

**From:**

Department of Planning and Environment

**Sent:**

Monday, 23 March 2020 3:20 PM

**To:**

**Subject:**

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Submitted values are:

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Submission file:

[western-sydney-aerotropolis-planning-package---lendlease-and-ingham-property-submission---28-february-2020.pdf](#)

Submission: Please see attached cover letter and submission entitled 'Western Sydney Aerotropolis Planning Package - Lendlease and Ingham Property submission - 28 February 2020'.

URL: [https://pp.planningportal.nsw.gov.au/admin/structure/webform/manage/draft\\_plans\\_and\\_policies/submission/72901/resend](https://pp.planningportal.nsw.gov.au/admin/structure/webform/manage/draft_plans_and_policies/submission/72901/resend)

Ingham Property  
[REDACTED]  
[REDACTED]

Lendlease Development Pty Ltd  
[REDACTED]  
[REDACTED]  
[REDACTED]

300 Barangaroo Avenue  
Barangaroo NSW 2000

28 February 2020

Department of Planning, Industry and Environment Portal REF

By lodgement on Planning Portal / DPIE

To whom it may concern:

**Comment on Western Sydney Aerotropolis planning package**

Ingham Property is the owner of a significant 182ha landholding located at 475 Badgerys Creek Road ([REDACTED]), within the Aerotropolis Core precinct in Badgerys Creek. The Ingham family has a long history of investment in Liverpool and Western Sydney and the family is committed to continue this proud legacy as part of the Government's vision for the Western Sydney Aerotropolis.

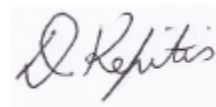
Lendlease is working with Ingham Property to develop the site into a vibrant, well-planned, mixed-use community utilising our skills, resources and collaborative culture.

Ingham Property and Lendlease are ready to invest, and we are working towards commencing construction in 2022. In the attached submission, we encourage the Planning Partnership to maintain momentum to ensure the Western Sydney Aerotropolis can be activated concurrently with the airport's opening in March 2026.

Yours sincerely



**Kylie Rampa**  
Chief Executive Officer, Property  
Lendlease



**Debra Kepitis**  
Chair  
Ingham Property

**WESTERN SYDNEY AEROTROPOLIS**  
**475 BADGERYS CREEK ROAD**  
**BADGERYS CREEK**



## Executive Summary

The Planning Partnership deserve congratulations for moving this complex project forward and presenting a clear and articulate package for exhibition.

Notably we welcome the recognition of the Fifteenth Avenue link as a critical socio-economic enabler of the embryonic city. The eastern ring-road (connecting the Northern Road with Elizabeth Drive) is also a welcome addition for its prominence in the plan.

We note the absence of key information such as an infrastructure contributions framework or a delivery action plan for critical utilities, but we recognise that this omission has been publicly acknowledged and is understood to be the price of accelerated progress of the planning package.

Ultimately, the success of the Aerotropolis vision will depend on accelerated construction and delivery on the ground, not the accelerated delivery of planning packages and bureaucratic process. Public investment in the Airport and surrounding infrastructure has already been substantial. Additional public investment by various levels of Government would be welcome, but it is assumed that the private sector will need to carry the burden of early delivery, especially the enabling services and local infrastructure.

Lendlease and Ingham Property are ready to invest and deliver but it will be difficult to do so in the absence of an infrastructure framework or other forum to co-design the early delivery of place. Therefore, it is our recommendation that the Planning Partnership now focus on:

- The working arrangements of how Government engages with major landowners; and
- Ensuring that the planning framework anticipates and responds to evolution of the Aerotropolis over time.

## Working Arrangements

Government urgently needs to establish appropriate probity frameworks that allow for nimble co-design and delivery coordination between landowners and agencies. Rather than continue with an inch forward cycle of publish and comment, Government and major landowners should work together to establish the first footholds of investment. The first steps are often the most difficult but are more likely to be successful if taken together.

In our opinion, the Planning Partnership is the organization best placed to assess, arbitrate and manage any perceived conflicts of interest between landowners (including the Western City and Aerotropolis Authority).

## Planning for evolution of the urban grid over time

The exhibited documents present a static vision of a place and generally lack:

- short-term delivery action plans to realise investment and commence construction; and
- a flexible framework of principles to guide long-term development of the vision.

The vision for the Western Sydney Aerotropolis is well supported but we consider that its successful delivery over time would be aided by the articulation and differentiation of short-term actions apart from long-term principles.

### Major landowner led master plans should be assessed by the Planning Partnership

We appreciate Government's decision to allow major landowners to lead the preparation of a master plan for the consideration of Government. This is a welcome decision because it allows us the opportunity to use our skills to problem solve for development.

*Major landowners are defined as controlling more than 100 hectares. The Ingham Property (Lendlease) site at 475 Badgerys Creek Road has a total site area of 182 hectares. By contrast, the Commonwealth (WCAA) owned parcel is 115 hectares.*

The exhibited draft State Environmental Planning Policy is opaque on the precise planning pathway and leaves open the question of which Government entity would be the assessing and approving authority.

Early investment and delivery of infrastructure and employment precincts will depend on private sector collaboration with Government agencies.

Inevitably, adjoining landowners including the Western City and Aerotropolis Authority will be competing for utilities capacity, infrastructure funding and tenant commitments.

The Planning Partnership is best placed to assess, arbitrate and manage any perceived conflicts of interest between landowners including the WCAA.

#### **Recommendation**

Specify that the Planning Partnership (in consultation with the relevant Council) will be the assessment agency and that the Minister for Planning will be the Relevant Planning (consent) Authority.

### Early co-design with major landowners is the key to capital efficient delivery

In the absence of an exhibited infrastructure contributions framework or exhibited plans to compulsory acquire land for infrastructure corridors, it is our working assumption that delivery of the Aerotropolis will be reliant at least in part on private sector investment.

In the context of needing to work with landowners (particularly major landowners) it will be important to define how that collaboration can occur. Government will need to establish appropriate forums where information can be shared. It will be important that both private and public sector understand each other's drivers and objectives.

Therefore, the urban design brief should also consider both of the following factors as they will influence the evolution of the urban grid:

- The current cadastre; the ownership pattern and location of existing public roads; and
- The capital efficient sequence of delivery.

Delivery should not be design led, but instead it should be design assured because not every great design can be delivered in capital efficient terms. An employment focused activation plan can have a high-quality urban design overlay that responds to the quality of place and future proofs for evolution over time.

This is not to argue that design isn't important because of course we recognise the importance of good design. Rather, it is a question of prioritising delivery of Government's primary objective. The genesis of the Aerotropolis vision is to establish a new employment centre for Western Sydney. The capital efficient delivery of infrastructure by the private sector will be critical to the initial activity on site and facilitation of the first new jobs and training programs.

Therefore, the urban design brief should take the capital efficient phasing of infrastructure into consideration. The exhibited plans show sweeping curves that ignore current cadastral boundaries meaning they could only be delivered within desired timeframes if Government was to acquire and fund all land and all infrastructure, all at once.

#### **Recommendation**

Establish a major landowner coordination group to foster the next phase of private and public sector collaboration.

The phased delivery of an urban grid that makes the best use of existing roadways and infrastructure easements will be the most capital efficient model for the early phases of development.

## Understanding infrastructure contributions for employment driven development

Ingham Property and Lendlease support the vision for the development of predominantly industrial land-uses in the early development phases of the Aerotropolis. It is in this early phase that the burden of delivering new and enabling infrastructure will be greatest. Whilst Lendlease and the development industry generally accept that a fair contribution toward precinct wide infrastructure will need to be paid, the question needs to be asked:

*Can the major infrastructure delivery required to achieve the Government's vision of establishing a new employment centre for Western Sydney be forward funded by the private sector?*

Lendlease has a track record of delivering new master-planned precincts across Greater Sydney and other global cities. Almost always, Lendlease will deliver new and enabling infrastructure to make development of those precincts possible. And in Greater Sydney's last decade, the Government and the community in general has relied on the private sector to forward fund major infrastructure as part of Priority Growth Areas. In these scenarios, Government has expected that the developer forward fund not just the necessary infrastructure delivery for a stage of development, but for the entire future precinct of development. In many instances, Lendlease has been able to accept this cost and risk burden because the forecast revenue and rate of development for residential land makes it feasible and a fair commercial risk.

Because the market price for developed and serviced industrial land is much lower than that of developed residential land, our ability to forward fund infrastructure in an employment led precinct is greatly diminished. Forward funding of some infrastructure can still be expected if other market metrics are suited but Government should anticipate that the dollar quantum of funding will be significantly less at the Aerotropolis than a comparative residential based precinct in some of Greater Sydney's other Priority Growth Areas.

The comparative time taken to recoup a principal sum of forward funded infrastructure in a residential growth area is 5 years compared with 25 years for an industrial development (refer *Figure 1* below). This additional time means that the risk profile for forward funding infrastructure supporting industrial land is simply not feasible. To kick start development in the case of developing industrial land, either the quantum of the infrastructure to be funded needs to reduce or Government needs to de-risk the payback period over time.

Whilst the Special Infrastructure Contribution mechanism and other similar contributions frameworks are a proven framework for the delivery of infrastructure at the same rate as development, there can be an issue in the very first phase of development. A circular problem is created in that:

- without development, Government can't collect contributions funds; and
- without available infrastructure, Government will not grant consent for development.

### **Recommendation**

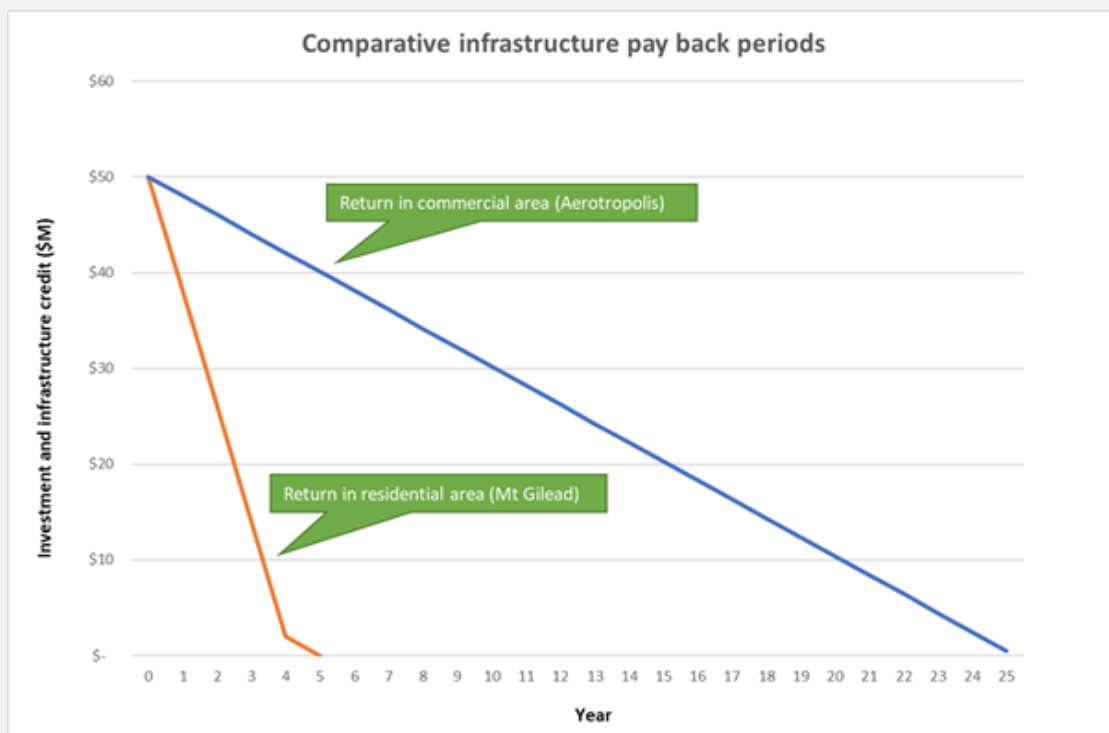
In order to kick start the development cycle (and solve the circular problem) Government needs to consider either:

- direct forward funding of district infrastructure to seed the cycle of development and reduce the burden of private sector forward funding in the first phase; or
- a zero-interest rate loan scheme (administered by local Government but funded by State or Commonwealth) whereby local Government could apply for a loan for infrastructure funding backed by the developer's commitment to contribute to the costs of that infrastructure over time, thereby de-risking the payback period.

## Contributions cash flow models and growth centre precedents

The following figure / table compares the estimated time to recoup \$50m of forward funded infrastructure from a residential growth centre (North Gilead in the Macarthur Growth Centre) and with that of the Aerotropolis “Enterprise” area, using benchmarked SIC rates.

The time taken to return the principal investment in the infrastructure means the risk profile for the investment in an employment driven project is significantly greater than the equivalent investment in a residential focused project.



	Residential (Nth Gilead - Growth Centre)	Employment (Aerotropolis)
Infrastructure delivered	\$50 million	\$50 million
SIC rate	\$40k/lot	\$165k/net hectare
Development site (Unlocked)	1,250 lots	303 hectares
Assumed sales p.a.	300 lots	12 hectares
Assumed p.a. SIC obligation	\$12 million	\$2 million
Investment recovery period	<b>4.2 years</b>	<b>25.3 years</b>

FIGURE 1



## Planning over-time depends on long-term principles and short-term actions

Planning for the evolution of a precinct as vast as the Aerotropolis over a long time period is a daunting task. The Planning Partnership and Government in general has done well to articulate a clear vision for the future. A clear vision and associated planning principles are critical to the success of a long-term planning framework because it is impossible for anyone to foresee the great array of socio-economic and environmental permutations that will influence delivery over time.

This is why the hard-lined delineation of road paths and easements for other infrastructure is unwise because the lines can be interpreted as immovable in a plan and subsequent agencies are reluctant to change the status quo. But there is one constant in the evolution of a precinct over time and that is that change in the detail of delivery is inevitable. What is important to correctly describe today is the articulation of the planning principles.

For example, it is important to recognize the principle of connecting Fifteenth Avenue to the Western Sydney Airport in the most direct manner as possible and this could be illustrated in the planning documents as a dashed line. Describing the place-character and cost of the Fifteenth Avenue connection is important and this could be achieved by illustrating a series of indicative cross-sections showing the evolution of the transit-way over time. Importantly, the concept of connecting two places in a desired form of character can be communicated and planned for today while understanding that the precise delivery detail can be resolved at a later time.

The exception to that rule is when Government funding has been committed and the Government is willing to compulsorily acquire land or at least the infrastructure corridors. In this scenario, it can be assumed delivery action is certain and therefore the planning framework can illustrate hard lines and clear actions to aid accelerated delivery.

But the current reality of the draft Aerotropolis planning framework is that:

- land ownership is mixed or fragmented (Government only owns a small proportion);
- no infrastructure contributions funding framework is resolved (none has been exhibited); and
- it is assumed that private sector investment will in part be relied upon to develop the precinct.

DPIE has in recent years moved away from prescriptive Indicative Layout Plans (that showed a hard line, relatively detailed master plan) toward a more flexible urban zone. The need for flexibility appears to have been adopted in the draft SEPP and described in the overarching Plan but the illustrated precinct plans seem to imply a harder line of resolution than is perhaps warranted at this stage of the process.

### **Recommendation**

Review language and illustrations to clearly delineate between prescribed actions and adopted principles. Where appropriate, suggest ways that the principles could be implemented but without commitment to specific scenarios.

### Three-way intersections produce poor urban form, exacerbated over time

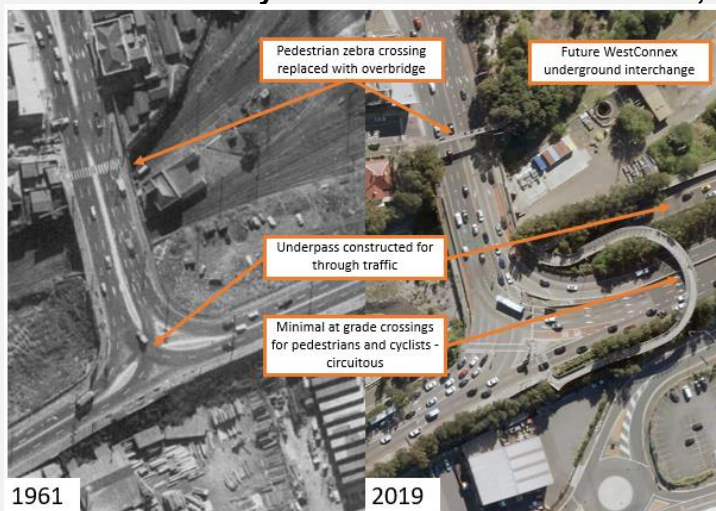
The draft Western Sydney Aerotropolis Plan indicates a number of three-way intersections connecting to the proposed alignment of the Eastern Ring Road. This is unwise because:

- major road t-sections concentrate traffic, creating congestion and vulnerability to incidents;
- heavy turning movements make intersections large and congested;
- it is difficult to cater for pedestrians without compromising capacity – grade separations or forced multi-stage crossings are common; and
- low resilience compared to gridded systems due to limited alternative routes.

In contrast, a gridded system is preferred due to:

- low reliance on individual road routes increases resilience;
- physical constraints can be addressed through distortion of the grid design;
- more equitable accessibility;
- capacity to interleave roads for different functions; and
- gridded system promotes development staging along transit corridors.

#### Victoria Road and City West Link Road/The Crescent, Rozelle



#### Hume Highway and Cumberland Highway, Liverpool



### **Resolution of a Fifteenth Avenue link is an urgent priority**

Liverpool City Council has correctly identified the Fifteenth Avenue link as a social and economic priority. The City Deal and Liverpool's Local strategic Planning Statement set a target for delivery of the new transport connection between the Liverpool CBD and the Airport by 2026, the assumed commencement of operations at the Airport.

But the public policy goal should be to provide the Airport site with useful transport connections today, so that thousands of construction-related workers can access the Airport site in the lead up to its completion. This makes sense from a general principle of encouraging public transport mode share, but it is critical given the employment aspirations of the Airport project. The City Deal sets targets for lower socio-economic cohort employment and training. Candidates for these jobs are far less likely to have access to a private vehicle and will need to rely on public transport for access to this opportunity.

Given details for this critical transit link do not form part of the exhibited documents it would appear that TfNSW is more than six months delayed (based on published City Deal targets) in its investigation of a long-term link for transit connections between Liverpool CBD and the Airport.

The Lendlease / Ingham Property site can deliver an early link to provide public transport connectivity during the construction phase of the airport and beyond. This direct link will provide the quickest route which is of critical importance to the success of the transport service.

#### **Recommendation**

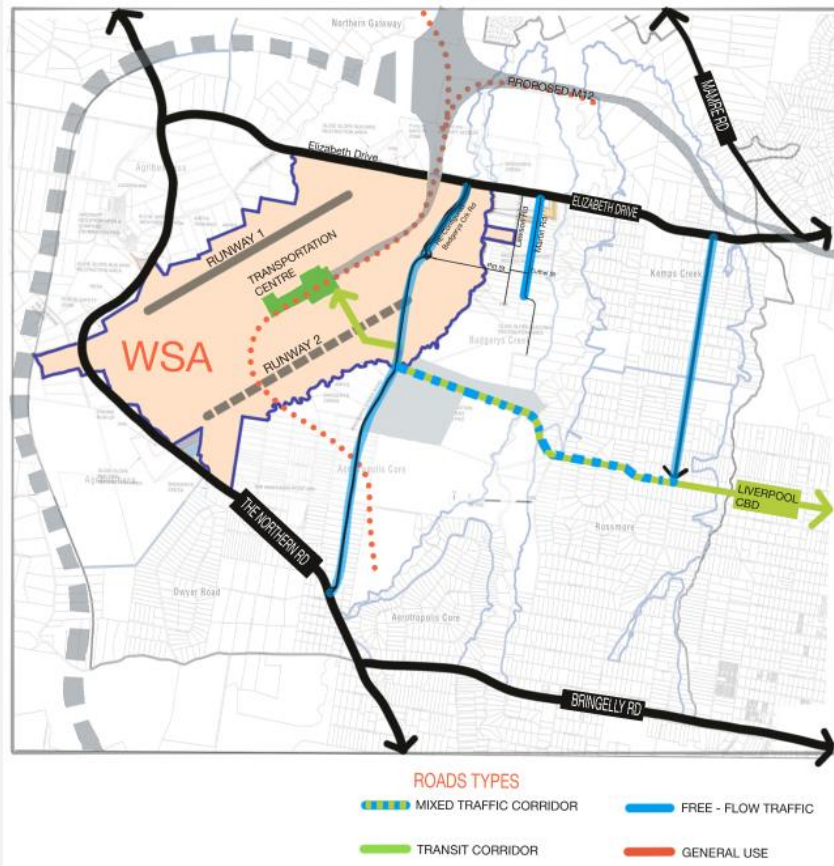
Work with Lendlease and Ingham Property to enable the earliest, fastest link for the Fifteenth Avenue transit way. The route and form of transit can evolve over time, but the need exists today and Ingham Property and Lendlease are willing to consider the establishment of an early link on our site to connect the existing Fifteenth Avenue corridor with Badgerys Creek Road.

Whilst the Western Sydney Airport (WSA Co) is designing detailed earthwork and drainage designs for the entire Airport, now is the time to investigate direct connections under the second runway to the central courtyard of the passenger terminal.

## 10



## Proposed Wianamatta Creek and Badgerys Creek crossings and direct transit link



The first priority is to deliver the missing link, the Fifteenth avenue connection to Badgerys Creek Road. In this very first phase, the realigned Badgerys Creek Road (within the Airport site) will be the only N-S link between The Northern Road and Elizabeth Drive. It will in effect be the eastern ring-road.

It is assumed however that removing heavy vehicles from the realigned Badgerys Creek Road (within the Airport site) will be the next priority. This can only happen once a new route has been linked. The new link via Martin Road is supported but it could, for a period of time, use the Fifteenth Avenue connection to re-link with Badgerys Creek Road and the southern part of the Aerotropolis Core. This would be the most capital efficient option to maintain a N-S (eastern ring-road) but avoid heavy vehicles within the new Airport site.

**ROADS TYPES**

- MIXED TRAFFIC CORRIDOR
- FREE - FLOW TRAFFIC
- TRANSIT CORRIDOR
- GENERAL USE

The urban grid can evolve over time and the primary purpose of each corridor can change too. Crossings of the creek corridors will need to be more frequent (than the exhibited plans show) if a sustainable urban grid is to be achieved in the long term.

### **Recommendation**

Our recommendation is not that you necessarily adopt all of our draft illustrations as *the* plan, rather it is a request to work collaboratively to deliver pragmatic funding and planning solutions within a contributions framework.

### **Recommendations for landowner led master planning process**

- In any process, it will be important to heed our own recommendations (see page 7) that is, to agree the principles as part of a greater precinct plan, to guide the long-term framework early in the process.
- Then it will be important to agree the specific costed actions on a step by step basis. The temptation for a 'big reveal' master plan should be avoided. True collaboration is best managed on a step by step basis, documenting transparent 'no-regret' decisions as we go.

### **Planning for evolution of an urban grid, adapting to land-use change over time**

Growth of traditional industrial / business parks has been strangled by their networks of sparsely spaced roads and spaghetti of cul-de-sacs. The long-term strategy must recognise the future of urban mixed-uses, because that is the essence of an urban grid – otherwise what is the incentive not to advance the most cost-efficient spaghetti suburban sprawl?



**BELLA VISTA**



**ERSKINE PARK**



**SMITHFIELD**



### Planning for long-term mixed-use (including residential) is an important principle

It is accepted that the first phase of development at the Ingham Property / Lendlease site will be industrial in nature, driven by the Aerotropolis vision of employment creation. Lendlease is actively preparing industrial precinct concepts and working with prospective tenants to develop early activity adjacent the Airport, before the first plane arrives.

Lendlease's global development experience and expertise in delivering innovation precincts tells us that the long-term success of this precinct cannot be based on a monocultural land use. For the Aerotropolis to be successful, it will need to evolve over time. The vast area of the Aerotropolis will be a varied landscape of land-uses and urban character.

Barangaroo (developed by Lendlease) is Australia's first carbon neutral precinct. This achievement is made possible in part because it is a mixed-use precinct, where energy and water use can be managed over a 24-hour cycle. For example, electricity and heat generated by the commercial users can be consumed by residential uses at night. Waste from residential uses can be efficiently recycled by commercial systems.

The Bella Vista business park in Sydney built in the late 1990's (for Woolworths Head Office and others) is an example of a business park struggling to evolve into an urban mixed-use place. With a cul-de-sac / ring road structure, it is now being re-designed to add more connected streets and evolve the large monolithic blocks and users. There is significant cost and difficulty in overcoming the cul-de-sac system, not least of which the renegotiation and agreement with all the landowners to amend the subdivision.

The master plan should reflect the place and create character that responds to the natural features of the site. Mixed-use zoning has been identified for the western bank of Wianamatta Creek in the Aerotropolis Core, presumably because this is a good location for this type of use. Why not extend this character zone northwards, to include the steeper topography (less suited to larger floor plate development) within the Lendlease / Ingham site? This area represents a fraction of 182 ha landholding, but could produce a welcome mix of uses, including residential, adjacent a future Fifteenth Avenue transit link.

Whilst the planning framework could prioritise the delivery of employment related land-uses in the short term, there is no technical barrier to recognizing future residential land use up to the ANEC 20 contour in the long-term strategy. The importance of activating areas adjacent to airports has been recognised in the planning framework of other major Australian airports where noise sensitive uses are permitted in certain circumstances, such as the appropriate incorporation of noise control features in building design.

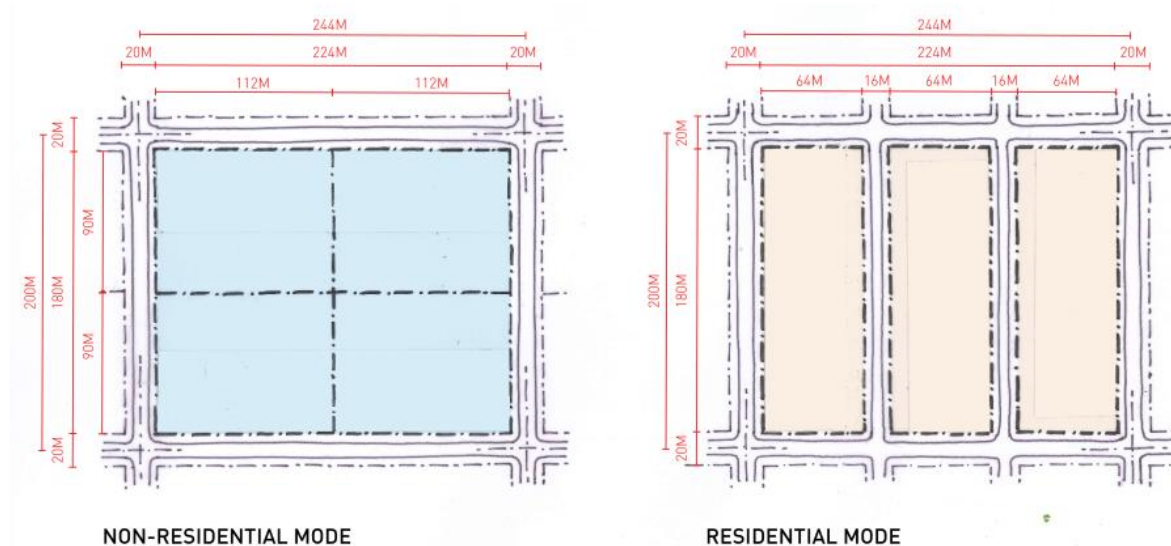
#### Recommendation

Ensure that the future Aerotropolis is a sustainable mixed-use city, by:

- Extending the mixed-use zone northward along the western bank of Wianamatta Creek.
- Recognise in the Aerotropolis Plan that mixed-use development is an important principle of sustainable development and is a key strategy in reducing consumption of energy and water.
- Recognising that the long-term strategy could allow for mixed-use up to the ANEC 20 contour, even if not supported in the short-term establishment of an employment focused precinct.

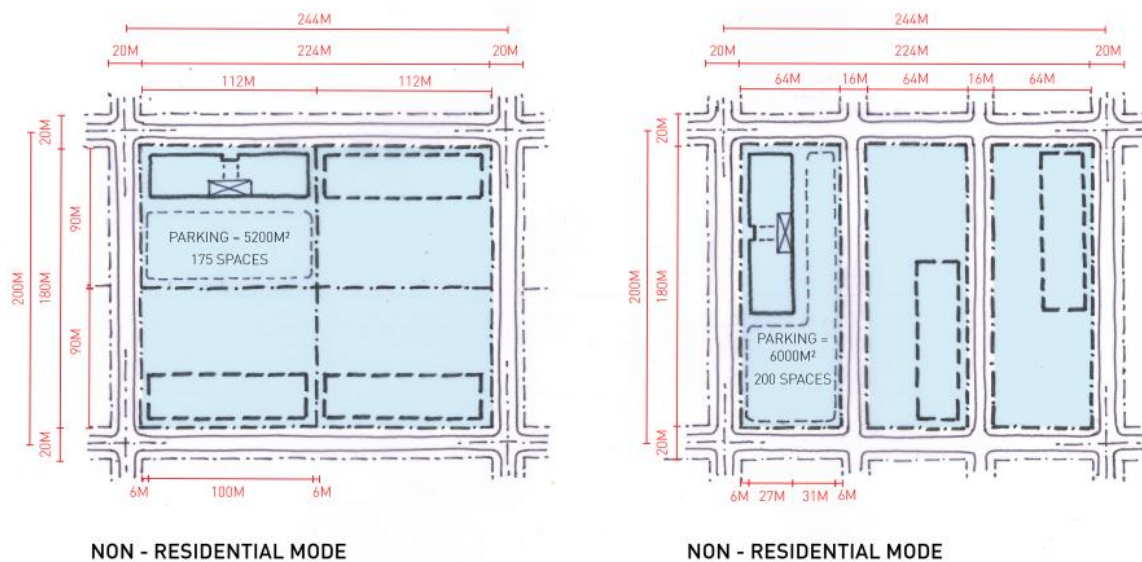


## Super Lot Strategy - Planned for Change



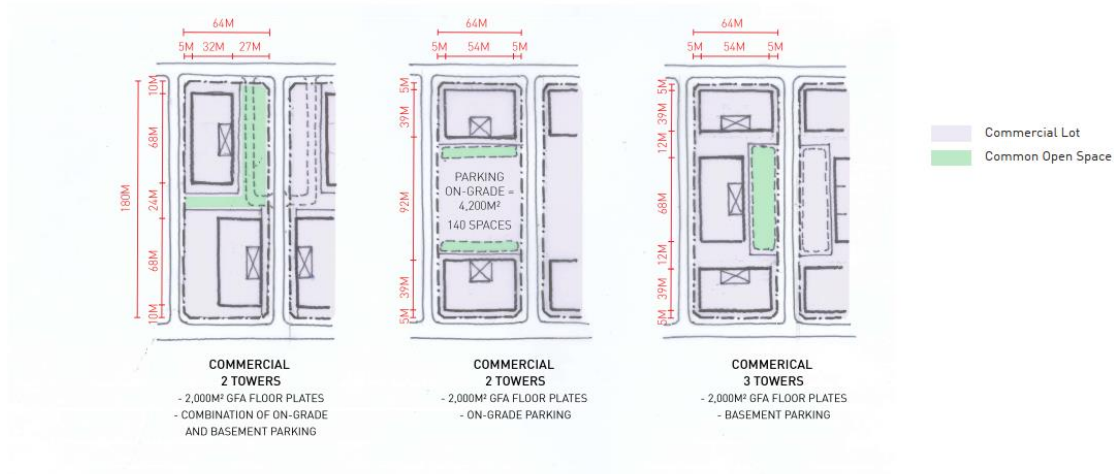
TRANSITION FROM INDUSTRIAL TO RESIDENTIAL  
SUPER LOT STUDY

## Super Lot Strategy - Planned for Change



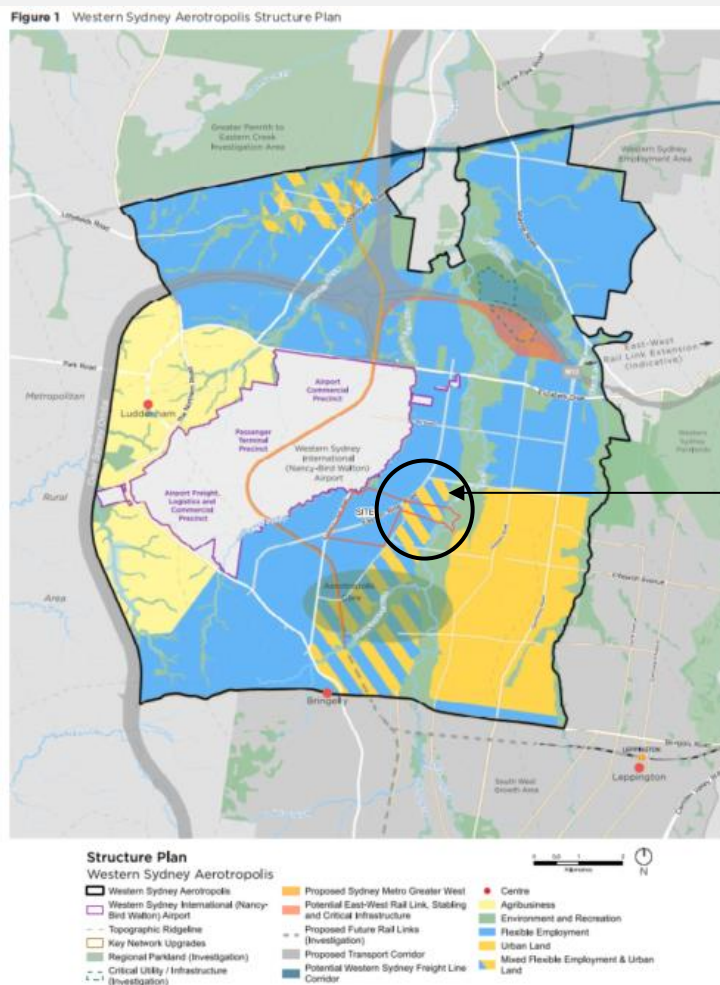
COMMERCIAL - 27M X100M FLOOR PLATE  
SUPER LOT STUDY

## Super Lot Strategy - Planned for Change



COMMERCIAL SCENARIOS  
SUPER LOT STUDY

## Extension of mixed-use zone along the western bank of Wianamatta Creek



Proposed Mixed-Use