



21 June 2013

Draft Metropolitan Strategy for Sydney
NSW Department of Planning and Infrastructure
GPO Box 39
Sydney NSW 2001

The Hon. Patricia Forsythe
Executive Director

Submission: Draft Metropolitan Strategy for Sydney to 2031

The Sydney Business Chamber ('the Chamber') welcomes and supports the direction of the *Draft Metropolitan Strategy for Sydney to 2031*.

As you may be aware, the Sydney Business Chamber is a division of the NSW Business Chamber and represents Sydney's leading corporations. The Chamber advocates for Sydney to be a competitive and sustainable global city. The Chamber strives to identify, develop and promote the major issues that contribute to economic activity and growth in Australia's only global city, Sydney.

The Chamber is supportive of the Strategy's vision for the Sydney metropolitan area. The Strategy's focus of planning around six geographic subregions and nine 'city shapers' will ensure a more coordinated and integrated planning process, where planning decisions are integrated with economic and social development outcomes, provision of transport and the delivery of infrastructure. The establishment of jobs and housing targets for the metropolitan and sub-regional areas provides a strong focus on growth and development.

However, it should be noted that urban planning alone may not have the capacity to deliver on the jobs and housing targets outlined in the Strategy. The financial feasibility of the required developments associated with the Strategy must be determined to ensure that targets are met. The financial viability of the Strategy and associated plans must be periodically reviewed in recognition of constantly changing market conditions and needs. Economic and industry development plans are required to ensure the jobs targets are achievable. The Chamber further notes that the Strategy does not make provisions for a second Sydney airport.

To ensure the successful delivery of the Strategy, the Chamber recommends that in conjunction with it, robust economic development plans be developed, particularly for Western Sydney. Such plans will help to identify the drivers to both meet, and potentially exceed, the Strategy's jobs targets and further promote investment in the region. Furthermore, to ensure alignment with the strategy and with the feasibility of local land use plans contributing effectively to the delivery of the strategy's targets land use plans at all levels should be assessed for their financial viability.

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Helping Sydney maximise its
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division of NSW Business Chamber
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The vision for the Strategy

The vision for the Strategy provides a sensible framework for planning, where targets, growth projections and outcomes are organised around major economic and social hubs, and vital transport corridors. The identification of a Global Sydney, including the CBD and surrounding suburbs, as one strategic centre is also welcomed. This approach recognises the need to focus on maintaining and promoting Sydney's position as Australia's only truly global city.

The identification of Parramatta as a second major CBD, and Penrith and Liverpool as regional cities is also welcome, enabling a city of cities vision for Sydney. Jobs and housing growth around these centres will ensure that all Sydney residents have appropriate housing options and can more easily access jobs opportunities.

The integration of the Strategy with the *NSW Long Term Transport Master Plan* and the *State Infrastructure Strategy*, along with the identification of growth areas and transport corridors will help to provide certainty in terms of the development of infrastructure and building construction, giving the private sector greater confidence to invest in potential infrastructure projects and undertake large-scale urban developments.

The Chamber also supports the identification within the Strategy of areas centred around economic infrastructure, such as sea-ports and airports, and associated transport corridors to allow the transport of freight and ground access to these vital growth areas. While the Strategy has rightly identified and accounted for key pieces of economic infrastructure and associated transport corridors, such as the ports precinct and intermodal facilities, there is no provision for a second Sydney airport. Given the 20 year horizon for the Strategy, and the increasing demand for air travel, the failure to identify and protect a corridor for a second airport for Sydney is a significant omission. To put this shortcoming in context, the Strategy identifies corridors for a High Speed Rail network that will not proceed for potentially another 40-50 years. Failing to recognise the need for a second Sydney airport within the timeframe set out by the strategy will impact significantly on the future growth potential of our city.

As was made clear by the 2012 *Joint Study on Aviation Capacity in the Sydney Region* Badgerys Creek remains the most suitable location for a second Sydney airport. This has been further supported by the Federal Government's recent report entitled *A study of Wilton and RAAF Base Richmond for Civil Aviation Operations*.

In addition, given the size of Western Sydney's population and economy, it is vital for the economic development of Western Sydney that there is an airport for the region. An airport in Western Sydney will not only improve access for the region, it will also serve as a major catalyst for job creation. As discussed below, Western Sydney needs greater employment opportunities within the region to drive economic development and to prevent further strain being placed on Sydney's east-west transport network. International experience shows that for every million passengers, an airport creates 1,000 jobs – through both direct and indirect employment and with most of this employment being generated in the local economy an airport would both be a key driver in overcoming the significant jobs deficit faced by the region as well as help to alleviate the congestion and its consequent productivity impacts on the region and NSW as a whole.

With respect to passenger transport and infrastructure, the Chamber welcomes the identification of key radial road and rail networks linking urban areas to the city centre and links to provide additional transport options between regional centres. The Chamber is supportive of cross



regional links and highlights the Parramatta Light Rail proposed by Parramatta City Council linking Parramatta to Macquarie as a sensible and cost effective example.

The Chamber expects that sub-regional and local plans will identify soft infrastructure needs that will encourage active transport, including the delivery of appropriate urban designs, the provision of public spaces, footpath and cycle-way networks, and appropriate lighting. Planning is at the heart of keeping our communities healthy and active, and is particularly important in light of an aging population.

The Chamber is pleased that the Strategy aims to deliver medium and high density housing around existing and future employment centres and transport corridors. This is in line with recommendations made by the NSW Business Chamber in its *10 Big Ideas to Grow NSW* campaign. There is a critical need however to educate and communicate to the general public about the variety of densities available to meet housing targets. Increased densities can be tailored to provide a mix of housing and public spaces for residents. In Vancouver for example, there is a focus of delivering mid-rise housing options near transport corridors and local centres. These are four to five storey buildings that are keeping with the aesthetics of suburban communities.

Housing and jobs targets

As identified in the Strategy, the population of Sydney is expected to rise by more than 1.3 million and will require an additional 625,000 jobs and 545,000 houses by 2031. The Chamber commends the Government on the outcomes focus of the Strategy and supports minimum jobs and housing targets for the metropolitan area and specified sub-regions. Minimum targets should be seen as benchmarks, and local councils should be incentivised and rewarded for exceeding targets. The Chamber also notes that land-use planning alone will not be sufficient in delivering on the jobs and housing targets. This is particularly true for Western Sydney.

If the targets identified by the strategy are to be met, it's essential that land use plans underlying the plans delivery are assessed for their financial viability. Market forces are the key determinant of new building construction and, as a result, housing targets ultimately rely upon the viability of developments within local plans and associated development zones. The *New Planning System for NSW White Paper* ('the White Paper') outlines the need for an urban feasibility model to ensure that targets, zoning decisions and development standards will not be a barrier to development. The Chamber welcomes this move, however, is unclear how the Strategy and associated plans will remain in sync with constantly changing market conditions and needs. It is therefore recommended that all planning and zoning decisions ensure the financial viability of desired developments, and that such assessments are undertaken periodically.

A more holistic approach to jobs creation is required to meet the targets set out in the Strategy, particularly in the Western Sydney sub-regions. According to the Western Sydney Regional Organisation of Councils, one in three Western Sydney residents travel outside their area for work. The Strategy designates the Western Sydney Employment Area as the single largest new employment space in the Sydney metropolitan area. It is envisaged that the area will provide significant job opportunities for the people of Western Sydney through strategic land release and the identification and protection of transport corridors in the area. However, there is little in the Strategy to increase the demand for employers to relocate to the area. The Chamber recommends that the NSW Department of Trade and Investment be tasked with coordinating an economic development plan for the Metropolitan Strategy. This will provide a road map to realising the ambitious jobs targets for each region in the Strategy.

While the supply of commercial and industrial land in Western Sydney is a factor impacting on jobs demand in Western Sydney, it is far from being the critical factor in businesses choosing not to relocate to the region. Similarly, transport is a derived demand and therefore increased transport connections to and from western Sydney is unlikely to generate significant employment growth in and of itself. The Chamber believes that the Strategy needs to recognise and work to develop an economic driver to encourage employment growth within the area. The establishment of a Western Sydney airport at Badgerys Creek would provide a major catalyst for investment and new jobs growth in the region and should be accommodated and planned for within the timeframe of the metropolitan Strategy. More local employment opportunities in Western Sydney will also help to ease the pressure on existing transport infrastructure.

While the *NSW 2021: Western Sydney and Blue Mountains Regional Action Plan* identifies economic development as a priority, it sees urban planning and the agricultural sector as the primary driver for economic development in Western Sydney. Similarly the NSW Department of Trade and Investment's *Industry Action Plans* are not region specific and do not specifically provide Western Sydney with economic development opportunities. The Chamber believes a more broad based approach is needed. It is therefore recommended that a robust economic development plan be created to generate the demand for employers to relocate to the area.

While targets provide focus and benchmarks for the delivery of the Strategy, the announcements of targets in and of themselves are likely to be treated suspiciously by the general public given the history of unmet targets. Chamber stakeholders have further highlighted their frustrations with other Government strategies and targets left in draft form and continually changed, negating any confidence that the vision and targets will ever come to fruition. The Strategy and associated targets must be finalised and adhered to.

Delivery of the Strategy

The Chamber recognises that delivering the Metropolitan Strategy requires a coordinated approach from all tiers of government and that the facilitation of this work is dependent on the proposed changes to the planning system outlined in the White Paper. Furthermore, the Chamber believes that the Strategy and the outcomes from the Independent Local Government Review Panel must be aligned, given the central role of local government in delivering the vision and targets of the Strategy. This may entail significant changes to the boundaries of existing councils and the establishment of new local government areas, and consequently entail changes to the delivery of the Metropolitan Strategy to ensure optimal outcomes. The Chamber will be providing submissions to the White Paper and local government review consultation process emphasising these points.

However, in the context of the Metropolitan Strategy the Chamber acknowledges the critical need for the targets identified within the metropolitan strategy and other strategic planning documents to cascade down into clear and achievable targets at the local plan making level. Achieving this co-ordination between strategic plans and local delivery plans will help to address the implementation failures of previous metropolitan strategies.

The Chamber is however concerned that the current resources of the Department of Infrastructure and Planning is insufficient to implement and oversee the Strategy, particularly at the local plan and local council level. With 41 councils in the metropolitan area to oversee, overseeing the resources required to support the development and delivery of 41 local plans will be significant. Furthermore, the chamber questions the willingness of local councils to cooperate and collaborate on regional and sub-regional plans. As an example, the proposed



Sydney central region's plan would require collaboration and coordination with 17 local councils. This is a sizeable task.

The Chambers wish to thank the Department for seeking comment on the development of the Metropolitan Strategy. Should you have any questions or require additional information, please contact Ash Salardini, Policy Advisor, NSW Business Chamber on 9458 7491 or ash.salardini@nswbc.com.au or Patricia Forsythe 9350 8101 patricia.forsythe@thechamber.com.au.

A handwritten signature in blue ink that reads "Patricia Forsythe".

THE HON. PATRICIA FORSYTHE
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