

18 September 2023

The Hon Cate Faehrmann MLC
Chair
NSW Portfolio Committee No.6 - Transport and the Arts
NSW Parliament
Macquarie Street
SYDNEY NSW 2000

RE: UDIA SUBMISSION TO THE INQUIRY INTO THE CURRENT AND FUTURE PUBLIC TRANSPORT NEEDS IN WESTERN SYDNEY

Dear Ms Faehrmann,

The Urban Development Institute of Australia NSW (UDIA) is the state's leading development industry body, representing 450 member companies and agencies across the public and private sector. We invest in evidence-based research to inform our advocacy to Government, which enables our members to create liveable, affordable, and connected smart cities.

The UDIA welcomes the opportunity to respond to the NSW Legislative Councils Inquiry into the current and future public transport needs in Western Sydney. We are pleased to see that significant steps are being taken to progress the delivery of new infrastructure transport and services across Western Sydney. Vital transport links play an important role in providing affordable and accessible housing across different parts of Western Sydney. Infrastructure that is planned, funded and delivered also supports both the development industry as well as supporting the creation of new, connected and accessible communities.

Industry requires certainty from Government, agencies and delivery authorities in order to commence and deliver developments across communities in Western Sydney. Delivering the housing and jobs that Western Sydney needs, is a challenge made only more difficult due to the immense public investment needed to deliver the required infrastructure. Government and industry are realistic in our expectations of delivery timeframes, particularly considering the existing commitments and budgetary constraints.

UDIA and its members stand ready to work with government on the planning and delivering of rail and other public transport, which will underpin the goal of rapidly delivering new housing, jobs, town centres and communities, educational and health facilities in Western Sydney. To ensure an efficient and effective public transport system in Western Sydney, UDIA has made the following recommendations:

Recommendations summary:

1. That the NSW Government builds the Southwest Rail Link Extension by 2031 and the full North-South Rail link by 2035 and plans for additional rail lines to better connect the Western suburbs.
2. That NSW Government plan for increasing the number of stations, providing higher densities and creating cities within cities at key transit hubs across Greater Western Sydney.
3. The NSW Government prioritises funding for high priority roads in and around the Aerotropolis to support the delivery of new public transport routes.
4. The NSW Government develop rapid bus transport routes and options in and around the Western Parkland City connecting priority precincts such as Penrith, Parramatta and Liverpool with the Aerotropolis and Bradfield centres.
5. The NSW Government establishes a Housing and Infrastructure Coordination Committee, chaired by the Cabinet Office and supported by the Department of Planning Greater Cities Commissioner and Infrastructure NSW and empower the Committee to call in all Department Secretaries responsible for the delivery of key public transport and other city shaping infrastructure such as water, wastewater and roads.
6. That the NSW Government supports existing regional centres through the establishment of a \$1 billion urban renewal fund for Greater Western Sydney, which focuses on creating working hubs in strategic centres to encourage 30-minute city solutions.
7. The UDIA recommends the NSW Government establish a Delivery Authority to lead the creation of Transit Oriented Development (TOD) Precincts from planning through to implementation.
8. The Government develops a whole of Government policy approach to works-in-kind agreements, including using the Housing and Productivity Contributions Framework to support agreements between private developers and government which can unlock essential regional scale transport and enabling infrastructure.

NextGen West Campaign:

The UDIA's policy platform for Western Sydney "NextGen West" Manifesto launched in February 2023 and recognises the need for accessible, affordable and reliable transport options across the region. NextGen West identifies the six critical areas necessary to ensure that Greater Western Sydney contributes to Sydney's growth and global competitiveness. Focussing on six key pillars, we identify the policy settings needed to address the imbalance of jobs across the six cities region and create opportunities for more diverse jobs across GWS including at the Aerotropolis and in the key regional centres of Penrith, Blacktown and Parramatta.



- NextGen West Manifesto -
A vision for Greater Western Sydney
February 2023



NextGen West is a strategy designed to improve regional access and ensure that informed decision-making leads to infrastructure coordination and a significant increase in amenity. The six pillars of NextGen West call for:

1. Essential Infrastructure covering both city shaping and critical enabling infrastructure which is required to service future growth and better connect the West with the West.
2. Housing Affordability measures for GWS to ensure the right balance of density and diversity to address the housing affordability and supply crisis across NSW.
3. Jobs and Employment initiatives provide an environment of certainty with the right jobs closer to home for the people of GWS.
4. Simplifying governance and planning pathways with the right framework to get the planning decisions we need for GWS in a timely manner.
5. Environment and Resilience measures that enable communities to better withstand environmental challenges and which include biodiversity outcomes that are realistic, affordable, and achievable.
6. A greater investment in social and cultural infrastructure to improve urban environments and public domain areas together with funding for arts and culture that will build upon the rich diversity that exists, and which should be celebrated.

The UDIA's NextGen West platform is the summary of two years of work from UDIA's NextGen West Leadership Panel – represented by leaders from Local Government, State Government Agencies and the development industry. NextGen West represents the voice for GWS to ensure the region, cities and neighbourhoods emerge as desirable places to live and work. Implementation of our pillar recommendations, with the right investment and the right decisions that achieve better productivity and liveability outcomes, will ensure that GWS will emerge as a globally recognised growth area.

As part of the NextGen West Campaign, the UDIA undertook an assessment of the three cities in Greater Sydney, developing recommendations based off comparative assessments of the three cities in Greater Sydney. Our assessment has identified target areas which informed the Campaigns six key pillars and recommendations, presented Table 1.

Table 1:

Issue	Western Parkland City	Central River City	Eastern Harbour City
Population Growth (DPE Population Projections 2022)	2021: 1.14 million 2041: 1.51 million (+32%)	2021: 1.84 million 2041: 2.36 million (+28%)	2021: 2.02 million 2041: 2.28 million (+14%)
Household Salary (Mean Employee Income – ABS)	\$60,300	\$62,100 Mean Employee Income - ABS	\$83,100 Mean Employee Income - ABS
Median Weekly Rent (CoreLogic -October 2022_	\$600 (27% above average) Median Rent)	\$680 (23% above average) Median Rent)	\$1,100 (21% above average) Median Rent)
Mortgage Stress (Repayments > 30% of Income - ABS Census 2021)	20.1% People with Mortgage	22.1% People with Mortgage	19.7% People with Mortgage
Unemployment Rate (ABS – 2022)	6.3%	5.5%	2.8%
Proportion of residents living in a detached	81%	57%	33%

dwelling (Source: ABS Census 2021)			
Travel Time on Trains (Average minutes on the train – TfNSW)	37.9	27.5	20.7
Car Dependency (% Total Trips by Vehicle – TfNSW)	75.8%	62.8%	48.3%
Number of Theatres to hold a major production	2	1	34
Number of Heavy and Light Rail Stations / Lines*+	39 4 lines	99 6 lines incl one light rail and proposed lines	121 9 lines including 2 light rail and proposed lines
Stations per population	1 station per 30,000 people	1 station per 23,000 people	1 station per 15,000 people

Western Sydney falls behind the Eastern Harbour City for most livability indicators however, this presents a unique opportunity for the Government and industry. From the assessment presented in Table 1, it is clear that all the worst performance indicators are in Greater Western Sydney (except the percentage in detached housing). The most notable differences between the cities are evidenced in the Western Parkland City and Eastern Harbour City, especially in the areas of access to public transport and major social and cultural institutions. There is a large part of the Central River City that is poorly serviced by the Sydney rail network. Clearly in terms of access to public transport (stations) there is a mismatch in relation to the more established Eastern Harbour City, which has almost four times the number of stations and more than double the number of heavy and light rail lines. As a result, car dependency is significantly higher in the Western Parkland City compared to the Eastern Harbour City and time spent on public transport is typically two and three times longer.

Filling existing gaps in the public transport network

The Western Parkland City and Bradfield centre more specifically is set to emerge as the third major city in Greater Sydney, with up to 184,500 new homes and 200,000 new jobs by 2036. Inadequate public transport is evident across the West, with on average 1 rail station per 30,000 people in Western Sydney, compared to 1 every 15,000 people in the Eastern suburbs. Historically NSW has not taken full advantage of city shaping opportunities for key transport infrastructure in Greater Sydney, instead it has focused on siloed business cases for transport with a focus on travel time savings e.g. 20 minutes travel time between Point A and Point B. Often this approach centres on the now outdated concept of delivering shorter travel between existing CBD centres rather than the power of rail infrastructure to support the creation of new employment and housing centres in between existing CBDs – a “Cities within Cities” approach. The current Transport approach typically results in fewer stations, which generate additional dwell times, and favour travel time objectives over place creation. This has occurred with the West Sydney Metro which has large distances between stations (6km between Olympic Park and Parramatta).

The scale of public transport infrastructure needed to service Western Sydney is significant and will therefore take time to deliver. However, integrated land use planning along already protected rail corridors should commence immediately, so that landowners and developers have the certainty required to plan for long lead time projects, but more importantly so that community benefits from the eventual delivery of the infrastructure can be maximised. Strategic planning for both the major rail projects in Southwest Sydney should commence immediately, with a strong focus on driving housing supply to address the existing and future housing shortages, and to ensure that a network of rail-based centres can be delivered over time to meet the needs of growing communities across the

The obvious gaps in the current network in the Southwest growth precincts is the Leppington connection to the Aerotropolis and the North-South Metro line termination at Bradfield. While there are plans to join Leppington to Bradfield by rail, and to extend the Metro line from Bradfield to Macarthur via Oran Park and Narellan, there has been no commitment to timing nor budget by the Government since its announcement in 2018.

The Southwest Growth Centre was established in 2005 with the preparation of the initial structure plan and growth forecasts. Planning for more than 110,000 homes was undertaken, but public transport planning was limited to a proposed future Southwest Rail Link terminating at Leppington, with stabling yards at Rossmore. No future corridors were identified to provide potential public transport services to serve the growing community of 330,000 people. Rail lines such as the Southwest Rail Link Extension and the Metro line to Tallawong and are expected to cater for over 300,000 additional residents, new employment areas and new town centres by 2043 in the western suburbs. This gap in the network needs to be filled at the earliest possible opportunity to achieve more sustainable urban development outcomes for the Southwest.

The UDIA believes that the southern extension of the Metro line from Bradfield to Leppington and to Oran Park should be prioritised to serve the substantial population growth being realised in this part of Western Sydney. Extensive residential and employment areas will be opened east and west of the Northern Road in the next decade, adding to existing residential and employment populations. While there is a commitment to investigate extending the Metro rail network from Bradfield to Leppington, there is no such commitment for any southern extension of the route to Oran Park and beyond.

Recommendation:

- 1. That the NSW Government builds the Southwest Rail Link Extension by 2031 and the full North-South Rail link by 2035 and plans for additional rail lines to better connect the West with the West.**

Changing nature of public transport needs

Housing typologies are changing at a rapid pace, with Sydney recording the highest percentage of the population in high density housing, at 23%. Intergenerational living is on the rise as a direct result of affordability issues, as well as growing cultural diversity. These diverse impacts are having a direct effect on public transport services, which are more in demand than ever before and needed more frequently and reliably across the network. Users of public transport require convenience if they are to be encouraged to utilise transport services over travel by car. Convenience for transport users will likely mean enhanced use of smart technologies in trip planning such as train and bus tracking, ensuring an appropriate service capacity, and matching user demand.

An opportunity exists for both industry and government to partner to deliver several new rail-based Transit Oriented Development (TOD) centres in Leppington, Rossmore and Oran Park and to facilitate growth and support the existing strategic centres at Narellan, Parramatta and Penrith. These centres will be required to support the significant residential and employment growth planned for the near future. It is becoming more apparent that significantly more transport orientated development and housing density will be required than has previously been projected in these areas to provide affordable housing options and this will have a direct effect on the needs and use of transport across communities located within Western Sydney. The Government should also be investigating the opportunity to increase the number of stations on existing and proposed rail lines, heavy or Metro. This was recommended by UDIA and Professor David Levinson in our report '[Southwest Sydney Rail Link extension – An Accessibility Oriented Case for City Shaping Infrastructure](#)' and would bring NSW in line with international best practice providing increased accessibility while providing greater opportunity for housing growth and place outcomes.



SOUTH WEST SYDNEY RAIL LINK EXTENSION

An Accessibility-Oriented Case for City
Shaping Infrastructure



UDIA NSW Research and Policy August 2022

Planning for the timely delivery of these centres and associated rail projects will underpin a better structured and more sustainable approach to growth, with greater housing supply, increased housing diversity, more local employment and better community facilities. As planning for these centres' advances, and a vision for the communities around the centres emerges, strategic planning for bus networks and active transport, integrated with rail services will flow. This can however only be achieved through planning controls and coordinated action by State Government Agencies and local councils to ensure the delivery of the right type of housing which supports appropriate density in and around transport supported centres.

Recommendation:

- 2. That NSW Government plan for increasing the number of stations, providing higher densities and creating cities within cities at key transit hubs across Greater Western Sydney.**

Avoiding the impacts of vehicle dependency and poorly integrated public transport

Further public transport networks need not only to be planned, but also constructed, if industry is to keep pace with both dwelling and population growth, drive down the demand of vehicle use and ensure access to essential services and arts and cultural activities. The NSW Government must avoid gaps in the current heavy rail network in the Southwest, which is clearly identified between Leppington and the Aerotropolis,

as well as the North-South Metro rail line terminating at Bradfield. In addition to rail, the Government must consider implementing a comprehensive strategic bus network. With the density of the proposed rail network still being comparatively low compared to eastern and central Sydney, it's clear that buses will always play an important role in the area as well, including in advance of rail delivery on the key corridors.

The UDIA is a strong advocate for intergenerational investment in rail and rapid bus transit to rival other globally competitive cities like Singapore, Hong Kong, London, and San Francisco. We believe there is a need for major city-shaping transport infrastructure to support the Western Parkland City as well as the Central River City servicing greater Parramatta. Rapid Bus services was first identified as a project under the 2018 Western Sydney City Deal, however progress towards delivery has stalled, with many Western Sydney Councils still strongly advocating for the NSW Government to commit to finalise the business case and identify the preferred bus route options across the Western Parkland City.

The NSW Government and its agencies responsible for the coordination and strategic direction of cities across the West, including the Western Parkland City and Central River Cities need to take on greater accountability for coordinating urgent investment in roads infrastructure in and around the Aerotropolis Precinct. This will ensure bus services and rapid transit corridors are ready for use as population growth takes off in the area. Currently there are no road connections between Western Sydney Airport, the Aerotropolis' employment use lands, the Liverpool CBD and the new Bradfield CBD.

Funding for the design and delivery of critical pieces of road infrastructure surrounding the Western Sydney Airport, such as, upgrades to Badgerys Creek Road, Elizabeth Drive and Fifteenth Avenue have not been announced nor has a timeline for delivery of the projects been provided to industry or the community. \$1 billion of funding was announced by the NSW Government in June 2021, which committed more than \$900 million to fund enabling works on lands near Bringelly, including remediation and road infrastructure but this has failed to materialise. Necessary connector roads being constructed by the time the airport opens for cargo operations in late 2025 is increasingly looking unlikely and this will impact greatly on the ability for buses and public transport options to run via surface roads across the Aerotropolis when the airport opens in 2026. This road funding package will help boost development pathways for first-mover industrial logistics and warehousing facilities at the Aerotropolis and help to address the current lack of industrial zoned land in Greater Western Sydney, which has vacancy rates at close to 0.3 per cent and a pipeline of serviced land supply at only one year.

Recommendation:

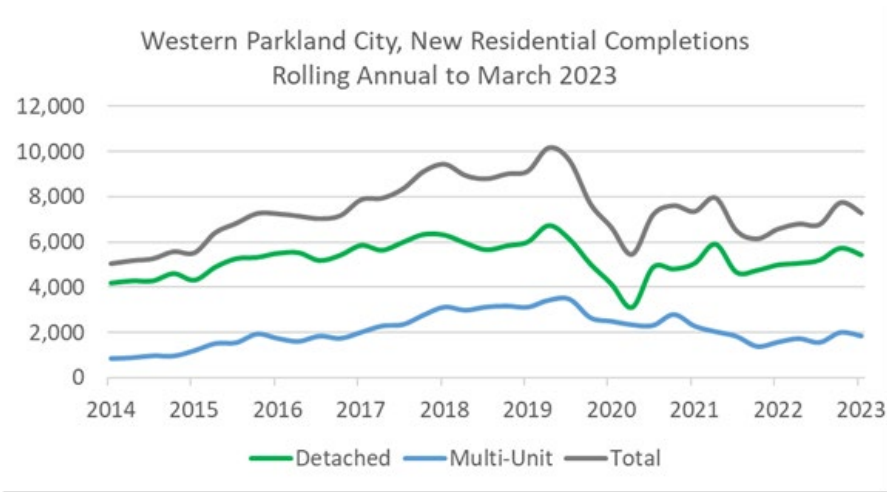
- 3. The NSW Government prioritises funding for high priority roads in and around the Aerotropolis to support the delivery of new public transport routes.**
- 4. The NSW Government develop rapid bus transport routes and options in and around the Western Parkland City connecting priority precincts such as Penrith, Parramatta and Liverpool with the Aerotropolis and Bradfield centres.**

Affordability of Greater Western Sydney:

According to the Australian Bureau of Statistics, the mean employee income is just over \$60,000 in Western Sydney, compared to \$83,000 in Eastern Sydney. Over the last 10 years, across Local Government Areas of the Western Parkland City region (as defined by the Greater Cities Commission Bill 2022), 27% of all new completions were multi-unit developments. At its peak in the 2019-20 Financial Year, 43% of all new developments were multi-unit. Penrith, Liverpool, Campbelltown, Fairfield and Camden at times produce greater than 60% of all new developments in a given 12-month period, as multi-unit developments.

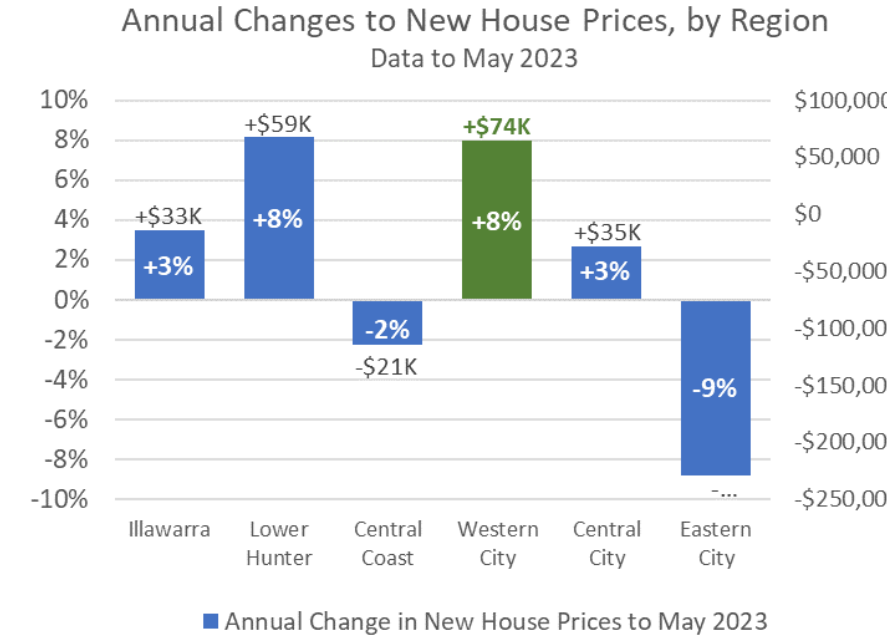
Sydney will need to build at least 550,000 more homes by 2041 just to keep up with our growing and changing population, according to the NSW Government’s best estimate. As outlined in graph 1, growth in new house prices is faster in Western Sydney than in any of the other of the ‘Six Cities’ in the Sydney Megaregion. Greater Western Sydney is increasingly a region which is becoming unaffordable, with graph 2 highlighting an 8% increase in annual changes to new house prices recorded in annual price growth to May 2023. Penrith LGA for example has over 14,800 households (21.4%) who are considered low-income households and earn less than \$886 per week.

Graph 1:



Source: Department of Planning and Environment

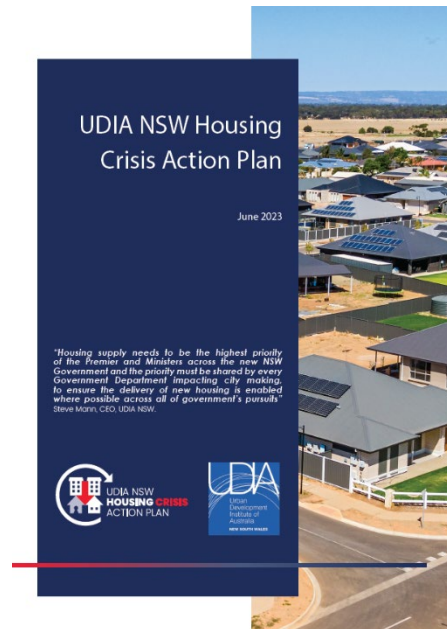
Graph 2:



Source: Core Logic/UDIA NSW

UDIA’s UDIA NSW Greenfield Land Supply Pipeline Report 2022 has estimated a shortfall of over 20,000 greenfield homes by the end of the decade. A lack of development-ready land is overwhelmingly caused by a missing piece in enabling infrastructure such as water, sewer, electricity and transport infrastructure. More supply is needed at a time when NSW is in the middle of a significant housing crises, new homes will need to be well-serviced by public infrastructure – road and rail transport, utilities like water and wastewater, and social infrastructure. The UDIA NSW released its Housing Crisis Action Plan (HCAP) in

June 2023 which includes 28 recommendations for policy and regulatory changes that will assist in addressing the housing affordability and supply crisis in NSW.



The planning system fails to encourage and support growth, further contributing to a lack of supply as evidenced by only 8 out of 33 Local Government Areas in metropolitan Sydney are set to reach their housing targets by 2025-26. A Committee of Cabinet is needed to manage and coordinate the delivery of essential services and infrastructure across the Western suburbs, ensuring commitments are achieved on time and budget.

Recommendation:

- 5. The NSW Government establishes a Housing and Infrastructure Coordination Committee, chaired by the Cabinet Office and supported by the Department of Planning Greater Cities Commissioner and Infrastructure NSW and empower the Committee to call in all Department Secretaries responsible for the delivery of key public transport and other city shaping infrastructure such as water, wastewater and roads.**

Future transport technologies and car dependency in Western Sydney:

Western Sydney has long suffered with a lack of public transport and is 57% more car dependant than Eastern Sydney, and 21% more than Central Sydney. For the next 20 years Western Sydney's population is expected to grow 32%, as compared to Central Sydney's 28% and Eastern Sydney's 14%. Western Sydney residents are feeling the pinch of cost-of-living pressures. Research from Business Western Sydney's "Closer to Home" report found that every day 200,000 people leave Western Sydney just to go to work. All LGAs of the Western Parkland City & Central River City saw greater than two-thirds of their home population leave elsewhere in Sydney for work. Should this trend persist, it has obvious implications on future public transport needs, but also on productivity.

The Western Parkland City lacks critical transport connectedness needed for residents to access jobs services and recreation. Roads across the Western Parkland City have been built well in advance of public transport infrastructure, which has about 25 per cent of the total heavy, metro, and light rail stations, compared to the EH City. The delivery of the Western Sydney Airport Metro by 2026 is a first step in city making infrastructure solutions from which to connect the West with the West, which includes the Aerotropolis and the Nancy Bird Walton Airport. The Metro also provides the basis to upgrade the St

Marys Town Centre and provide new mixed-use centres and places for transit-oriented development (TOD) at Luddenham and Orchard Hills. With proper place making initiatives these centres could become locations of mixed used development with walkable '15 minute' urban catchments in accordance with the NSW Future Transport Strategy.

Recommendation

- 6. That the NSW Government supports existing regional centres through the establishment of a \$1 billion urban renewal fund for Greater Western Sydney, which focuses on creating working hubs in strategic centres to encourage 30-minute city solutions.**

Public and private innovative funding models

The NSW Government is required to deliver 76,000 new homes per year in order to meet it's commitments under the National Housing Accord by 2028. This is particularly timely as the NSW Government has committed to increase densities around existing transport nodes, including heavy rail and Metro stations, as a means of addressing the acute housing crisis gripping our state. UDIA has long advocated for this as a means of not only delivering housing, but of capitalising on the immense investment in infrastructure and importantly, as an opportunity to deliver great place outcomes for our city. In order to deliver new transformational outcomes, it is clear NSW must take bold action, acknowledging that the existing processes and structures are not working, and that a new way of thinking is required.

Government must act, establishing a Delivery Authority to lead Transit Oriented Development (TOD) Precincts from planning through to implementation. The Authority would have responsibility for consolidating land holdings, setting aside existing restrictive controls and developing new aspirational goals for design, energy efficiency, carbon emissions, public services and open space which aim to deliver improved value for Government, communities, and industry. In addition to a TOD Authority, the UDIA recommends the establishment of an international design process for TOD precincts to achieve ambitious outcomes that deliver or exceed Government's aspirational standards through innovation and design. This would need to be an efficient and transparent process which then fast-tracks delivery.

UDIA NSW believes that Works-in-Kind Agreements (WiK) are crucial for an efficient planning system for Local and Regional State infrastructure. WiK provides the opportunity to shorten the timeframe to deliver planned infrastructure and provide greater industry certainty to support development. It is crucial that we find these productivity gains in the challenging NSW Planning system to counter growing housing supply and affordability challenges. Works-in-kind and land dedication provides a guarantee of delivery of infrastructure directly related to the development. It may also present opportunities for a developer to forward fund and accelerate the delivery of a particular item of infrastructure in advance of Government's procedural business planning and budgetary activities. This has added public interest benefits and may achieve broader social, economic and other objectives.

The UDIA believes there is significant precedent over a long period supporting a beneficiary pays infrastructure contributions model, where a developer has to step-in as the impactor and deliver WiK which is over and above the benefits for a development. UDIA strongly supports Works-In-Kind arrangements and believe they should be strongly encouraged across Western Sydney, in particular for the delivery of road and transport infrastructure.

The introduction of the Housing and Productivity Contributions (H&PC) framework offers further opportunities to make WiK a reality by providing a funding source to reimburse "first mover" developers who deliver in kind infrastructure which unlocks multiple development sites. In this model the first mover would deliver the infrastructure at their own expense and be reimbursed for expenditure incurred

beyond its own development contributions from the H&PC fund. The H&PC fund would then be replenished as contributions are received from later commencing developments. This model provides an innovative way to get regional infrastructure moving quickly and most importantly, at little to no cost to the Government while also accelerating infrastructure delivery and development where it is needed most. The Government could ensure costs are agreed up front and in doing so avoid overruns, while benefiting from the financial upside of collecting property taxes earlier than if it had delivered the infrastructure.

Recommendation

- 7. The UDIA recommends the NSW Government establish a Delivery Authority to lead the creation of Transit Oriented Development (TOD) Precincts from planning through to implementation.**
- 8. The Government develops a whole of Government policy approach to works-in-kind agreements, including using the Housing and Productivity Contributions Framework to support agreements between private developers and government which can unlock essential regional scale transport and enabling infrastructure.**

The UDIA recognises that to achieve the scale of investment needed by both the Government and industry, working together in partnership to sequence the delivery of infrastructure and keep pace with development across the West, from Greenfield to Infill housing, is the only option. The Development industry must be brought into consultation as early as possible, so development decisions align with infrastructure and transport, be it station locations or strategic bus network routes. Industry stands ready to respond, if increased certainty is provided, by driving more intense development outcomes in accessible locations that in turn deliver higher patronage for public transport projects, improves the business case for Government and leads to more connected communities.

If you would like to discuss UDIA's submission or recommendations in more detail please contact **Director – Greater Western Sydney, Charles Kekovich** at ckekovich@udiansw.com.au or call via 0409 776 588.

Yours sincerely,



Steve Mann
Chief Executive Officer
UDIA NSW