

Jobs in Western Sydney – redressing the balance

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WESTERN SYDNEY HAS
A SHORTFALL OF 200,000
JOBS THAT COULD GROW
TO 300,000 BY 2031

10 Actions to create new jobs in Western Sydney

Sydney's biggest urban issue is traffic congestion linked to inadequate infrastructure and most of this issue is driven by massive numbers of commuters travelling from home to work and back again.

Around 200,000 people set off daily from Western Sydney heading to jobs in the east. This incredible daily mass migration creates queues on trains and buses, bottlenecks on the roads and wastes hours of time for each traveller each day.

But this situation is likely to get worse with much of the growth in Sydney's population predicted to be in Western Sydney. If nothing is done to redress the commuter flow from west to east then over the next 20 years the numbers could rise to 300,000 or even more undertaking the daily journey. This will require even expressways and more buses and trains which clearly cost billions of dollars that the State Government just doesn't have.

The most important single change that can help the whole of Sydney will be to provide large numbers of new jobs in Western Sydney. Without this the cities transport systems just won't cope. To develop 300,000 new jobs in western Sydney is a massive task that needs a major campaign of Olympic proportions. We need to rethink existing processes and cut through the red tape that currently slows down development and adopt a 'can do' attitude.



Western Sydney Jobs Diamond

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1

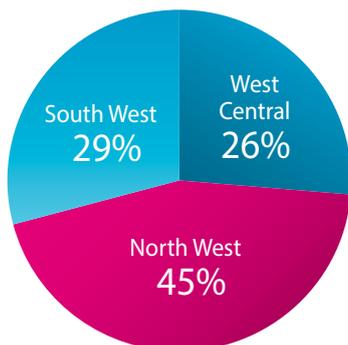
WESTERN SYDNEY JOBS DIAMOND

The Metropolitan strategy for Sydney has stressed the importance of the “Global Arc” as a major employment zone. The arc begins at Sydney Airport and passes through the Sydney CBD, North Sydney and ends up at Macquarie Business Park and Macquarie University. Three other universities are located within the area defined by the arc. While this is a useful image to project Sydney as a global city it does leave Western Sydney as the poor cousin. The Metropolitan strategy actively supports growth for jobs in the global arc. Western Sydney needs its own “Global Arc” or another shape that can visualise the important area for the location of jobs.

PROPOSED ACTIONS

- Define the area that connects Parramatta, Sydney Olympic Park, Penrith, Liverpool, Rouse Hill and the Western Sydney Employment Lands as the “Western Sydney Jobs Diamond”.
- Within the diamond shape ensure that the higher order jobs related to health, research and to the University of Western Sydney University are located.
- Incorporate the job diamond within the Metropolitan Strategy,
- Select catalyst projects within the jobs diamond.

JOBS GROWTH 2011 - 2031



CASE STUDY

Thames Gateway – London

The Thames Gateway is a broad area stretching 70 kilometres east of London which has been designated a national priority area for regeneration. The aim is to create 180,000 new jobs and to contribute 21 billion pounds to the national economy. The London Olympic site has been located in the Thames Gateway as a catalyst project.

Research Triangle – North Carolina

A special research area on land between three major towns and two universities has now generated 45,000 jobs.

“Western Sydney needs a diversity of jobs that enable graduates from the University of Western Sydney to work within their region.”

2

DIVERSITY OF JOBS

Future trends in employment are opening up a large range of new jobs in Australia. Western Sydney has been seen as the area where traditional manufacturing jobs have been located. Over recent years many inner city manufacturing industries have moved west as new transport systems have evolved around the Federal Government’s investment in the M7 ring road around Sydney. While the movement of industrial activities out of inner city areas has helped with housing supply it has also reinforced the role of Western Sydney as the home for industrial activities. But Western Sydney needs a



Rhodes Corporate Park by Australand

diversity of jobs that enable graduates from the University of Western Sydney to work within their region. So as well as needing many new jobs Western Sydney needs a diversity of job types.

PROPOSED ACTIONS

- Foster a high tech cluster development through tax incentives located within the Jobs Diamond.
- Build on the major health precincts at Westmead, Penrith and Liverpool with health related research and industries.
- Develop through a partnership with the University of Western Sydney a campaign to attract jobs for graduates.

CASE STUDY

Patricios Park Technology District – Buenos Aires

Patricios Park was initiated in 2008 to revitalise 200 hectares of dilapidated industrial land through tax incentives for technology firms to locate in the district. A series of economic exemptions from certain taxes as well as preferential lines of credit have encouraged 190 businesses to now operate in the district leading to the creation of 100,000 new high tech jobs.

“A major marketing campaign is needed to re-image Western Sydney as being a place of special areas, of culture and an ideal place to work.”

3
MARKETING CAMPAIGN

Western Sydney has an image of being where industrial jobs are located and not where higher order jobs are located. Yet Western Sydney has its own university and some of the most important health precincts in Australia at Westmead, Liverpool and Penrith. A major marketing campaign is needed to re-image Western Sydney as being a place of special areas, of culture and an ideal place to work.

PROPOSED ACTIONS

- Develop a marketing campaign to promote Western Sydney as a job destination. This could build on the marketing drive by Parramatta City Council.
- The marketing strategy should be run out of the Western Sydney Economic Development Authority.
- The Minister for Western Sydney should champion Western Sydney as a Jobs destination.
- Western Sydney should be promoted as a network of different centres with different job profiles like the Victorian Tourism program for Melbourne.
- Develop events to get CEO’s of major companies based in the Sydney CBD to get to know Western Sydney better.

CASE STUDY

Tottenham – UK

Following the 2011 London riots the Borough of Haringey has pursued a multi-pronged approach to stimulate confidence for the business community. The “Tottenham - Looking to the Future” campaign has been an ambitious vision to transform the region. The marketing program reinforces the building of new

infrastructure including the new Spurs stadium and the revitalisation of the Hale into a new town centre with the capacity for 4,000 new jobs. Key documents have been produced including the “Reasons to Invest in Tottenham” booklet.

“With the scale of the jobs deficit in Western Sydney a strong planning framework must be implemented”

4
DEVELOP A SUBREGIONAL JOBS DELIVERY PLAN FOR WESTERN SYDNEY

Currently there are a raft of different planning instruments that relate to jobs in Western Sydney. There is a State Environmental Planning Policy related to Western Sydney Employment Area, there are 34 Local Environmental Plans, 34 Development Control Plans and 44 Section 94 Contribution Plans. What is needed is a clear regional approach to economic development that coordinates across all of the 14 local government areas. With the scale of the jobs deficit in Western Sydney a strong planning framework must be implemented to set up the environment and strategies to drive real change.

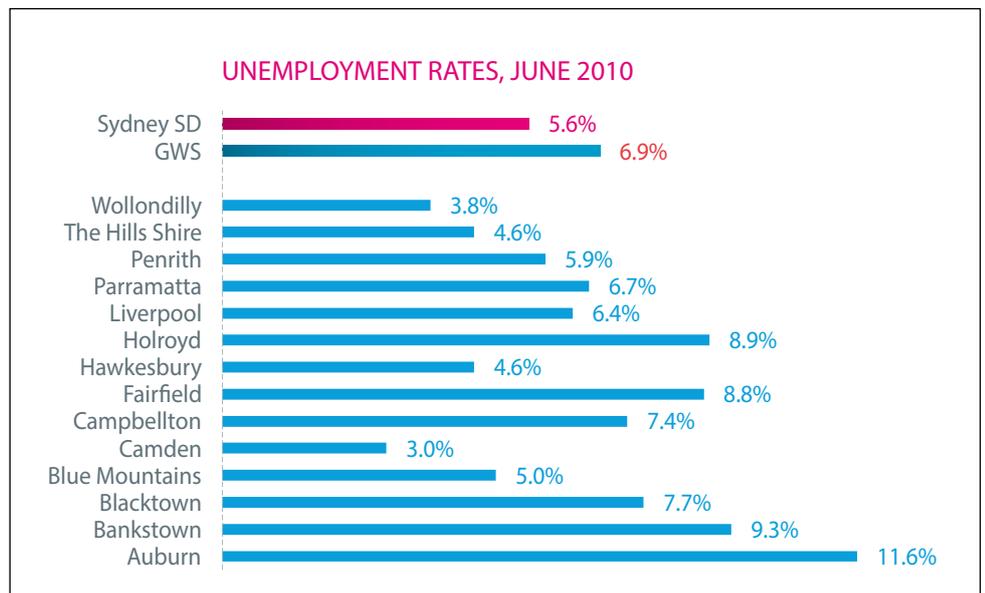
PROPOSED ACTIONS

- Develop under the format outlined in the Government’s Green Paper a Subregional Jobs Delivery Plan for Western Sydney
- Initially develop a State Environmental Planning Policy on jobs for Western Sydney as a transitional planning instrument.
- Develop a Strategic Complying Certificate as a transitional planning instrument to ensure urgent action.
- Planning Instrument to promote and encourage development that will bring jobs to Western Sydney.
- Planning Instrument to establish a development assessment and approvals process with a presumption for growth.
- Planning Instrument to establish land use and development controls that encourage investment and jobs in Western Sydney.
- Planning Instrument to identify areas for employment growth, catalyst projects and more flexible zonings.

CASE STUDY

South East Queensland Subregional Plan

The South East Queensland Regional Plan 2009—2031 takes precedence over all other planning instruments in relation to this fast growing region. The current population of 3.1 million is expected to grow to 4.4 million by 2031. The Regional Plan has a strong link to the state infrastructure and service delivery through the annual South East Queensland Infrastructure Plan and Program (SEQIPP).



5

MIXED USE ZONES

Currently the NSW planning system tends to micro control zoning in a manner that stops many job generating projects. An example in Western Sydney is an industrial complex that wanted to have the head office as part of the project. Restrictive zoning rules did not allow this and the head office component was built in the North Shore with a loss of jobs to Western Sydney. The world is changing fast in an internet and online shopping environment and many planning rules are out of date with these changes. There are also many types of jobs that are very compatible with residential development leading to the need for hybrid zoning that allows many uses. The current Green Paper in NSW does introduce a very flexible 'enterprise zone' and if this is adopted it could be very useful for Western Sydney.

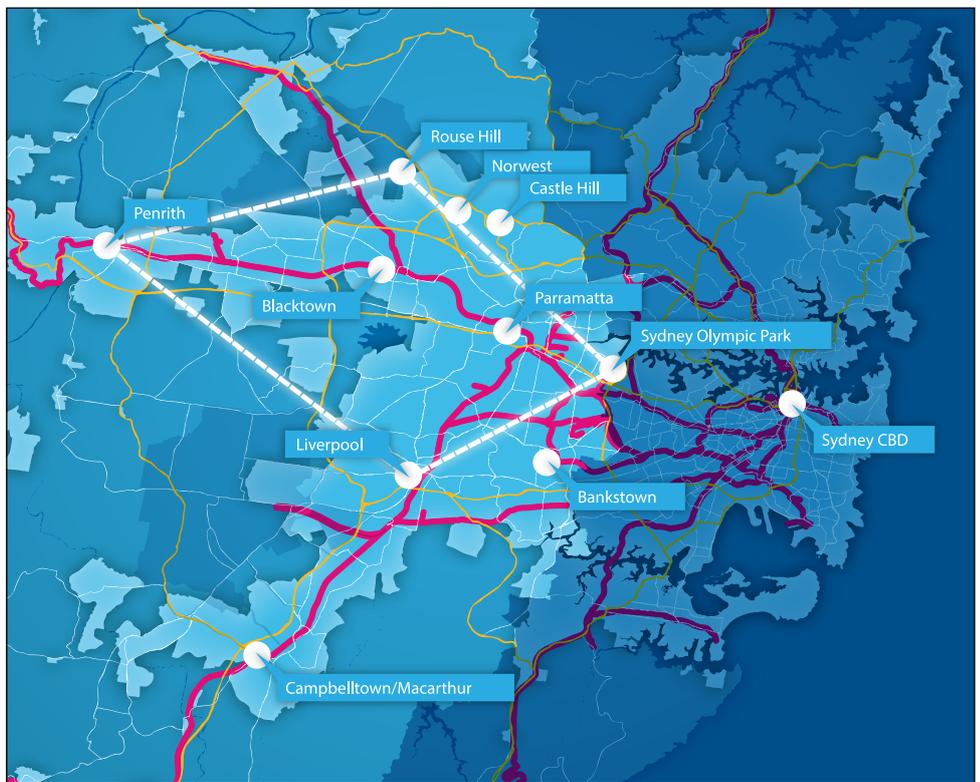
PROPOSED ACTION

- Adopt the proposed Enterprise Zone widely in Western Sydney to provide jobs in conjunction with other uses.
- Develop a new Mixed Use Employment-Centres zone in Western Sydney to maximise jobs in a vibrant active urban areas.
- Develop a Mixed Use Employment zone for the Western Sydney Employment Area (WSEA) which encourages commercial and retail.
- Encourage new centres to be established with mixed use zoning.

CASE STUDY

Mixed Use Employment Zones – Victoria

The Victorian Government has recently announced major reforms to Business Zones aimed at jobs growth and increased investment. The reforms are said to make Victoria the most competitive state for commercial development. The reforms establish two commercial zones with one focussed on mixed use retail, commercial and higher density residential. The other commercial zone focuses on commercial and light industrial uses.



Western Sydney Jobs Diamond

Sydney Corporate Park – South Sydney

The 20 hectare Sydney Corporate Park has a great variety of uses and facilities. It contains a swimming pool, gymnasium, theatre workshop, automobile showrooms, workshops, conference centres, large floor plate office facilities, a plant nursery and a child care centre. The Corporate Park accommodates 6,000 employees and 4,000 daily visitors.

PROPOSED ACTIONS

- Support the construction of a second Sydney Airport at Badgerys Creek or Wilton in line with the joint government recommendations.
- Utilise the proposed Moorebank Intermodal Terminal as a catalyst for related industry jobs in surrounding areas.
- Develop strategies around the major health precincts in Western Sydney as locations for medical research and health related industries.
- Support the Civic Place project by Parramatta City Council as a catalyst project.
- Identify suitable locations for three new business parks in Western Sydney.

6

CATALYST PROJECTS

One way to kick start increased employment is through catalyst projects that generate a ripple effect across a region. These often utilise government owned land or are focussed around a major economic driver. Examples are the Moorebank Intermodal Terminal or at a more local level the Parramatta Civic Place project. Western Sydney would benefit significantly from a series of catalyst projects being launched and encouraged by government.

CASE STUDY

Canberra Airport

Canberra Airport has become a major jobs centre with the number of businesses jumping from 70 in 1998 to 180 today. A Tourism Transport Forum (TTF) study into Canberra Airport estimated that the \$600 million investment in the airport over the last decade had resulted in \$2.1 billion in gross output. In 2009 8,000 jobs were located on the airport site with plans to increase this to 25,000 by 2030.

“City centres like Blacktown have a job shortfall of 50,000... this is clearly a location where new government offices would be very beneficial.”

7
OFFICE DECENTRALISATION

Some Western Sydney cities have gained jobs from government office decentralisation projects. The Federal Government has located tax offices in Penrith and Parramatta and the State Government has relocated the head offices of Police, Attorney Generals and Sydney Water to Parramatta. These have been successful examples of locating jobs closer to where people live. The private sector has also begun some moves towards decentralisation with the Commonwealth Bank of Australia (CBA) relocating some staff to Sydney Olympic Park and to Parramatta. There are still more opportunities for decentralisation with city centres like Blacktown having a job shortfall of 50,000. This is clearly a location where new government offices would be very beneficial.

PROPOSED ACTIONS

- Undertake an audit of State Government staff who work in the Sydney CBD to determine how many come from Western Sydney.
- The NSW State Government to relocate departments, agencies or parts of departments to Western Sydney.
- State Government to indicate to the market place which precincts in town centres and city centres they require office space and call for proposals.
- Federal Government to look at its Sydney CBD staff and see if there are decentralisation options to Western Sydney.
- Governments to offer pre-commitments for future requirements of office space to stimulate projects.

- Governments to encourage the large private sector employers to develop a decentralisation strategy for components of their workforce to Western Sydney.

CASE STUDY

Sydney Water from CBD to Parramatta

Sydney Water has recently relocated from five different Sydney CBD locations to Parramatta. The move has released significant landholdings and buildings for sale while giving a great boost to the development of Parramatta’s Civic Place. The vast majority of the 1,200 workforce transferred to the new site. This move has encouraged the development of private sector commercial buildings including ‘Eclipse’ by Leighton Holding’s in Parramatta which is fully let.



Sydney Water relocated to Western Sydney

8
WESTERN SYDNEY INFRASTRUCTURE AND INVESTMENT FUND

There is currently a major lack of infrastructure in Western Sydney. This backlog has often been used to increase the levies on individual developments to the point that they have become economically unviable. The State Infrastructure Contribution (SIC) and the local government Section 94 contributions

have been the traditional way that infrastructure funds have been raised. The recent Green Paper has suggested the development of Growth Infrastructure Plans and new approaches to spreading the contribution to infrastructure across a whole region.

PROPOSED ACTIONS

- Establish a Western Sydney Infrastructure and Investment Fund with seed funding from Restart NSW.
- Section 94 funds from Western Sydney councils for regional infrastructure to be pooled and vested in WSEDA.
- Apply a broad based levy across Western Sydney to raise funds for infrastructure.
- WSEDA to administer funds for priority infrastructure and for catalyst projects.
- Utilise Private Public Partnerships.
- Consider the use of infrastructure bonds.
- Consider the use of State Government debt and increased local government rate caps to fund infrastructure.

CASE STUDY

Hunter Infrastructure and Investment Fund

The HIIF was established in 2011 to enhance transport, education, water and health infrastructure in the Hunter region. The fund is supported by a \$350 million State Government allocation over 4 years. The HIIF has contributed to the establishment of the Newcastle University City Campus and the Wine Region roads upgrade.



Eclipse Office Tower, Parramatta by Leighton Properties

“Western Sydney needs a strong advocacy and implementation body with direct connection to key State Government agencies to drive economic development.”

9

WESTERN SYDNEY ECONOMIC DEVELOPMENT AUTHORITY

Western Sydney needs a strong advocacy and implementation body with direct connection to key State Government agencies to drive economic development. A previous body, the Greater Western Sydney Economic Development Board, was established to track development funding but has now been merged into Regional Development Australia (Sydney). This organisation helps raise awareness about economic issues across metropolitan Sydney but does not have a specifically Western Sydney focus.

There are a large number of organisations and government agencies that relate to Western Sydney. There are 14 councils; there is the Western Sydney Regional Organisation of Councils and its equivalent at MACROC as well as the agencies providing water, roads, energy and the government departments responsible for transport and planning. An overarching economic development authority to drive investment would result in a more efficient approach to driving job related development.

PROPOSED ACTIONS

- Establish a Western Sydney Economic Development Authority (WSEDA) within the Department of Premier and Cabinet reporting to the Minister for Western Sydney.
- WSEDA to develop an economic development structure for Western Sydney.

- WSEDA to work closely with Infrastructure NSW and landowners to identify the forward pipeline of infrastructure projects.
- WSEDA to oversee and administer a Western Sydney Infrastructure and Investment Fund.
- WSEDA to be ceded publically owned land in key precincts.
- WSEDA to identify appropriate areas for mixed use or enterprise zones.
- WSEDA to administer SEZ's in the region.

CASE STUDY

Metropolitan Development Authority – Perth, Western Australia

The MDA was established to drive urban renewal in East Perth, Subiaco, Midland and Armadale. It is a statutory authority with a charter to drive urban renewal often on government owned land. A major driver has been the need to generate new business and work environments. Many new jobs and significant amounts of retail space have been achieved by the Authority.

10

ECONOMIC INCENTIVES

Western Sydney has some perceived disadvantages as a business location due to its distance from the Sydney CBD and its lack of critical infrastructure. The region is also seen as being the location for industrial activities and back of house jobs to the higher order jobs in the Sydney CBD. As a result of these characteristics in

2011 Western Sydney had a workforce of 970,000 people but only 770,000 jobs. This shortfall of 200,000 jobs will need a very focussed effort by planners, economists and politicians if it is going to be reduced significantly. There are a number of economic and financial incentives that can encourage more jobs in Western Sydney.

PROPOSED ACTIONS

- Nominate Western Sydney as a Special Economic Zone (SEZ) where special incentives are offered to businesses that are located in the area. (particularly in the Jobs Diamond.)
- Expand the current Parliamentary inquiry into the Establishment of Special Economic Zones to include Western Sydney.
- Offer tax concessions such as stamp duty, payroll tax and land tax.
- Offer reduced infrastructure charges.
- Concessional leases on State owned land.
- Fast tracked planning approvals.
- Earned Trust Regulatory Models
- Expand the Federal Government's Suburban Jobs Program to support jobs in outer suburbs of capital cities.

CASE STUDY

Illinois Enterprise Zones

Established in 1982 the Enterprise Zone Act established 95 Enterprise Zones in Illinois and provides a mix of incentives to encourage businesses. These include sales tax exemptions, utility tax exemptions and investment tax credits. Also included are property tax abatement on building improvements and the waiver of business licensing fees. Since 1982 there have been 281,000 jobs created in Illinois Enterprise Zones.



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