

19 September 2023

Lynda Voltz MP
Chair
Legislative Assembly Committee on Transport and Infrastructure
NSW Parliament
Macquarie Street
SYDNEY NSW 2000

RE: UDIA SUBMISSION TO THE INQUIRY INTO SYDNEY METRO WEST PROJECT

Dear Ms Voltz,

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.

UDIA welcomes the opportunity to contribute to the NSW Legislative Assembly's Inquiry into the Sydney Metro West Project. We are pleased to see that significant steps are being taken to progress the delivery of new infrastructure transport and services across Sydney. Vital transport links play an important role in providing affordable and accessible housing throughout different parts of Sydney. Infrastructure that is planned, funded and delivered supports both the development industry and new and emerging contemporary communities.

UDIA's policy platform for Western Sydney "NextGen West" Manifesto launched in February 2023 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 (GWS) 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 access and ensure that informed decision-making leads to infrastructure coordination and a significant increase in housing diversity, affordability and access to supply across the western suburbs. 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 to 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.

UDIA's NextGen West campaign is the voice for Greater Western Sydney to ensure both cities emerge as desirable places in the Six Cities Region, with appropriate connections to the Eastern CBD.

Implementation of our six 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 that will benefit the Six Cities Region. Three of NextGen West's recommendations are directly relevant to the work of this Committee, specifically: the need to build the North West and South West Rail extensions and to start planning for rail lines to better connect the West; a change to the Government's approach to rail business cases to put accessibility at the heart of each business case; and putting in place policies to increase housing around new stations by requiring councils to provide more diverse housing by type, tenure and number at all new metro stations.

The NextGen West Manifesto also has strong recommendations to complete the crucial second connection between our first and second Sydney cities. For many years UDIA worked with key landowners to show that Metro West should have more railway stations, we understand this would still be possible without major cost impacts and would improve the lives for more people in Sydney.

UDIA and our members stand ready to work with government on both the planning and delivery of critical city shaping infrastructure like Metro West, with the goal of rapidly delivering new housing, jobs, town centres and communities, educational and health facilities. UDIA is not in a position to comment on all of the terms of reference for this inquiry, we have therefore focussed our submission on those where we have relevant expertise. UDIA has put forward the following recommendations and the balance of our submission provides further information to support those recommendations.

- 1. That the NSW Department of Planning and Environment directs local councils to provide greater housing diversity in type and tenure at key station locations across the Metro West rail line.**
- 2. The NSW Government increase the number of stations on the Metro West route and partner with private industry to deliver increased density and housing typologies along the Metro West rail line.**
- 3. The NSW Government establishes a Housing and Infrastructure Coordination Committee, chaired by the Cabinet Office and supported by the Department of Planning, the 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.**
- 4. UDIA recommends the NSW Government establishes a Delivery Authority to lead Transit Oriented Development (TOD) Precincts around train stations from planning through to implementation.**
- 5. Establish an international design process for TOD precincts to achieve ambitious outcomes that deliver or exceed Government's aspirational standards through innovation and design.**

Industry requires certainty from Government, agencies and delivery authorities, in order to commence and deliver developments across communities in Western Sydney. The delivery of Metro West provides a once-in-a-generation opportunity to transform Sydney and support the delivery of well-planned new homes close to public transport. As industry and government looks to identify ways to deliver 1.2m new homes over the five-year National Housing Accord, revisiting the Metro West project to increase the number of stations, and creating dense, affordable urban centres around those stations, is an obvious place to start.

UDIA recognises the scale of existing investment commitments needed by both the Government and industry, working together in partnership to ensure delivery of infrastructure and keep pace with development across the Metro West project. The development industry should be brought into consultation as early as possible to develop alignments with infill housing and density requirements around station locations and ensure planning controls are realistic and consider commercial constraints raised by industry.

Terms of reference part 1 - Establishment of the route and selection of station locations:

Further public transport networks need to not only 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 West, which is clearly identified between the CBD and Parramatta, as well other areas such as the North-South Metro rail line terminating at Bradfield. UDIA is a strong advocate for intergenerational investment in rail 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 Central River City servicing Greater Parramatta and the Western suburbs.

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 including a 7km alignment planned between the Olympic Park and Parramatta stations.

UDIA NSW's audit of the existing and proposed Metro lines suggests the plans for Sydney are well behind what is considered international best practice in building automated rail systems, particularly with respect to the average distance between each station. Sydney's planning of Metro lines is less than half as efficient as global comparators like Tokyo and New York. Under a more globally comparative alignment, Sydney theoretically could have constructed up to 57 additional stations on top of the 46 total Metro stations that are either planned or have been built.

Global Metro Comparisons	Sydney (current + proposed)	London	Shanghai	Tokyo	New York
Number of Metro Lines	4	11	19	9	36
Number of Metro Stations	46	272	408	180	424
Total System Length	113km	402km	802km	195km	399km
Rail Length per Metro Station	2.5km	1.5km	2.0km	1.1km	1.1km

Source: UDIA NSW/Professor David Levinson

Of 33 Metro Stations being built over the next two to seven years in Sydney, our audit revealed that 29 either do not include, or have a very low portion considered, for residential over-station developments. This concerning trend has been onset by now outdated Station Design and Precinct Plans (SDPPs) and political pressures significantly reducing the scope for residential near these stations over the last half decade.

UDIA did extensive work with industry leaders and landowners advocating for a station at Camellia, which has planning in place for a light rail station and Town Centre, which could be increased to a Metro TOD. At 1.6kms from Parramatta, it provides the ideal location for Parramatta's medium-term growth and the opportunity to really extend the River City exposure. It does not extend the length of the tunnel, avoids an evacuation safety exit needed because of the current 7km distance to Homebush and it will alleviate demand pressures at Parramatta.

The absence of metro stations along this corridor under the current alignment represents a missed opportunity to make a positive economic contribution to accommodating growth within the Central City and leverage the potential for value creation to both the Government and the economy. A metro station at Camellia has been supported by detailed submissions at every step in the process to date. It enjoys strong support from the Lord Mayor and City of Parramatta, the local state member, all leading industry associations, major landowners within the precinct and the adjacent Western Sydney University Campus.

A metro station located at, or in close proximity to the Camellia Town Centre provides a catalyst for major urban renewal of an underutilised former industrial site and to realise the potential benefits for the growth of the Central River City, over the medium to long term. Importantly, the lack of adjacent resident's limits objections to density. Consequently, it provides great scope for rezoning a significant uplift in employment and housing supply within the Camellia Town Centre to support future growth and deliver additional much-needed housing in the centre of metropolitan Sydney.

UDIA used its market leading 'Urban Pinboard' to show the extensive impact this station can have as a Metro TOD, delivering 17,000 homes and more than 10,000 jobs in a next generation TOD city, backed by the three landowners (one of which is owned by the NSW Government – Rosehill Gardens). Following is a screen shot of the Camellia Urban Pinboard instance. This could grow in time with 3 to 4 additional landowners east of Rosehill gardens able to double the size of the TOD within 1km walking distance.

Parramatta has much fewer train/metro stations at 4 versus 14 in the Eastern Harbour City and Camellia is a once in a generation chance to allow the long-term expansion of the Parramatta CBD land footprint as Global Sydney's second CBD - allowing Westmead / Parramatta CBD / Camellia Town Centre to be interconnected with metro – creating a 3-minute Central City Superhub of economic growth.



Over and above a Camellia station, the UDIA believes there is opportunity for a few more stations which add only approximately 90 seconds a stop to the trip and these stations could provide TOD outcomes, whilst keeping below the current time express train takes on the T3 Line.

There needs to be earlier and more meaningful engagement with landowners, which would assist Government in mitigating the investment risk. This level and degree of consultation would provide a better understanding of landowner capacity and ability to drive patronage on the metro line. Government or Sydney Metro needed to involve the development industry in the future planning and delivery of the Metro West to ensure developer buy in and appropriate delivery of housing typologies along the proposed rail routes and station locations. Projects such as Metro West take extensive consultation with varied levels of stakeholders, many of whom consult to government and would provide insightful analysis and recommendations to government.

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%, compared to Central Sydney's 28% and Eastern Sydney's 14%. 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 in the Central River City saw greater than two-thirds of their home population travel elsewhere in Sydney for work. Should this trend continue, it has obvious implications on future public transport needs, but also on productivity.

Recommendations:

- 1. That the NSW Department of Planning and Environment directs local councils to provide greater housing diversity in type and tenure at key station locations across the Metro West rail line.**
- 2. The NSW Government increases the number of stations on the Metro West route and partners with private industry to deliver increased density and housing typologies along the Metro West rail line.**

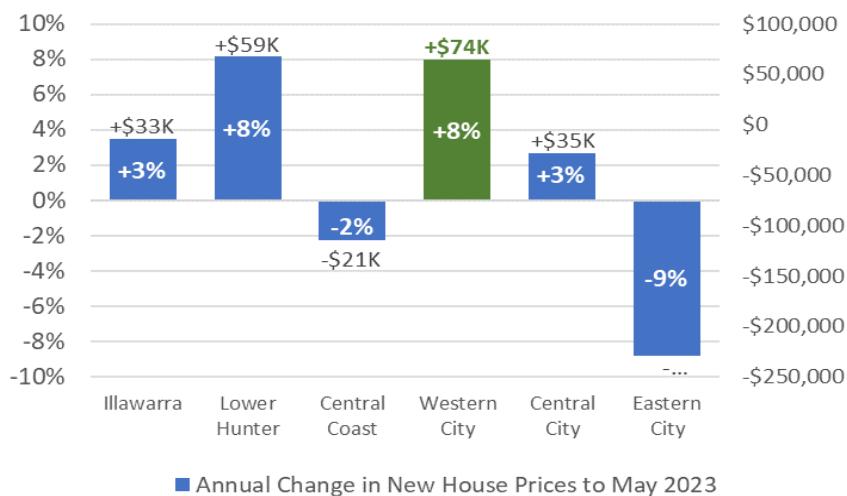
Terms of reference part 3 – Station Demand and Future Development:

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. 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' within 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.

Graph 1:

Annual Changes to New House Prices, by Region

Data to May 2023



Source: Core Logic/UDIA NSW

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 and new homes will need to be well-serviced by public infrastructure including road and rail, utilities like water and wastewater, and social infrastructure. 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 that are set to reach their housing targets by 2025-26.

To build a resident centric city, the Government needs to integrate land use planning with transport planning (most importantly rail lines) to ensure the accessibility benefits are maximized together with travel time savings. To do this we have to develop 'Cities within Cities' TOD plans which deliver integrated approvals to ensure the city emerges along with the rail/stations.

The NSW Government needs to establish a Housing and Infrastructure Coordination Committee, chaired by the Cabinet Office and supported by the Department of Planning Greater Cities Commissioner and Infrastructure NSW. The Committee should be given the powers 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 and coordinate effective delivery and engagement with stakeholders across government and industry. The Committee should be immediately prioritised making recommendations on the best way to increasing the number of stations on the Metro West route and how partnership with private industry can be used to deliver increased density and housing typologies along the Metro West rail line.

Recommendation:

- 3. The NSW Government establishes a Housing and Infrastructure Coordination Committee, chaired by the Cabinet Office and supported by the Department of Planning, the 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.**

Opportunities for private sector partnerships along the Metro West alignment:

The NSW Government is required to deliver 76,000 new homes per year in order to meet its 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 across the Metro West rail line, 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 to keep Sydney globally competitive, 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.

UDIA encourages Government to take action and establish 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, 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 of a Precinct wide infrastructure solution which in turn ensures a feasible and certain delivery pathway. UDIA recommends the use of Geospatial 3D modelling to put the TOD 'city within the city' in context and to manage the balance of development yield and infrastructure costs, also to help the community understand the benefits of a TOD Place.

Recommendations:

- 4. The UDIA recommends the NSW Government establishes a Delivery Authority to lead Transit Oriented Development (TOD) Precincts from planning through to implementation.**
- 5. Establish an international design process for TOD precincts to accelerate the approvals process and achieve ambitious outcomes that deliver or exceed Government's aspirational standards through innovation and design.**

Terms of reference part 4 - Consequential benefits and other matters

Projects such as Metro West will have a catalytic effect on the western suburbs of Sydney all the way through to Parramatta, connecting a host of underserviced communities with good public transport and economic opportunities. 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. 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 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 centres across the Metro West rail route, which will facilitate the expansion of the existing strategic centres in North Strathfield, Parramatta and Sydney Olympic Park. These centres will be required to support the significant residential growth planned for the near future. It is becoming more apparent that significantly more centre-based floorspace and housing density will be required than has previously been projected in these areas and this will have a direct effect on the needs and use of transport options across communities located within proximity of these centres.

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 action by local councils to ensure the delivery of the right type of housing which supports appropriate density in and around transport supported centres.

Conclusion

UDIA has long advocated for the development of more Metro Lines in Sydney, with the key focus needing to be enhancing accessibility for our residents to improve Sydney's global competitiveness. We believe West Metro is a great opportunity to deliver a key city shaping line, with the shortest time frame between our two key Sydney Cities, whilst maximising accessibility for residents.

UDIA and our members stand ready to respond to increased certainty by driving more intense development outcomes that deliver higher patronage for public transport projects and greater community connectivity across the Metro West project.

Please reach out to **Director – Greater Western Sydney, Charles Kekovich** at ckekovich@udiansw.com.au, should you wish to discuss these matters in further detail.

Yours sincerely,



Steve Mann
Chief Executive Officer
UDIA NSW