



Advocating for the people of Western Sydney

**RESPONSE TO THE NSW DEPARTMENT OF
PLANNING AND INFRASTRUCTURE ON
*THE BROADER WESTERN SYDNEY
EMPLOYMENT AREA DRAFT STRUCTURE PLAN***

AUGUST 2013

Western Sydney Regional Organisation of Councils Ltd

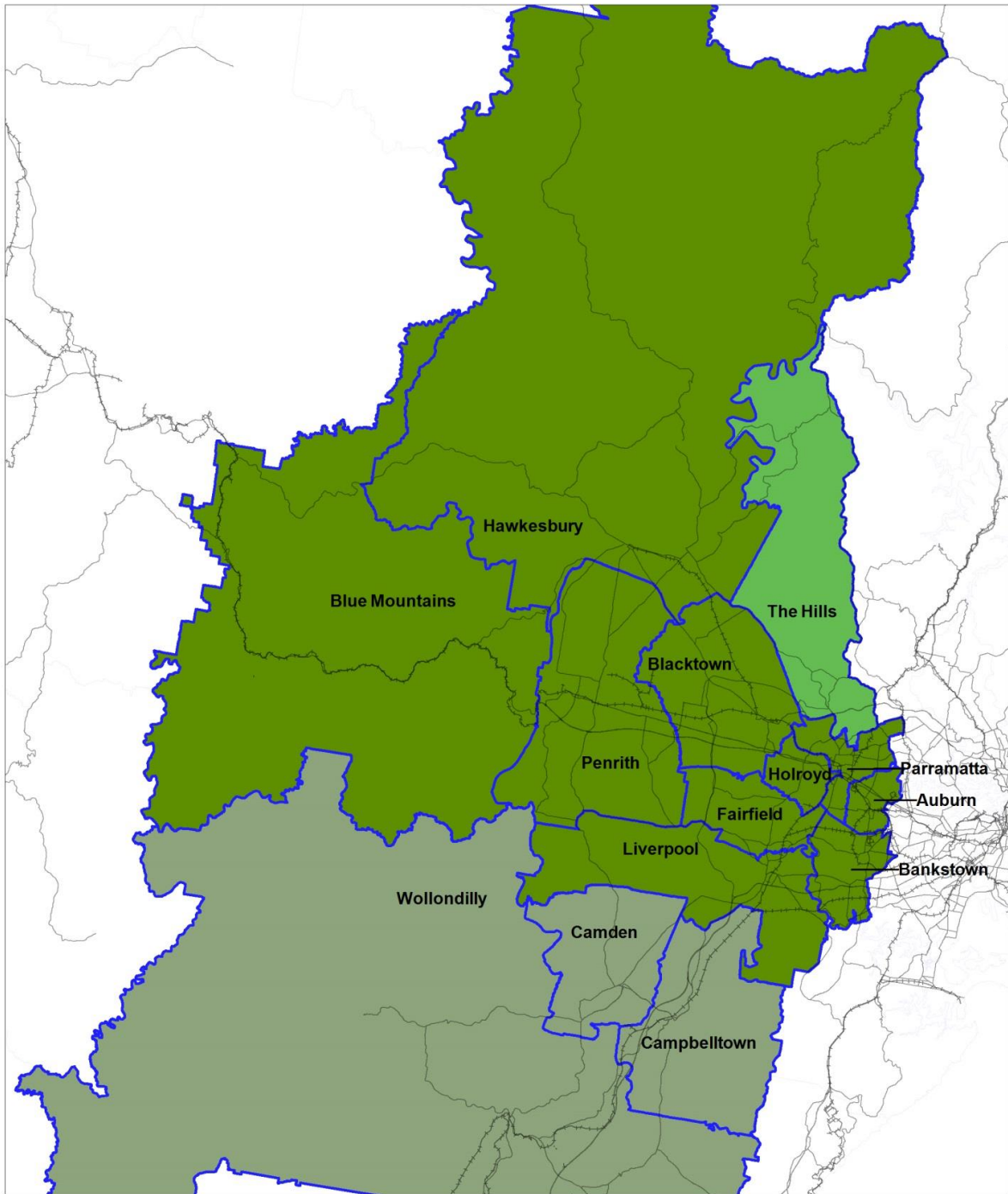
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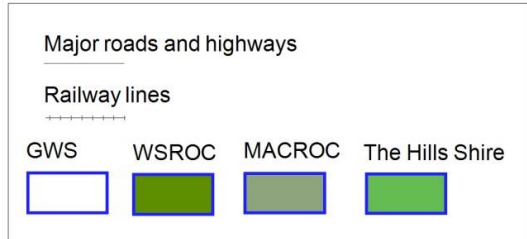
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GREATER WESTERN SYDNEY



Based on 2006 Local Government Areas
Source: ABS 2006
Produced by WESTIR Ltd.

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Introduction

WSROC welcomes the Government's focus on the Western Sydney Employment Lands and their recognition as one of the City Shapers in the recently released Draft Metropolitan Strategy. The challenge of generating enough jobs, enough jobs in Greater Western Sydney and enough of the right type of jobs in Western Sydney is arguably one of the greatest economic and social policy imperatives facing the NSW Government.

WSROC acknowledges the process of community engagement leading up to the development of the Draft Structure Plan and appreciated the opportunity to be involved in two workshops as part of this process. However, further extensive consultation will be required in developing the final plan and WSROC urges that western Sydney councils and other key stakeholders are fully included in that process.

WSROC welcomes many of the essential features of the Draft Structure Plan –

- the identification of 6,300 ha of new employment land and the prioritisation of employment needs
- the focus on identifying critical future transport corridors and a supporting road network
- identification of the need for an outer Sydney orbital and rail line
- the need for two freight rail corridors including the Western Sydney freight line and an outer orbital freight line
- the opportunities for two intermodal freight terminals including one at Eastern Creek
- an analysis of supporting services and utilities infrastructure needs
- a recognition of the possible role of the key Commonwealth Badgerys Creek site
- broader integrated planning issues that include strategic centres
- a consideration of environmental and biodiversity issues

However, while the general consideration of these issues is welcomed, WSROC has concerns about the detail of several aspects of the Draft Structure Plan. These will be discussed below.

The other point of a general nature that WSROC would like to make is that western Sydney councils affected by the Draft Structure Plan need to be actively and meaningfully consulted as part of the process. This particularly includes the four councils – Penrith, Liverpool, Fairfield and Blacktown - in whose LGAs the employment lands sit, but also others such as Holroyd through which proposed transport corridors would run. The importance of this area and the related planning issues also need to be included in any government consideration of local government boundary adjustments. As far as possible these need to facilitate and help simplify planning around specific major precincts and projects within the broader employment area.

Western Sydney's Current Employment Situation

1. Quantity

Greater Western Sydney's job deficit is estimated to be between 180,000 and 190,000. That is, each day over 180,000 commuters from Western Sydney cram onto public transport or clog the roads heading eastwards for work, mostly to Sydney's CBD, North Sydney or

Macquarie Park. The economic and social costs of long daily commutes on Western Sydney families, many of whom are in the lowest socio-economic strata, are considerable. So too, is the impact on Sydney's transport system and on the State's productivity.

Measures are urgently needed to close this job deficit and the focus on the Western Sydney Employment Lands is welcomed. However, its target of 57,000 jobs over the next thirty years is far from adequate if the situation is to be rectified. Even if the targets for the WSEA and the targets contained in the Metropolitan Strategy are reached, the situation will deteriorate markedly. Despite its claims, the employment targets are not adequate to "...support the population growth that is expected in Western Sydney over the coming years." (*Draft Metropolitan Strategy* p8)

As the Draft Metropolitan Strategy indicates, 70% of Sydney's population growth to 2031, 913,000 of the projected 1.3 million, is to be in Western Sydney – 89,000 in the West region, 355,000 in West Central and North West, and 469,000 in the South West region (p 87, 93, 95). This means that if the region's job deficit is not to worsen, around 70% of employment growth also needs to be in Western Sydney (allowing for slight variations depending on demographics). Yet the Plan's employment target is only for a 50% increase in jobs in the region. Instead of 437,500 new jobs, (70% of 625,000) Western Sydney's target is only 313,000 (West 37,000, West Central and North West 142,000 and South West 134,000). This means that the region's already unacceptably high job deficit will grow by another 124,500 over the next twenty years.

Sydney's transport system, either public or private will not be able to cope with another 120,000 commuters travelling from west to east each day - that is a 67% increase in the number of people daily leaving western Sydney on the roads and public transport system.

Billions of dollars are currently budgeted for transport improvements and this is necessary to improve the current unsustainable situation. However even the budgeted increases in expenditure will not nearly be adequate to support this massive increase in commuter numbers between now and 2031. The situation will deteriorate markedly. This will have profound social, economic, transport and environmental consequences not just for Western Sydney but for the whole city. This problem must be addressed as a matter of urgency.

Planning for the rapid release and development of employment land within the WSEA is an essential ingredient to addressing this untenable situation and is to be welcomed for this reason. However it is only one ingredient. It must not be seen as the complete answer to Western Sydney's employment needs and must not divert the Government's attention from other much needed initiatives.

2. Diversity

The other critical employment issue facing western Sydney is the lack of job diversity. The Structure Plan for the Western Sydney Employment Area must as far as possible facilitate the diversification of employment types by making the region attractive for a range of industrial and commercial activities. It is not just a matter of ensuring sufficient jobs for the region's projected population growth, but it is a matter of ensuring the right type of jobs.

Currently Western Sydney is seriously under-represented in professional employment opportunities, providing only 17% of Sydney's banking, finance and business services jobs,

but almost 60% of its manufacturing jobs (RDA Sydney Regional Plan for Sydney 2010). Over 30% of all western Sydney's jobs are in manufacturing, retail, construction, transport and warehousing. Because many of these industries are more subject to economic downturns and/or competition from overseas, exacerbated by the high Australian dollar, Western Sydney employees are more vulnerable to the threat of unemployment. Conversely, the comparatively low number of high level tertiary standard jobs means that a larger proportion of the region's highly qualified tertiary graduates must look outside the region to access suitable employment.

While the identification and release of employment lands is to be welcomed, its impact will be more on low density employment such as logistics, warehousing, transport and possibly manufacturing. It is therefore unlikely to address this imbalance and the danger is that it may even distract attention from this need.

Employment land must not include only industrial land, a point acknowledged by the Draft Structure Plan. It must provide opportunities and incentives for higher density, higher level jobs, commercial and high technology activities.

Business and professional jobs also need to be attracted to suburban centres in Western Sydney to provide a better range of employment opportunities for its residents.

Employment Lands Supply

The Employment Lands Development Program report (2010) clearly identifies the shortage of employment lands in Western Sydney.

The Employment Lands Development Program 2010 Report and its 2011 up-date spelt out the situation regarding the supply of employment lands in Sydney and Western Sydney.

The total supply of zoned employment lands in 2011 was 15,370 ha. Around 70% or 10,500 ha of this was in Western Sydney. Of this, 7,539 was developed and 3,163 undeveloped. Of the undeveloped land in western Sydney, only 830 ha are serviced.

This is only around four years supply and according to the ELDP Update Report 2011 "...falls under the supply standards ... which require a minimum of 5-7 years supply."

While the zoning and release of new employment lands is absolutely critical for long term investment and employment growth, the more immediate need is to service the existing supply of un-serviced land. This would add in excess of another 3,000 ha to the available supply. Closely related to this is the need to ensure that transport infrastructure provides the linkages to make its development a commercial proposition.

Low Take-up of Employment Lands

Recent years have seen the development of zoned and serviced land at lower than historic levels (153 ha in 2010, down from 205 ha the year before and 264 ha in 2008). There is no doubt the GFC and lack of business confidence has played a major part in this. However, disincentives such as excessive up-front contributions and levies and the complexity of planning and compliance frameworks often make it commercially unviable to develop the

land. These issues need to be addressed to encourage development. Further, the shortage of supply adds to upward pressure on land prices, thereby creating disincentives for take-up and development.

An ill-defined freight strategy and lack of adequate infrastructure and transport links no doubt exacerbate this.

If the Structure Plan is to maximise the potential of the employment lands, it must address these impediments as a high priority.

WSROC recommends that as a start, a thorough economic analysis be commissioned on the impact of levies on development and take-up of employment lands.

Types of Employment / Economic Activity

Employment land must not include only industrial land, a point acknowledged by the Draft Plan. It must provide opportunities and incentives for higher density, higher level jobs, commercial and high technology activities. Much of the current Western Sydney Employment Area consists of warehousing and logistics-based operations yielding job densities well below 20 per ha. Unfortunately this situation looks set to continue under the proposed new employment lands. With the planned release of another 6,300 employment lands yielding an additional 57,000 jobs by 2046, this represents a job density of less than 10 per hectare. Admittedly the longer term aim is for 212,000 jobs beyond 2046 but this would suggest that the emphasis of the region for the next thirty five years will be low density warehousing and logistics activities, similar to large parts of the existing Western Sydney Employment Area.

This is acknowledged by the Draft Structure Plan - “demand within the broader WSEA is likely to remain directed towards employment uses within the freight and logistics area” (p5) while “other factors such as population growth, transport infrastructure improvements and market conditions will take time to help drive other forms of employment” (p5).

This is not a solution to Western Sydney’s employment needs. It would be an unacceptable acquiescence to market forces that minimises the potential benefits of these employment lands and fails western Sydney. The acknowledgement that “Federal and State Governments could intervene through economic incentives or catalyst projects to increase the ...density of jobs” (p6) is more promising, but again lacks the commitment that is needed to maximise the potential of the employment lands and to seriously address western Sydney’s employment crisis.

The suggested list of incentives (p40) such as the “establishment of an advanced business hub... advanced manufacturing, agribusiness or food technology”, “economic incentives such as establishing a Special Enterprise Zone” and “catalyst projects that stimulate activity” need to be pursued with much greater determination. This requires a multi-departmental/multi-agency task force that includes the Department of Trade and Investment, the Department of Infrastructure and Planning and Treasury and the Department of Premier and Cabinet if it is to be effective.

Supporting infrastructure

The Draft Structure Plan rightly addresses the need for supporting infrastructure.

As pointed out above, the inadequacy of infrastructure is an issue in the existing WSEA, with only 830 ha of the 3,163 ha of undeveloped land currently serviced. The identification and release of a further 6,300 ha is essential long term planning but is of little real benefit if it is not serviced or capable of being easily serviced. As the Draft Structure Plan acknowledges, "...there is limited infrastructure available in the broader WSEA that would be capable of supporting the planned level of development". (p25)

If this issue is to be addressed it will require a concerted whole of government approach to providing the necessary infrastructure. Leaving individual agencies to act in isolation and to pursue their own timeframes will simply not suffice. What is desperately needed is a mechanism whereby the Government can require monopolies such as Sydney Water to coordinate its timeframe with the Government's planning priorities. This may require some brave and innovative initiatives by the Government but is necessary if its own planning priorities are not to be thwarted.

Alternatively consideration could be given to introducing private sector competition into the utilities market.

Unless the release of employment lands is backed by supporting infrastructure, it will not be attractive for development.

Transport

Passenger

Potential investors need access to supplies and markets as well as ready access for their employees, requiring efficient transport links, especially road connections with the broader arterial roads and motorways including the M4 and M7. Without these the take-up of newly released land is likely to be quite slow. One of the lessons from the current Western Sydney Employment Area is that this transport infrastructure needs to be in place concurrently with the land release. Leaving critical linkages such as the Erskine Park Link Road and Old Wallgrove Road until years later acts as a real impediment to development.

The proposed grid pattern of roads appears to provide a practical means of maximising both east-west and north-south traffic flows. WSROC doesn't have the specific local knowledge to comment on each alignment but does urge that planning is done in full consultation with the affected councils.

WSROC notes the identification of routes for a public transport corridor as part of this road network. The inadequacy of public transport across much of outer western Sydney has long been an issue in the region, particularly the lack of north-south public transport services, and this cannot continue if the proposed employment lands are to be effectively linked to residential areas. The proposed north-south public transport route linking Leppington to Mt Druitt and the second one linking Leppington to Penrith are particularly welcome. It is

essential that funding is made available to provide the services along these routes if they are not to remain as just lines on a map.

WSROC welcomes the identification of possible corridors for an Outer Sydney Orbital and the commitment of Transport NSW to investigate possible routes. This needs to be done as a high priority before further development makes it less viable. It also needs to be done in conjunction with the identification of a rail corridor linking the South West Rail Link with the main western line and further north with the North West Rail Link, providing a full north-south orbital passenger rail service for outer western Sydney. The Draft Structure Plan suggests Penrith or St Marys as probable linkage points, but further work needs to be done on this, including consideration of sites in between such as Werrington or Kingswood which would service UWS and Penrith's planned Health and Education precinct. Clearly extensive consultation is required with all stakeholders, particularly Penrith Council.

Freight

Proposed long term corridors are needed to reduce freight-induced road congestion and to further separate freight and passenger rail movements. Infrastructure planning and design must support the government's target of increasing the percentage of total freight that is carried by rail. Because most supply chains rely on both road and rail networks to reach their markets and customers, corridor identification and design must consider the need for a multi-modal outcomes that include both road and rail, linked to strategically placed intermodal terminals.

WSROC supports the two proposed freight rail corridors and the proposed intermodal freight terminals at Eastern Creek and adjacent to the Commonwealth land at Badgerys Creek in principle.

However, it is imperative that affected councils are actively included in the detailed planning. The proposed western Sydney Freight Line, for instance has considerable implications for a number of councils, particularly Fairfield and Holroyd and both Holroyd Council and WSROC have previously taken this up with Transport for NSW.

WSROC supports an outer western Sydney freight rail corridor alongside an outer Sydney road and passenger rail orbital. The plan for this to connect with the proposed Maldon to Dombarton Rail Line is supported as a potentially effective project to reduce road freight through western and south-western Sydney and taking pressure off Port Botany through better linkages with Port Kembla.

The exact route of these corridors as they pass through or near the Commonwealth owned land at Badgerys Creek needs to be considered in more detail in the light of decisions about the use of that land and in particular, a decision regarding Badgerys Creek airport (see below)

Second Sydney Airport

The stated objective "...to avoid incompatible development in the vicinity of a potential second Sydney Airport at Badgerys Creek" (p16) is understandable given the current debate about Sydney's aviation needs.

The Commonwealth-owned land at Badgerys Creek will be pivotal to the development of the Western Sydney Employment lands, whatever its use. The *Joint Study on Aviation Capacity for the Sydney Region* released last year identified Badgerys Creek as the preferred site for Sydney's second airport and while further studies are currently being undertaken on the alternate Wilton site, most analysts regard Badgerys Creek as the more likely final choice. There is little doubt about the potential employment benefits of an airport for western Sydney, with its potential to generate many thousands of higher order jobs.

Several comments need to be made in this context:

- Consideration needs to be made of the potential noise impacts of a Badgerys Creek airport. However, existing ANEF contours such as those shown on page 16 need to be updated to allow for technological changes that have produced quieter aircraft and therefore shrunk the extent of the noise contours shown.
- Infrastructure and transport planning must be designed to maximise the potential benefits of an airport at that location and detailed work is needed before deciding between the western alignment, central alignment and eastern alignment options indicated (p42). This must include consideration of maximising freight movement as well as facilitating road and rail connections for passengers.
- This planning must also include an analysis of its connections with the broader transport network across western Sydney and the projected increase in land transport traffic resulting from the airport – passenger, freight and employee traffic. It is imperative that the current transport challenges faced by many western Sydney residents are not exacerbated by the existence of an airport.
- A full economic analysis is needed to maximise the potential to attract higher order aviation-related industries to the region including the development of a strategic government approach to planning for those.
- If the Federal Government definitively rules out the Commonwealth land at Badgerys Creek as an airport, it is imperative that this land is used for higher order, intensive employment. Government support must be given to the development of a specialist technology and business park required to fill a major gap in south-western Sydney business and employment needs.

Agriculture

The Draft Structure Plan describes the study area as "... currently dominated by low intensity rural activities and intermittent rural-residential areas and serviced by minimal infrastructure." (p4). Given the threats posed to Sydney's \$1 billion+ peri-urban agriculture by constant urban encroachment and development - best estimates are that the area under agriculture in the Sydney basin has diminished from around 100,000 ha in 1994 to 82,000 ha in 2007 - efforts must be made as far as possible to minimise these impacts. While the proposed employment lands might not be as agriculturally significant or productive as those in other planned development areas, this factor still deserves careful scrutiny. Any more productive agriculture sectors should be identified with consideration being given to the development of intensive agri-businesses, farming research and food technology around them.

Environmental Factors

The Draft Structure Plan identifies “...areas of core habitat where the endangered ecological communities are at imminent risk of extinction in the study area.” (p27) It is imperative that the 16% of the study area that fits into this category is protected to prevent further threats to biodiversity through the removal of remnant Cumberland Plain woodland, listed as an endangered ecological community under the 1995 NSW Threatened Species Conservation Act. It is also vital that these are not just protected as isolated pockets, a practice that has occurred too often with past developments. For the longer term health of fauna in particular, it is essential that ecologically robust corridors are maintained to allow the migration of species from one pocket to another. It is also important that corridors are protected to retain links to the Western Sydney Parklands.

In this context WSROC welcomes the commitment to “further detailed studies and ground truthing” (p27) and urges that these are thorough and independently. There is no doubting the need for maximisation of employment generating opportunities in western Sydney but this must not come at the cost of biodiversity and the environmental health of western Sydney.

Consideration also needs to be given to the impacts of proposed development on the broader Hawkesbury-Nepean catchment system. This must include the impact of waste water, stormwater and sewage as well as environmental flows and nutrient levels downstream in the river system. It is ominous that these impacts are not mentioned at all in the Draft Structure Plan. The mistakes of the past cannot be repeated in a development of the size that is proposed.

Conclusion

As stated above, WSROC welcomes the focus on the employment needs of western Sydney. However, if the broader employment lands identified in this study are to deliver their potential for western Sydney, much work needs to be done to ensure they are fully serviced and supported by the necessary transport infrastructure. Every effort needs to be made to maximise job density and to ensure the generation of higher order professional jobs. Even then, the proposed employment lands are not a panacea for western Sydney’s employment needs. They do not replace the need for increased attention on urban renewal and the commercial revitalisation of key centres already existing across western Sydney. They can only be one part of an urgently needed multi-faceted approach to addressing western Sydney’s growing job deficit.

WSROC looks forward to further engagement in the consultation process as the Draft Structure Plan undergoes further iterations.