

18 December 2019

Ms Lucy Turnbull AO
Chief Commissioner
Greater Sydney Commission

By Email: engagement@gsc.nsw.gov.au

Dear Ms Turnbull,

RE: Implementing the Place infrastructure Compact framework

The Urban Development Institute of Australia – NSW Division (UDIA) recognises that the Sydney community demands a transparent and robust planning framework, one that supports logical and sequential development, coordinated with essential enabling transport and community infrastructure.

UDIA is pleased to make this submission into the Greater Parramatta and Olympic Peninsula Place-based Infrastructure Compact Pilot (PIC). UDIA remains strongly supportive of the conceptual PIC model, believing it has the clear potential to help support an efficient, transparent, accountable, predictable and equitable infrastructure funding and coordination regime.

The critical achievement that we acknowledge is bringing together a collaboration of infrastructure agencies to plan for a place, prior to development occurring, which should align capital expenditure so infrastructure and growth are aligned. UDIA congratulates the Commission on delivering this Pilot.

Unfortunately, the PIC in its current form lacks the transparency to demonstrate to industry that it provides an efficient, accountable, predictable, and equitable infrastructure decision-making which informs planning decisions.

UDIA raised these concerns in a workshop with yourself on 8th November and reiterated these concerns on 17th December. As many of the underlying inputs(which are required to properly scrutinise the PIC results) we are advised remain cabinet-in-confidence, UDIA and its membership are unable to engage in a meaningful and informed discussion about the PIC and its results. Having said that, we welcome the place-based based approach to infrastructure as it has the potential to:

- Provide predictability to industry and community about infrastructure delivery and sequencing.
- Inform planning decisions to prioritise great places.

With that in mind, we make the following comments to seek to improve the PIC process and add confidence into the PIC:

1. **Incorporate Local Government in the PIC** – We recognise the Commission has acknowledged in future it will seek to collaborate more closely with local government, as it is disappointing the PIC wasn't aligned with the Parramatta LSPS. We note in the Draft Paramatta Submission to the PIC, the Council highlighted its desire to be more involved in the preparation of the PIC stating that close collaboration would "help in the preparation and successful application of these models in the future".

2. **Explicitly include discussion of benefit in the PIC** – In practice, the PIC appears to provide a cost-lens only, without consideration of potential benefits that can be realised to a city or a location, we note there is some work on net benefits included in Finding 1 (of the PIC), although it seems to be lost at the place-level in Finding 4. This means that where the PIC informs planning decisions, such as prioritisation, the analysis only considers cost and not benefits. GSC has provided a summary of various growth scenarios, but with no breakdown into precincts. We recommend full disclosure of this analysis so industry can help inform potential greater future city outcomes, in order to improve planning.
3. **Clarity on PIC timeframes** – Throughout the PIC it is unclear through what temporal span the PIC considers the city i.e. a 10, 20, 40-year lens, and on which lens the decisions are being made. The scenarios are 40 years (p 33), the infrastructure requirements are 10 years (p33), the capital cost of infrastructure is over 20 years (p 35). The lack of consistency and supporting documentation make it challenging to assess what the PIC considers.
4. **Release supporting studies** – There are no supporting studies for the PIC, one of the important achievements of the Region Plan was releasing the supporting studies, which provided an evidence base to create discussions and persuade industry and community that the strategy was sound. Wherever, possible supporting studies should be released alongside the PIC documents. This information which is required includes:
 - Assumptions used to calculate the forecasted dwelling and job targets for the four growth scenarios for 10, 20, and 40 year time periods in the model;
 - Qualitative data used in the model to calculate the cost of growth per precinct;
 - Methodology and data used to calculate the net benefits of each growth scenario in relation to the cost of infrastructure compared to the place-based benefits;
 - The estimated cost of the infrastructure priorities;
 - The process undertaken to calculate total infrastructure costs;
 - More detail around the apportionment approach for infrastructure costs;
 - Detail about how funding sources were determined and allocated to different infrastructure priorities.
5. **Metro Connecting the Future City** – PIC appears to consider the West Metro station locations in GPOP. However, it is unclear how this short-term cost focussed approach can address the city shaping issues which need to be considered to ensure Sydney's second CBD is given the necessary infrastructure to become the Central City. This needs a very long-term assessment of the future city potential looking up to one hundred years in the future to ensure the right alignments are delivered.

To be successful as Sydney's second city in the GSC polycentric strategy Parramatta needs to at least double the number of jobs and should be seriously considered for regional rail connections to Newcastle and Wollongong as currently under review by Professor McNaughton. As part of these regional connections, corridor preservation for Sydney metro rail should be maintained to create a Central City North-South Rail Spine. Parramatta must be targeting global leadership as a 'second city' along with Rotterdam, West Midlands Conurbation, and San Jose, which have connection within the city catchment and connection to other cities in the conurbation.

UDIA has piloted an Urban AI model in Western Sydney, which provides a machine learning approach to forecasting and modelling the future city enablement from rail investment for the Western City through the full provision of the Greater Western

Sydney Metro. This approach could be leveraged to model the long-term value of the future city in GPOP including the potential for Regional and Metro rail connections.

6. **Provide a clear infrastructure list required for a place and triggers** – The PIC provides insufficient detail on infrastructure required. Provision of a list with investment triggers such as dwellings, floorspace, occupation for each infrastructure item, would help provide industry and the community with confidence that certain infrastructure will be completed.
7. **Create a governance structure to deliver infrastructure** – While planning for infrastructure is important, government needs to create the governance and accountability to ensure the infrastructure is built. This can be supported by reporting the performance on agencies to deliver the infrastructure, potentially incorporated through the Greater Sydney Commission's Pulse.

Tracking growth and infrastructure delivery through an Urban Development Program, which tracks growth and infrastructure gaps on an ongoing basis provides a common-starting point to bring the coordination and accountability to deliver infrastructure.

The UDIA is collaborating with local government and key servicing agencies on an Urban Development Program (UDP) in South West Sydney, following our successful pilot in Blacktown this year, which provides a clear five-year vision on growth and infrastructure. We would be pleased to incorporate Commission representatives into the South West UDP Demonstration.

8. **Provide for continual review to adapt to industry changes** – The PIC provides a prioritisation framework over the medium-term; however, there does not seem to be a process for continual review to ensure that the work remains relevant to current market conditions as well as the city's preferences. We seek further clarification as to the continual review process for the PIC.

Many of these recommendations highlight the need for additional information, we have applied this to a case study of the Camellia Precinct as set out below.

Case Study: Camellia

The UDIA has prepared this case study to highlight industry concern about the level of transparency in the PIC.

Background

The Camellia Precinct has historically been an industrial precinct, which had been identified for a new town centre incorporating 5,000 jobs and 10,000 homes within walking distance on light-rail. It was identified by the Department of Planning, included in the GSC District Plans, and confirmed in the draft Paramatta LSPS.

As a former industrial precinct there are substantial flooding and contamination concerns that need to be resolved.

Findings in the PIC

The PIC identifies Camellia as having extremely high cost to accommodate a new resident or job in the 'Transformative' Scenario – in excess of \$100,000 per dwelling or job. UDIA understands this is due to the proposed upgrade of James Ruse Drive.

UDIA Analysis

While, we understand the key cost driver for Camellia is James Ruse Drive, this has not been confirmed by the GSC. We also consider it is likely to be a project that will need to

occur regardless of development in Camellia. Furthermore, proponents in Camellia have proposed a ‘three bridge’ solution, which would mean Camellia could be disconnected from James Ruse Drive, meaning the upgrade is not required and the cost should not be included.

In their draft submission, Paramatta Council noted that the position in the PIC does not align with the DPIE master-plan, the Planning Proposal, and recommended further analysis of the cost of growth under various land use scenarios is required to determine the most suitable uses and density for the precinct.

Conclusions

Discussion about growth in precincts, such as Camellia would be improved with a better understanding of the costing and assumption by industry, community, and government. This work should be completed with close involvement of Parramatta City Council and long-term analysis of the future city potential.

We understand there are intentions to continue the PIC roll-out to other parts of Sydney, particularly the Aerotropolis and the Greater Penrith to Eastern Creek corridor. UDIA makes the following recommendations to provide greater confidence as we seek to collaborate on the future city:

1. Include Council as a key stakeholder and participant in the PIC
2. Regularly engage with industry, as well as providing evidence for decision-making in the PIC
3. Provide greater detail about the assumptions and the breakdown of the conclusions to allow co-designed solutions to be achieved.
4. Complete long-term analysis of the future city potential to provide a more complete cost-benefit analysis.

Providing this transparency and alignment will ensure that there is confidence in infrastructure decision-making and a robust evidence-base that can be challenged and defended in a meaningful way. With further information, UDIA will be in a position to make a significantly more informed submission that considers the future city and fully assesses the decisions made by the PIC. Therefore, we request the opportunity to make a further submission as more information becomes available and would be happy to attend further meetings and to work with UDIA members to improve the GPOP PIC.

We look forward to your response at the earliest opportunity. We would be pleased to continue our discussions with the GSC to assist in promoting a strategic place-based approach to infrastructure, please contact Sam Stone, Manager, State Policy and Government Relations on (02) 9262 1214 or at sstone@udiansw.com.au to arrange.

Yours sincerely



Steve Mann
Chief Executive