

7th September 2016

Department of Planning and Environment
23-33 Bridge Street
Sydney NSW 2000

Re: Greater Macarthur Priority Growth Area



Dear to whom it may concern,

We are mailing this submission in support of the Government's initiative of again recognising the contribution which can be made by South Macarthur to the important policy of expanding the greenfield development program, particularly in the form of a growth centre, so as to address the vital issue of housing affordability.

I am particularly interested in this resurrection of a key element of the Macarthur Growth Centre in the light of my role, during the 1970s and 1980s, with the NSW Department of Planning as Director of Planning and Development of the Macarthur Development Board during the heyday of the Growth Centre's rapid development.

The crux of this submission is to recognise the "third" city of the Macarthur Growth Centre, Appin, termed Macarthur South in the 1988 strategy "Sydney into its third Century", after it was expanded in response to lower yields in Campbelltown, and to convince government that in order not to fall behind in dwelling production in Sydney's West.

It is in this context and the analysis of the production figures of greenfield dwellings, that we recommend that the whole of Macarthur South needs to be released for development rather than the suggestion that West Appin be delayed till after 2031.

We hope the figures we have presented make this a convincing proposal.

Yours faithfully

A handwritten signature in black ink, appearing to read "Bob Meyer". The signature is fluid and cursive, with a large initial "B" and "M".

Bob Meyer AM
Director of Planning
BArch (UNSW) MTCP (UCL + USyd) LFPIA DLitt
Cox Richardson Architects and Planners

Submission to the Establishment of the Greater Macarthur Priority Growth Area

1) Introduction:

This submission strongly supports the establishment of the Greater Macarthur Priority Growth Area particularly as Macarthur was Sydney's first Growth Centre. It is also welcomed that Campbelltown-Macarthur is recognised as a Regional City Centre, which sits one tier below the two CBDs of Sydney and Parramatta. This status recognises that the Centre was planned and developed to serve the Macarthur Growth Centre with major community uses.

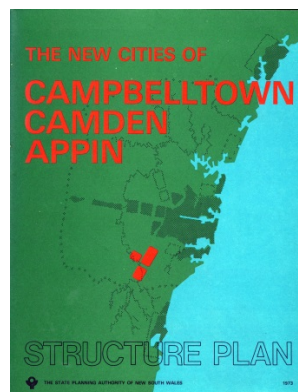
It is surprising therefore that Macarthur South, a key component of the Macarthur Growth Centre, does not include all areas possible for release, given that there will be a shortage of greenfield dwellings to meet the target for Sydney of **664,000** dwellings in 20 years. This submission is highly supportive of the release of the Menangle, Mount Gilead and Wilton New Town area, however strongly recommends the release of all sites suitable for development in the original Macarthur South in order to meet the required dwelling numbers and to contribute to key infrastructure such as the widening of Appin Road.

2) Background to the Macarthur Growth Centre:

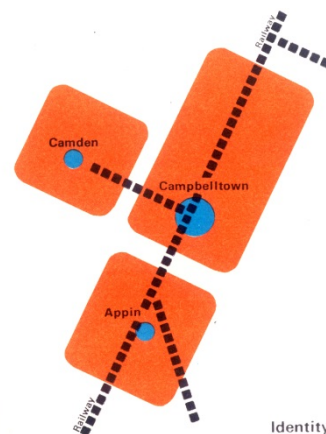
It was the current strategy "A Plan for Growing Sydney (2014)" that resurrected Macarthur, Sydney's first growth centre, which was formulated in the 1968 Sydney Region Outline Plan (SROP) to form the South-West Sector with a target population of 500,000 people. The " " (1973) was the first strategic plan for Macarthur, dividing the growth centre into three cities; Campbelltown, Camden and Appin, proposing that the Campbelltown/Macarthur Centre would act as the fulcrum of the three new cities, serving each of the cities with high level community facilities. These have now been in place for some time and include a university, hospital, teaching hospital, TAFE, regional shopping centre (soon to be the largest in south-west Sydney) and the adjacent Australian Botanical Gardens.



South West Sector- SROP 1968



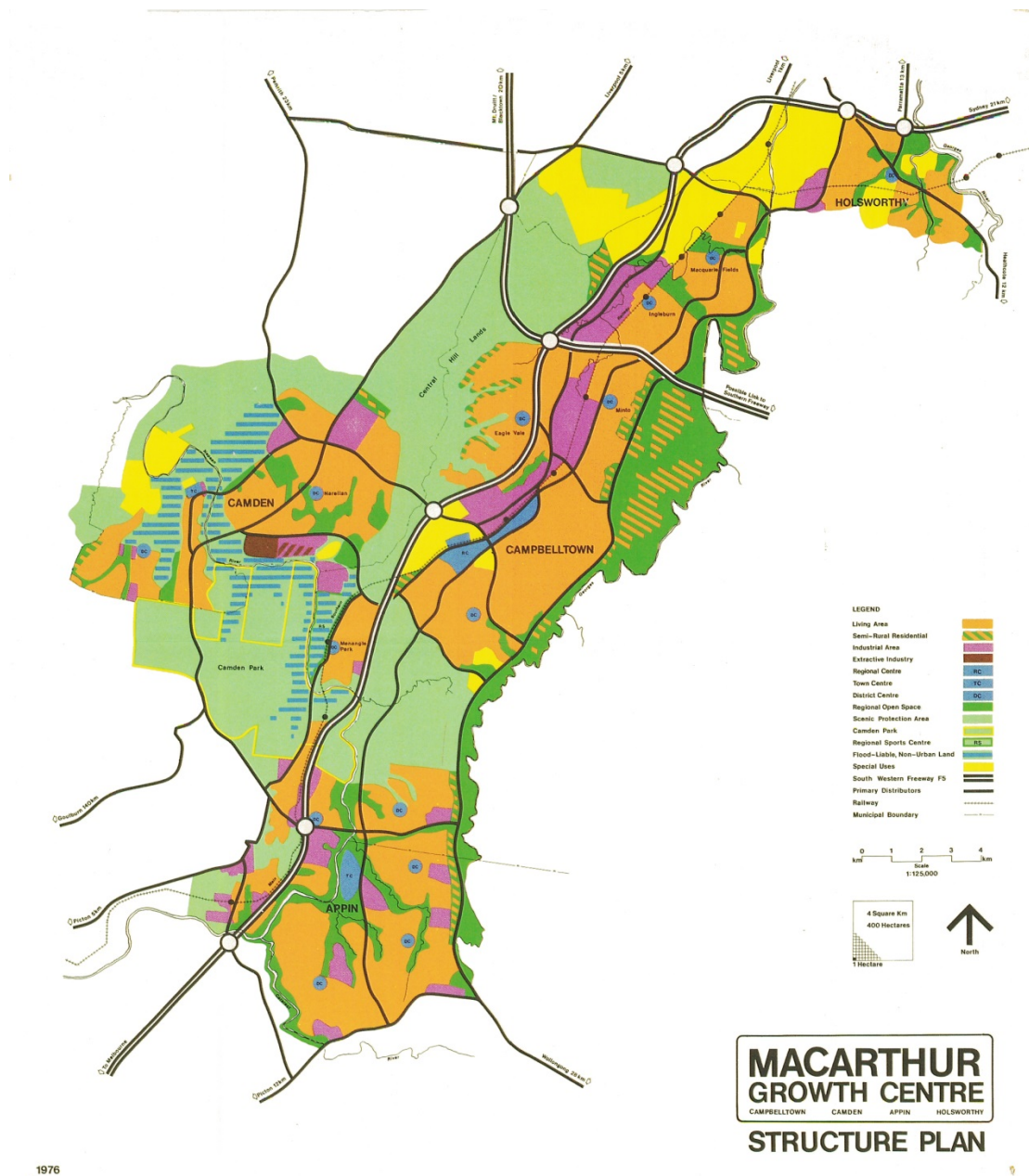
Three Cities Plan 1973



Three Cities Plan 1973

The Commonwealth Government provided loan funds to the State, which allowed for the Macarthur Development Board to be formed. The Board consisted of representatives of the Commonwealth, the State and the three local councils; Camden, Campbelltown and Wollondilly. The Board purchased greenfield land for housing, employment, community facilities and infrastructure, often on behalf of other state agencies. The private sector, as well as Landcom, were major contributors by purchasing and developing several large estates.

In 1966 Campbelltown and Camden contained **34,356** people. By 1986 the population had grown to **140,167**, a growth rate of **15% p.a.** compared with Sydney's growth of **2%p.a.** In 2011 the combined population of Campbelltown and Camden was **202,687**. In employment terms the Board created two major employment areas, Minto and Ingleburn. In 1970 Campbelltown/Camden had **1,396** manufacturing jobs and by 1985 this had grown to **3,686**. The Regional City Centre now contains just on **20,000** jobs.



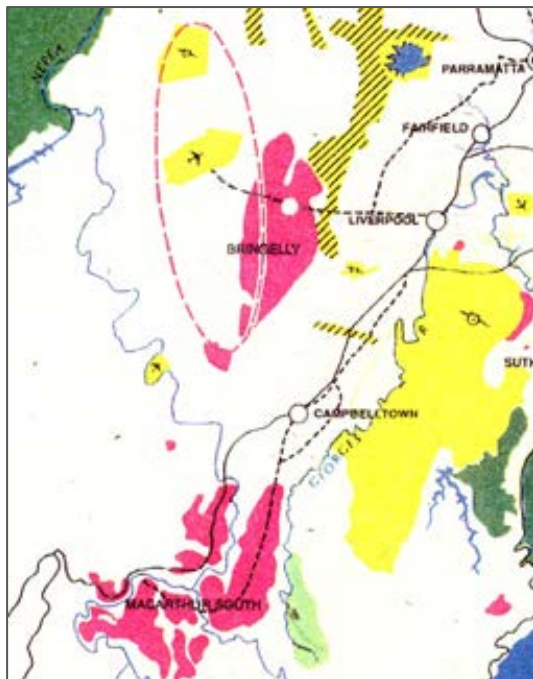
Macarthur Growth Centre, Structure Plan 1976

The suburbs of the Campbelltown City component of the Macarthur Growth Centre have now generally been fully developed with detached and town houses whilst sites adjacent to the city's train stations are proposed, in the Glenfield-Macarthur Corridor Study, to be subject to redevelopment for higher densities.

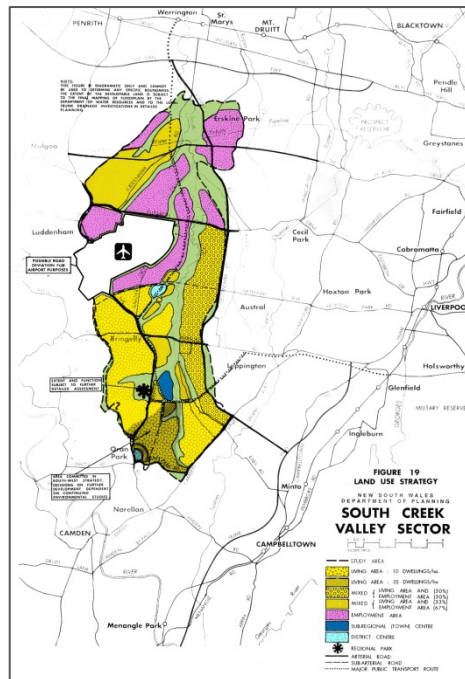
The Macarthur Development Board was disbanded in 1988 when its administration was handed to the NSW Department of Industrial Development and Decentralisation. However, Macarthur remained as a key sector in the 1988 Metropolitan Strategy "Sydney into its Third Century", a plan for 4.5 million people by 2011. The strategy proposed that the third component of the Macarthur Growth Centre, Appin, be expanded to include the Picton Bargo area so as to address the projected long term shortage of development opportunities beyond 2011 due principally to the fall in Campbelltown's dwelling occupancy rates. The Appin city was renamed Macarthur South.

In late 1988, when Badgerys Creek was announced as the site for Sydney's second airport, an expansion of the Camden component of the Macarthur Growth Centre was added, termed South Creek Valley. Most of this area was later included in the South West Growth Centre boundary in 2005.

After years of having forgotten the third of the three cities of the Macarthur Growth Centre, the "A Plan for Growing Sydney (2014)" has again discovered Macarthur South. It is a surprise therefore that a large proportion of Macarthur South is suggested to be postponed beyond 2036 when figures show that much of Macarthur South will be required to ensure sufficient dwellings are produced to meet the government's target of **664,000** dwellings over the next 20 years.



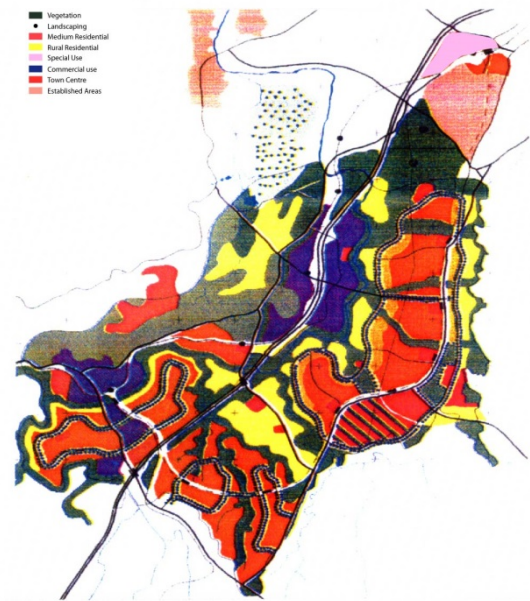
Expansion of Appin to form Macarthur South and the Concept of South Creek Valley- 1988



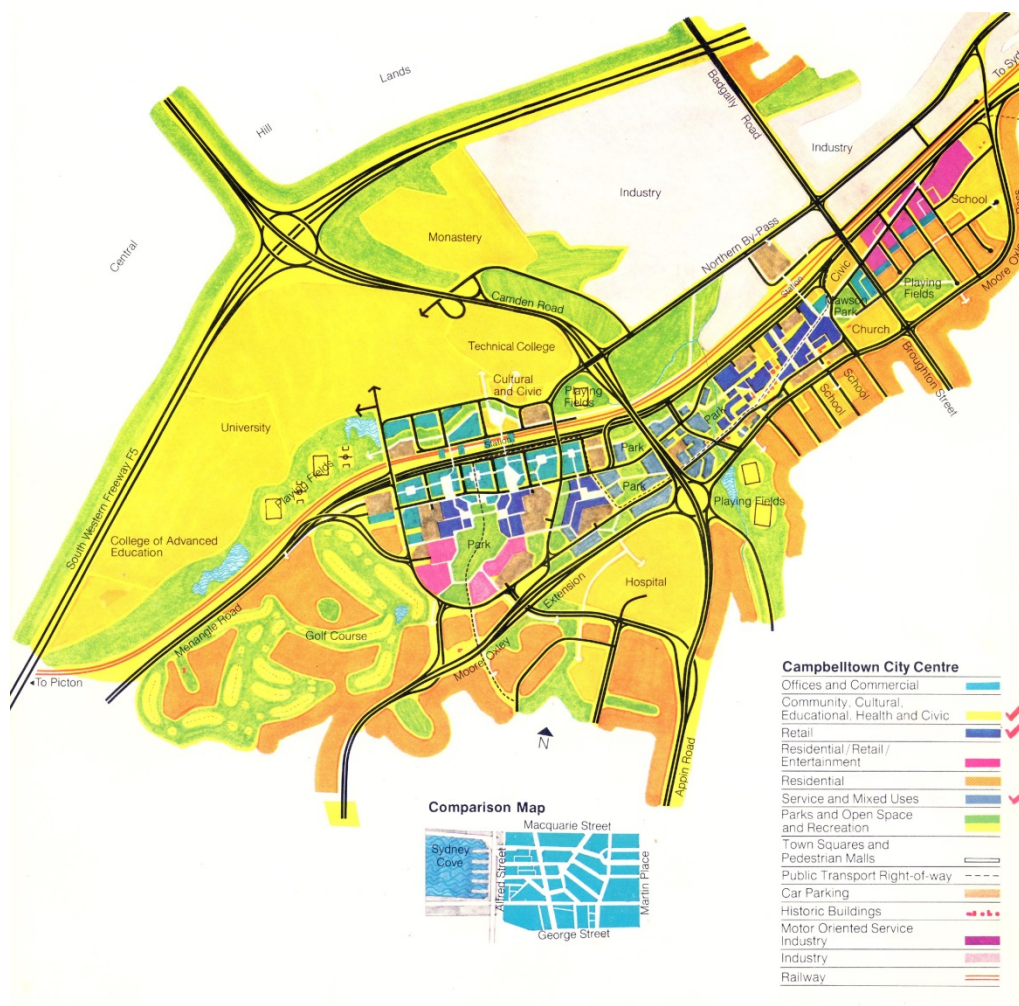
South Creek Valley- 1989 Review

3) Employment Opportunities in Greater Macarthur

The Campbelltown/Macarthur City Centre, which was commenced on a greenfield site in 1977 as the heart of the Macarthur Growth Centre, has been recognised in the “A Plan for Growing Sydney” (2014) as a Regional City Centre, a category second only to the CBDs of Sydney and Parramatta. What distinguishes Campbelltown-Macarthur from the other two Regional City Centres, Liverpool and Penrith, is that it is the only one which contains a university, hospital, teaching hospital, TAFE, regional shopping centre (soon to be the largest in south-west Sydney) and the adjacent Australian Botanical Gardens all served by the new station, Macarthur, on the extended electric rail network. The new Macarthur Centre was merged with the adjacent historic Campbelltown Centre founded in 1820 by Governor Macquarie, forming the Campbelltown-Macarthur Regional City Centre.



Macarthur South Structure Plan 1991

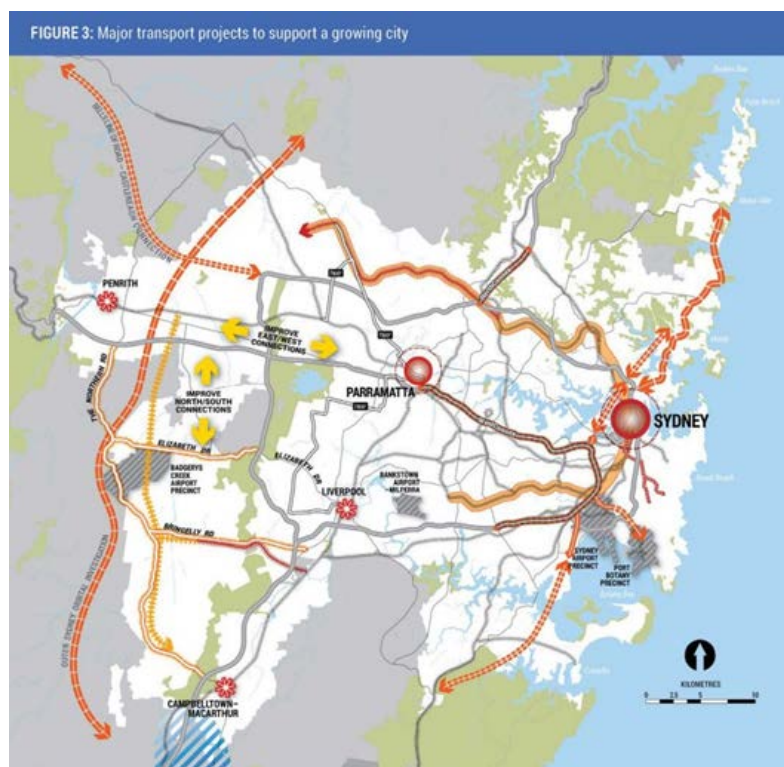


Campbelltown City Centre Plan

The biggest change since the 1970's when the Macarthur Growth Centre was planned and the first stages were being developed, is the need to respond to the new economy where service, innovation and knowledge jobs are replacing many manufacturing jobs. Macarthur/Campbelltown was highly successful in attracting manufacturing jobs in the 1970s-1980s including international companies such as Lever Bros, Pirelli Cables, Amco, Volvo, ACI-Pilkington and many smaller, yet labour intensive, manufacturers. However, following deregulation many manufacturing industries went "off-shore", resulting in job generation shifting towards white collar service jobs.

A re-employment focus now needs to be on the Campbelltown-Macarthur Regional City Centre which contains just on **20,000** jobs. It has a 20 year target to reach **40,000** jobs and with the focus on its Education and Health Research Precinct, Western Sydney University and Campbelltown Hospital making up a large proportion of the Regional City Centre, there is an important opportunity to be capitalised on for growth in innovation jobs. Campbelltown-Macarthur can evolve as South West's equivalent of the strategic centres of "A Plan for Growing Sydney" (2014), such as the Randwick Education and Health Precinct (UNSW and POW hospital), Penrith Education and Health Precinct at Kingswood/Werrington, Sydney centre's Broadway and Camperdown Education and Health precinct (USYD and RPA), and Westmead-Parramatta. In other words, Campbelltown-Macarthur has the opportunity to provide South West Sydney with innovation and research jobs in the Regional City Centre, and to reach its target of 40,000 jobs prior to 2031.

The other key employment opportunity in the South West District is the Western Sydney Airport and the associated Western Sydney Employment Area (WSEA). Transport links are still being formulated, however it is obvious that the Glenfield-Leppington line will be extended to serve the airport. Possibly the best opportunity to link Macarthur South with the Western Sydney Airport and WSEA is the proposed M9, Outer Sydney Orbital which is planned to link Newcastle (Hunter) – Western Sydney – and Wollongong (Illawarra). Importantly the suggested route is via West Appin and the western boundary of the proposed airport. This motorway reservation could incorporate a public transport reservation giving direct links to the jobs and activities associated with the Western Sydney airport and WSEA.



Major Transport Projects including proposed M9 Outer Sydney Orbital. Source: A Plan for Growing Sydney (2014)

4) North West and South West Growth Centres

The North West and South West Growth Centres have now been providing land and dwellings for up to 10 years. However, it is important to note that much of the developable lands were already released prior to 2005, indicating that it often takes up to **5-10 years** before the first dwellings are produced from the time land is released.

The greenfield sites within the North West and South West Growth Centres are expected to make the largest contribution towards Sydney's housing. Whilst these growth centres are continuing to supply dwellings it is unlikely that this will be enough to help meet the 25% share of Sydney's housing target of 8,300 dwellings per annum (greenfield contribution of 25% of 664,000 dwellings over 20 years).

The related aim is to have dwellings within easy reach of jobs and major community facilities. However the North West and South West Growth Centres have hardly begun to develop their nominated Strategic Centres so as to allow each to have a major comprehensive centre to be operational within 20 years.

5) The Total Greenfield Dwelling Production

The DPE showed that over the 10 year period 2005/6 to 2014/15, Sydney region dwelling production totalled **172,660**, or an average of **17,266** per annum (DPE, 2016). If greenfield sites contributed 25% to this dwelling production (MDP 2015), an average of **4,316.5** or say **4,300** dwellings per annum, this indicates a deficit of **4,000** dwellings to the Sydney region greenfield target of **8,300** dwellings per annum, assuming a continuation of 25% contribution of greenfield dwelling production.

The 2015 MDP shows that the best greenfield site performers are those that are on larger land holdings and in single ownerships (see Table 1). These are the sites which can best be relied on to meet the required dwelling demand and avoid adding to Sydney's rising land price thereby improving the level of housing affordability.

Table 1: The Highest Growth Centre Dwelling Productions 2015. Source: 2015 MDP.

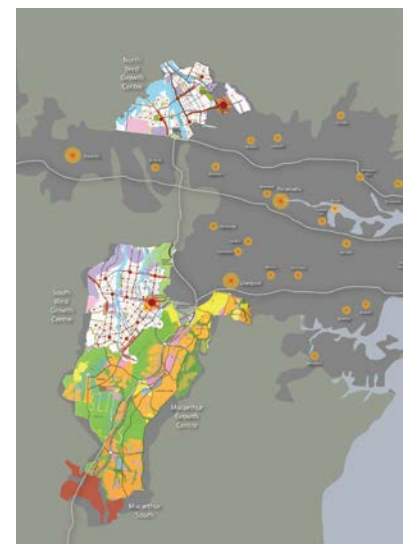
The Highest Growth Centre Dwelling Productions 2015	
1. Alex Avenue (NW)	602 dwellings
2. Turner Road (SW)	464 dwellings
3. North Kellyville (NW)	441 dwellings
4. Oran Park (SW)	390 dwellings
5. East Leppington (SW)	300 dwellings

The North West Growth Centre contributed **1,280** dwellings in 2015, **838** in Blacktown LGA and **442** in The Hills LGA. The South West Growth Centre contributed **1,515** dwellings in 2015; made up of Camden **147**, Campbelltown **27**, Liverpool **211** and Wollondilly **1** (MDP 2015). The grand total of Sydney's official growth centres NW and SW totals **1,280** and **1,515** respectively on greenfield sites in 2015, a total of **2795**, say **2800** p.a. in 2015.

If the 2015 greenfield growth centre dwelling completions has reached **2,800** after a period of **7-8 years** (given that NW and SW growth centres were launched in 2005), it seems that the rate of growth of additional Greenfield sites would need to increase quite dramatically.

The current strategy "A Plan for Growing Sydney" (2014) resurrected parts of Macarthur South presumably as a response to the fact that its long term housing target will not be met without the release of additional greenfield land (Greater Macarthur Land Release and Investigation, DPE July 2016). Ideally, this deficit could be reduced by the remainder of Macarthur South, particularly West Appin, rather than delay its release till after 2031 as suggested.

The DPE document "Greater Macarthur Proposed State Environmental Planning Policy Amendment" suggests that up to **35,000** dwellings could be provided in Menangle Park, Mount Gilead and in Wilton New Town. Assuming that these could be on the market in 5 years' time (2021) and average say **600** dwellings per annum, thereby accommodating **1,500** people per annum, it would take **25** years to reach **37,000** people.



Sydney's Three Growth Centres

It is unlikely that the owners and developers of Wilton, Menangle Park and Mount Gilead can produce their full 35,000 dwellings by 2031 given that their land is not yet released, although some preliminary planning has been undertaken and the highest achievers of greenfield sites in 2015 are now greater than 600 dwellings per annum¹. If greenfield land in Wollondilly is to accommodate **36,700** people in the next 20 years (i.e. 80,000-43,300, see attached table 'Macarthur South Population 1971-2051') that is **1,835** people per annum, there will be a need to release the maximum number of lots in Macarthur South.

6) Growth Centre Contribution to Greenfield Housing Targets

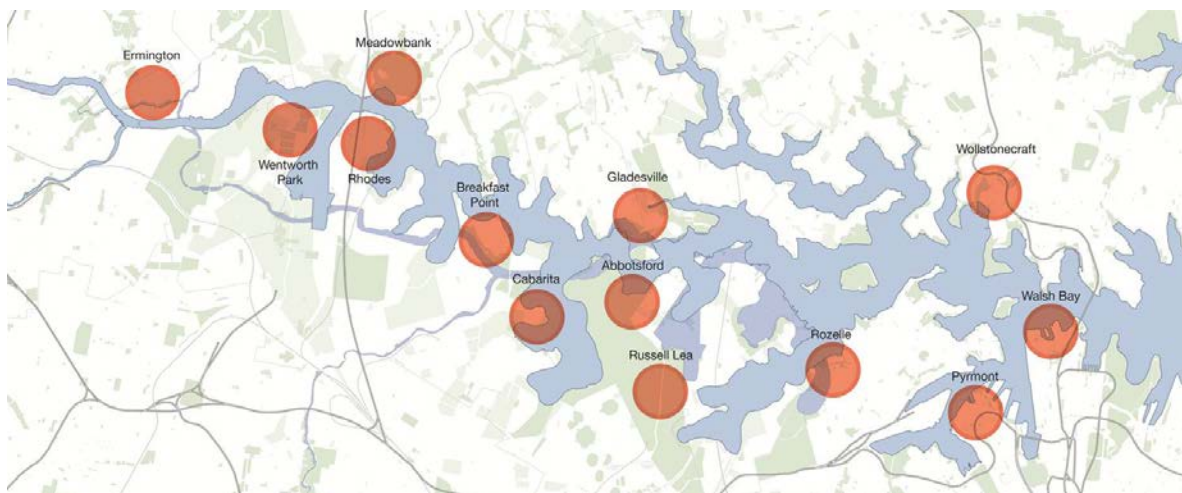
If greenfield dwellings need to contribute **8,300** dwellings per annum, yet in 2015, **7,169** greenfield dwellings were produced (MDP 2015), a short fall of **1,130** for the year.

The Growth Centres are expected to provide the bulk of greenfield dwellings. In 2015, the Growth Centres contributed **2,719** dwellings which was just over **46%** of the **5,862** greenfield dwellings produced by the LGA's which host the Growth Centres, ie. Blacktown, the Hills (NW) and Camden, Campbelltown, Liverpool and Wollondilly (SW).

Given that the NW and SW Growth Centres have a capacity of **180,000** dwellings (NW: **70,000** and SW: **110,000** (South West Subregional Strategy) which could contribute **9,000** dwellings per annum for 20 years, the 2015 contribution of **2,719** dwellings falls far short of the annual average target. If the greenfield target would need to rely on non-Growth Centre lands in the NW and SW LGAs which contain the Growth Centres, the number of potential dwellings would increase by **1,277** in the NW and **1,866** in the SW; an additional **3,143** dwellings. This would provide a total of **5,862** dwellings.

7) The Capacity of Established Areas and Brownfield Sites

It needs to be recognised that higher density redevelopment sites over the past few decades were largely "brownfield", former industrial sites on the Parramatta River, such as Rhodes, Cabarita Point, Meadowbank and Abbotsford as well as the former Central Industrial Area (CIA) between central Sydney and Sydney airport.



Brownfield Sites along the Parramatta River

¹ This is the highest number of dwellings produced in Alex Avenue in the MDP; a Landcom Estate in the North West Growth Centre. Even if the same number were produced on three fronts it would not reach the required target.

The 2015 MDP indicates that in 2015 **25%** of all dwelling completions were in “greenfield” locations. These MDP figures show a larger proportion than in the past of a high number of dwellings in established areas which satisfies a long term policy to intensify established areas by in-fill and redevelopment.

It is highly unlikely that infill sites will be able to deliver the opportunities which large brownfield sites were able to in the past. The consequences therefore are that the 2015 proportion of just over **75%** of dwelling completions in established and infill areas may not be maintained, placing more pressure on greenfield sites to provide housing sites in the next 20 years.

It is possible therefore that the **25-75%** split needs to change over the next 20 years in order for sufficient housing, particularly affordable housing, to be provided so that Sydney is able to retain its status as Australia’s global city.

The other issue is the “wish list” by many that the established areas provide sufficient dwellings so to minimise greenfield, outer area development which is largely single detached housing. Whilst this is an understandable objective, it may not provide the affordable housing needed by the Sydney Region (currently the highest land and housing prices in Australia).

Other views of limiting the release of some greenfield sites are that it would reduce the production of other greenfield sites in the region or fear that infrastructure cannot keep pace.

It is generally accepted by the development industry that they are expected to fund all or part of some essential infrastructure such as roads and sewerage treatment works.

There has rarely been a situation in Sydney over the past few decades that an oversupply of housing has been produced; it has been the lack of supply which is considered by many as the chief cause of high land prices and the consequent unaffordability.

8. Meeting the Dwelling Targets:

The 20 year target for the Sydney region is **664,000 dwellings** (A Plan for Growing Sydney 2014) which translates into **33,200** dwellings per annum for 20 years. The 2015 MDP indicated that just **25%** of all dwellings produced in 2015 were from greenfield sites, giving an annual average of **8,300** greenfield dwellings per annum for 20 years.

The **North West** and **South West** growth centres have capacities of **180,000** dwellings, the North West **70,000** and South West **110,000**. If these dwellings were to be produced over a period of 20 years, they would contribute **3,500** dwellings per annum for the NW and **5,500** for the SW, a total of **9,000**, thereby meeting the annual target of **8,300** per annum.

However, this is a theoretical figure as full capacity is unlikely to be met in 20 years due to some sites being in fragmented land holdings and slow starts from release to zoning to dwelling completions. Also it would change if the 25% greenfield share would rise due to non-greenfield sites not meeting their 75% targets.

The 2015 MDP indicated that in the year 2015, the North West Growth Centre produced **1,280** dwellings and the South West Growth Centre produced **1,514** dwellings, a total of **2,794** dwellings. As the growth centres are not alone in greenfield production, the proportion of growth centre production to that of their host LGA’s was North West; **82%** and South West; **50%**.

Adding NW Growth Centre dwellings to the remaining greenfield sites in the host LGA’s provided **2,842** dwellings in the Blacktown and the Hills LGAs. Similarly, adding SW Growth Centres dwellings to the remaining greenfield sites in the host LGAs provided **3,020** dwellings in Camden, Campbelltown, Liverpool and Wollondilly.

The grand total of Growth Centres and host LGA’s is **5,862** for 2015, a short fall of **2,438** per annum from the required **8,300** per annum. However in 2015 there were **7,169** greenfield dwellings produced in the Sydney Region, of which **5,862** dwellings makes up **82%** of total greenfield sites.

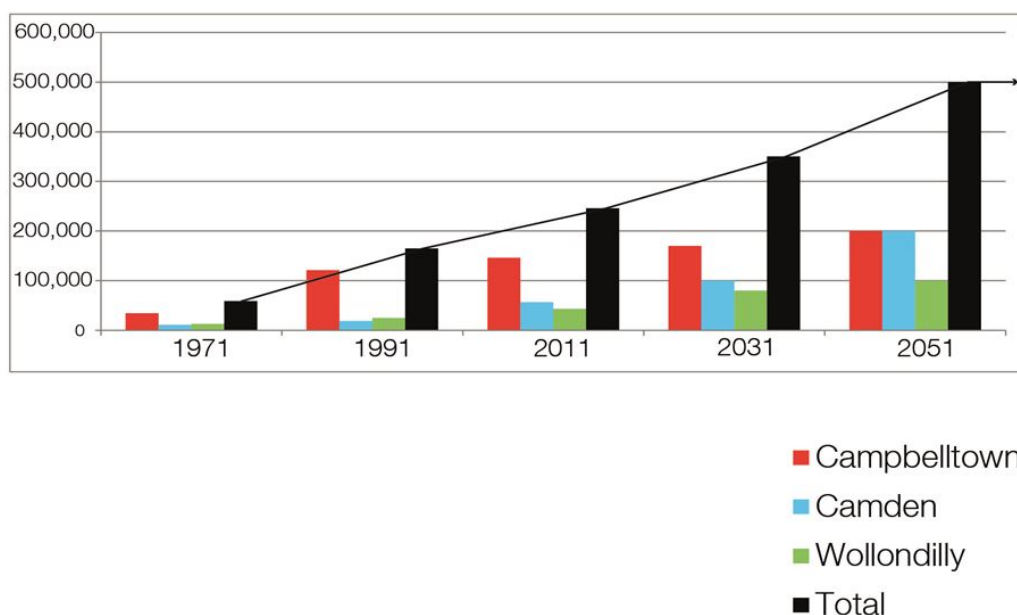
This figure is still short and will be aided by the **35,000** dwellings proposed in Macarthur South, adding an additional **1,750** dwellings per annum bringing the total maximum dwelling output to **5,862 + 1,750**, a total of **7,612** dwellings per annum, still short of the **8,300** target.

These dwelling capacity and production figures need to be monitored regularly and their contribution to Sydney's dwelling targets adjusted accordingly. However, it is clear with Sydney's continuing population growth and, being Australia's global city, the fastest national job growth, there is likely to be continuous pressure on dwelling demand. Unfragmented greenfield sites, particularly those making up Growth Centres, are those which can best be controlled to meet desired targets.

9) Population of Growth Centres

Macarthur Growth Centre Population 1971-2051

LGA	1971	1991	2011	2031	2051
Campbelltown	34,700	121,297	145,967	170,000	200,000
Camden	11,300	18,870	56,720	100,000	200,000
Wollondilly	12,800	24,928	43,259	80,000	100,000
Total	58,800	165,095	245,946	350,000	500,000



Source: 1971, 1991 and 2011 ABS Census Data.
Population projections: Bob Meyer 2016.

10) Dismissing Objections

The view expressed by some objectors to Macarthur South's development as contributing to urban sprawl needs to be countered by reiterating that "sprawl" is defined as "unplanned growth". Macarthur South is the antithesis of unplanned growth, having been a key component of Sydney's expansion policy since 1968 and as Sydney's first growth centre, whilst also having provided major community facilities such as a university, TAFE, hospitals, a regional shopping centre and just on 20,000 jobs in the Regional City Centre.

11) Conclusion

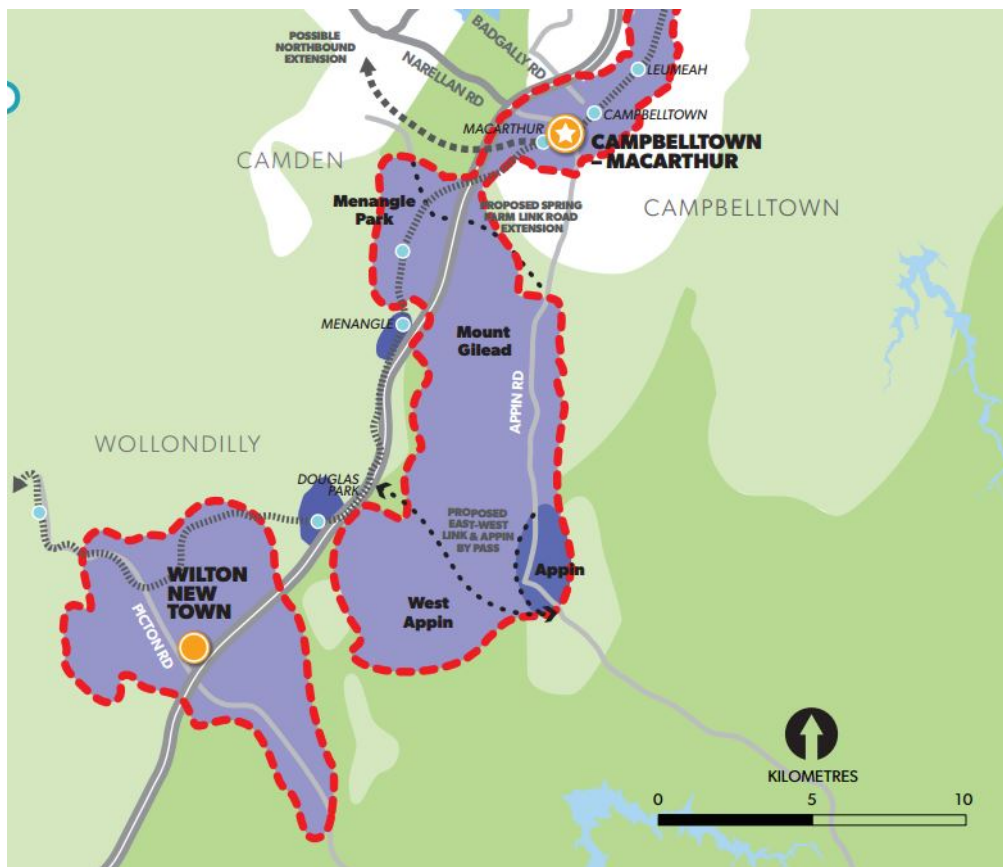
It is recommended that the whole of the “Greater Macarthur Priority Growth Area” be included in the first stage releases in order to ensure an adequate supply of developable land which will be required to meet the state’s housing targets.

The lessons of the past show that holding back development in designated areas for reasons such as “Sydney is full” or discouraging greenfield development as it only induces sprawl have been partly responsible for Sydney’s high price increase for land and established dwellings.

The time taken from the release of land to the completion of a dwelling needs to be considered when formulating a development program. For instance, if it is shown that when there is a serious shortage of housing then to turn on the tap to right this situation can take up to a decade before a dwelling is produced.

Furthermore, unless there is a planning and development authority responsible for the timely release of land there is little chance of meeting the State’s programs. Further, population growth should ideally be focused towards centres with community facilities available and good accessibility to jobs.

It is for these reasons that the whole Greater Macarthur region, which has been a Growth Centre since the mid-1970s and has provided the key facilities in the Regional City Centre, which is unlikely to be matched by any other growth centre in the next 20 years should be released and not plan to hold back developable land such as West Appin till after 2031.



Greater Macarthur and Wilton. Source: DoP&E 2016