

7 September 2017

Ms Carolyn McNally
Secretary
NSW Department of Planning and Environment
GPO Box 39,
Sydney NSW 2001

Dear Ms McNally

Greater Parramatta Interim Land Use and Infrastructure Implementation Plan

The Property Council welcomes the opportunity to respond to the Greater Parramatta Interim Land Use and Infrastructure Implementation Plan (the Plan). The Plan draws together the various strategies and plans that are currently in place to guide development of the area. It also reflects the work of the Greater Sydney Commission thorough the District Plans and *A Plan for Growing Sydney - Towards our Greater Sydney 2056* in addition to the work currently underway on the Future Transport Strategy by Transport for NSW.

We understand that the aim of the Plan is to support job (113,000 new jobs) and housing growth (72,000 new dwellings) in the area over the next 20 years through the identification of future growth opportunities, an infrastructure schedule and related Special Infrastructure Contribution (SIC) levy and “developing and communicating appropriate planning pathways.”

The Plan also includes 12 precincts with their own opportunities, challenges and in some cases, masterplans or strategies already in place. These 12 areas are Westmead; Parramatta North; Parramatta CBD; Harris Park and Rosehill; Rydalmere; Carlingford Corridor; Silverwater; Camellia; Sydney Olympic Park; Homebush; Parramatta Road; and Wentworth Point.

It is understood that this Plan is not static and will change as more information is available and more research is conducted.

The Property Council is concerned that details outlining NSW Government development levies, namely Special Infrastructure Contributions (SICs), the Affordable Rental Housing Levy and Voluntary Planning Agreements (VPAs) are yet to be released. Industry is unable to provide a comprehensive assessment of the Plan in the absence of details about these levies. In addition, recent changes to local government Section 94 contributions, the removal of ‘caps’, casts further uncertainty over the feasibility of projects, with development costs largely being unknown.

We urge the Government to release details on proposed levies to enable industry to assess and comment on specific detail, and in regard to section 94 developer contributions, we encourage the NSW Government to intercede where councils seek substantial increases.

The Property Council looks forward to continuing to work with the Department of Planning, the City of Parramatta, and the Greater Sydney Commission on the future of the greater Parramatta region.

The Property Council provides the following comments on the Plan.

Governance and monitoring

There are currently multiple documents and plans from all levels of government that aim to plan the Parramatta and Olympic park region and encourage the region's growth. While all the documents contain similar sentiments of encouraging new homes and jobs and sustainable growth, each has different approaches.

The key to aligning the multiple plans is a transparent and consistent governance framework with clear monitoring metrics and consequences for under performance.

To link all plans, development capacity mapping out to 2036 must be included in any approach to strategically planning for the area. Such an approach provides a foundation of reliable information from which to plan for infrastructure and local services and to provide the industry and the community with a realistic outlook of expected growth. Development capacity should consider constraints such as heritage, current zoning, site amalgamation, fragmented ownership, existing strata titled buildings and the Urban Feasibility Model.

Mapping will provide a realistic picture of the capacity to reach housing and job targets in the long term and provide for accurate reporting on local planning for the Department of Planning and Greater Sydney Commission.

This information will then provide the basis to monitoring the growth of the area and performance of planning approaches.

Monitoring approaches including dwelling approvals, commencements and completions must be supported through establishing a baseline development capacity of the region.

It is not made clear what metrics will be adopted to monitor both the pipeline for additional jobs and housing throughout the district. If it is to be the supply of new, serviced land for either employment or residential uses then this information should be publicly available. The monitoring of council performance on development processing times is welcomed yet problematic as the Plan provides no information as to how this may be implemented or what the consequences may be for poor performance.

Clarity on infrastructure decisions

There is currently a disconnect between planning policy and infrastructure within the plan. This is mainly due to other strategies and transport planning not yet being complete and a lack of research in other areas. Planning decisions outlined in the Plan have not been based on the implementation of both the Metro West and the Parramatta Light Rail although those projects are alluded to through the potential for greater job and dwelling numbers:

"Work currently being undertaken by the NSW Government estimates that the priority growth area has the capacity to accommodate more than 100,000 additional dwellings and 300,000 additional jobs."

Only some of the required infrastructure for the area is currently known. The Plan clearly outlines the fact that more research is required to ascertain what social and recreational infrastructure and open space is required in the area with no research having been conducted since "desktop" research in 2015.

“While urban renewal projects in the growth area will result in additional dwellings and jobs, the cumulative impact of this renewal on existing facilities or staging of development of new facilities has not been adequately considered. A more robust assessment, that addresses cumulative impact, would allow for the more efficient planning and development of social infrastructure within the growth area.”

The prioritisation of this potential infrastructure or additional amenity must consider the affordability of local homes as each additional increase in the cost of development to pay for local amenity increases the price of a home.

Land planning decisions, particularly in areas such as Camelia and Silverwater, are also still in their infancy. The announcement of the Metro West route and the expected impact of this announcement on the route of stage two of the light rail are critical to future growth and the capacity for development in the Priority Growth Area. Decisions on these projects in addition to more comprehensive information on the social infrastructure is required to achieve a comprehensive land use and infrastructure plan that provides a realistic picture of growth, development, and related cost.

Housing affordability

Housing affordability is a challenge in NSW and particularly in Sydney. To address the problem a greater number of dwellings need to be built each year. Better strategic planning from councils that unlocks land, encouraging density around train stations and transport corridors, supporting social housing, an expansion of code assessment and a reduction of the tax impost on property are the key elements of any approach to housing affordability.

The Property Council welcomes the Plan’s focus on increasing residential density in some areas including the Westmead precinct and Carlingford Corridor.

Any housing affordability target, including the five to 10 per cent targets for affordable housing in the draft District Plans, must be incentives rather than disincentives to increasing supply by ensuring they operate as an FSR and height bonus and not based on currently ‘under-zoned’ land.

The Property Council welcomes the suggestion in the Plan that underutilised government land should be investigated for development for affordable housing.

Options for providing and discounting appropriate government land parcels for mixed affordable housing/apartments for sale projects should be investigated. UrbanGrowth NSW currently holds appropriate land parcels that could be re-purposed in this way.

Employment land

The protection of industrial zoned employment lands should be looked at strategically rather than in an ad hoc fashion. A regional approach to the protection and expansion of employment land is required that considers freight corridors, the encroachment of commercial and residential development and required buffer zones. The greater Parramatta area is recognised as having a strong manufacturing sector, with future growth in advanced manufacturing industries (pharmaceuticals and electronics) critical for jobs.

Much of the employment and urban services land in the district is crucial for short term to medium term growth and a guided precautionary zoning is required.

Thank you one again for the opportunity to provide feedback on the Plan. Please do not hesitate to contact our Senior Media and Policy Advisor William Power on 9033 1951 or wpower@propertycouncil.com.au, if you would like to discuss any aspect of this letter further.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'CThomas'.

Cheryl Thomas
NSW Deputy Executive Director
Property Council of Australia