

23 August 2013

Sam Haddad,
Director General,
Department of Planning and Infrastructure
GPO Box 39,
Sydney NSW 2001

Dear Mr Haddad,

Broader Western Sydney Employment Area draft Structure Plan

The Urban Taskforce welcomes release of the draft Structure Plan for the Broader Western Sydney Employment Area (WSEA). We agree that the WSEA is a significant part of western Sydney with the potential to boost the economy of the state. We also agree that there is an urgent need to provide jobs and investment in western Sydney and the WSEA has the potential to meet much of these needs.

The Broader WSEA is a vast area which requires bold planning and significant government investment to drive development outcomes, supporting growth and investment. The Government should be congratulated for taking on such a challenging but essential project. While we appreciate that the draft Structure Plan is only intended to provide a framework to guide future detailed land use and infrastructure planning and provision, we urge the Government to maintain a sense of urgency by ensuring that local environmental plans are amended and infrastructure provided as a matter of priority. In this regard, Government should not restrict development opportunities to a strict sequencing protocol but should look to development opportunities where sites may exist that are already serviced and could be developed now, if afforded the appropriate land use zone. For instance, we are advised that there are significant development opportunities along major transport corridors such as Mamre Road and Elizabeth Drive. If the Government was to adopt a strict sequencing approach, then such development opportunities may not be realised until sometime in the distant future.

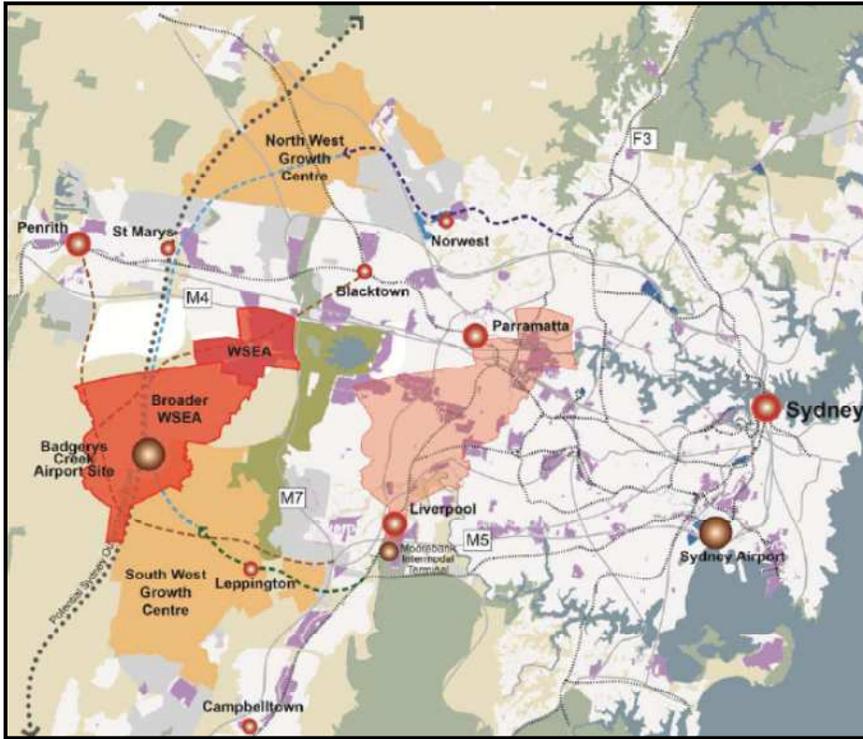
We all agree that jobs are in short supply in western Sydney and greater emphasis must be placed on creating an environment of opportunity and sense of prosperity to encourage investment into business ventures that will create significant numbers of jobs per hectare of land. Warehousing and distribution centres alone cannot do this.

We have reviewed the draft structure plan and provide the following comments for your consideration.

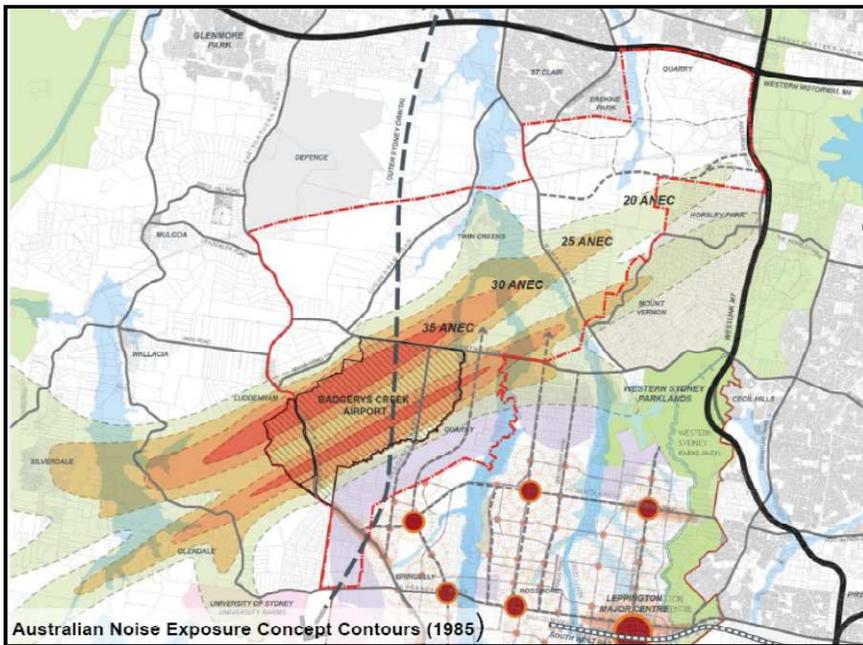
1. Jobs growth will come from a range of employment generating activities

Jobs growth will come from a range of land uses and it is for this reason that we suggest that no land use be prohibited. All forms of commercial development should be permitted including industrial, logistics, business parks, bulky goods, retail and business premises. This will permit a range of jobs to establish, maximising the potential for higher jobs per hectare.

As the following figure clearly shows, the WSEA is vast, covering more than 10,000 hectares – equivalent to four times the size of the City of Sydney council area. We argue that this suggests the need to consider the planning for a number of centres. It is understood that there is suggestion for planning of two new centres, but the potential for the establishment of multiple centres over time must not be discounted.



The vastness of the WSEA and variable topography also supports the potential to consider the establishment of residential areas in select locations.

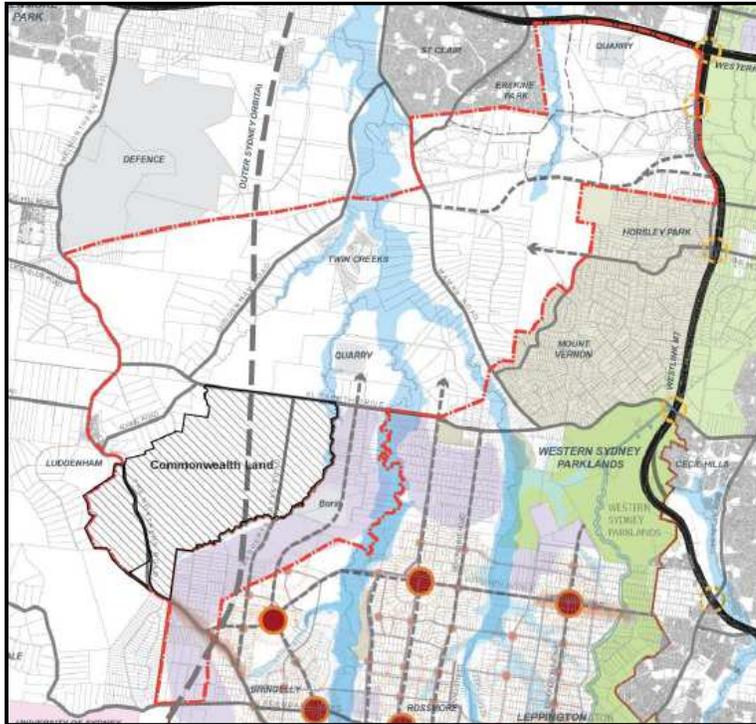


As the figure above shows, the area in the vicinity of the Twin Creeks Golf Club is outside of the highest area of noise affectation caused by airport operations. Therefore this land may be worthy of consideration as a location for future non-industrial uses such as executive

housing. Executive housing in close proximity to high-tech industry has proved to be a successful area shaper and attractor of investment.

2. Ignoring development of Commonwealth Land for a second airport limits the value of the structure plan

The Commonwealth has a considerable stake in WSEA. Its ownership of land reserved for the second airport for Sydney cannot be ignored in the planning of the WSEA.



It is unfortunate that the structure plan does not properly engage with the use of the Commonwealth land or the benefits that a second airport for Sydney would bring to the communities of western Sydney.

The benefits of an airport in this location are enormous and should not be overlooked.

Aviation and airports are vitally important entry points and essential for business growth.

If we do not invest and expand airport infrastructure, we will not be able to meet future business and tourism travel demand nor will we be able to cater for technological advancements. Investment in airport and supporting infrastructure would be significant for western Sydney and we should ensure that the opportunity that this provides is maximised. The presence of an airport and the additional infrastructure that it attracts must be seen as an advantage, valued and pursued as part of this planning process.

Land in the vicinity of an airport does not need to be a sterile undesirable area with only warehouse and low-tech industry. With appropriate design and planning, the area around the second airport for Sydney can be a vibrant business zone. Within this zone, all forms of land use could be permitted, provided such use occurs in appropriately designed buildings. There is no reason that office, retail, high tech manufacturing, warehousing and residential uses could not be located in the vicinity of airport development. In fact the land in the vicinity of Sydney's second airport should be viewed as an area of opportunity and commerce. This should be a district where intense, high quality industry and business activity is permitted. Within this area, appropriately designed and constructed residential development should also be permitted.

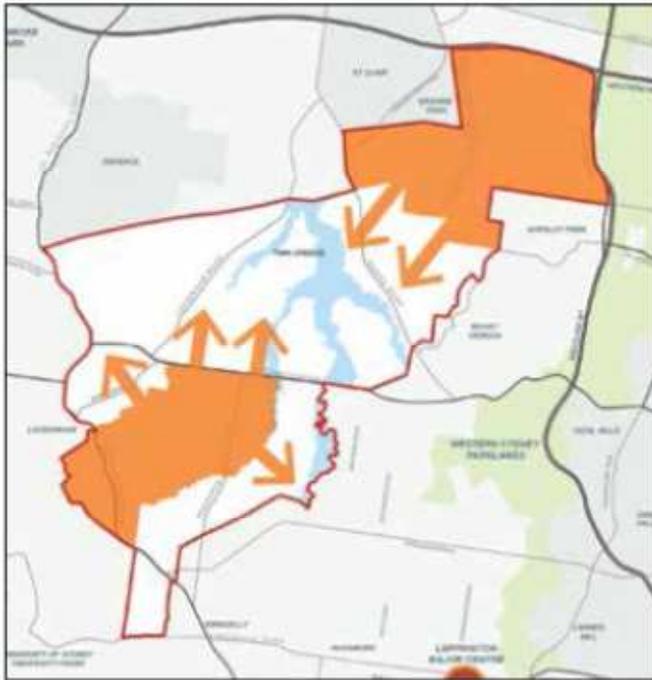
Sydney Kingsford Smith Airport will soon reach capacity and there is a need to move on the development of a second airport site to guarantee future capacity for the good of the state

and nation. However, while the governments, Federal and State continue to sidestep and delay a final decision on Badgers Creek, there is less value in this planning process.

If the Badgers Creek site is not to be for airport uses, then it is time for that land to be identified for other appropriate residential and/or employment generating uses. Delaying a decision on Badgers Creek is depriving the community of job-creating development opportunities and infrastructure.

3. Priority must go to areas where there is infrastructure

The provision of infrastructure is obviously a major challenge and could be a major impediment to development and jobs growth. This vast area is remote from critical enabling infrastructure. Furthermore, we understand that the Broader WSEA has approximately 1,000 landowners forming a fragmented land ownership pattern. While there are significant parcels of land in single ownership, the structure planning should not assume that it is only these parcels of land that are capable of development in the near future. Smaller parcels of land close to infrastructure or already serviced to enable development of employment generating land uses must not be discounted.



Staging or sequencing development from two fronts as shown in this figure is preferable than staging development from one front. However, the potential for out of sequence proposals must not be discounted. With a fragmented ownership pattern, Government must be open to any worthy development proposal and not be fixated with sequencing.

The planning process should permit proponent initiated expressions of interest for out of sequence development.

For instance, land accessible off Elizabeth Drive, at the East of the WSEA is worthy of consideration. Elizabeth Drive has been recently upgraded and will continue to receive further upgrades providing good access to the M7 and then

M4 and M5. We understand that there are lands along this corridor that could be considered priority locations for early development but may be out of sequence. Such lands should not be discounted as it could provide early development and job creation opportunities.

5. Boundary Adjustments

A boundary adjustment is proposed for Broader WSEA so that it includes only the identified Employment Areas in the Structure Plan and the excluded land areas will continue to be subject to existing planning controls. However, some of the lands excluded should be included because this land has a greater relationship with the future development within the

WSEA than the future development of the lands excluded from the WSEA. For instance, the figure below shows the proposed WSEA boundary excluding the area around the intersection of Mamre Road and Elizabeth Drive. Some of this land currently supports a mix of rural industry and land fill operations. Road infrastructure is relatively good and access to the M7 is excellent.

Part of the land is located within the South West Growth Area, but has little connection or contribution to the future of the Growth Area. The land is separated from the Growth Area by natural features, open spaces and existing land fill operations. Access to these lands is through the WSEA and will most likely support development for employment generating land uses, such as a mix of light industrial and supporting commercial land uses. In this regard it would be logical to include these lands within the WSEA.

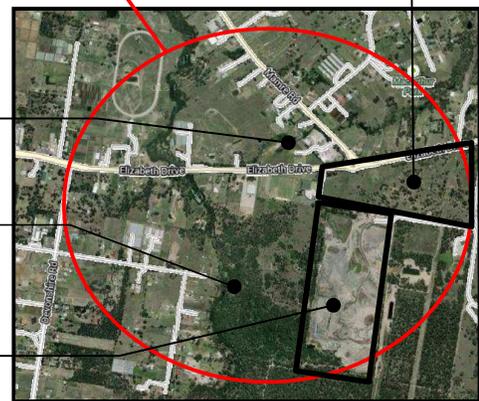


Serviced Land, single ownership suitable for development

Existing rural industry

Existing natural features isolating land

Existing landfill operations



6. The draft structure plan must encourage flexibility to take into account the changing nature of industry

Metropolitan Strategy has identified priorities for Broader WSEA including the encouragement of critical industries that support the economy and promote employment, such as industrial uses, freight, logistics and research and development functions as well as opportunities for agribusiness and food production. But the sheer size of the WSEA suggests that a much more diverse range of land use is possible.

We accept that the study area occupies a strategic location and has great potential. However, we suggest that the study area is strategically important, not only to traditional industry and logistics, but also to business, all forms of retail and even some pockets of residential uses.

Even if we were to accept that the area is to be "preserved" for employment generating land uses, then a broad definition of employment generating land uses and employment lands must be adopted. Clearly there are many non-residential uses that generate significantly more employment opportunities than traditionally defined industry, warehousing and logistics.

We appreciate that the Structure Plan is intended to provide a direction for land use and transport planning at a strategic level and that when made, the Structure Plan does not directly rezone land. However, even at the strategic level the structure plan should encourage local authorities to consider flexible zoning to make allowance for the changing nature and industry and the ability for other land uses to contribute more significantly to employment generation than traditional manufacturing and warehousing. In that regard, the plan should encourage the application of land use zones such as Enterprise Corridor (B6), Business Development (B5) and Business Park (B7).

The WSEA is an area that will evolve over time and will need to keep pace with the changing nature of industry. In this regard, it is logical that there could be a more flexible approach to zoning. The application of a zoning across the entire developable portions of the area that permits a variety of land uses would be an option worthy of further consideration. For instance, the Green Paper advised that the:

NSW Government will introduce a new land use class called an 'Enterprise Zone'. Enterprise Zones will be characterised by very little, if any, development controls providing they do not result in any significant adverse environmental impacts. Enterprise zones will generally be targeted to attract employment generating development but could provide opportunities for mixed use housing investment. In this regard, Enterprise Zones will constitute a more flexible zone.

The White Paper continues with the suggestion of this new zone and in this regard, consideration of the applicability of the Government's new Enterprise Zone would seem to be a logical inclusion into the plan to give the required encouragement and direction when more detailed land use planning follows.

If planning is directed towards generating employment, then land uses associated with the largest share of employment being, retail and office uses, must also be encouraged.

The nature of industry has changed and will continue to change rapidly. Changes in manufacturing processes, introduction of new high technology industry and the rise of larger format retail means that land traditionally seen as "industrial" must permit a variety of land uses, all of which are significant generators of employment opportunities. Hence, single use industrially zoned land is rapidly losing relevance.

The Productivity Commission found that:

Broadening the zones — for example, by limiting industrial areas to only narrow high-impact industrial uses and creating broad employment zones which can include commercial, light industrial, retail and even high-density residential where appropriate — and reducing

prescriptive land use conditions will free up land and make it available to its most valued uses...¹

The Commission believes that:

Only high impact industrial businesses would be located separately because of their adverse effects on other land users or because planning outcomes are improved through their location near major economic infrastructure.

Broader zones would remove the artificial distortions created by the current planning and zoning system both within retail (general retail and bulky goods) and between retail and other businesses (such as commercial and light industrial).²

In the Productivity Commission's separate (and final) report on planning, development assessment and zoning, the Commission said that:

For most businesses (commercial, service providers and some light industrial), there are limited and identifiable impacts associated with their location decisions and therefore few planning reasons why they should not be co-located in a business zone.³

The WSEA has the potential to be a significant employment generator for western Sydney. However, its potential will not be realised if future planning does not permit flexibility in land use and development staging. Furthermore, strategic planning for the WSEA cannot ignore the future land use of Commonwealth land.

The Urban Taskforce is a member of the Employment Lands Taskforce and is able to facilitate further dialogue between Government, landowner and developer. It is only through direct consultation with those who own land and those who are able to develop land can real development potential of WSEA be established and a supportive planning system developed.

Should you wish to discuss any of the above in more detail, please feel free to contact me.

Yours sincerely

Urban Taskforce Australia



Chris Johnson AM
Chief Executive Officer

¹ Productivity Commission, *Economic Structure and Performance of the Australian Retail Industry: Draft Report* (2011) 208.

² Ibid 222.

³ Productivity Commission, *Performance Benchmarking of Australian Business Regulation: Planning, Zoning and Development Assessments: Productivity Commission Research Report Volume 1* (2011) XLVI.