacies and owns the Priceline, Soul Pattinson and Pharmacist Advill retail brands.

The company is working with supply chain experts XAct Solutions to integrate their retail and wholesale supply chain networks to help achieve their long-term growth aspirations. The 19,000sqm new distribution centre at CITISWICH Business Park is the second new purpose built DC for API and will be almost triple the size of their existing Richlands facility. Part of the move to CITISWICH involves merging API's retail and wholesale operations under one roof.

Mr Roche said "Despite the economic slowdown, we are confident of continued growth in our Priceline retail brand and in wholesale distribution. Our new distribution centre will ensure we have the capacity to meet the growing demand for our services across Queensland and Northern NSW.

"The move to CITISWICH Business Park was a logical choice – working with Walker, Ipswich City Council and XAct Solutions was a marriage meant to happen – we have a skilled, professional team working on the job to deliver a great outcome for API," he added.

The new API facility, to be operational late this year, will service over 900 pharmacies and Priceline stores across Queensland and Northern NSW, employing 180 staff, many of whom attended the ground-breaking ceremony.

The new facility will feature advanced technology systems from Dematic, including automatic carton erectors and applicators, voice-picking systems and high speed automated dispensing technology.

API has signed a 15 year lease at the estate and Walker is on-schedule to hand over the new facility to API in November this year.

AUSTRALIAN WOOD PANELS SIGN 10 YEAR LEASE

One of Australia's largest distributors and manufacturers of plywood and wood based panel products, Australian Wood Panels, have signed a 10 year lease at an existing warehouse at CITISWICH Business Park.

Since coming under new management in 2006, AWP have experienced significant growth in their business, requiring the company to move from their existing nearby Sumner Park facility.

The 6,500sqm facility is a bigger footprint than the company originally required, however, now provides sufficient space for the company to continue to expand and provide further opportunity for their ongoing growth.

The new AWP headquarters will combine their importing and distribution business with their national and state offices, centralising the business down into one space.

Business Manager (QLD), Ian McDonald said he searched across a 15km radius of their Sumner Park location, and committed to CITISWICH due to the proximity of the estate to their customer base, excellent transport connectivity and price.

"I also like the fact that this is a new development - we know we are going into a business park that has been designed with quality at front of mind.

"The move west has been an easy one, the region is booming and will continue to provide opportunities for our business over the coming years," said Mr McDonald.

The 10 year lease was negotiated by Corey Bott of Wright Property. AWP move into their new facility in July this year.

SOUTH AUSTRALIA'S LARGEST INDUSTRIAL DEVELOPMENT UNDERWAY

Walker Corporation has this month finished major infrastructure works in the first stage of South Australia's largest industrial development – the 100 hectare Vicinity Industrial Estate.

Over $750million has been invested in major arterials around the estate, directly benefiting the businesses that locate there.

The estate is positioned on the corner of Edinburgh and Heaslip Roads north of Adelaide, with links to all the major arterials running north including the Northern Expressway (NEXY), the Port River Expressway (PREXY) and Port Wakefield Road.

Over $750 million has been invested by the State Government in these three major arterials as part of the State Government's plan to encourage transport and logistics businesses to locate in the region, and to provide necessary strategic employment lands for South Australia's growing population.

The $400million project is being developed as part of a $3bn portfolio of development currently underway by Walker in the state, which includes the 1,300HA Buckland Park Township and an 800 home residential subdivision in the Adelaide Hills.

Executive Chairman of Walker Corporation, Lang Walker, said "I am very confident about the company's developments in Adelaide. South Australia is primed to ride out the financial storm – there's a heck of a lot of long-term growth in South Australia, particularly with the resources industry over the next five to 10 years.

"We selected this site for the strong economic and employment growth happening in the Salisbury Region, and recognition of the major infrastructure investments both federal and state governments are making to the area.

"Businesses in growing sectors like defense, electronics, manufacturing and technology are aligning themselves in this region to ensure the future viability and sustainability of their businesses, recognizing the opportunity to capitalize on the northern corridor's growth opportunities," Mr Walker added.

The new estate is located next to the Edinburgh RAAF Base, which Prime Minister Kevin Rudd visited in April to turn first sod on the construction of a new $46 million Combined Mess Facility, which will allow for the continued growth of the defense base. The investment in Edinburgh forms an important component of the recent Federal Government Defense White Paper, which identifies South Australia as the country's most significant region for growth in the defense sector.

Vicinity Industrial Estate will be developed over three stages in the next three to five years and provide over 4,000 jobs for Adelaide's growing northern suburbs. The first 24 lots in the development are currently available for sale or lease.

Artist's impression of the new Kimberly Clark facility

MAJOR MULTI-NATIONAL COMPANY COMMITS TO VICINITY INDUSTRIAL ESTATE

Walker Corporation has signed the first tenant at its landmark $400 million Vicinity Industrial Estate in Adelaide, committing major multi-national paper and hygiene products company, Kimberly-Clark, to a 10 year lease for a 7,000sqm purpose-built distribution and storage facility at the new estate.

Kimberly-Clark will distribute its vast range of Consumer and Professional products, including Kleenex and Scott bath and facial products, Viva and Scott paper towels and Huggies Nappies, throughout South Australia and the Northern Territory from the new centre, making the estates location close to northern freight routes an important factor in the decision-making process.

Ms Ramona Prescott, Projects Manager Corporate Supply Chain said "We looked at a wide range of sites across Adelaide and were especially attracted to Vicinity's great access to major road transport routes, which will enable Kimberly-Clark to improve our supply chain logistics and help secure our long-term growth aspirations.

"The major infrastructure works underway in the region are also a big plus for our business, creating improved freight routes north and into key centres around Adelaide helping to service our wide range of customers more efficiently and effectively," Ms Prescott added.

"Vicinity's great access to major road transport routes, will enable Kimberly-Clark to improve our supply chain logistics and help secure our long-term growth aspirations."

Ramona Prescott
Project Manager Corporate Supply Chain
Kimberly Clark

Kimberly Clark are relocating from an existing facility at Pooraka, to the new centre at Vicinity.

Construction of the new centre commences this month, with completion expected in October 2009.

Artist's impression of the new headquarters for DEEWR

WALKER WINS $40 MILLION GOVERNMENT FITOUT CONTRACT

In addition to winning the highly-sought after tender to build the state-of-the-art new headquarters for the Federal Government Department of Education, Employment and Workplace Relations, Walker Corporation has also recently been awarded the $40million fit-out contract for the building.

Located at 50 Marcus-Clarke Street on the former QEII site in Canberra, the 40,000square metre A-Grade facility is targeting for the base building a 5 star NABERS rating, a 5 Green Star Office Design and As Built rating, as well as a 5 Green Star Office interiors rating, making the Department's new headquarters one of the greenest buildings in the nation's capital.

The integrated fitout features interconnecting stairs, state-of-the-art ergonomic workstation design including the use of low VOC paints and materials, setting a new benchmark in workspace efficiency. A unique component of the fitout is a Bio-Filtration or 'living' wall covered with specially selected plants that will act as a natural filter for indoor air, removing airborne contaminants.

The 12 storey building will set a new standard for sustainability in premium office space in Canberra, with the base building also incorporating advanced technologies including tri-generation of power and heating & cooling for air conditioning, heat recovery of tri-generation water for domestic hot water (effectively giving the building quad-generation), grey water treatment, high speed destination control lifts, and energy efficient lighting in conjunction with maximisation of natural light to the working floor plate.

DEEWR HEADQUARTERS, ACT

The 12 storey building will set a new standard for sustainability in premium office space in Canberra, with the base building also targeting a 5 AGBR specification and incorporating advanced technologies.

The highly efficient building achieves floorplate efficiency of in excess of 90%, compared with similar buildings averaging only 80%.

The design of building has been specifically tailored to create a workspace conducive to a collaborative and balanced work environment, featuring a combination of conventional office space with open plan meeting areas, both formal and informal, as well as extensive bike storage, recreation and health amenities.

Construction of the base building commenced March 2008, with the building including integrated fitout on target for completion in June 2010. The Department have committed to a 15 + 5 year lease with Walker, who will hold the building long-term.

MONARO INDUSTRIAL PARK, ACT

WORK UNDERWAY IN CANBERRA'S FIRST INDUSTRIAL BUSINESS PARK

Walker has commenced major demolition and infrastructure works at Monaro Industrial Park, kicking off Walker's first industrial project in Canberra and the first ever industrial business park for the nation's capital.

The 30 hectare subdivision is located on the Monaro Highway in Hume in a growing industrial area earmarked as the next major industrial growth centre in the ACT.

The new estate was a former timber mill site - Walker is currently undertaking works to demolish and restore a number of existing buildings on the site, as well as starting major infrastructure and road works on the estate. All works, including the building restorations, are due for completion in early 2010.

Colliers International has been appointed as the marketing agent on the estate and State Chief Executive Paul Powderly says that due to pent up demand for quality industrial land in Canberra, enquiry in the estate has already been strong.

Mr Powderly said "Established industrial areas like Fyshwick and Mitchell are basically out of supply, so Hume is the next growth prospect for industrial business to create purpose-built new facilities in Canberra. Given it's location on the Monaro Highway and that it's the first industrial estate of its kind in Canberra, this will be an attractive development for businesses from the transport, logistics, manufacturing, construction and storage industries.

"It's great to see a national developer forging ahead with projects in Canberra. Walker's development of this estate, teamed with their development of the Department of Education, Employment and Workplace Relations headquarters shows that the company is making a long-term commitment to development in the region, and that gives local developers and businesses confidence in the Canberra market," he added.

Walker is currently negotiating a number of transactions with major tenants. Blocks at Monaro Industrial Park start from 5,000sqm and are available for sale or lease.

The 30 hectare subdivision is located on the Monaro Highway in Hume in a growing industrial area earmarked as the next major industrial growth centre in the ACT.

WALKER PURCHASES NEW NORTH BRISBANE INDUSTRIAL SITE

MASTERPLAN
DOHLES ROCKS ROAD, PETRIE

Walker has recently purchased a greenfield 30 hectare industrial business park site at Petrie, 25 kilometres north of Brisbane.

The estate is positioned on a busy arterial road connecting to the Pacific Highway - the major highway linking Brisbane's northern suburbs, the Sunshine Coast and North Queensland to Brisbane, the airport and Port of Brisbane.

The site was selected due to it's proximity to the national highway network, key transport infrastructure, and fast growing population.

Walker is currently undertaking masterplanning works, and is already negotiating transactions with a number of clients. The estate will suit both large industrial users, and smaller commercial businesses seeking strata units.

Construction of the major infrastructure on the estate is expected to commence in early 2010, and the estate will be developed over a two year period.

For more information, call 1800 WALKER.

BLUESTONE MT BARKER OPENS SALES & DISPLAY CENTRE

Walker Corporation has this month opened a new Sales and Display Centre at Bluestone Mt Barker, the company's popular residential development in the Adelaide Hills.

The new Sales and Display Centre forms the entry point into the estate's Display Village, which will feature over 30 homes from prominent South Australian Builders including Scott Salisbury and Hickinbotham Homes.

Bluestone will eventually house over 830 families, making it one of South Australia's most significant residential developments. Set amongst the picturesque Adelaide Hills, the site is sprinkled with massive mature Red Gums, a heritage railway track, and Parkindula Homestead which will be refurbished by Walker.

Over 32,000 trees, native grasses and shrubs will be planted as part of the major landscaping and creek revitalization works being undertaken at the estate.

The first stage of the estate is almost sold out, and to keep up with demand Walker will release the second stage of Bluestone mid-year.

www.bluestonemtbarker.com.au

KEW WINS PRESTIGIOUS "BEST DEVELOPMENT" AWARD

Main Drive Kew, Walker Corporation's luxury residential development in Melbourne's north, has been awarded the prestigious 2008 Judges Award for Best Overall Development in the Urban Development Institute of Australia Awards for Excellence.

The Judges' Award is for Walker's transformation of the former Kew Cottages in Melbourne to become one of Australia's most successful residential developments in recent years.

The development is an integrated community of houses, apartments and community facilities on a 27 hectare site in Kew, east of Melbourne's CBD. The property is being developed to feature 360 high quality, luxury, sustainable homes and apartments, as well as incorporating large open spaces.

Cutting edge architecture has been used to create new homes that are sympathetic to the botanic nature of the site.

Still under construction, Main Drive Kew has proven to be a solid investment for purchasers and existing residents, evidenced by the very strong re-sale values being achieved by Stage One purchasers. Of four recent re-sales of properties on the site, the returns to original purchasers have averaged 29 per cent, with one re-sale delivering a 40 per cent profit.

The second stage of the development is on the verge of being released - 10 exclusive homes will initially be available for sale from mid-year.

www.maindrivekew.com.au

BANKSIA GROVE PROVES POPULAR WITH FIRST HOME BUYERS

Banksia Grove has experienced strong sales as first home buyers hurry to secure a homesite in WA's most affordable masterplanned community.

Over 250 homesites have been sold for the financial year and approximately 150 homes are completed or under construction. Planning is also well advanced for the estates main entry boulevard, magnificent linear park and district shopping centre.

Another milestone for the development is the advanced planning of the Banksia Grove high school and shared playing fields which are planned to be open before the end of 2012.

The innovative masterplanned community was recently awarded WA Waterwise Land Developer in recognition of initiatives designed to reduce water consumption including the retention of existing vegetation for parklands and waterwise irrigation packages as part of block purchases.

Banksia Grove general manager Tony Naughtin said the development would also benefit from a 14 home builders display village and sustainable demonstration home which would be open to the public in late 2009 and used as the projects sales office.

www.banksiagrove.net.au

Artist's impression of the second stage of Point Cook Town Centre

CONSTRUCTION UNDERWAY ON TOWN CENTRE'S SECOND STAGE

Construction of the second stage of the Point Cook Town Centre is now well under way, with the project on schedule to be finished by late 2009.

Being developed at an estimated $45million, stage two of the centre commenced construction earlier this year following the successful opening of the first stage of the centre in August 2008, which features anchor tenants Coles, Aldi and Target.

The second stage of Point Cook Town Centre will be anchored by a new concept Harris Scarfe department store and house over 40 specialty retail stores including a 450 seat food court, on-street retail facilties and a purpose-built Town Square offering an abundance of safe and accessible outdoor space for the growing local community.

Point Cook Town Centre has been designed by architects The Buchan Group, and features a mix of retail, commercial, community and open space. As part of the second phase of construction, Walker is also completing the $5.4million Point Cook Community Learning Centre, which is one of the biggest community infrastructure projects ever undertaken in Wyndham Council.

The new centre provides important retail and social amenity to the rapidly growing Point Cook population.

www.pointcook.com.au

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www.walkercorp.com.au

CITISWICH BUSINESS PARK

www.citiswich.com.au

MONARO INDUSTRIAL PARK

www.monaroindustrial.com.au

VICINITY INDUSTRIAL BASE

www.vicinityindustrial.com.au

ALL ENQUIRIES:

1800 WALKER

BLUESTONE
MT BARKER

Newsletter

June 2009

In This Issue

Display village open for business as builders add finishing touches

The completion of homes by South Australia's best builders along Greenfield Drive mark a major step forward for Bluestone Mt Barker, which offers lots for as little as $166,000.

Buyers can now inspect the wide array of display homes along Mt Barker's best address after the developer of the $150 million residential development opened Bluestone Mt Barker's new sales and information centre.

A stunning Scott Salisbury Home has been built at the gateway to the display village for Bluestone Mt Barker, the Adelaide Hills' new premium address offering high quality sustainable homes in a rural setting on the southern edge of one of Australia's fastest growing communities. This marks the first home in the Mt Barker region for one of Adelaide's finest and most sought after builders.

Bluestone Mt Barker spokesman Don Carvalho said buyers had already responded to Bluestone Mt Barker with great enthusiasm with 90 per cent of allotments across Stages 1A and 1B sold.

"We're finding that many of our purchasers are searching for the affordable and modern living in a rural location," Mr Carvalho said.

"But they also want the convenience of reticulated LPG gas and the connectivity that comes with technology such as Fibre to the Home digital technology."

The completion of homes by South Australia's best builders along Greenfield Street mark a major step forward for Bluestone Mt Barker, which offers lots for as little as $166,000.

Buyers are also showing strong interest in the Red Gum precinct which is located on the hill overlooking the Bluestone estate and features blocks as large as 1600 sq metres prices starting at $177,500.

"With South Australia's best and brightest builders available this precinct represents a stunning opportunity to build a dream home overlooking the State's most picturesque residential developments," Mr Carvalho said.

Bluestone Mt Barker developer Walker Corporation have ensured buyers have a full range of housing options.

"At Bluestone, we know buyers will find the right environment for their new home and the best place to raise a family," Mr Carvalho said.

"There has obviously been a lot of planning that has gone into it - the play grounds, the landscaping and the convenience are just fantastic. It's so close to everything but still with a lovely rural outlook."

Bluestone suits growing family who love living local

Wendy and Michael Foster grew up in Mt Barker and believe there is no better community to raise a family.

"We currently live in Mountain Glen Estate in Mt Barker and we need a big new home," Wendy says. "We wanted to stay in the area and when we found Bluestone we loved the family friendly feel to it."

Finding the right living environment was the highest priority for the Fosters who love taking their children Alex, Tanner and Lilly on bike rides or walks around their neighbourhood. Bluestone Mt Barker provided the right setting and perfect surroundings for a growing family.

"There has obviously been a lot of planning that has gone into it - the play grounds, the landscaping and the convenience are just fantastic," Wendy says. "It's so close to everything but still with a lovely rural outlook."

"The gardens are beautiful and the playgrounds are great and modern with so much to entertain the kids. The fitness parks are encouraging people to be active which is great."

Mt Barker is home to both Michael's and Wendy's extended families and most of their friends.

"It is great to be able to share this experience with so many people around us. A few of our friends are also building at Bluestone so we can really get excited talking about it with them too," Michael said.

The Fosters are an active family. Michael builds retaining walls around the Adelaide Hills and also manages to fit in time to play football for nearby Macclesfield. Wendy's work commitments include working at the local swimming school and teaching fitness classes in Adelaide.

Their lives will soon be busier. Wendy is pregnant with the couple's fourth child and planning will soon get underway on their new home at Bluestone Mt Barker.

"We are planning on living in this house for the next 20 odd years so we want it to perfect," Wendy says.

STOP PRESS!!!

Stage Two of Bluestone Mt Barker approved

Bluestone Mt Barker continues to expand after the Mt Barker Council's Development Assessment Panel recently approved plans for Stage 2 of the project.

Bluestone Mt Barker spokesman Don Carvalho said Stage 2 would see 110 new housing allotments created as well as an 8hectare allotment for a retirement village.

The second stage is one of the most picturesque in the entire estate, with a large number of mature trees sprinkled throughout the valley, as well as a creek which is currently the subject of a major landscaping and restoration program.

The Steamranger Heritage Railway track also runs through the second stage, giving Bluestone a touch of nostalgia from the early 1900's when the tourist train travels between Mt Barker, Mount Lofty Ranges, Strathalbyn, Goolwa and Port Elliot on selected days throughout the year.

Updates on the release of Stage 2 at Bluestone Mt Barker will soon appear on the project's new website:

www.bluestonemtbarker.com.au

Scott Salisbury Manor home opens the doors to Bluestone

Award winning builder Scott Salisbury Homes leads a group of Adelaide's best building companies who have already built homes on the Bluestone Mt Barker site as part of the project's display village.

Scott Salisbury Homes Sales Manager Kristin Jeffrey said the company's display homes would be open to the public in early May.

"We came in on the ground floor of this project and had no hesitation in being part of the Adelaide Hills' largest and most prestigious residential development," Ms Jeffrey said.

"The Red Gum precinct provides a perfect location to build a Scott Salisbury Home with sweeping views over the development towards the Adelaide Polo Club and the Bugle Ranges,"

"Mt Barker is a new and exciting place for our company to be and we couldn't dream of anywhere better than Bluestone."

Scott Salisbury Homes has built its Manor style home just beyond the attractive entry statement at Bluestone Mt Barker.

This beautifully finished home will serve as the project's sales and information office. Across Greenfield Street, Scott Salisbury Homes has built a stunning double storey display home that offers commanding views of the area and vast living areas across both levels.

Ms Jeffrey said Scott Salisbury Homes had been recognised nationally for designing and constructing homes on locations similar to Red Gum, winning the Housing Industry Association (HIA) award for the best use of a sloping site.

"The Red Gum precinct provides a perfect location to build a Scott Salisbury Home with sweeping views over the development towards the Adelaide Polo Club and the Bugle Ranges," she said.

"Buyers should simply contact us if they are looking for a custom designed home to sit amongst the beautiful red gum trees that shape this precinct."

"We have current designs for buyers to look at and dedicated site supervisors who can assist with various aspects of design and style."

www.scottsalisburyhomes.com.au

Award winning architect designs at Bluestone

South Australia's largest and longest established builder Hickinbotham has teamed up with award winning architect Max Pritchard to design a range of sustainable homes and is displaying an exciting new family home at Bluestone estate.

Cleverly designed around a northern orientation, the stunning new Family 11 design is on display with two other Hickinbotham designs, the company's flagship San Marino home, and a new Hickinbotham floor plan, the Heysen.

"Max is best known for designing the luxury resort Southern Ocean Lodge on Kangaroo Island, so it is fantastic that an architect of his calibre is designing for our volume market as well as our upmarket brand," said Hickinbotham Design Director Ruth Vagnarelli.

"He brings a fresh, practical and innovative approach to home design, and with our enormous buying power and cost effective construction methods the result is affordable quality housing offering exceptional value for money."

"Max brings a fresh, practical and innovative approach to home design, and with our enormous buying power and cost effective construction methods the result is affordable quality housing offering exceptional value for money."

The outstanding home is designed around a focal courtyard and features four bedrooms including a fabulous master bedroom suite at the back, wide hallways, a home theatre/living, and a large light-filled open-plan kitchen/family/meals with glass on both sides.

The contemporary façade features stack stone pillars and designer corner windows that let the light stream in.

The home is part of Hickinbotham's Affordable Architect Series featuring 48 designs.

Mr Pritchard believes in the whole concept of useable outdoor space, which if designed to relate to the home, encourages people to live outside away from airconditioning.

Good cross flow ventilation is also important.

"I felt it is important to get the living areas of the homes working well, family efficient and relating to an outdoor space," said Mr Pritchard.

Hickinbotham has a proud tradition of environmental innovation.

"We are passionate about leading the way in new housing that achieves the highest standard in energy efficiency to save people money and help the environment," said Mrs Vagnarelli.

The display village on Greenfield Street Mt Barker will be open from mid May. Contact Gary Stout on 0414 220 685 or 8366 0000 for details

www.hickinbotham.com.au

New bike paths ensure safer cycling for the community

New bike paths established along Hurling Drive will link up with cycling corridors around Mt Barker ensuring safe riding for residents in the surrounding area.

The two way bike paths include safety rails at each road crossing and easy to use ramps which help riders stay on their bikes while crossing streets that run into Hurling Drive.

Bluestone Mt Barker site manager Brett Butler said the bike paths would enable cyclists to ride safely, particularly school children travelling to Mt Barker South Primary School or Mt Barker Waldorf School.

"Bluestone is a walkable community that encourages pedestrian traffic so we've created a bike path we expect will be well used by cyclists living in the development and cyclists across Mt Barker," Mr Butler said.

Importantly, the new bike path will enable cyclists to ride safely towards Keith Stephenson Park and streets running between Hurling Drive and Wellington Road.

"Bluestone is a walkable community that encourages pedestrian traffic so we've created a bike path we expect will be well used by cyclists living in the development and cyclists across Mt Barker."

Bluestone backs JAZZfest

Bluestone Mt Barker was a proud supporter of the Mt Barker JAZZfest last month as thousands flocked to the township to hear 40 jazz bands and a line up of Australian jazz greats.

The Mt Barker JAZZfest is fast becoming recognized as one of Australia's top jazz festivals and this year attracted top talents, including jazz icon Don Burrows.

The three day festival included bands and entertainment at locations across the Mt Barker area including Mt Barker Central, Mt Barker Village, historic Gawler Street, Barker Plaza, Adelaide Hills Homemaker Centre, Millies Bakery, hotels, cafes, restaurants, as well as Auchendarroch House – (Wallis Theatres Cinema and Entertainment complex) where the main stage (the Bluestone stage) was located.

The popular festival jazz train also ran through the Bluestone Mt Barker estate on its way to and from the Bugle Ranges.

Auchendarroch House and the Wallis Tavern also provided a wide variety of food and wines, showcasing the Adelaide Hills Region to enhance the experience of jazz festival visitors.

Bluestone Mt Barker spokesman Don Carvalho said developer Walker Corporation was committed to supporting events and activities across the Mt Barker community.

"These events attract huge audiences, often from all over the country, and Bluestone was very please to be involved," Mr Carvalho said.

"We applaud the approach of the Mt Barker District Council and jazz festival director Barry Wilkins for the great work in arranging this year's jazz festival.

"It was a sensational event."

Bluestone Mt Barker also sponsored the highly successful Carols in the Park and Fireworks at Mt Barker in December.

New life for creek that meanders through Bluestone development

"These plants have survived many years when the land was used for agricultural purposes and it's important they be retained to ensure the biodiversity of the creek is not only protected but enhanced."

Extensive landscaping will soon commence along the creek corridor running through the Bluestone Mt Barker precinct as part of plans to rehabilitate the area ahead of the project's second stage.

Outerspace Landscape Architects have begun planning for the project which will help define the shape and character of the meandering creek which takes its water from the south west and south east.

Outerspace director Patrick Graham said a number of measures would ensure the creek bed and banks would remain safe once water begins to flow.

"We will undertake measures to minimise erosion such as planting local sedges and reed and we're also looking to retain and enhance existing pools along the creek bed," says Patrick (above left with Site Manager Brett Butler).

Weed control will be undertaken to remove competition for local indigenous plants and assist in a process of revegetating the creek area. Native plants in the area include large Red Gums, Kangaroo Grass, Spear Grass and some local sedge grass.

"These plants have survived many years when the land was used for agricultural purposes and it's important they be retained to ensure the biodiversity of the creek is not only protected but enhanced," Mr Graham said.

He says buffer plantings of indigenous plants will be provided along the length of the creek in combination with opening up the channel to enable access by the community at key points.

Seedlings will be planted before winter rains to maximise survival. The plantings will include species such as River Red Gums, native sedges and grasses throughout the area will enhance the Riverine environment.

"It will also create an open woodland character to the area around the creek bed," Mr Graham said.

Couple hooked the moment they entered Bluestone

"What we find exciting about the purchase of our first home is the option of designing a home to your tastes and being the first to live in it."

Tim Kirtland says he and partner Linda Stuart knew Bluestone Mt Barker was the right place to settle the moment they turned into Hurling Drive.

"We were instantly impressed when we first arrived at Bluestone," Tim says. "The large entrance and the East Park Way immediately had us hooked.

But it wasn't just the stunning Bluestone entry statement or green parkway that attracted Tim and Linda to Bluestone. The Adelaide couple had clearly done their research when it came to finding the best residential development in the Adelaide Hills.

"There are large blocks at affordable prices, there is high speed broadband and the layout of the estate makes it special," Tim says.

"Bluestone has more parks, reserves, BBQ areas and it's also got kilometres of walking tracks along creeks and surrounding landscape."

"The quality of the development - the trees, fencing and landscaping - show that a lot more dollars have been invested into Bluestone compared with other developments."

Tim says the couple will live in the property once it is designed and built and, like many purchasers at Bluestone, they are looking forward to the planning process.

"What we find exciting about the purchase of our first home is the option of designing a home to your tastes and being the first to live in it," Linda says.

"The house we would like to live in is a three bedroom home with a large open plan living, kitchen and dining area plus an outdoor entertaining area."

Tim and Linda are looking forward to spending time with relatives who live in the nearby towns and love the lifestyle of the Adelaide Hills.

"Mt Barker is a town with all you need and it shows by the large variety of shops and amenities available," Tim says.

"It is also close to nearby towns such as Littlehampton, Hahndorf and is only a 20 minute drive on the freeway to Adelaide"

The couple will continue to commute each day to work in Adelaide.

"At a later date there is a possibility to work in Mt Barker or the surrounding areas," he says.

A chip off the old block:
Hills icon digs deep for Bluestone Mt Barker

It is no surprise to Bernard Clifford that the developer of the Bluestone Mt Barker project chose the bluish grey sandstone as the signature branding for the Adelaide Hills' largest residential development.

Bernard has spent the last 32 years making bluestone synonymous with the Adelaide Hills by shipping it all over the nation from his Kanmantoo quarry, 41km from the Adelaide CBD.

"We are known far and wide," Bernard says. "We have customers in Perth, Sydney and up in Darwin and, of course, in Adelaide where we do a lot of restoration work and big jobs such as the law courts and Adelaide University."

The Kanmantoo Stone Quarry was started in the 19th century to supply stone to local fences and farmhouses. Bluestone has been drawn from the site for the construction of numerous homesteads in the Adelaide Hills district. Bernard says the many of these homes remain standing today despite decades of exposure to the elements.

"There is no tougher building material you can use," Bernard says.

Bernard says providing the signature product to the Bluestone Mt Barker site presented little trouble for his experienced crew.

"It wasn't a difficult job," he says, adding that there is nearly 400 tonnes of bluestone across the entry statement and along the East Parkway.

This includes the "walling stone" that runs along the edge of the Red Gum precinct.

"We have to drill and blast that off the face of our quarry," Bernard says. "Its amazing to think that is has been sitting there for more than 600 million years."

Fitness stations help residents put best foot forward

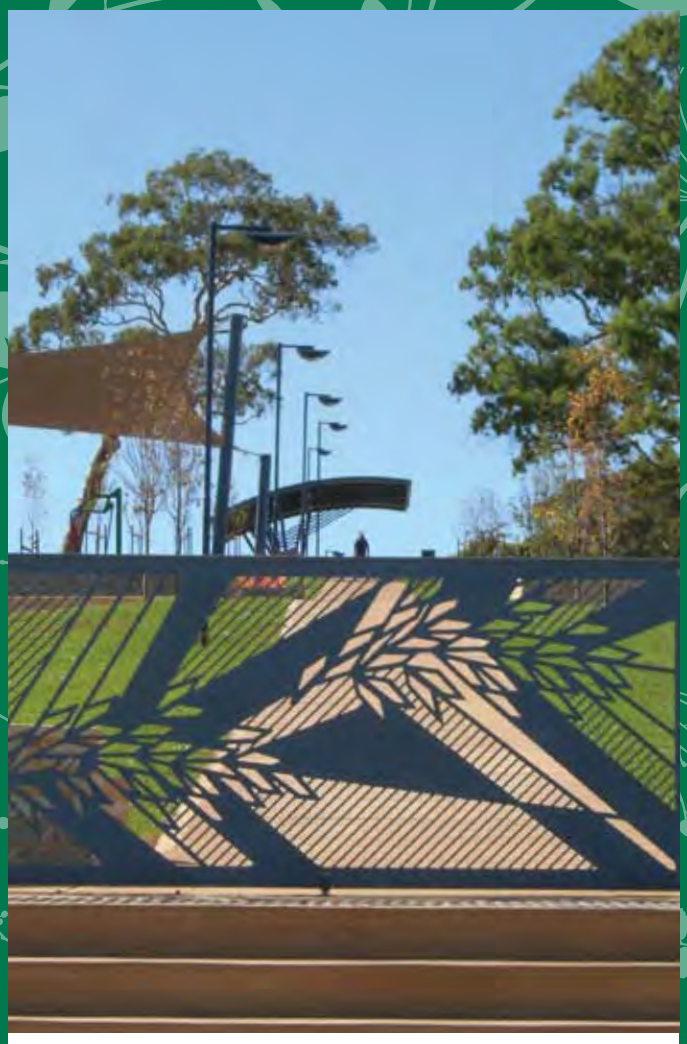
Developer Walker Corporation has constructed a number of exercise stations on the Bluestone Mt Barker site for use by residents.

The first exercise stations – one in the North Maple precinct and a second in the Red Gum precinct – incorporate the latest in outdoor self guided systems and are located along the linear path that travels through the Bluestone precinct towards the creek corridor.

Bluestone Mt Barker site manager Brett Butler said the equipment encouraged regular exercise and interaction.

"Equipment at each station provides a challenge for the fitness enthusiast as well as those seeking to improve their general wellbeing," Mr Butler said.

"We encourage residents and visitors to safely use the equipment as part of their fitness or walking regimen."



Shade across the precinct provided by new shelters and mammoth red gums

Look across the Bluestone Mt Barker precinct and you will see wonderful corrugated iron shelters that enable residents and visitors to enjoy a barbeque or picnic rain hail or shine.

Look at little closer at each shelter and you will see metalwork within the shelter structure depicting ears of wheat, perhaps harking back to the early agricultural history of the Bluestone Mt Barker precinct when the land was managed by farming families.

To get the most out of the land – whether it be for grazing or sewing a crop - these farmers were forced to remove trees from across the precinct. Happily, these families left a number of large red gum trees in place across the precinct, possibly to provide shade for livestock during the hot summer months.

Bluestone Mt Barker developer Walker Corporation has recognised the inherent value these red gums bring to the project site. Indeed, a red gum is depicted on the project's logo and it could easily be one of many trees located on the site.

Today most of these red gums remain. They provide shelter at various sites across the precinct and are incorporated into large precincts of open space. Alongside these sparkling new shelters they enable Bluestone Mt Barker to stand out from other residential projects around the Mt Barker region.

Red Gum lifts Bluestone Mt Barker development to new heights

The developer of the $150 million Bluestone Mt Barker project has released 36 new allotments in a precinct to be known as Red Gum.

Capital works have been completed on the new allotments. The majority of lots will have views over the surrounding countryside and will back on to the hill top reserve. The lot size will range between 700sqm and 1200sqm.

"One of the many things that make Bluestone Mt Barker special is its Red Gum trees and the trees on the hill overlooking the development are simply awesome," said Bluestone Mt Barker spokesman Don Carvalho.

"There are limited opportunities to live in such a spectacular setting with views looking out over the Bluestone precinct. Buyers will need to get in quick to secure land while it is available."

Scott Salisbury Homes leads a group of Adelaide's best builders who have already built homes on the Bluestone Mt Barker site as part of the project's display village.

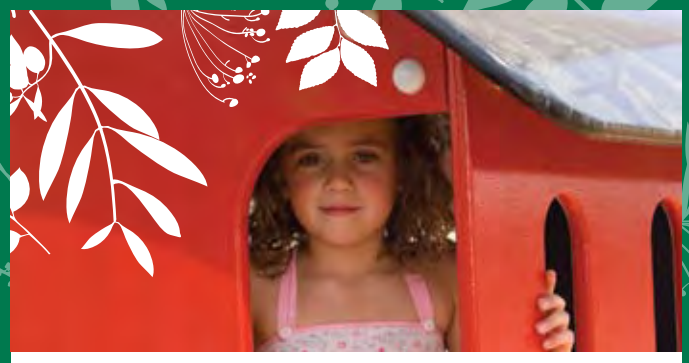
Scott Salisbury Homes Sales Manager Kristin Jeffrey said the company had been recognised nationally for designing and constructing homes on sloping sites similar to those around Red Gum.

"The Red Gum precinct provides a perfect location to build a Scott Salisbury Home with sweeping views over the development and towards the Bugle Ranges," she said.

"Buyers should simply contact us if they are looking for a stunning custom designed home to sit amongst the beautiful red gum trees."

Twelve hectares of the Bluestone Mt Barker precinct will be dedicated to native vegetation and open space. The project will retain and protect 100 mature red gum trees. More than 30,000 shrubs, 400 mature trees, 2000 native plants and grasses will also be planted.

Ninety per cent of homes across Stages 1A and 1B of Bluestone Mt Barker are sold - off the plan - and construction of homes within the display village is nearing completion.



Playground a real hit with children

Drive past Bluestone Mt Barker any day of the week and you will see cars lined along streets. A number belong to builders working on housing sites but some actually belong to families visiting the site.

While Mum or Dad wander around the display village and relax on the furniture along the linear path, their children are to be found in the secure and highly visible playground located on the edge of Stage One.

The playground contains some of the latest equipment on offer for kids to explore and enjoy. It's non toxic and keeps the children amused for hours. Children love to explore the new equipment and often run up to the exercise machines at a nearby fitness station to see how adults can keep in shape.

Located beside a wonderful red gum and a stunning picnic shelter, the Bluestone playground is a favourite destination for many Mt Barker families.

Builders on the Bluestone Mt Barker site*

- **Scott Salisbury Homes**
  www.scottsalisburyhomes.com.au
- **Hickinbotham**
  www.hickinbotham.com.au
- **Statesman Homes**
  www.statesman-homes.com.au
- **Rossdale**
  www.rossdalehomes.com.au
- **Marshall Thompson**
  www.marshallthompson.com.au
- **Format Homes**
  www.formathomes.com.au
- **AV Jennings**
  www.avjennings.com.au
- **Rendition Homes**
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**Each builder is currently constructing a display home in Stage 1A of Bluestone Mt Barker*

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Walker

SUBMISSION TO THE DRAFT METROPOLITAN STRATEGY

AN APPIN URBAN RELEASE AREA

28 JUNE 2013

PREPARED BY WALKER CORPORATION
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1.0 Introduction

Despite Sydney and the South West Subregion experiencing low rates of housing production over the last 13 years, the exhibited draft Metropolitan Strategy continues the unsuccessful approach to planning taken in metropolitan planning over that period. Planned and zoned areas have not delivered the anticipated housing (DPI, 2013:12).

If the draft Strategy's commitment to increasing housing production in new residential areas is to be achieved, the approach to Sydney's metropolitan planning must be reviewed and revised.

Walker believes inclusion of an Appin urban release area in the final Strategy will contribute to the supply of new housing Sydney needs for its social and economic health.

Accordingly, this submission examines the draft Strategy's planning for new residential areas and housing, particularly the strategic context applied to South West Subregion where Appin is located.

The Subregion's history, character, linkages, key issues, challenges and assets are considered, in accordance with the White Paper's strategic planning requirements.

Figure 1: Appin

1.1 Background

The NSW government released two documents which will work together as the planning framework for Sydney over coming decades:

- The *Planning Act White Paper,* April 2013
- The draft *Metropolitan Strategy for Sydney to 2031,* March 2013

The White Paper has identified a hierarchy of strategic plans, noting the Metro Strategy will be the first 'Regional Growth Plan' (NSW Govt, 2013: 74).

The final Strategy must therefore be robust as it will provide the framework for subsequent 'Subregional Delivery Plans' and 'Local Plans', foreshadowed in the White Paper.

However, the draft Strategy does not address all the matters the White Paper recommends for a Regional Growth Plan (NSW Govt, 2013: 78, 79).

The final Strategy's Vision must be based on an analysis of all the evidence necessary to understand the South West Subregion's:

- history, character;
- broader context and linkages to regional areas beyond metropolitan Sydney and interstate;
- key issues, challenges and assets;
- population growth, accounting for 3 growth scenarios which identify actual locations for housing;
- factors affecting housing demand and supply, including feasibility and consumer preferences;
- existing and prospective infrastructure;
- environmental and economic resources;
- employment objectives; and
- federal initiatives.

This analysis is required to identify actual locations for new urban areas, and provide robust direction for infrastructure and local planning. Without it, increasing the supply of new housing will continue to be difficult.

Therefore, this submission addresses the White Paper's recommendations for the information and analysis required to support 'Regional Growth Plans', particularly in relation to housing and infrastructure provision in the South West Subregion.

2.0 The Macarthur Region

Wollondilly Shire, Camden, Campbelltown LGAs form the Macarthur Region. John and Elizabeth Macarthur farmed there in the 19th century, and the family has had ties with the region ever since. Lady Dorothy Onslow-Macarthur died only in May, and the family retains their home at Gilead, just south of Campbelltown.

Macarthur farewells grand Lady Dorothy Macarthur-Onslow

- by: Rohan Smith
- From: Macarthur Chronicle
- May 21, 2013 12:00AM

Lady Dorothy Macarthur-Onslow. Picture supplied by Campbelltown and Airds Historical Society.
Source: Supplied

THE Macarthur region has farewelled one of its grandest ladies and devoted community supporters.

Lady Dorothy Macarthur-Onslow, who died on May 10 aged 90, was a much-loved figure during her decades of community work.

Her daughter Katrina remembered her mother as wonderful woman who contributed so much to the Macarthur region.

"Both my brother and I are very proud of the tremendous achievements and contributions our mother made to the community over many years."

She helped bring tertiary education to Sydney's south west as a foundation member of the University of Western Sydney's Board of Governors in 1989.

A UWS spokesman said Lady Macarthur-Onslow played a substantial role in the formative years of the university.

"Her professional background in health administration was particularly important, given that this discipline would become one of the major pillars of the university's teaching and research, culminating in the establishment of the UWS Medical School at Campbelltown," the spokesperson said.

Lady Macarthur-Onslow lived out her final years in a retirement village but visited the Macarthur region as recently as April.

Figure 2: The Macarthur identity

While Macarthur is defined by its history, it is a clear geographic location with a character distinctly contrasting with other parts of metropolitan Sydney. It is bounded by the Georges River, national parks, bush land and rural areas.

The Macarthur Region is strongly identified by its residents as home.

Macarthur has its own regional organisation of councils, MACROC, who uses the wide recognition of the name and location in its call to business investors – 'Make it in Macarthur!'

While the draft Strategy incorporates Macarthur into the South West Subregion, its community and physical environment is vastly different from Liverpool, Fairfield and Bankstown, which are more commonly identified as 'south west Sydney'.

A rough indicator of these differences is the ancestry of each area's residents. The four most common ancestor countries for Macarthur's residents are Australia, England, Ireland and Scotland, and only 16.2% originate from other places. By contrast, a much higher proportion of Liverpool, Fairfield and Bankstown's residents originate from non-English speaking countries or 'other places'.

Table 1: The South West Subregion's Ancestors in 2011

AREA	ANCESTRY (% of Residents)				
	1	2	3	4	Other
MACARTHUR LGAs	Australia 36.4%	England 31.8%	Ireland 8.5%	Scotland 7.1%	16.2%
LIVERPOOL LGA	Australia 18.3%	England 15.0%	Italy 7.2%	India 2.9%	56.6%
FAIRFIELD LGA	Vietnam 16.6%	China 13.3%	Australia 9.8%	England 8.4%	51.9%
BANKSTOWN LGA	Australia 17.9%	Lebanon 17.5%	England 14.7%	Vietnam 8.5%	41.4%

Source: ABS, compiled by .id and accessed from MACROC and Council websites 6 June 2013

In the 1970s the NSW and federal government planned for new urban areas in the Macarthur Region, constructed important infrastructure, and established corridors for future transport links.

The 1973 *Three Cities Structure Plan* envisaged Appin, Campbelltown and Camden as three interconnected urban areas, defined by bush land to east and south, and a rural and mountain hinterland to the west, connected by new freeway and rail links, and supported by a major regional Macarthur/Campbelltown centre.

Delivery of the Three Cities Structure Plan progressed successfully. During the 1970s and 80s Campbelltown's new suburbs grew rapidly. In the 2000s, Camden grew, and this will continue into the future.

The Campbelltown/Macarthur Centre, located centrally to Camden, Campbelltown and Appin has developed over the last 3 decades, with the Macarthur Railway Station, regional level shopping centre, art gallery, Mt Annan Botanic Gardens, the University of Western Sydney, TAFE college, Court, and Campbelltown Hospital locating there.

In recent years, other commercial and retail buildings, hotels, clubs and apartment buildings have been completed.

The Campbelltown urban area is substantially complete.

Camden is planned and its delivery is well on its way.

An Appin urban release area is the logical next component of the Macarthur Region's urban growth.

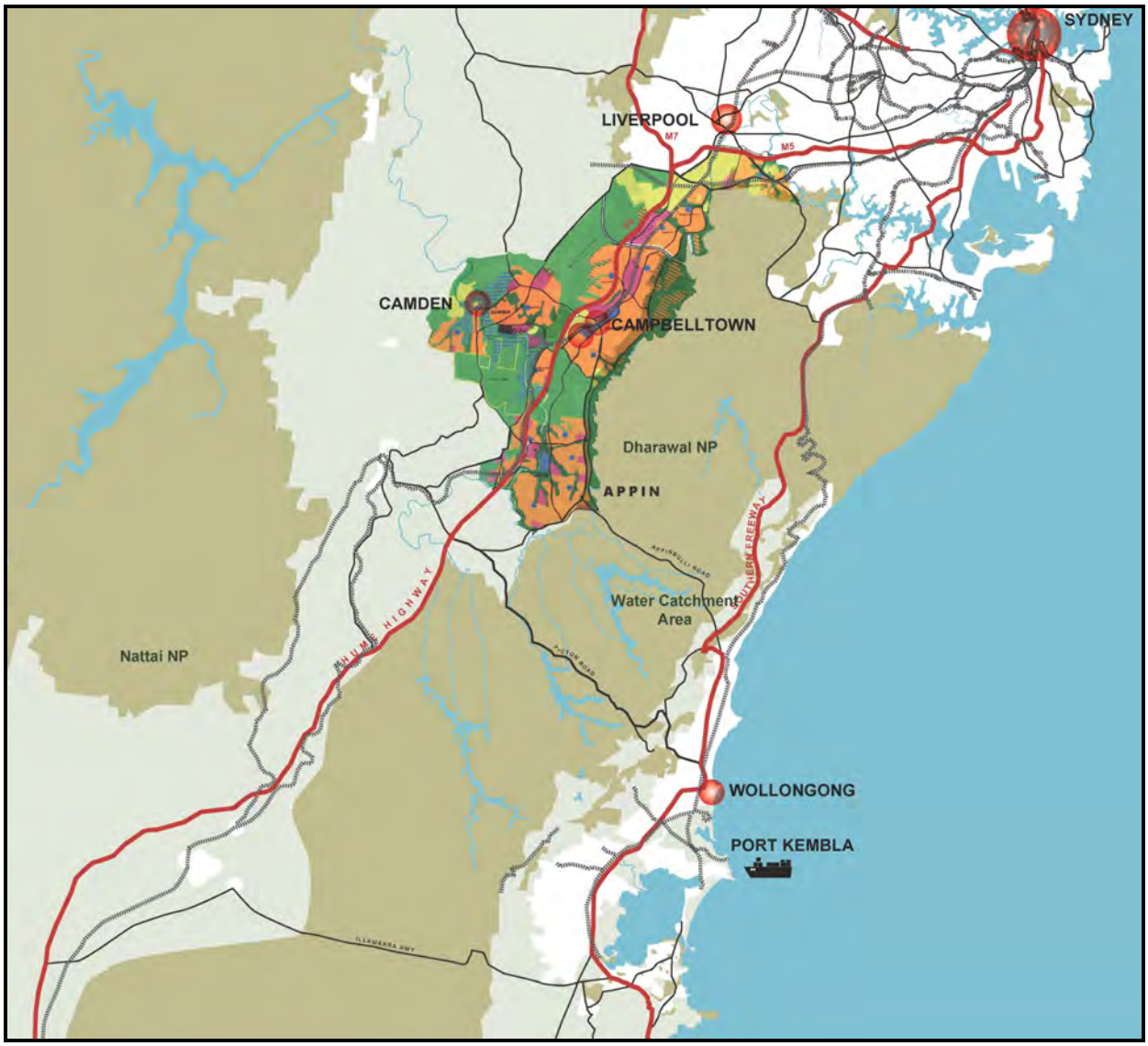

Figure 3: 1973 – Planning for Appin, Camden and Campbelltown
Source: SPA, 1973: 65

3.0 An Appin Urban Release Area

Detailed planning for Appin was deferred as a result of relatively low projections for housing demand in the 1988 strategic plan, 'Sydney into its 21st Century'. Since then, planning and housing delivery has focused on redevelopment of sites within existing urban areas, and later, in 2005, 'City of Cities' identified coal resources as a factor.

These issues are no longer relevant today. Projections for Sydney's population growth are robust, significant sites in existing areas are largely redeveloped, new housing production has slumped and coal mining in the Appin locality is substantially completed.

Planning for an Appin urban release area is long overdue.

An expanded Camden/Narrellan urban area will grow over the coming decade as existing and new release areas produce housing. These areas will be successful as they comprise large land holdings, owned by committed global, national, state and, in particular, local, family owned development companies, the Vittocos, Perich (Greenfield), Cornish Group and Mir Brothers (**see Annexure 1)**.

Successful urban release areas like Camden/Narellan have the following features:

1. Large land holdings, facilitating:

- Reduced site acquisition costs, complexity and disruption.
- Neighbourhood designs which integrate across boundaries to form a cohesive urban area.
- A logical and orderly roll out of new neighbourhoods, so new residents have access to parks, services, centres, roads and bus routes as they move into their homes, and will not experience periods with temporary or uncompleted facilities before other neighbourhoods are delivered.
- Coordinated planning, management and protection of biodiversity assets and natural water quality over large areas.
- Straightforward provision of new infrastructure, reducing costs to local and state government, and therefore subsequent infrastructure contributions.
- Reduced requirements for local and state government to administer, fund and provide 'stranded', temporary or idle infrastructure assets, and therefore subsequent infrastructure contributions.

2. Existing uses which are obsolete or low intensity, reducing:

- Site acquisition costs, complexity and disruption.
- Impacts on food production within the metropolitan area.
- Expenditure on demolition and relocation of business infrastructure or quality housing.

- Impacts and conflicts between new and existing neighbours in terms of noise, visual impact, chemical use, or truck movements.

3. A strong sense of identity, and unique character and location, important to fostering a real community.

4. Committed, capable and responsible development interests, ensuring public investment in infrastructure cost effectively complements private investment in housing.

5. Existing infrastructure with excess capacity, or which can be augmented to support urban release, so new housing is delivered in the most cost effective manner for both the public and private sector.

An Appin release area meets these criteria, and is the logical third component of the Macarthur Region's planned urban area.

Its inclusion in the final Strategy will guide detailed land use and infrastructure planning in subsequent Subregional Delivery and Local Plans.

3.1 Appin's strategic context

The draft Strategy identifies corridors within metropolitan Sydney, and considers connections to cities, centres and areas beyond its boundaries. These strategic corridors and connections are key to Sydney and NSW's ongoing economic prosperity (DPI, 2013). The White Paper notes Regional Growth Plans must consider a region's, 'broader context and linkages across the state' (NSW Govt, 2012:78).

The final Strategy must therefore show all the key corridors which link the metropolitan area, the South West Subregion and the Macarthur Region to NSW's most important regional centres and interstate capitals.

The Newcastle-Hunter, western Sydney and Wollongong-Port Kembla corridor passes through Appin. Newcastle-Hunter, and Wollongong-Port Kembla are important centres for economic activity, particularly transport and freight activities.

Road and rail connections to these major regional centres will foster western Sydney's economic and employment success, particularly in the future Western Sydney Employment Area.

The nationally significant Brisbane-Sydney-Canberra-Melbourne economic corridor also passes through Appin.

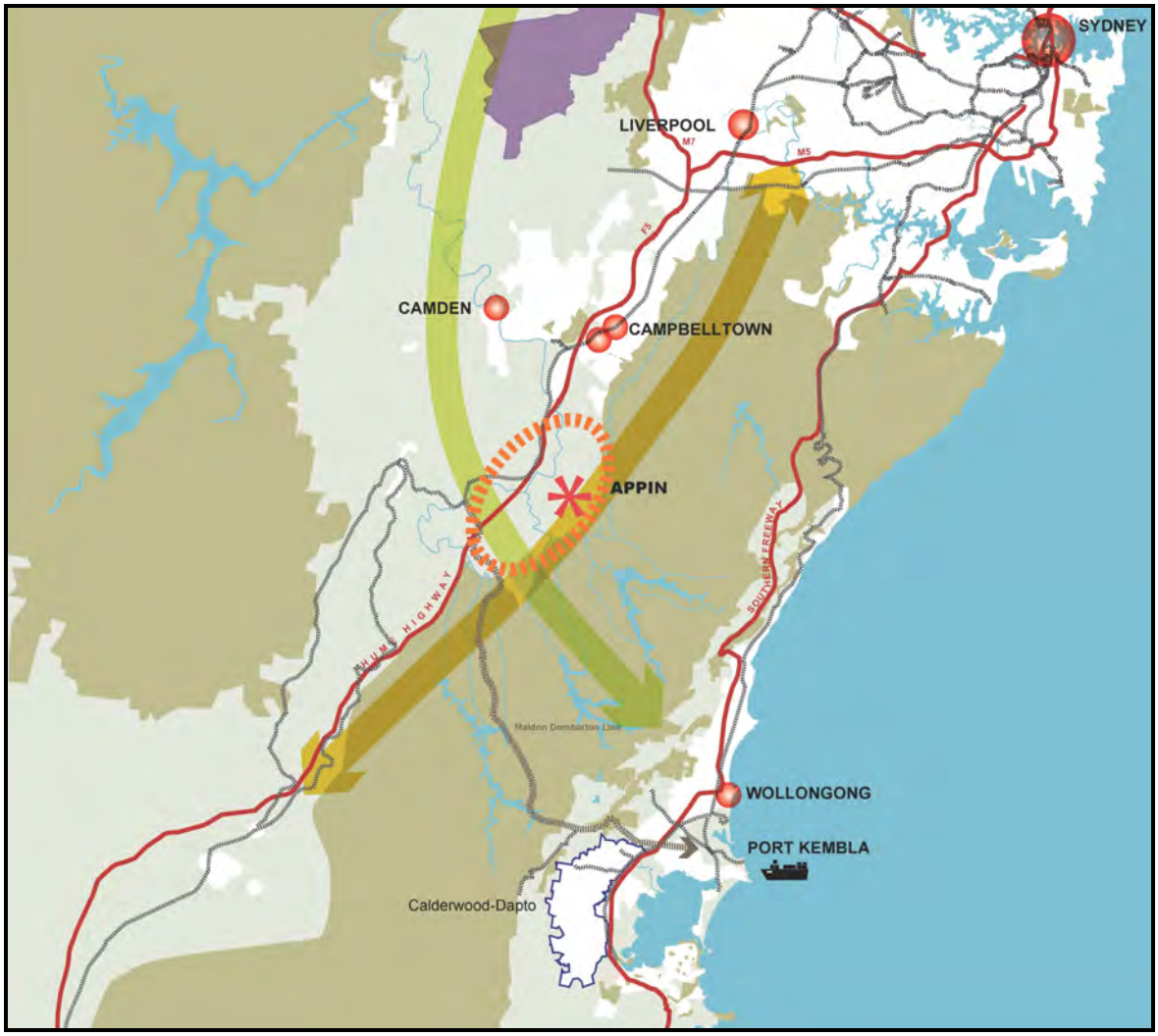

Figure 4: Appin's regional and interstate connections

The Newcastle-Western Sydney-Wollongong Port Kembla corridor is served by Sydney's freeway system, and the Picton Road – Hume Highway link. The Maldon Dombarton line and Western Sydney Orbital M9 are strategic state and federal projects. The concept M9 alignment is directed at RMS land at Appin, reserved for a Hume Highway interchange.

The Brisbane-Sydney-Canberra-Melbourne is served by the Hume Highway, and Main Southern Line. The federal government is investigating a High Speed Rail Link within the corridor.

Table 2: Existing and Planned Inter-regional Transport Infrastructure

STRATEGIC CORRIDOR	EXISTING	PLANNED
Newcastle-Western Sydney-Wollongong Port Kembla	Hume Highway/M5/M7/M2 Picton Road	Sydney Orbital M9 M9-Hume Highway Interchange Maldon Dombarton Line
Brisbane-Sydney-Canberra-Melbourne	Hume Highway/M5 Main Southern Railway	High Speed Rail Link

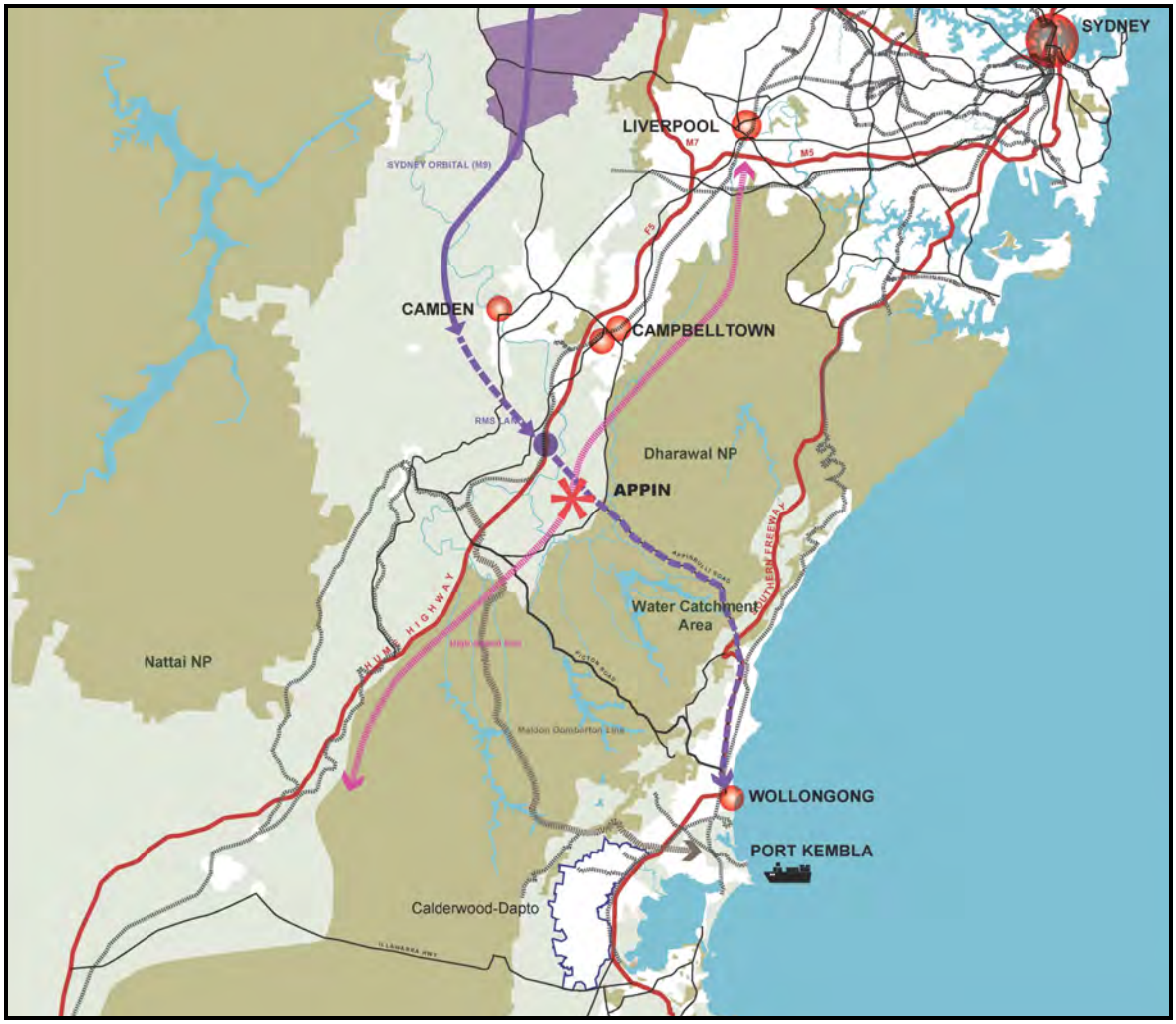

Figure 5: Prospective transport infrastructure
Source: Transport for NSW, 2012: Figure 5.13, 210, AECOM for DIT, 2013: 201

A site's regional and local context and connections must also be considered.

Appin is strategically connected to a range of regional centres and cities by the existing road and rail network. The future Spring Farm Parkway will also connect it to Camden/Narellan.

These connections will provide Appin's new residents with access to high quality education, health, cultural, employment, retailing and recreational facilities. Within 20 minutes there are beaches, universities and hospitals at Wollongong for example.

A Wilton urban release area is also being planned, directly to Appin's south.

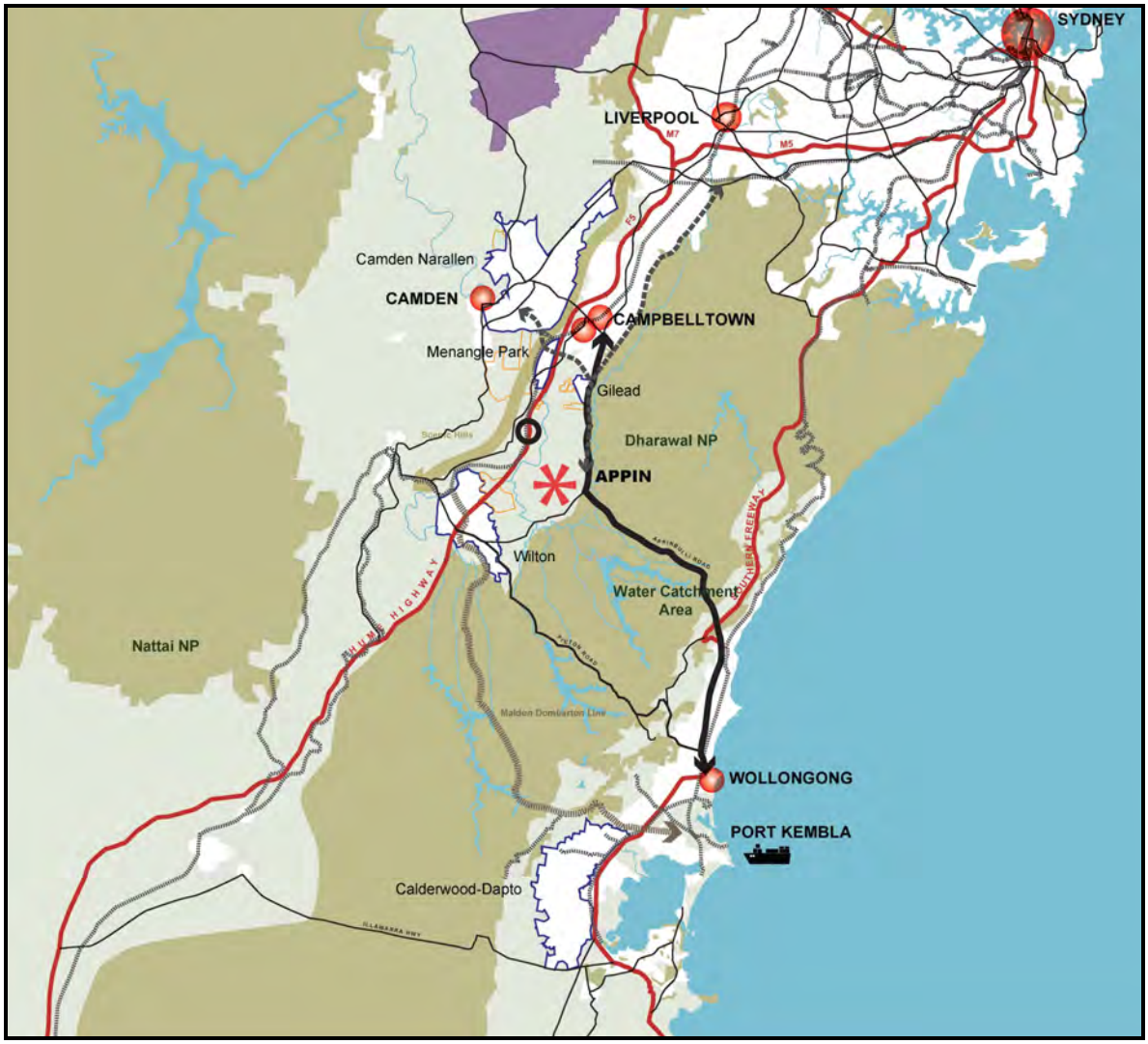

Figure 6: Appin's regional and local connections

Table 3: Appin's Connections

CENTRE	DISTANCE	SERVICES
ROSEMEADOW/ AMBARVALE Neighbourhood Centres	10/12 km	2 x High schools (Ambarvale & John Terry) Fire Brigade Neighbourhood retailing
PICTON Rural Town Centre	17 km	Supermarket & speciality shops Some employment Community, religious & recreation facilities Fire, police & ambulance service State & local government administration Hotel 2 x primary schools High school Railway Station

CENTRE	DISTANCE	SERVICES
CAMPBELLTOWN Major Centre	9 km	TAFE & University of Western Sydney Regional government administration Police & Ambulance Employment & commercial - all sectors Regional health facilities - public hospital Full range of retail businesses Regional Arts Centre Mt Annan Botanic Garden
WOLLONGONG Regional City	30 km	Regional recreation – including beaches TAFE & Wollongong University Regional government administration Employment & commercial - all sectors Regional health facilities - public hospital Full range of retail businesses
LIVERPOOL Regional City	35 km	Regional recreation facilities TAFE Regional government administration Employment & commercial activities Regional health facilities - public hospital Full range of retail businesses

3.2 Appin's existing land uses and natural resources

Land in Appin urban release area is generally used for low intensity grazing. There has been little or no investment in infrastructure to support this activity. There are 2 regional recreation facilities, a greyhound track and motor cycle club.

New residential areas will not be impacted by decaying horticultural activities, as the only activity of this kind is Inghams Chickens, which is in the process of closing its operation.

Inghams is participating in Appin urban release area planning, and anticipates converting its land for housing.

Therefore the volume of food produced in metropolitan Sydney would not be reduced. The low intensity grazing activities currently undertaken are small scale by Australian standards, and there are more viable grazing farms with supporting infrastructure elsewhere in NSW.

Coal mining is complete in the area, and is no longer a constraint to development.

3.3 Appin's large land holdings

Within the Appin urban release area's 3,300 hectares, there are 21 owners with substantial landholdings. Some may contain several titles or lots, but they are consolidated into one land holding, under one ownership.

There will be little need for land acquisition to create viable project sites. Delivery of neighbourhoods and supporting infrastructure can be realistically planned, staged and coordinated through a release area structure plan, resulting in a cohesive completed urban area.

The urban release area is bounded by the Nepean and Cataract Rivers and their associated tributaries, gorges and bush land corridors.

These areas can be planned for, managed and protected in a coordinated way over the entire urban release area, and required management provisions implemented progressively.

Requirements for Wollondilly Council to forward fund, manage, coordinate, design, administer and construct new local infrastructure will be minimized as these items will generally be provided as works in kind by developers, simultaneously with new housing delivery, subject to final arrangements.

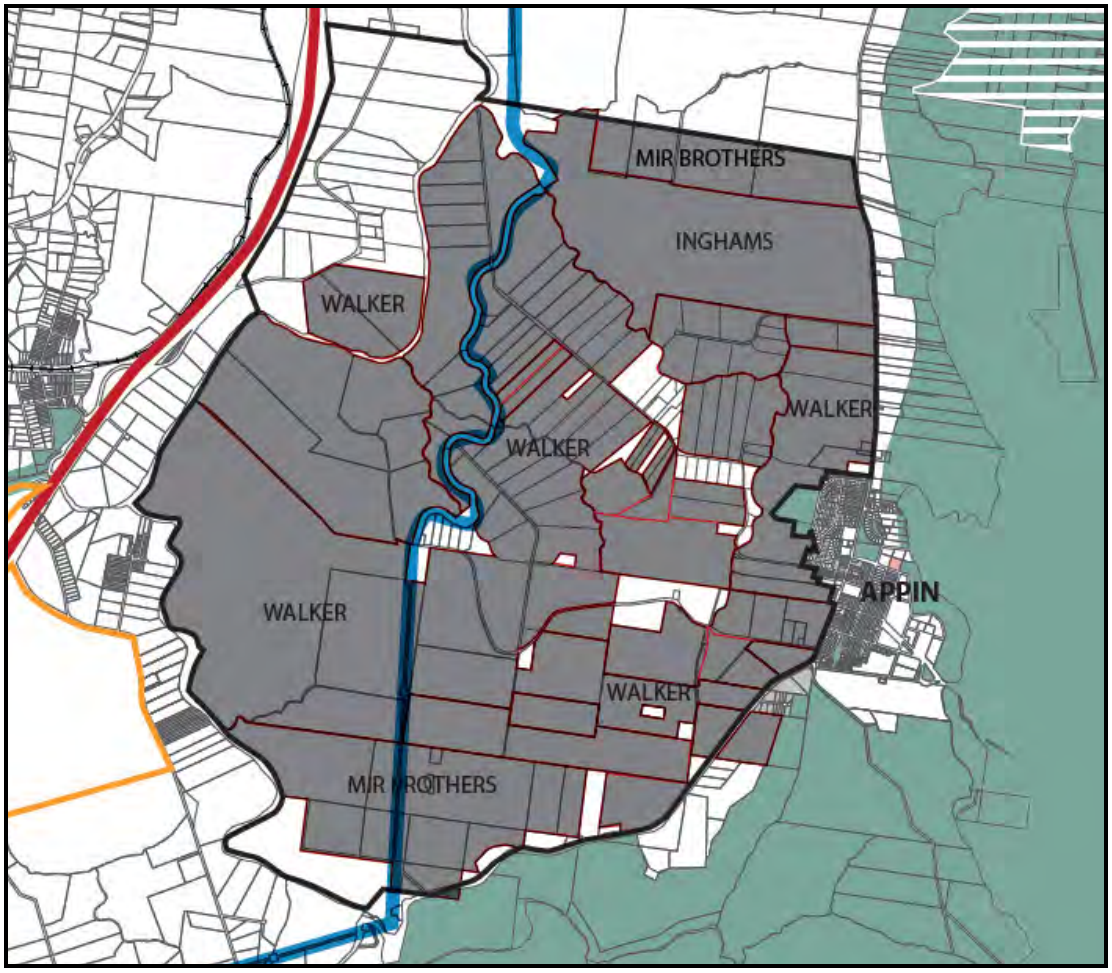

Figure 7: Consolidated land holdings and/or owners committed to planning

3.4 A sense of character, location and identity

Appin is a locality with a strong sense of identity. It is part of the Macarthur Region, it is a physically defined location, surrounded by bushland to the east and south, and the Hume Highway and Razorback Ridge to the west, which provides separation to larger farms in the Region's western part.

There is a greenbelt to the north, providing the locality with separation from the Campbelltown urban area. The Beulah and Gilead Homesteads are significant heritage items in the greenbelt area.

An attractive new residential area will enjoy and/or support the historic Appin township, bushland setting, beautiful views to a rural hinterland, and connections to other Macarthur Region communities in Campbelltown and Camden, and Wollongong's beaches.

This will foster a strong sense of community among Appin's new residents, not just with their Appin home, but also within the larger Macarthur Region.

Figure 8: The Macarthur Region and an Appin urban release area

3.5 Commitment to housing delivery

18 owners of large land holdings have given their support to planning for new housing on their land. This represents a significant proportion of the total land within the Appin urban release area.

Walker owns 1,465.7 hectares, or 44% of the total release area. It is an experienced and capable developer willing to work with other land holders, Wollondilly Council, the Appin community and state government agency planners to deliver new housing.

Inghams were a successful food production business, with origins in south west Sydney. The Inghams family are now experienced residential developers, focused on their land holdings in the region. They have completed projects in Hoxton, west Liverpool, and are planning a similar project on their large Appin land holding.

Mir Brothers, are a locally based family development company with decades of experience delivering housing in Macarthur and Liverpool.

Together, Walker, Mir Brothers and Inghams own 65% of the land within the Appin urban release area.

Investment by the NSW government in infrastructure and services to support the release area will therefore be matched by actual delivery of housing by three experienced and committed land development companies.

This is important to minimize the risk of ineffectual public investment in new infrastructure assets which are not used to their capacity, or are 'stranded'.

3.6 An Appin Structure Plan

To demonstrate the Appin urban release area's capability to deliver housing, a structure plan has been prepared, supported by initial technical studies.

It demonstrates potential for an indicative 18,300 new housing lots, delivered in stages over 25 years, supported by centres and public transport and including biodiversity and water quality areas and protection.

Table 4: Appin Urban Release Area - Yield

STRUCTURE PLAN		
Standard Residential	1,543.7 hectares	16,800 lots
Environmental Living	224.2 hectares	1,500 lots
Residential	**1,767.9 hectares**	**18,300 lots**
Employment land	**253.4 hectares**	
Centres	**7.1 hectares**	
Open Space/Biodiversity	**1,275.0 hectares**	
TOTAL	**3,303.4 HECTARES**	**18,300 LOTS**

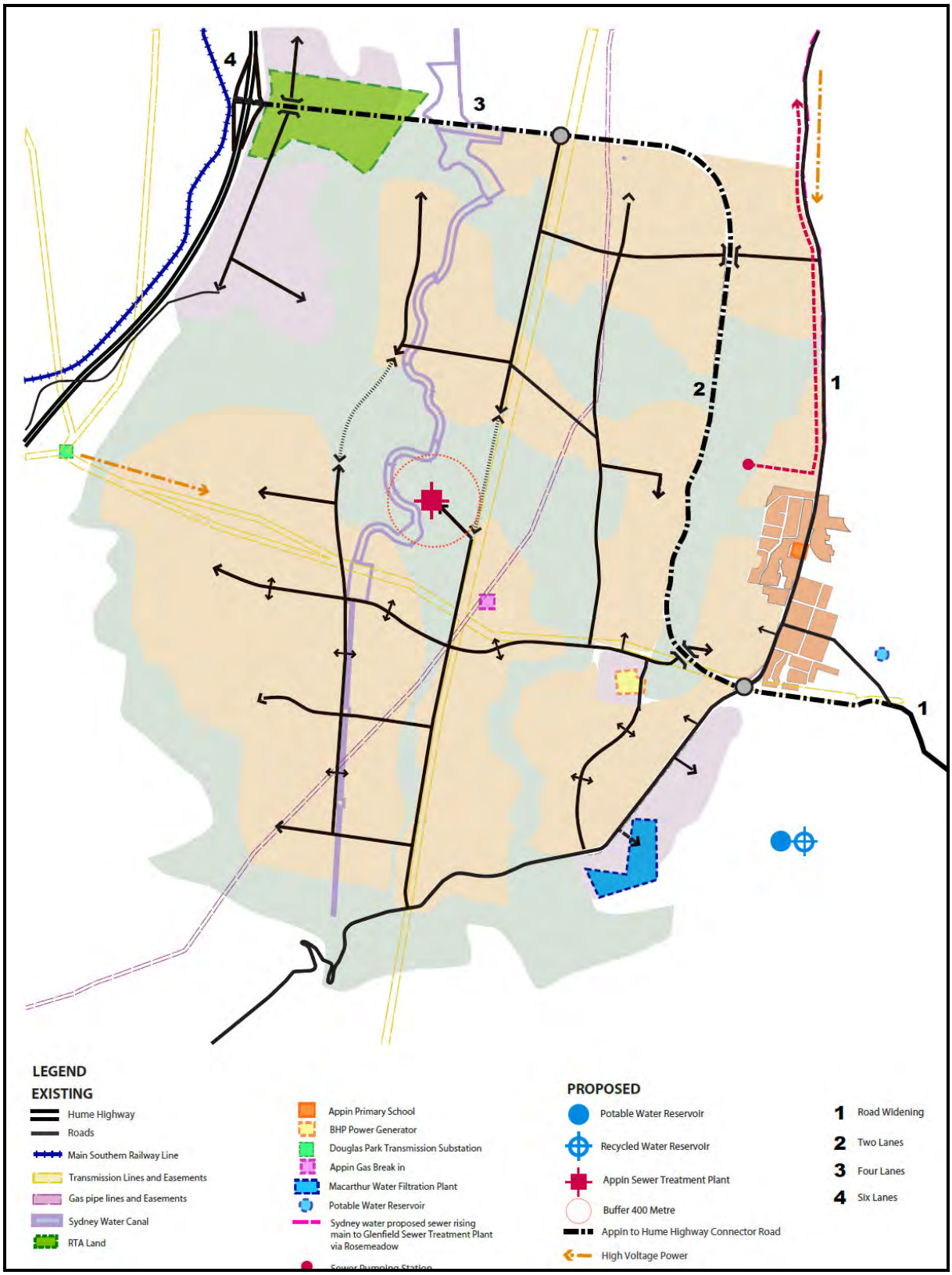

Figure 9: Appin urban release area structure plan

3.7 Existing and Prospective Infrastructure

Three cities structure planning in the 1970s, and its subsequent implementation, has left a legacy of infrastructure to support the Appin urban release area.

The Spring Farm Parkway is an important regional road link and asset. Appin will be connected to Camden/Narellan and Campbelltown by its eastern length, which is zoned in the Campbelltown LEP 2002, with the land is in public ownership. Its western length will be delivered with Camden/Narellan urban release areas.

Some infrastructure has excess capacity, specifically provided in the 1980s to serve an Appin release area. Other infrastructure can be augmented in a cost effective manner by the public sector, or developers as works in kind against Local or Regional Infrastructure Contributions.

- The Hume Highway (Freeway 5).
- RMS owned land for a future Hume Highway interchange.
- Macarthur Water Filtration Plant and Appin Reservoir.
- Douglas Park Zone Substation, and 33 kV high voltage power line.
- Appin Gas Break in and Alinta gas main.
- Main Southern Railway Line.
- Existing sewer pump station and rising main to Glenfield Sewer Treatment Plant via Rosemeadow connection.
- Bus service –Macarthur/Campbelltown – Appin – Wollongong

Table 5: Appin Urban Release Area - Existing and Augmented Infrastructure

COMPONENT	COST	AGENCY
WATER		
Existing 10ML Reservoir - spare capacity 4,500 dwellings. Existing Macarthur Water Filtration Plant, with spare capacity for 48,000 dwelling.	$1,800/dwg	Sydney Water
SEWER		
Existing Appin transfer main and pumping station - spare capacity 1,600 dwellings (including Appin and North Appin estate under construction). Existing Glenfield STP - spare capacity 11,000 dwellings. Urban release area requires expansion/duplication of the transfer main.	$10,000/ dwg	Sydney Water

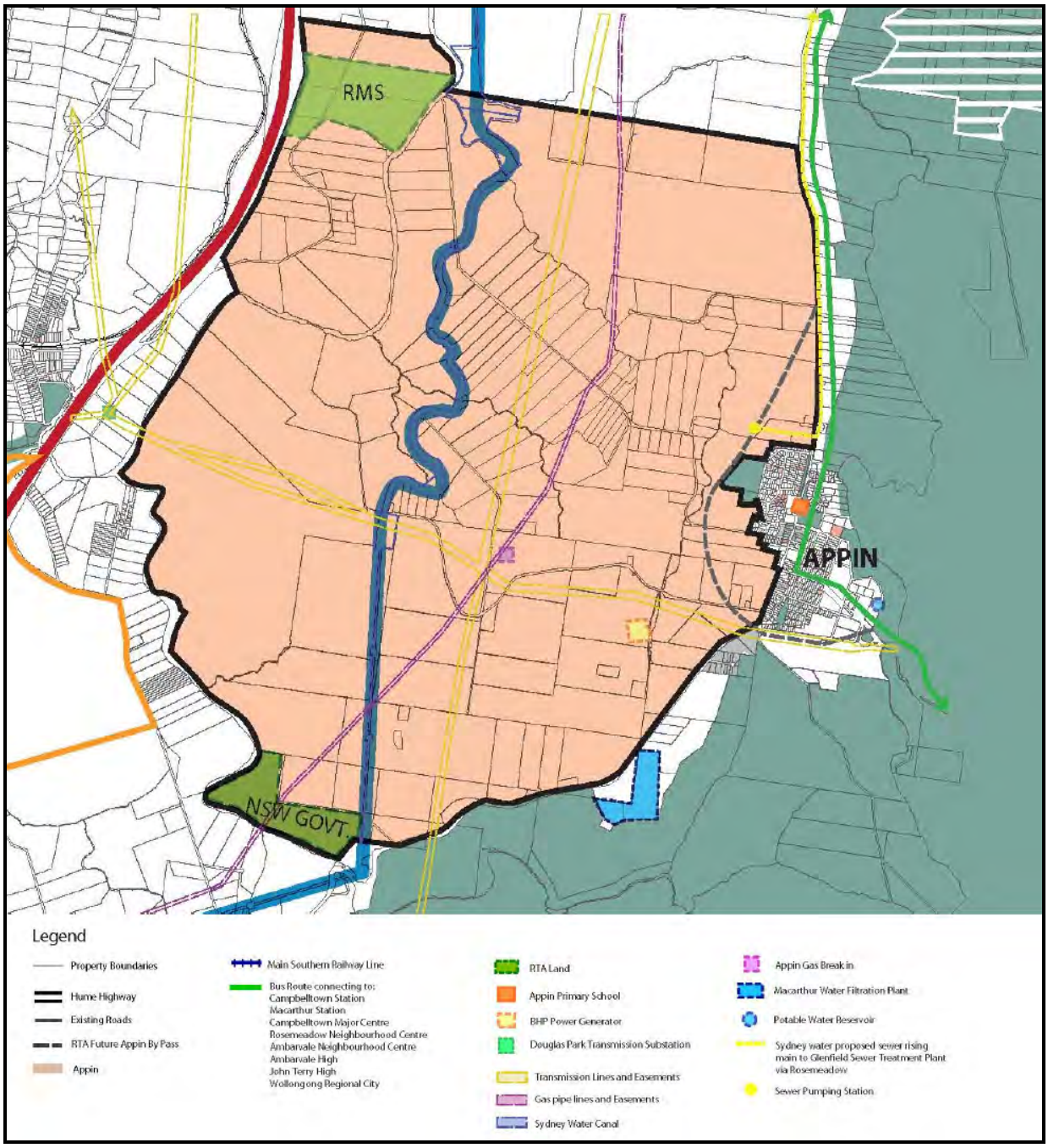

Figure 10: Appin's existing infrastructure

COMPONENT	COST	AGENCY
GAS		
Existing main and Wilton off-take. Urban release area requires an upgrade. The timing and scope will depend on housing roll out, which is yet to be determined.	NIL	Jemena
SCHOOLS		
Spare capacity for 2,000 homes with additional class rooms to existing Appin Primary School.	NA	Education Department
PUBLIC TRANSPORT		
Existing bus service connects Appin to Campbelltown/Macarthur and Wollongong. Services will increase in frequency as resident population grows. There is a light rail corridor reserved and acquired through Rosemeadow and Ambervale. It could accommodate bus services.	UNKNOWN	Transport NSW
ELECTRICITY		
Existing Douglas Park 5MVA substation. Urban release area requires upgrade to Brooks Point Zone Substation. The timing and scope will depend on housing roll out, which is yet to be determined. Cost to government $18 million but reclaimed from revenue.	NIL	Endeavour Energy
ROADS		
Without urban release area, Appin Road requires a $25 million widening by 2021. With the urban release area required widening will be bought forward, at a cost of $6 million. Large scale housing production after 2023 will require Appin Road duplication, or bypass to link it with the Hume Highway. $333 million of road upgrades are required by 2036, without the Urban release area. With the urban release area an additional $275 million of road upgrades will be required by 2036. (Gabities Porter, 2010)	$15,000/ dwg	RMS

4.0 Housing Targets

The draft Strategy targets the provision of 141,000 new homes in the South West Subregion over the Strategy's 18 year horizon (DPI, 2013: 30).

Table 6: Dwelling Targets for SW Subregion

STRATEGY STAGE		TARGET DWGS
First 8 years	2014 – 2021	60,000
Last 10 years	2021 – 2031	81,000
TOTAL		**141,000**

Source: DPI, 2013: 30

It is a 'Metropolitan Priority' to, 'plan for at least 64,000….new dwellings over the next 20 years..', in the South West Growth Centre (DPI, 2013: 96). This is a significant proportion (45%) of 141,000 new dwellings targeted for the South West Subregion.

However, it is highly unlikely the Growth Centre will produce a total of 64,000 new dwellings within the Strategy's 18 year life. Firstly, currently 'released' and planned Growth Centre Precincts are targeted to accommodate only 56,210 dwellings.

Table 7: Released Growth Centre Precinct Targets

PRECINCT	Likely 2031 Yield	Growth Centre Target[1]	Growth Centre Shortfall	Metro Strategy Target[2]	Metro Strategy Shortfall
Austral	0	8,000	8,000		
Catherine Fields	3,000	3,000	0		
Edmondson Park	6,000	6,000	0		
Leppington	0	9,000	9,000		
Leppington East	3,300	3,300	0		
Leppington North	0	9,350	9,350		
Lowes Creek & Bringelly	6,000	6,000	0		
Oran Park	7,540	7,540	0		
Turner Road	4,020	4,020	0		
TOTAL	29,860	56,210	**26,350**	64,000	**34,320**

Source: [1] NSW GC Website, accessed 22 May 2013 [2] DPI, 2013: 96

Secondly, of these 'released' Precincts, Austral, Leppington, and Leppington North, are unlikely to produce lots prior to 2031. They comprise thousands of relatively small allotments, held in highly fragmented ownerships, where there has been significant investment in intensive horticulture and rural residential lifestyles on many of the properties. Most of the remaining 'unreleased' Growth Centre Precincts also have similar patterns of land use and ownership **(see Annexure 2)**

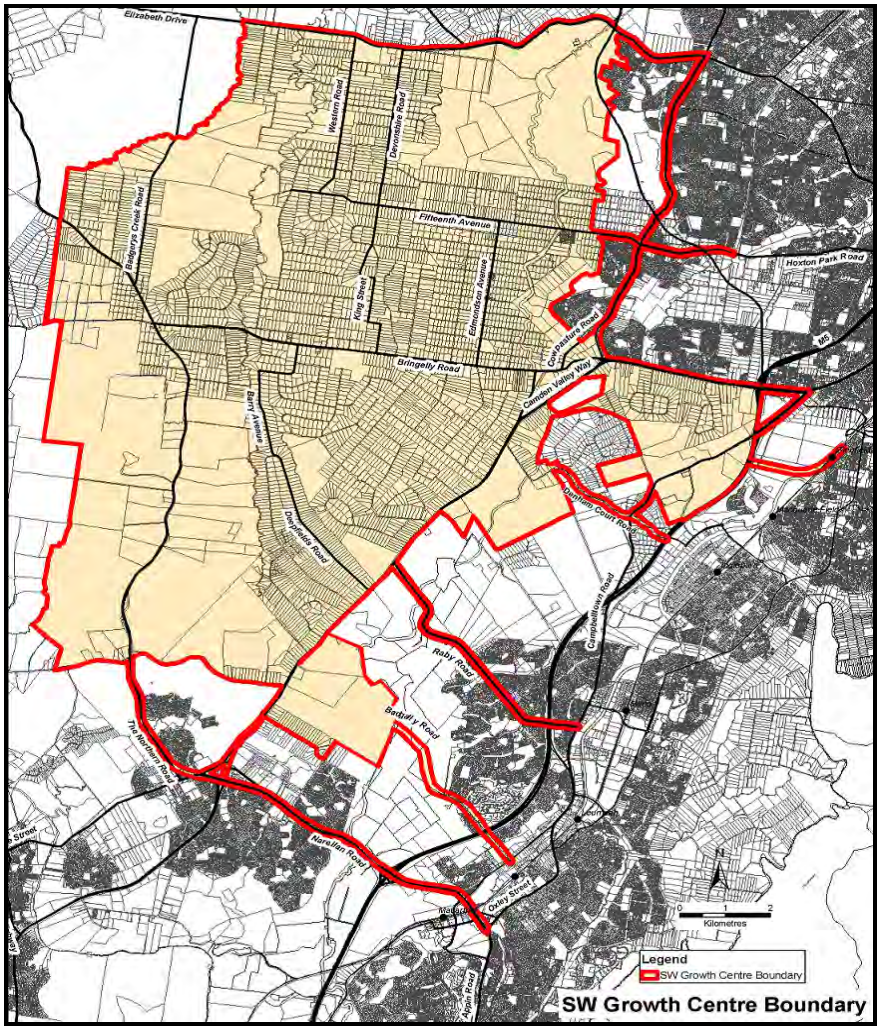

Figure 11: Growth Centre pattern of land ownership
Source: DIPNR, 2004b

There will be a planning shortfall of 34,320 lots, or 24% of the draft Strategy's target for the South West Subregion.

This conclusion is supported by the 2010/11 MDP, which adopted a conservative approach to these fragmented Growth Centre Precincts, concluding they would not produce housing until beyond 2025 (DPI, 2010a: 18, 19).

The draft Strategy accounts for this slow production, by acknowledging there will be higher levels of production in the Strategy's last 10 years, noting the 8 year target:

> '*…. reflects where development is expected to be viable in the short to medium term, whereas, longer-term targets may only become viable for development later on, perhaps after the construction of new infrastructure."* (DPI, 2013: 30)

However, evidence and experience indicates fragmented and intensively developed areas may not produce steady and worthwhile volumes of new dwellings, even after 2025, or after the construction of new infrastructure **(see Annexure 2)**.

The NSW community will incur significant costs to overcome this 'housing supply blockage', artificially created by previous Metropolitan Strategies which included unfeasible areas in 'Growth Centres'.

The intensive and expensive involvement of Urban Growth NSW, and regional and local infrastructure provision will be required to facilitate conversion of fragmented and developed Growth Centre Precincts from horticulture/rural residential to urban by 2031. Infrastructure contributions will be higher as a consequence, and the neighbourhoods created will have compromised amenity **(see Annexure 2)**.

An Appin urban release area will contribute to overcoming the housing supply shortfall that will be experienced in the South West Subregion. The NSW community's investment in infrastructure will be minimised given existing and planned infrastructure in the locality. Finally, any public investment will be effectively and efficiently used as developer commitment and large land holdings will facilitate the orderly rollout of neighbourhoods and housing, coordinated with infrastructure provision.

5.0 Market Demand and Consumer Preferences

The Macarthur region is a strongly local, and self-contained housing submarket relative to other metropolitan submarkets. Between 2001 and 2006, 54.3% of new residents in Camden/Narellan's release areas came from either Camden or Campbelltown, 4.3% came from Wollondilly (probably reflecting the Shire's small population base) and 15.8% from the other Subregion LGAs of Fairfield, Liverpool or Bankstown (DoP, 2010: 125).

However, the region has experienced a sharp decline in population growth, and a concurrent increase in out migration to elsewhere in NSW, or interstate, particularly Queensland. The DoP notes that reduced numbers of people moving to Camden from Campbelltown can be attributed, in part, to lower volumes of housing production in Camden since the early 2000s (2010: 126).

Housing preferences, household budgets and the location of housing all drive demand (DoP, 2010: 1).

The final Strategy must understand that a short supply of preferred housing types, or homes in a preferred location or price range cannot be readily redressed by other housing types, or housing in another location, or more expensive homes. So for example, a young couple who grew up in Bradbury may not want to establish their family in a Bankstown apartment, irrespective of whether it fits their budget. They may therefore look interstate for the type of home they prefer within their budget.

The preferred type of housing, within the right price range must therefore be provided within Macarthur submarket.

While production in the Camden/Narellan release areas is likely to increase now additional land releases are planned, alternate locations are required to provide a variety of price points and a choice of residential locations.

An Appin urban release area is ideally placed to provide the type of family homes Macarthur residents want, at a lower price than other projects in the submarket.

Walker is currently constructing a residential estate at North Appin. 450m^2 lots are being offered at $180,000.

26 lots were sold within 2 days of the marketing launch on 22 June 2013.

At Oran Park, also within the Macarthur submarket, demand is outpacing supply, although 450m^2 lots are $230,000, 25% higher than North Appin.

The speed of sales at North Appin is evidence of demand for new family housing at a different, lower price than other similar housing offered elsewhere in the submarket.

Increasing the supply of reasonably priced family homes in Macarthur will stimulate demand, which will in turn, stimulate additional production.

6.0 New Land Release Policy

'Balanced Growth - Objective One' is the implementation of a new land release policy for Sydney (DPI, 2013: 12). This is a crucial action to address the low levels of new housing production experienced in NSW since 2004.

The existing land release processes is one factor contributing to Sydney's slow housing production. Planning and infrastructure resources have been focused on land releases which are unlikely to produce housing, but are in a planned 'sequence' within the Growth Centre or the Metropolitan Development Program **(see Annexure 3)**.

Simultaneously, feasible housing projects have not received planning resources, nor have they been provided with infrastructure **(see Annexure 3)**.

To ensure the effective use of planning resources and public infrastructure investment, a new land release process must reverse this ineffectual approach.

The White Paper's planning framework is a good guide.

1. A NSW Planning Policy must be implemented which provides scope for potential new land release areas to be identified and assessed in any location within the Sydney metropolitan area, rather than areas previously identified in Metro Strategies, but which are not suitable.

2. Delivery of new housing in land release areas must be an objective of the final Strategy, which is intended to be Sydney's Regional Growth Plan.

3. Supply of land to accommodate a high, medium and low scenarios for new housing requirements must be a goal in each Subregional Delivery Plan. This will ensure Councils and the Department are open to projects which could contribute to achieving those goals, whether they are initiated by developers, land owners, Councils or the Department.

   Planning and infrastructure resources must be prioritized to sites, such as the Appin urban release area, which meet market demand, reflect consumer preferences and are feasible. Development industry interest and strong sales is a good indication these factors are in place.

   Planners must be cautious when considering 'market demand', 'consumer preferences' and 'feasibility' included in the White Paper's methodology (NSW Govt. 2013: 79, 85). These can change faster than plans, as they are subject to the wide range of factors which influence housing markets. New projects may stimulate demand which is currently not evident, or influence consumer preferences.

4. To ensure transparency, planning proposals for sites must be considered against planning principles, whether they are initiated by developers, land owners, Councils or the Department.

   These are laid out in the White Paper:

   - The site and its locality's context, history, defining character and linkages.
   - The site and its locality's key issues, challenges and assets, for example environmental or economic resources.
   - The region's strategic context and linkages within Sydney and to regional areas and interstate.
   - Existing and prospective infrastructure.

   As seen in Section 3, the Appin urban release area performs well when analysed against the White Paper's planning principles.

5. Detailed site planning which identifies yields and infrastructure requirements can then be incorporated into Local Plans, and considered in Local and Growth Infrastructure Plans.

6. Local and Growth Infrastructure Plans must prioritise infrastructure provision to urban release areas which are capable of producing housing within the Metropolitan Growth Plan's time frame.

Inclusion in the MDP is currently an obstacle to the consideration of potential urban land releases against proper planning principles **(see Annexure 3).**

On the other hand it is a source of excellent information. This should be its only role.

7.0 The Metropolitan Vision

One of the draft Strategy's key objectives is boosting the supply of a diverse range of new housing (DPI, 2013:30).

Yet its 'Vision' for metropolitan Sydney does not provide a comprehensive guide for the future policies and actions required to achieve this objective.

1. State and federal governments have acknowledged the importance of the Newcastle Hunter – western Sydney – Wollongong Port Kembla, and Brisbane - Sydney – Canberra – Melbourne corridors.

   These corridors already contain 'transformative' transport infrastructure and new major projects are being planned, which will change the urban structure and form (NSW Govt, 2012: 77).

   In accordance with the White Paper guidelines, the Metropolitan Vision must acknowledge both the 'transformative' ability of these corridors and the new strategic locations they create.

   Appin is one area which is strategically located on the intersection of two transformative transport corridors.

2. A range of urban release areas must be nominated in the Vision, where new housing can realistically be supplied, particularly where public and private sector investment can be cost effectively coordinated.

3. The White Paper guidelines require Regional Growth Plans to identify actual locations with sufficient area to accommodate high, medium and low scenarios for housing targets.

   An Appin urban release area must therefore be included in the Vision, given its strategic location, feasibility and ability to support good quality new neighbourhoods.

4. The Vision must acknowledge important horticultural and rural residential areas, which provide the close Sydney market with food, and lifestyle options for the managers and business people who establish and/or operate employment generating businesses in western Sydney. This is critical to ensure employment opportunities are generated, particularly in the future Western Sydney Employment Area

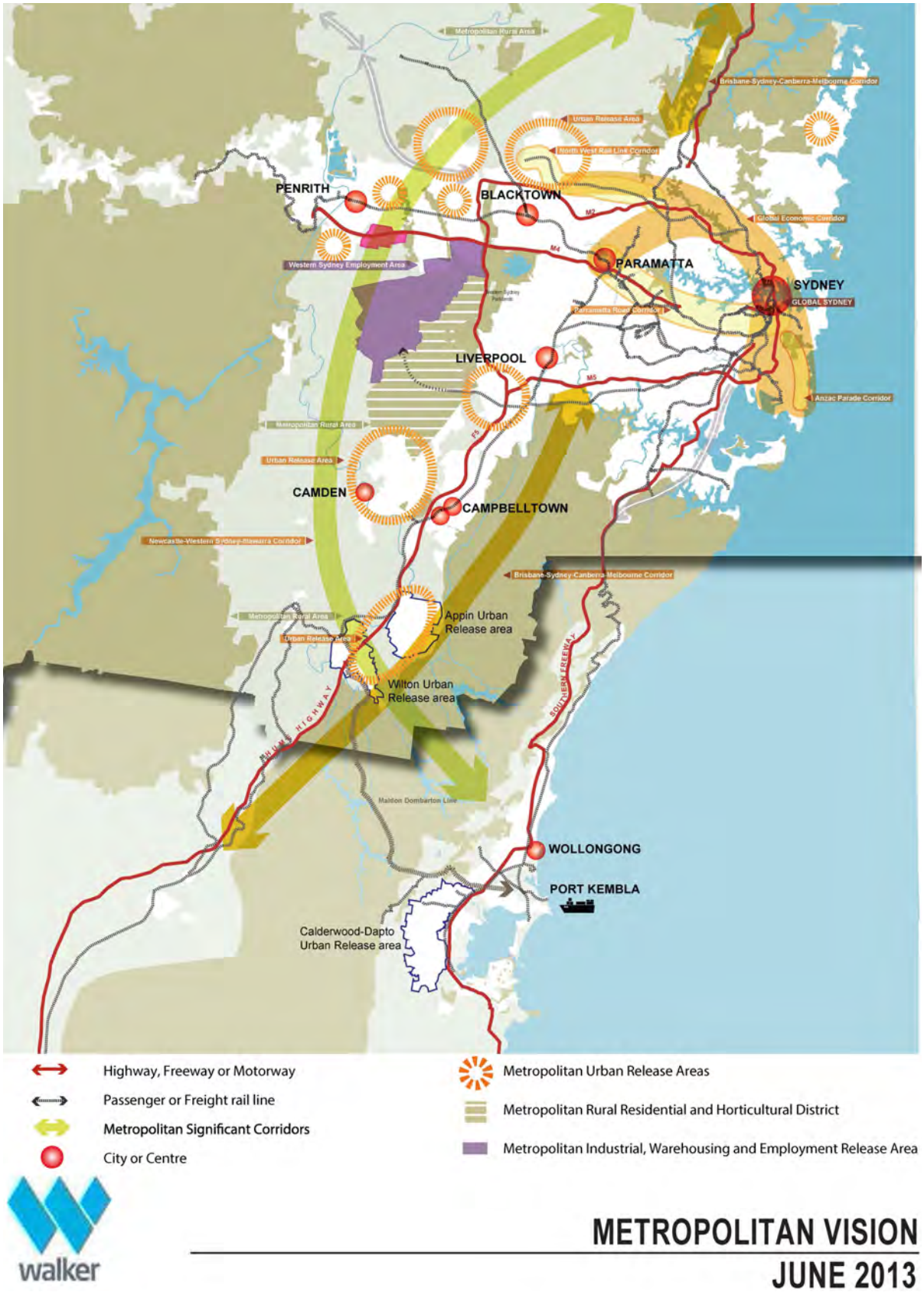

Figure 12: Vision for Sydney 2031

8.0 South West Subregion

The White Paper guidelines for Regional Growth Plans require actual locations to be identified to accommodate high, medium and low housing target scenarios.

One of the draft Strategy's 'Metropolitan Priorities' is encouragement 'greenfield housing growth and new local employment growth' to support a strong Subregional economy (DPI, 2013: 95).

However, the South West Subregion's 'Metropolitan Priorities' only identifies the 'Growth Centre' as a new housing location (DPI, 2013: 94). Even if the NSW community invests heavily to 'fast track' housing production in the Centre, this would only satisfy the 'low' housing target scenario.

The draft 'Priorities' must acknowledge the different character, history and communities in the Macarthur Region and other parts of the Subregion.

The Macarthur Region is a location identified by its residents as home, and is physically defined by its rural and natural surrounds, which is a sound basis for fostering new communities.

It is a particular and highly localized housing submarket, and providing housing in other locations, or of different types, may not satisfy consumer demand generated within Macarthur.

A new community at Appin will provide housing at an alternate price point within the submarket, supported by, and supporting existing infrastructure and connections, with the capacity or the ability to be augmented efficiently and cost effectively.

It meets the criteria for the creation of feasible and high amenity residential areas, which will actually deliver the housing and economic activity Sydney, the Subregion and Macarthur needs.

The 'Metropolitan Priorities' must clearly identify Appin/Wilton as an urban release area, ensuring its land use and infrastructure planning is prioritized in subsequent Subregional Delivery and Local Plans.

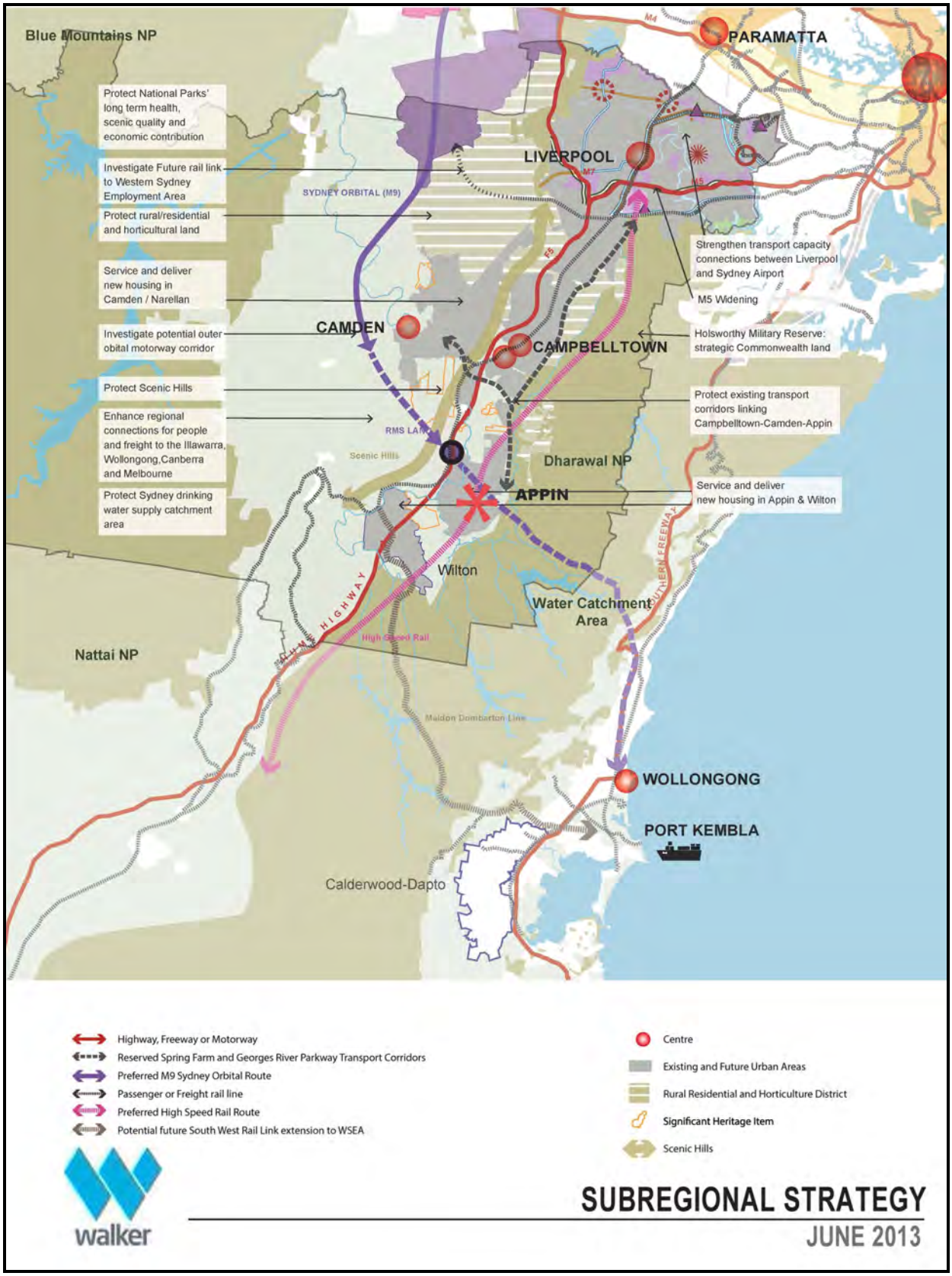

Figure 13: South West Subregion Strategy 2031

9.0 South West Subregion: Objectives, Policies and Actions

The White Paper's outline for Regional Growth Plans requires inclusion of objectives, policies and actions across key urban themes (NSW Govt, 2013: 75).

The draft Strategy includes 'Metropolitan Priorities' for the South West Subregion (DPI, 2013:95), but not in the format foreshadowed by the White Paper.

To ensure the Metropolitan Strategy provides a robust framework for Subregional Delivery and Local Plans, it must include objectives, policies and actions to support the provision of new housing.

Table 8: South West Subregion Growth Plan

SPATIAL FORM AND STRUCTURE
1. Support the creation of new or expanded urban areas at Appin/Wilton and Camden/Narellan.
HOUSING
2. Plan and deliver urban release areas in Appin/Wilton and Camden/Narellan which are strategic locations capable of delivering high quality residential areas.
EMPLOYMENT AND ECONOMY
3. Support the delivery of new housing, industry, business and services as contributors to the Subregion's economic and employment base.
ENVIRONMENTAL AND NATURAL RESOURCES
4. Plan new release areas where environmental and natural resources are can be managed and protected.
INFRASTRUCTURE
5. Identify and protect major road and rail corridors, and intermodal terminal sites.
6. Plan and deliver new urban areas in locations which support and benefit from major new transport infrastructure.
7. Deliver infrastructure required to support new housing, in feasible and attractive locations.

10.0 Conclusion

The draft Metropolitan Strategy, particularly in relation to the South West Subregion, does not address:

- The White Paper's guidelines for a Regional Growth Plan; nor
- The low levels of new housing production experienced over the last decade.

This submission took a fresh approach to the Subregion's planning context, particularly the land identified for new housing.

The Subregion's character and history create two separate communities, south west Sydney and the Macarthur Region.

In the 1980s infrastructure was provided or planned to create three connected urban areas within Macarthur, each with its own character and identity, Campbelltown, Camden and Appin.

Campbelltown is now largely complete, Camden is well commenced.

Planning can now commence for the Appin urban release area:

- Appin, within the Macarthur Region, is strategically located on corridors created by existing and prospective transport infrastructure linking Sydney, western Sydney, Wollongong, Canberra and Melbourne.
- Its 3,303 hectares largely comprises only 21 large land holdings. 65% of the release area is held by committed and experienced housing developers. 18 of the owners are committed to planning for housing on their land.
- A preliminary Appin release area structure plan has been prepared, which will guide neighbourhood creation ensuring infrastructure is provided with new homes, and a coordinated approach is taken to biodiversity management and protection.
- There is existing infrastructure and utilities with the capacity to support new communities, or which can be augmented at reasonable cost.
- It enjoys an attractive and unique environment which will foster a new community.
- Appin is connected to south west Sydney, Campbelltown/Macarthur and Wollongong/Port Kembla.

In accordance with the White Paper guidelines, the final Strategy must identify actual sites, capable of supporting enough housing to meet high, medium and low projections.

Yet the draft Strategy only identifies existing land releases, and much of this land will not produce housing for many decades, or requires significant investment by the NSW community, which will potentially be inefficiently used, and generate neighbourhoods with compromised amenity.

A fresh approach to planning for new housing and coordinating infrastructure is required, which focuses on sites and locations which can deliver new housing.

These sites must be clearly identified in the final Strategy to ensure robust direction for subsequent Subregional Delivery, Local and Growth Infrastructure Plans.

In the South West Subregion, Appin is a feasible and attractive location for new housing, strategically located and with an infrastructure framework.

Sydney's Metropolitan Vision map must include an Appin urban release area.

APPENDIX ONE

A CAMDEN/NARELLAN URBAN GROWTH AREA AND SOUTH WEST SYDNEY'S HORTICULTURE RURAL/RESIDENTIAL AREA

A CAMDEN/NARELLAN URBAN GROWTH AREA AND SOUTH WEST SYDNEY'S HORTICULTURE RURAL/RESIDENTIAL AREA

The draft Strategy notes Growth Centre Precincts 'will be well integrated into neighbouring suburbs' and refers to the Growth Centre Structure Plan (DPI, 2013: 96).

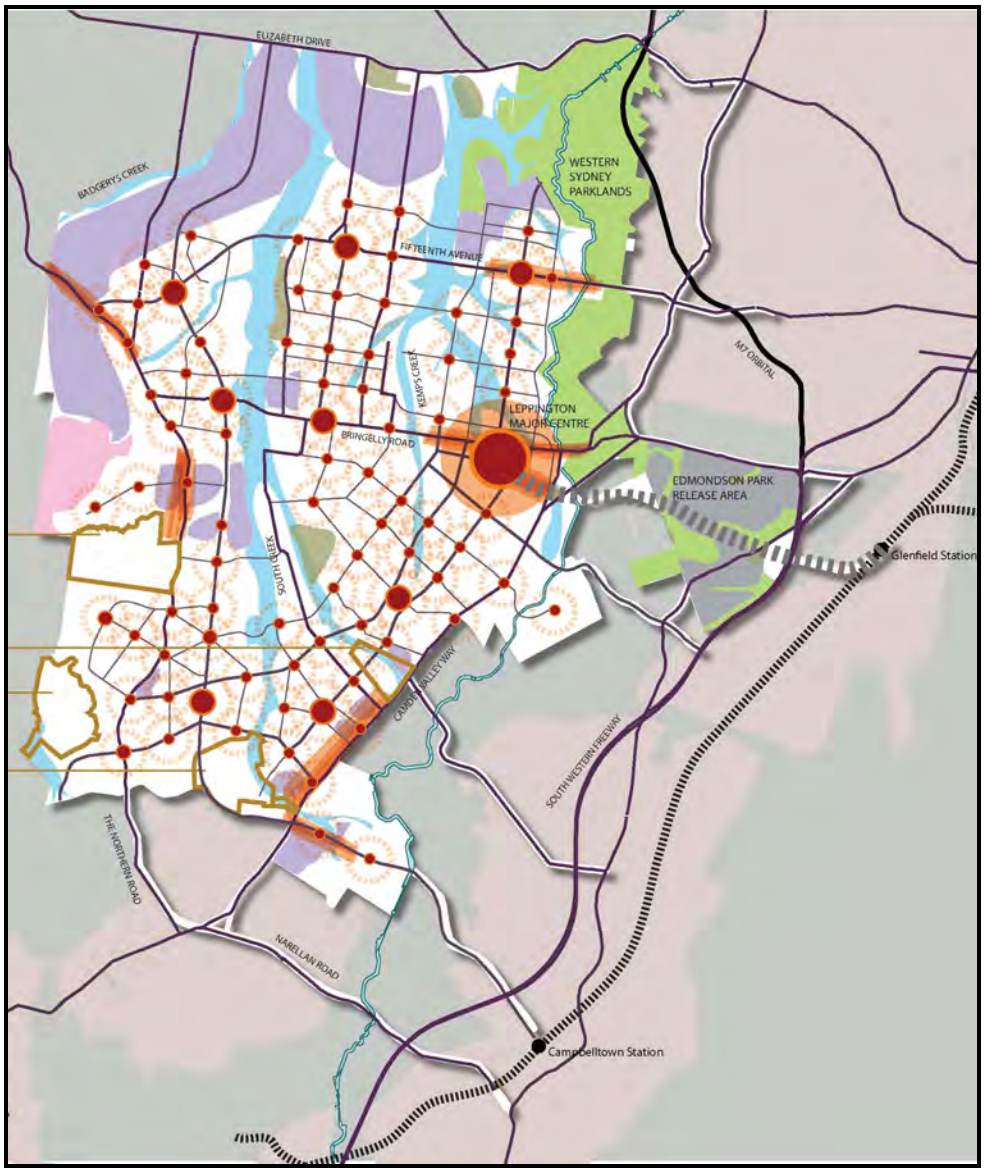

Figure 14: Growth Centre Structure Plan (Edition 2)

However, the Structure Plan ignores the context within which the Growth Centre is located. It does not acknowledge the established pattern of urban areas and identifiable communities in the Subregion. It is shown 'floating in space', with its neighbourhoods relating only to each other, through a diagrammatic grid of roads and centres, which only loosely reference actual roads and properties.

In reality, the Oran Park, Turner Road, Catherine Fields and Leppington East Growth Centre Precincts are part of the Camden/Narellan urban area. Camden/Narrellan's community will thrive and grow over the coming decade because its release areas:

1. Comprise large land holdings, owned by committed global, national, state and, in particular, local, family owned development companies, the Vittocos, Perich (Greenfield), Cornish Group and Mir Brothers.

2. Are based on real road networks, centres and communities, which will integrate with existing neighbourhoods, and the new Emerald Hills, El Cabalo Blanco, Camden Lakeside and Raby Road urban release areas.

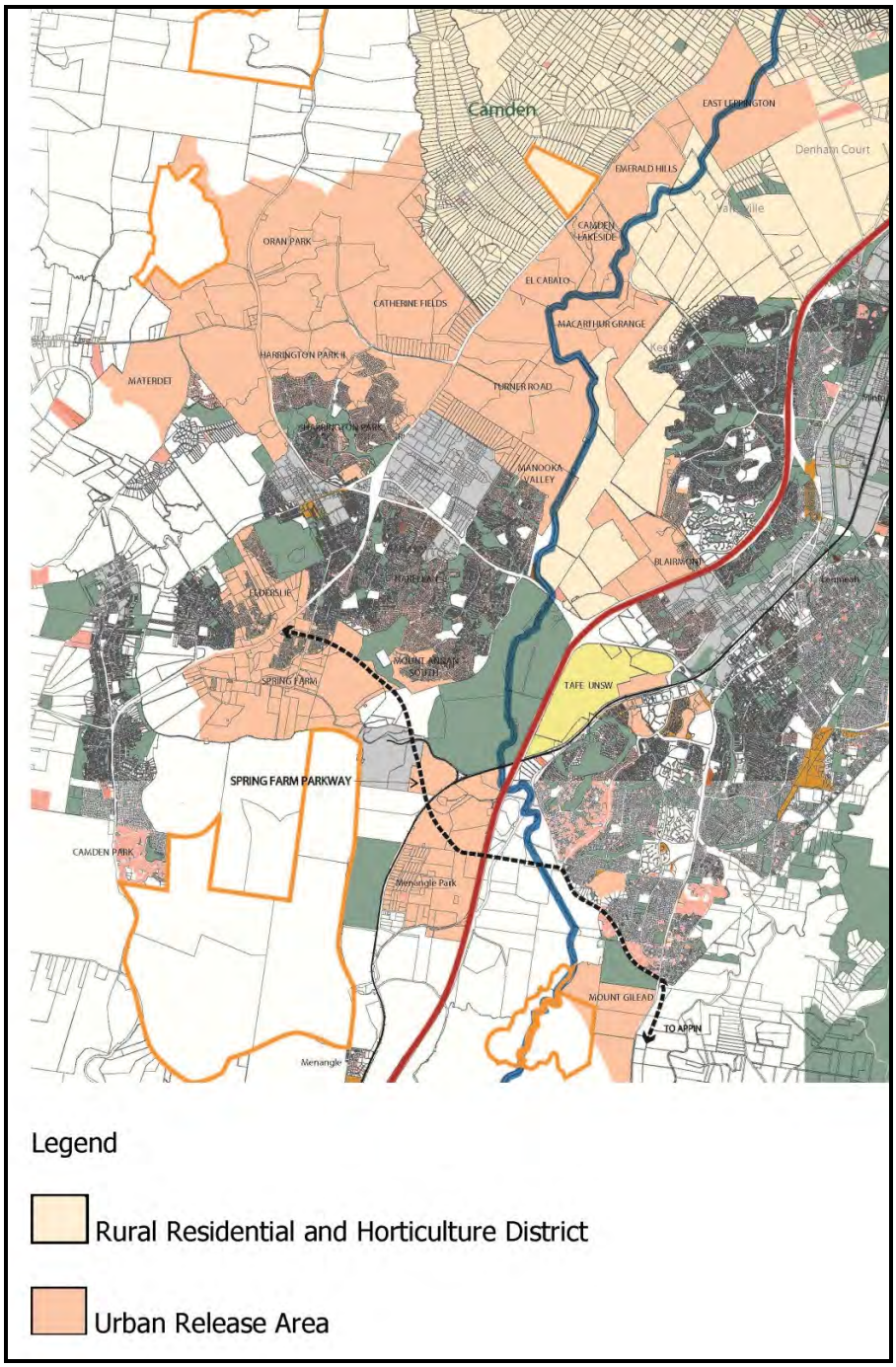

Figure 15: Camden/Narellan urban release areas
Source: DPI 2013b, website, Housing Delivery Overview

EDMONDSON PARK

In reality, the Growth Centre's Edmondson Park Precinct is physically part of newer suburbs in western Liverpool LGA.

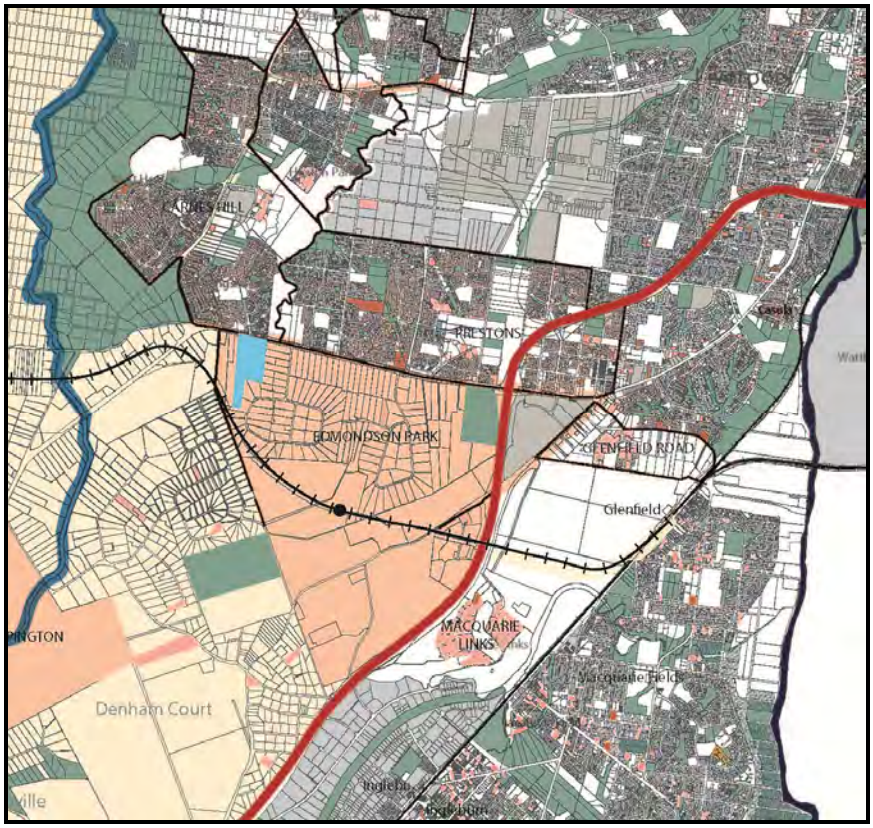

Figure 16: Edmondson Park is part of west Liverpool

A HORTICULTURAL/RURAL RESIDENTIAL DISTRICT

Horticulture and rural residential land uses incorporated into the Growth Centre 'boundary' are in reality physically part of a larger district which incorporates parts of the Liverpool, Penrith and Fairfield LGAs.

The final Strategy must ensure the district is protected and supported, acknowledging it produces food strategically close to Sydney markets, and supports an important rural/residential lifestyle option to the Subregion. These land uses are not obsolete, awaiting redevelopment to a higher land use. They are scarce and desirable, providing Sydney with food, and the South West Subregion with executive housing, an important life style resource (Edge for DIPNR, 2003: 13 – 21).

The South West Rail Line is nearing completion. In the mid-1990s it was planned and designed specifically to connect the metropolitan rail network with the Badgerys Creek Airport site, now subsumed into the future Western Sydney Employment Area (DIPNR, 2005: 10).

The SW Rail Line is an infrastructure asset, which will increase stabling and capacity for the metropolitan rail network. Completing the rail link as originally proposed and designed will also provide an effective public transport service into the Western Sydney Employment Area.

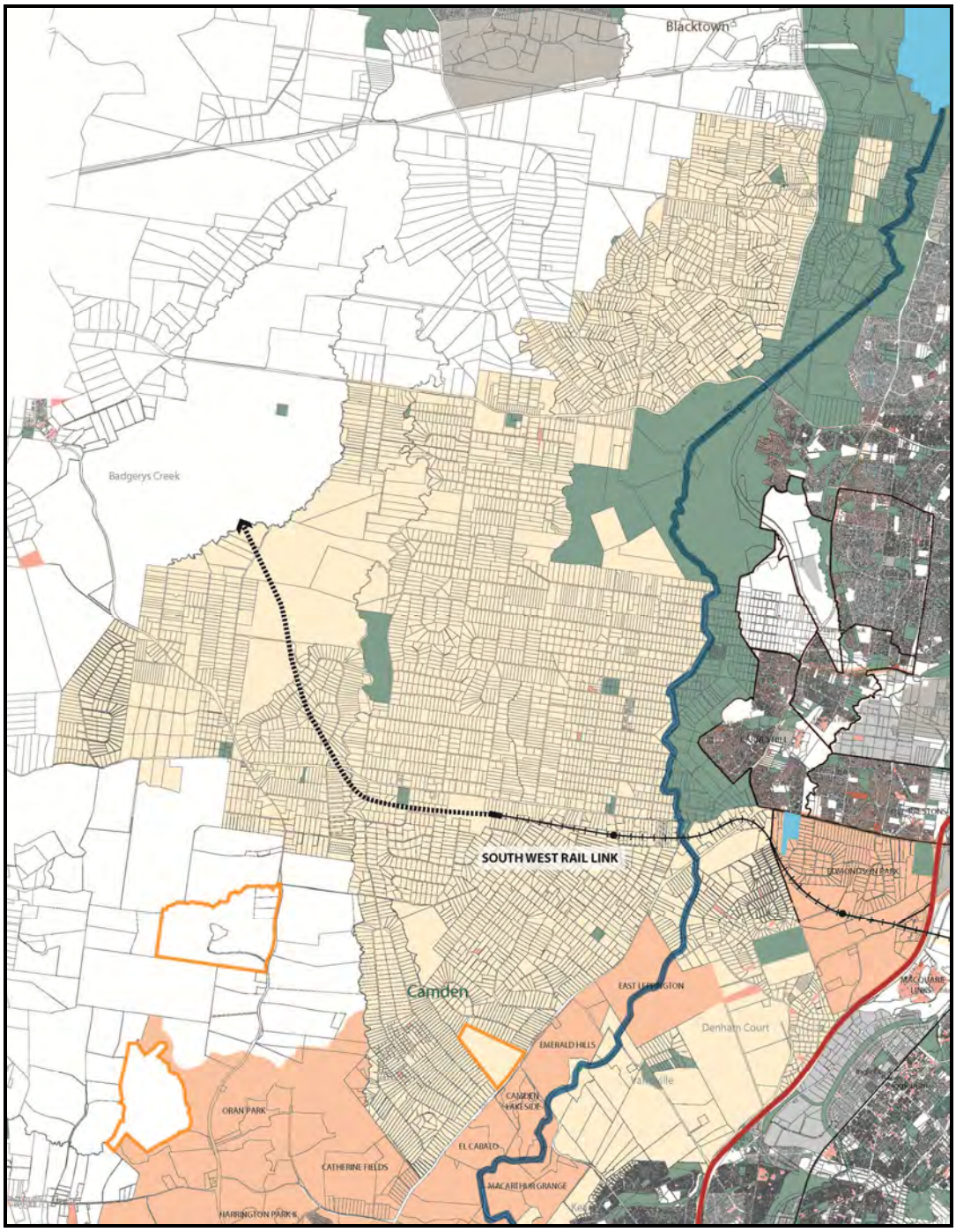

Figure 17: Horticulture and Rural/Residential district

ANNEXURE TWO

SYDNEY EXPERIENCES:
CONVERTING FRAGMENTED LAND TO URBAN

ANNEXURE TWO

SYDNEY EXPERIENCES: CONVERTING FRAGMENTED LAND TO URBAN

Evidence and experience indicates fragmented and intensively developed areas within the South West Growth Centre may not produce steady and worthwhile volumes of new dwellings, even after 2025, or after the construction of new infrastructure.

1. Coordinating more than 5 or 6 land owners to create a project site is impossible for a private sector developer. Owners rightly make decisions based on what is best for their families and businesses, and are unconcerned with achieving 'Metropolitan Priorities'.

2. Underlying land values are high as these properties are a scarce, valued and in some cases, investment in houses and horticultural buildings and plant is high. The provision of infrastructure will inflate land owners' price expectations further.

   High land values make conversion from horticulture or rural residential to urban unviable and unattractive for private sector developers, and government infrastructure providers (Edge for DIPNR, 2003: 20, 21).

3. Release area production is typically slower in the early years, so even if these Precincts commence after 2025, it will be some years before production ramps up to a significant volume.

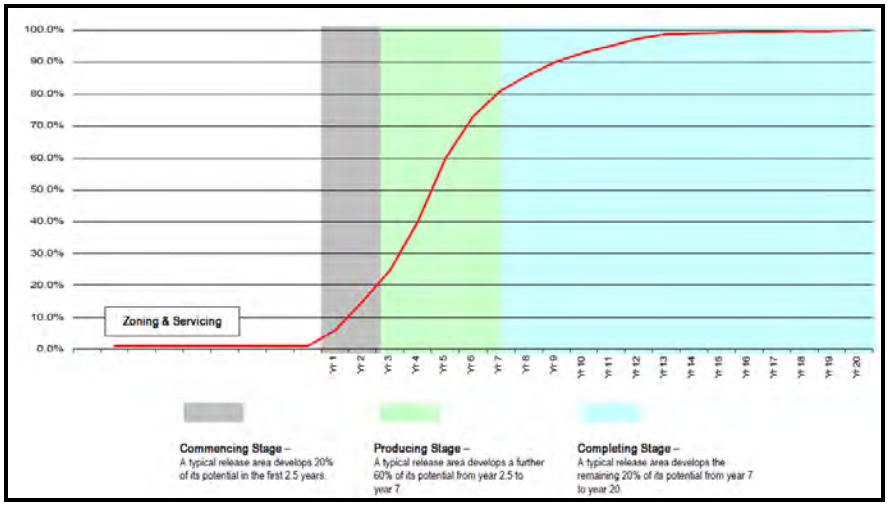

Figure 18: Release area development stage by production
Source: DoP, 2007: 11

4. Development in similar areas is slow as has been seen historically in Sydney, and more recently in the Balmoral Road land release in north west Sydney, where provision of lead in infrastructure has not resulted in good levels of housing production.

The NSW community will incur significant costs to overcome this 'housing supply blockage', artificially created by previous Metropolitan Strategies which included unfeasible areas in 'Growth Centres'. The intensive and expensive involvement of Urban Growth NSW, and regional and local infrastructure provision will be required to facilitate conversion of fragmented and developed Growth Centre Precincts from horticulture/rural residential to urban by 2031.

This would be inefficient and ineffective use of the NSW Community's scarce resources for urban growth.

1. Housing production and neighbourhood growth is inefficient, uncoordinated and haphazard. Infrastructure will be inefficiently used as stranded assets and capacity lies idle for perhaps many years while the process of producing residential house lots on hundreds on small parcels takes place. This has been the experience in older Sydney release areas, and more recently in the North Kellyville and Balmoral Road and Edmondson Park release areas.

2. Any projects able to commence will experience low amenity, being served by temporary or disjointed roads, centres, parks and stormwater infrastructure, and located near horticultural activities, potentially decaying given their new status as prohibited uses, as happened historically and in Quakers Hill release area.

3. State and local government will be required to impose high infrastructure contributions to fund the coordination and provision of 'stranded' regional and local infrastructure over many dispersed project sites, developed at different times, perhaps years apart as has been seen in the Balmoral Road and North Kellyville release areas.

4. Coordination of land purchases and project site amalgamations is an intensive process, which will take many years.

5. Many acquisitions will be compulsory, which is both highly disruptive to the existing community, and adds to the expense associated with these already valuable allotments.

6. New locations will need to be found for horticulture and rural residential properties, requiring additional community and private expense in replicating homes, and horticulture investment, and supporting infrastructure, which has already been made in the existing area.

The cost to the NSW Community will be significantly increased if planners and Urban Growth NSW attempt to 'fast-track' housing in these zoned but unfeasible areas, in accordance with 'A Liveable City- Policy (e)' (DPI, 2013: 30).

To address either the shortfall in housing production within the Growth Centre, or the expensive development of its unfeasible Precincts, new locations for urban release areas must be identified within the South West Subregion.

This is particularly crucial given the White Paper's guidelines for preparing housing targets in Regional Growth Plans:

- *"market demand and consumer preferences, including an understanding of house and land prices and the feasibility of different housing options.*
- *an assessment of different scenarios for low, medium and high growth forecasts"* (NSW Govt, 2013: 79)

BALMORAL ROAD LAND RELEASE

There are 195 individual land holdings within the Balmoral Road release area.

Its MDP potential is 6,035 lots.

In April 2006 it was rezoned for urban purposes.

By 2007 it was serviced with lead in infrastructure (DoP, 2009:17).

By December 2012, only 200 lots had been produced.

This represents only 3% of the potential yield, 5.5 years after provision of lead in infrastructure.

New lots are isolated from each other within the release area.

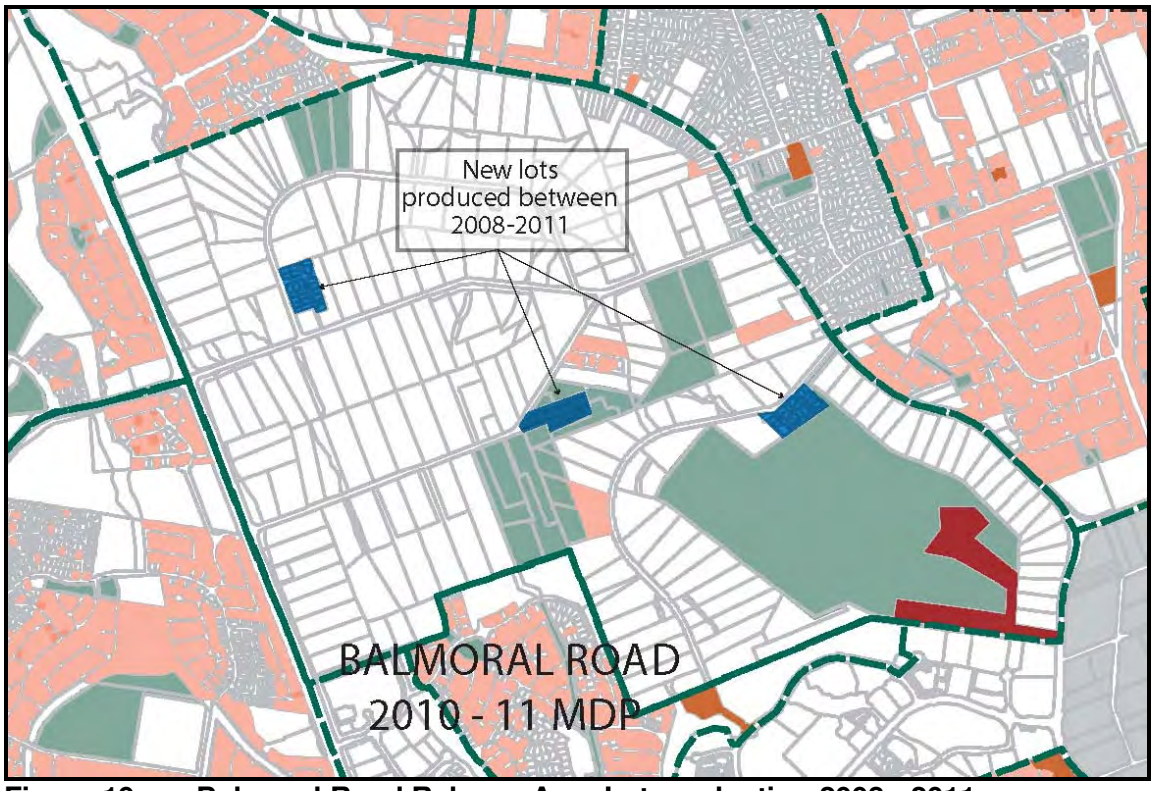

Figure 19: Balmoral Road Release Area Lot production 2008 - 2011

NORTH KELLYVILLE

There are 207 individual land holdings in the North Kellyville Precinct.

Its Growth Centre potential is 4,500 residential lots.

In November 2008 it was rezoned for urban purposes.

By July 2010, 3,981 potential lots had trunk infrastructure, and 517 potential lots had lead in infrastructure.

By December 2012, only 84 lots had been produced.

This represents only 2% of the potential yield, 2.5 years after provision of lead in and trunk infrastructure.

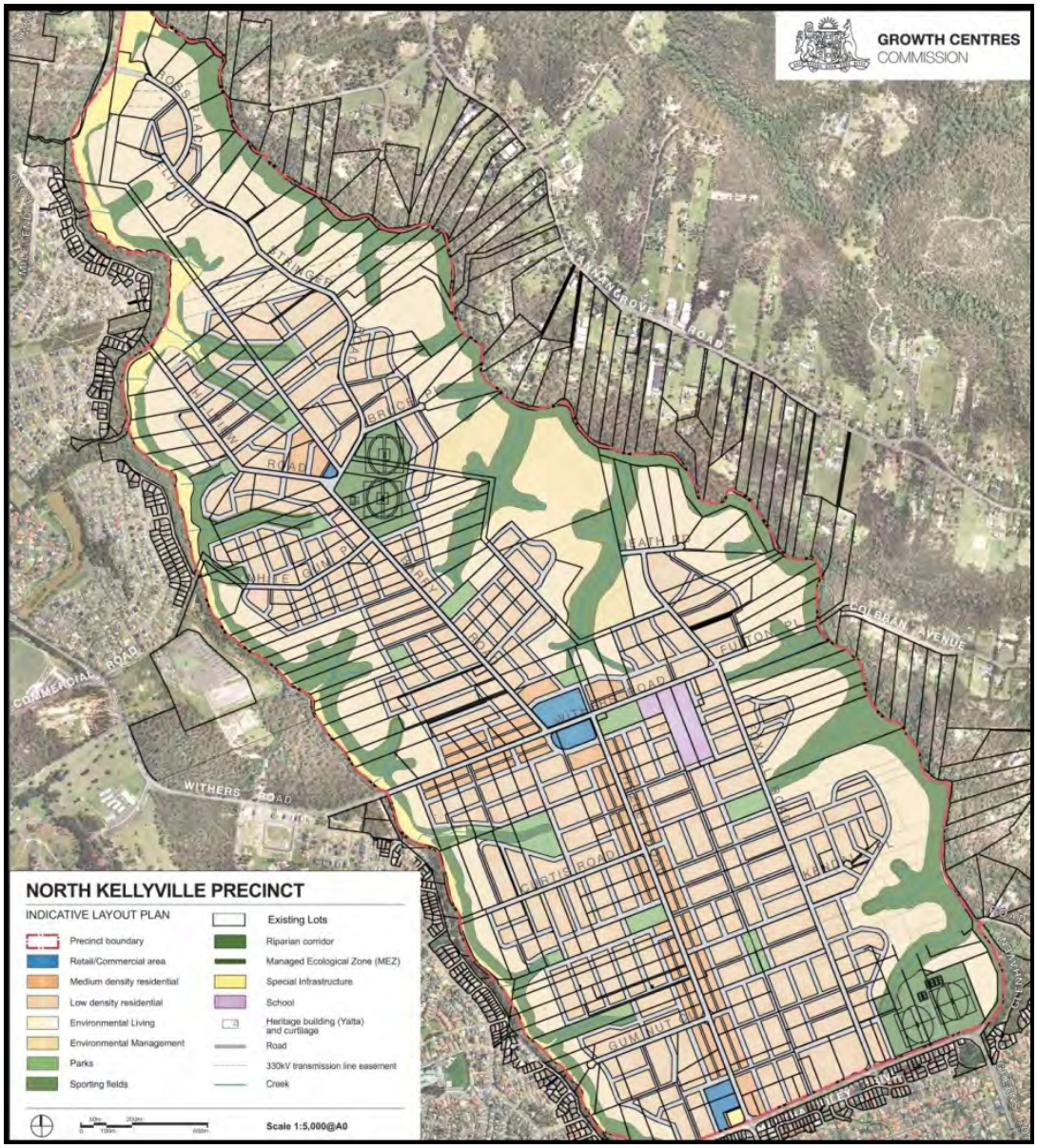

Figure 20: North Kellyville Indicative Layout Plan
Source: Growth Centre website, adapted by Walker

walker

EDMONDSON PARK

There are approximately 140 individual land holdings in the Edmondson Park Precinct, and one or two large parcels in government ownership.

Its Growth Centre potential is 6,000 lots.

In 1983 Edmondson Park was released for urban purposes (DE&P, 1983).

In March 2006 it was zoned for urban purposes.

By July 2008, 5,450 potential lots had trunk infrastructure (DoP, 2010c: 209).

By July 2010, 2,000 potential lots had lead in infrastructure (DPI, 2011: 214).

By December 2012, only 284 actual lots had been produced.

This is only 5% of its potential yield, 4.5 years after provision of trunk infrastructure.

Only Landcom has been progressing lot production in Edmondson Park, and significant lot production will occur only from its larger, consolidated parcels. The smaller Landcom project is isolated from the larger project.

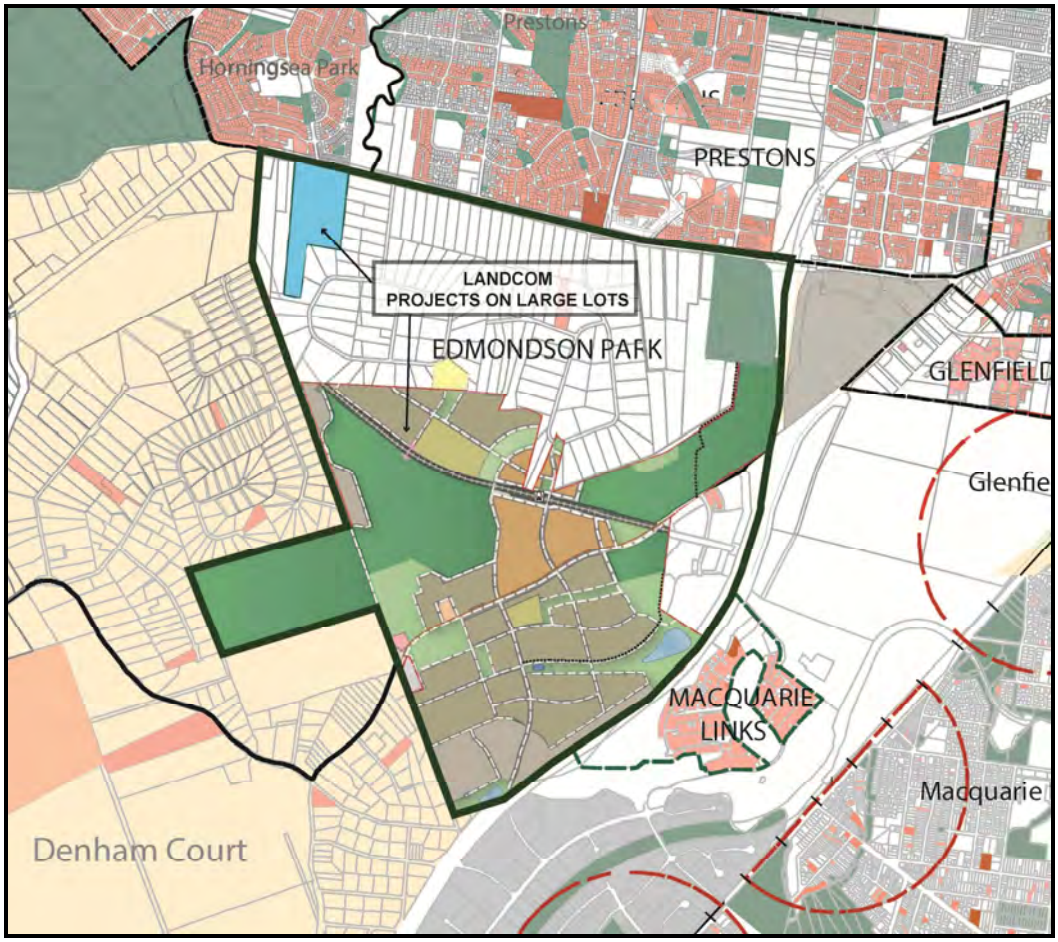

Figure 21: Edmondson Park Projects
Source: JBA (2010): 69, adapted by Walker

QUAKERS HILL

In 2007, the Growth Centres Commission examined the process of redeveloping fragmented land. Their case study shows the process of creating new suburbs on highly fragmented land is lengthy and painstaking.

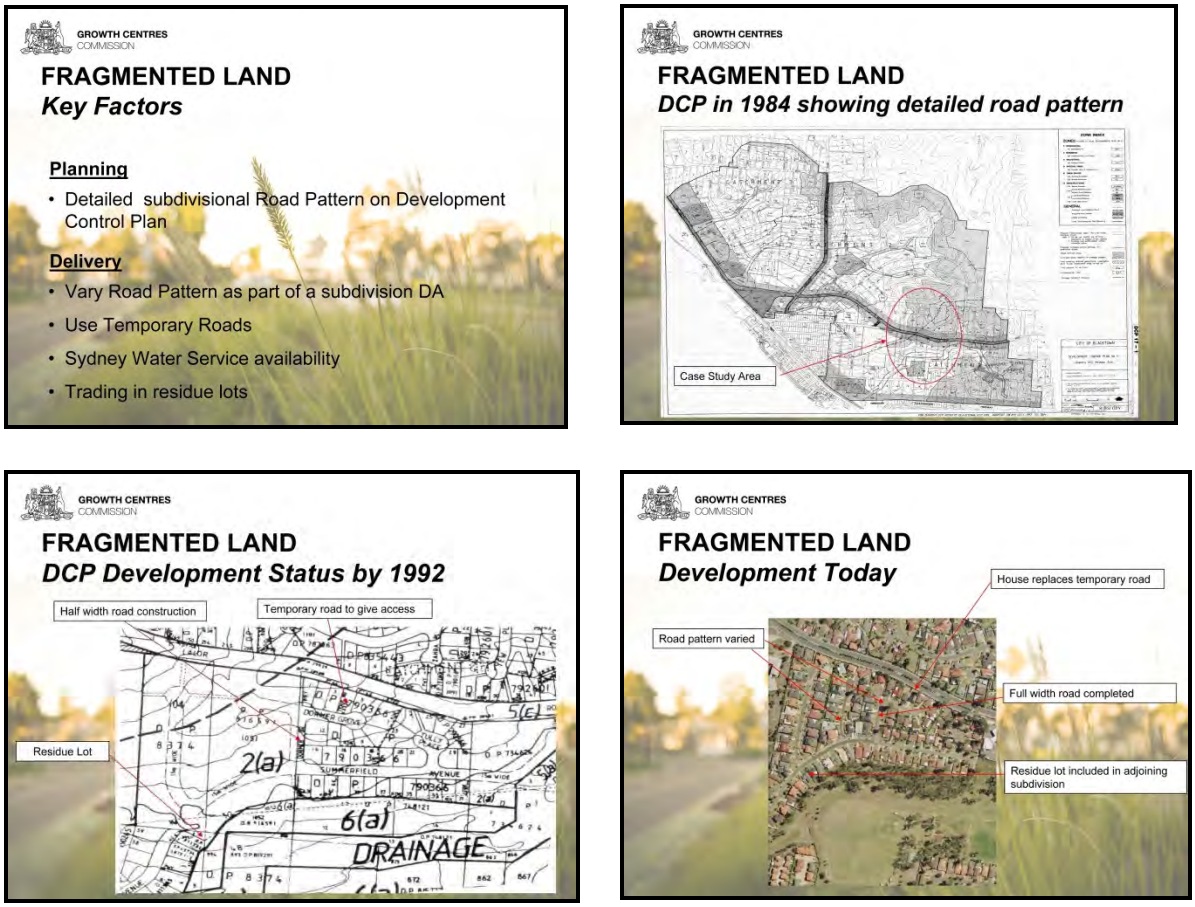

Figure 22: Developing Fragmented Land – A Blacktown Case Study
Source: Growth Centres Commission 'Planning for the Development of Greenfields Land in Fragmented Ownership' 12 December 2007

After decades, only approximately 100 lots were produced in this case study.

The issues of temporary roads, residue lots etc, seen in this case study will be magnified many fold in the Growth Centre, where planning Precincts are large, held by thousands of different owners, and are targeted to produce tens of thousands of new house lots each.

THE 1980S

Turning fragmented land into new suburbs is not a new issue. The Department of Planning has always been aware of the problems.

Fragmentation

Fragmentation occurs when small holdings, generally less than 5 hectares in size and held in private ownership, impede the development of an area.

While, theoretically, sufficient land has been released under the Urban Development Program to meet the demand for approximately 43,700 dwellings in the next five years, the major problem is ensuring that this land is developed. Approximately 40% of UDP land is being withheld from development because of speculation and/or rural residential lifestyles. Most of these holdings are highly fragmented, and less than 5 hectares in size. Policies are being prepared which will assist the Government in getting these released areas developed.

Figure 23: Fragmented Land is a well known problem
Source: DoP, 1988:

15

3.3 Slow development of englobo land

Although from these estimates there appears to be in the order of about 96,000 potential lots in englobo land, much of this englobo land is not currently available for subdivision. There are many reasons for this. In particular the rural and other uses that existed prior to rezoning often persist long after the land has been rezoned. Some of it for example is in profitable use for intensive agriculture, and some of it in rural residential use, with large lots with residences already present. These uses can result in the land being locked up and unavailable for residential development, with a resultant waste of services already provided but not used. In some municipalities the proportion of zoned residential land that is being used for market gardens, flower farms, kennels, stables, chicken farms and other semi-rural uses is very high, even though the land has been rezoned and serviced in some cases for as long as 13 years.

In the U.D.P. release areas rezoned between 1970 and 1977 there are about 1300 hectares of residential land, equivalent to at least 11,000 lots remaining undeveloped. There is currently no mechanism to ensure that land once gazetted is developed in an orderly manner. As a result development can take place in disjointed areas. This leapfrogging can lead to low levels of services for people in these separated areas. It can also result in high public costs for providing unused services. Currently the Metropolitan Water Sewerage and Drainage Board has over $80m unrecouped from infrastructure that is underutilised, or not used at all, in the U.D.P. areas as a result of slow subdivision.

The problem is especially severe on the Central Coast where many lots are held for speculative reasons, or for some future development by individuals, perhaps for holiday or retirement homes.

Figure 24: Fragmented land adds to servicing costs
Source: DoP, 1988:

ANNEXURE THREE

RECENT APPROACHES TO URBAN LAND RELEASE IN SYDNEY

ANNEXURE THREE

RECENT APPROACHES TO URBAN LAND RELEASE IN SYDNEY

Very little housing has been produced in the Growth Centres, despite time consuming, extensive and expensive planning, and significant investment in regional infrastructure such as water utilities in the North West Growth Centre, and the South West Rail Line. Results have been poor, even accounting for the global economic downturn's effect on consumer confidence.

The exceptions are 'released' Precincts which:

- Were planned and rezoned separately and prior to the Growth Centres (Colebee and Edmondson Park).
- Have committed developers and/or land owners, with large holdings, where there had been little or no investment in agriculture, horticulture or housing (Oran Park and Turner Road).

The imposition of the Precinct Acceleration Protocol on other Precincts with developer commitment and large landholdings has blocked housing production in the Growth Centres. Table 9 shows the PAP process has delayed planning in affected Precincts for up to six and half years. It is unclear whether the PAP process will contribute to better housing outcomes, as no housing has been produced in those Precincts to date.

The PAP was intended to recoup additional costs to the NSW community associated with Growth Centre Precincts being developed for housing earlier than the Department's 'sequence' for release, planning and development.

Problems occurred in the PAP process as those costs were up to hundreds of millions of dollars, but could not be firmly established as neither detailed scopes for the infrastructure, nor final yields from planning were available at the time developers were required to commit to payment. The 'sequence' of release was never published (Applied Economics, 2010: 52 - 55).

Once PAP requirements were removed from Precincts, planning progressed. However, the PAP remains on the Growth Centre website, and presumably would still be applied to housing projects which are not in 'sequence'.

The second blockage is the 'Boundary Review Process', although this has not slowed supply, as it has only been applied to Precincts which are highly fragmented and already developed, so there is no developer commitment to delivering housing, in any case.

Table 9: Progress in the South and North West Growth Centres

SOUTH WEST GROWTH CENTRE													
	Growth Centre Planning Commenced[1]	Growth Centre s SEPP Gazetted[2]	PAP Application Lodged[3]	PAP Stage 1 approved[3]	VPA Executed (Planning Costs Only)[3,5]	Precinct Announced for Release[4]	Precinct Released[2]	Boundary Review Process Complete[6]	Draft Precinct Plan Exhibition[3]	VPA Executed[6]	Precinct Rezoned[2]	Lots Produced at December 2012	TARGET YIELD
AUSTRAL							17-Oct-09	01-Aug-10	02-Dec-11		15-Mar-13	0	8,000
LEPPINGTON NORTH							17-Oct-09	01-Aug-10	02-Dec-11		15-Mar-13	0	9,,350
EDMONDSON PARK (rezoned prior to Growth Centres)							NA				31-Mar-06	284	6000
TURNER ROAD							04-Dec-06			25-Mar-10	01-Dec-07	718	4,020
ORAN PARK							04-Dec-06				01-Dec-07	588	7,540
CATHERINE FIELDS (PART)			2006		30-Jul-11		19-Jul-11 07-Nov-12		21-Dec-12			0	3,000
LEPPINGTON EAST			16-Nov-06	10-May-07	08-Jan-13		04-Nov-11		15-Aug-12		15-Mar-13	0	3,300
LEPPINGTON							04-Nov-11	15-Aug-12				0	9,000
LOWES CREEK & BRINGELLY			16-Nov-06	10-May-07		17-Mar-13						0	6,000
											TOTAL	1,590	56,210
TIME LINE	2001	2006										2012	UNKNOWN

[1] DoP Metropolitan Development Programme 2008/2009 Report 2010: 18
[2] NSW Government Gazette
[3] Growth Centres Commission (Annual Report 2006/2007): 40
[4] Minister for Planning (2013) *Government and Landowners Unlock Supply* 16 March 2013
[5] web page http://vpareqister.planning.nsw.gov.au/ viewed 11 April 2013
[6] GCC web site http://www.growthcentres.nsw.gov.au/home-3.html viewed 22 May 2013

NORTH WEST GROWTH CENTRE													
Precinct	Growth Centre planning commenced[1]	Growth Centre SEPP gazetted[2]	PAP application lodged	PAP Stage 1 approved	VPA executed (planning costs only)[3]	Precinct announced for release[4]	Precinct released[2]	Boundary Review Process complete[2]	Draft Precinct Plan exhibited	VPA executed[3]	Precinct rezoned[2]	Lots produced at December 2012	TARGET YIELD
North Kellyville							04-Dec-06		01-Jun-08		01-Nov-08	84	4,500
Marsden Park (residential)			2008	2009	30-Jul-11		05-Aug-11		21-Dec-12			0	10,000
Alex Avenue							04-Dec-06		06-Feb-09		01-May-10	7	6,300
Riverstone							04-Dec-06		06-Feb-09		01-May-10	4	9,000
Colebee (rezoned prior to Growth Centres)							NA			03-May-05	06-May-05	275	988
Area 20							04-Dec-06	07-Jan-09	11-Feb-11		21-Oct-11	0	2,500
Schofields							17-Oct-09	11-Aug-10	28-Sep-11		11-May-12	0	2,950
Box Hill							17-Oct-09	No change	14-Nov-11 01-Aug-12		05-Apr-13	0	9,600
Riverstone East						16-Mar-13						0	5,300
Vineyard						16-Mar-13						0	2,500
West Schofields (part)						16-Mar-13						0	400
											TOTAL	370	54,038
TIME LINE	2001	2006										2012	UNKNOWN

[1] DoP Metropolitan Development Programme 2008/2009 Report 2010: 18
[2] NSW Government Gazette
[3] DPI web page http://vpareqister.planning.nsw.gov.au/ viewed 11 April 2013
[4] Minister for Planning (2013) *Almost 40,000 homes for Growth Centres* Media Release
[5] GCC web site http://www.growthcentres.nsw.gov.au/home-3.html viewed 11 April 2013

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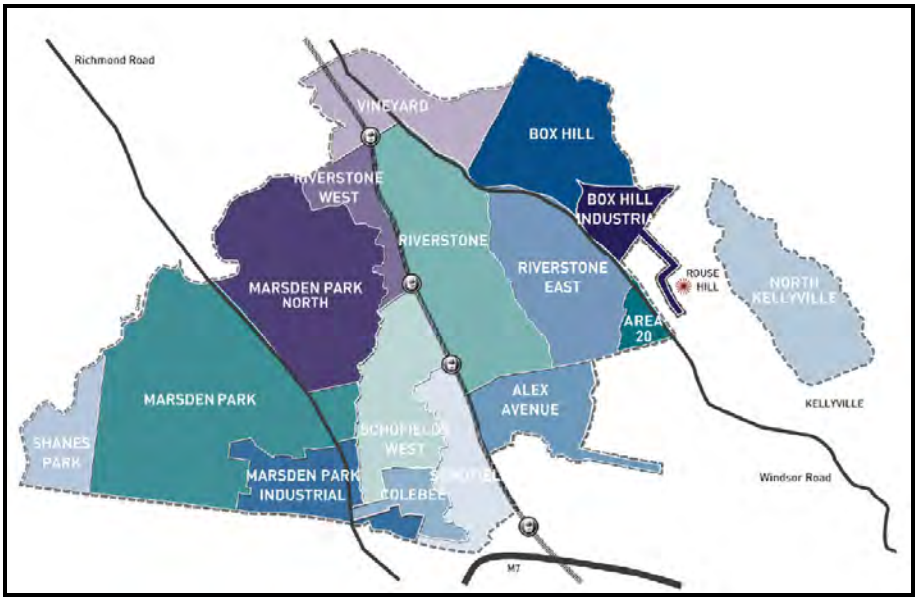

Figure 25: North West Growth Centre Precincts
Source: Growth Centres Website accessed 22 May 2013

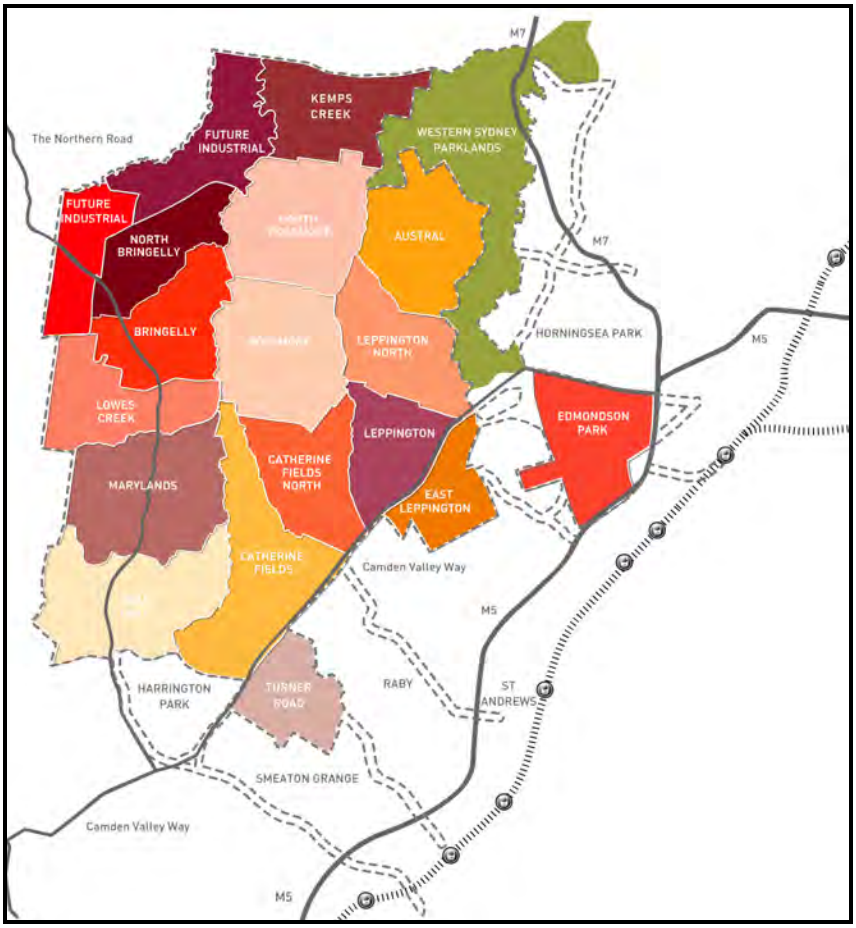

Figure 26: South West Growth Centre Precincts
Source: Growth Centres Website accessed 22 May 2013

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Neither the PAP nor Boundary Review Process are included in the *Environmental Planning and Assessment Act,* or SEPP (*Sydney Region Growth Centres),* creating transparency and probity concerns, particularly as the PAP sought to impose significant infrastructure contributions on effected projects, while simultaneously influencing the 'Precinct release' and 'Precinct planning' processes which are in the Act and SEPP.

Outside of the Growth Centres, the land release process starts with inclusion of a site on the Metropolitan Development Program (DPI, 2011b: 44). However, some sites have been on the MDP for decades, and are yet to deliver any, or significant amounts of housing. For example, in the Macarthur Region, Gilead and Menangle Park have been on the program since 1983. Edmondson Park is only producing housing now, despite also being on the program since 1983 (DE&P, 1983).

Again, there is no transparent, statutory process for including a site on the MDP.

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