



28 February 2020

Western Sydney Planning Partnership
c/- NSW Department of Planning, Industry and Environment
Submission via online NSW Government Planning Portal

Re: Public Exhibition of draft Western Sydney Aerotropolis Planning Package:

We refer to the recent public exhibition of a range of draft planning documents in relation to the Western Sydney Aerotropolis ('WSA') by the Western Sydney Planning Partnership ('WSPP') inclusive of:

- Western Sydney Aerotropolis Plan (the 'Plan'),
- Western Sydney Aerotropolis DCP, and
- Western Sydney Aerotropolis SEPP Discussion Paper,

(together referred to herein as the 'Documents').

Please accept this formal submission in response to exhibition of the Documents.

Flow Systems ('Flow') is the leading multi-services utility in New South Wales with specific focus on nextgen decentralised water and energy solutions. Flow is now under new ownership comprising Federal sovereign wealth, superannuation and low carbon energy-focussed funds, whose long-term views align with both Flow's strategic objectives and Government policy.

With a strong track record of successful partnership with State Government, Councils, landowners and developers, we have been able to consistently deliver innovative, cost-effective and timely solutions that improve outcomes for both clients and end-user customers in line with all relevant Government objectives. Our approach and solutioning is based on core principles of ESG and the Circular Economy, including sustainability, local resource capture and reuse, liveability, resilience, and affordability. Our solutions treat every natural resource within our communities as precious, capturing the same for reuse within the community.

Of particular relevance, given the WSA's climate, is our approach to water solutioning which captures all water sources for ultimate reuse within the precinct, based on integrated water management principles. Our solutions not only reduce potable water consumption by up to 70%, but the recycled water production in

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turn supports greening urban spaces, resulting in lower ambient temperatures and reduced energy consumption, effectively enhancing liveability, affordability and resilience (during periods of drought).

Our decentralised approach catalyses accelerated development of precincts free of the constraints and risks associated with large scale, centralised infrastructure but at the same time, with all the inherent flexibility of enabling integration into a broader network solution when and if required.

Flow has been approached by various parties with property interests in the WSA catchment who have shown strong interest in the close alignment of Flow's capabilities with both the Vision statements contained in the Plan and their own sustainability objectives. This said, they have expressed consistent concern at the apparent disconnect between the Plan's Vision statements, and the details and implementation mechanisms contained in the Documents. They feel (and we agree) that absent substantive recalibration, the Documents will fail to facilitate the Vision. In summary, the draft Documents appear to have confused the marketplace as to the acceptability of private sector utility solutions given the recurring references to Sydney Water. As a direct result, they are reluctant to commit to any private sector solution such as ours until this confusion is resolved.

It is in the context of this feedback, our strong support for the Plan's Vision and our own reading of the Documents, that we offer the following comments:

The draft Western Sydney Aerotropolis Plan

Contains excellent statements (amongst other things) concerning improvement/optimisation of water cycle management, the need for performance criteria as a means of guaranteeing outcomes (s2.3), and the need to integrate digital technology across infrastructure assets (s4.3). This said, suggested amendments include:

- S4.3: Addition of a specific subclause 4.3.4 facilitating use of connectivity, sensor and communications infrastructure to optimise efficiency of integrated (multi-utility) infrastructure (for example, in the timing of operation of water treatment facilities to align with availability of cheap renewable energy).
- S4.4:
 - Paragraph 2 needs clarification to amend 'energy infrastructure providers' to read 'public, institutional and private energy and multi utility suppliers and operators'.
 - Inclusion of an additional bullet point encouraging use of microgrids and decentralised solutions as a means of maximising system flexibility, responsiveness and robustness.
- S4.5:
 - Requires substantial amendment to avoid any suggestion that Sydney Water is the default service provider for water and wastewater. Paragraph 2 in particular should be entirely deleted given its potential to stifle innovation and competition. Parag. 3 needs to be followed with a statement that encourages open market, competitive delivery of 'hub and spoke' servicing solutions that facilitate innovation, flexibility and achievement of the Plan visions.
 - This Section should also include statements about the importance of integration of the full water cycle as a means of facilitation of circular economy principles, inclusive of discharge to and drawing of water from drainage networks as a means of maximising the benefits of water recycling.
- S7.2: Wherever possible, land use planning should facilitate the integration of circular economy facilitating multi-utility infrastructure assets and operations as a means of enabling the vision. Local

community 'spoke' infrastructure facilities and associated networks should be included in the list of desirable land uses in all Precincts.

- S7.3: The Strategic Outcome contained in s7.3.6 (Agribusiness) *'Integrate sustainable energy, waste and water as well as circular economy design principles into development and operations'* should be expanded to:
 - Include 'infrastructure delivery' as well as development and operations,
 - Include telecommunications,
 - Be applied across all Precincts.
- S8.4: The statements are broadly and strongly supported, though again it should be clarified that in working with 'utility providers', the NSW Government intends to engage with both public, State owned and private providers in an open, competitive and cooperative environment.

The draft Western Sydney Aerotropolis DCP

Recommended amendments include:

- Overall observation: There is a need for mandatory targets to be implemented if the Plan's Vision is to be achieved. This should, amongst other things, include the use of high-quality recycled water for non-potable residential, commercial and retail uses (alongside the use of lower-grade recycled water for agricultural and industrial purposes).
- S1.7: The 1st paragraph ends with a statement focussed on 'energy infrastructure'. This needs to be expanded to include the full range of utilities in a multi-utility, circular economy setting.
- S2: The Precinct Vision and Place Statements would be enhanced by inclusion of similar wording to that referenced in the Plan s7.3 relating to integration of multi-utilities in a circular economy setting.
- S3.3: Objectives should include the facilitation of recycled water inflows and outflows as part of a circular economy (where not in conflict with other objectives).
- S5.1.1.2, PO17: Should be expanded to include opportunities to recycle water in (and draw from) public assets.
- S5.1.3: There is an absence of any Objectives or associated Performance Outcomes relating to the reduction of water and energy demand, recycling of resources or integration with the infrastructure that supplies and sustains such. This oversight should be corrected as an important enabler to the Plan vision.
- S5.2: Affordable Housing is discussed solely in a product context. The Objectives and Performance Outcomes need to be expanded to facilitate innovative means to reduce operational costs, for example in the delivery and operation of essential utility services such as water and energy.
- S5.3:
 - Objectives are focussed purely on logistics. They need to be substantially expanded in line with the Plan vision to facilitate circular economy principles applied to the innovative, flexible, sustainable delivery of multi-utility solutions. They should in addition seek to encourage the collaboration between public, state-owned and private entities.
 - Performance Outcomes:
 - PO1: 'Adequate' is inappropriate and inconsistent with the Plan vision. The bar needs to be set much higher.
 - PO2: Should be expanded to provide that utility services must in return be integrated into and seek to add value to the communities they serve.

- PO3: Suggests that infrastructure must form a part of the broader network and therefore, may act to reduce innovation, flexibility and open market competition. This should be modified to encourage decentralised and-or off-grid solutions.
- PO6: Should be expanded to facilitate community awareness of the benefits of sustainable outcomes.

The Western Sydney Aerotropolis proposed SEPP Discussion Paper

- Overall observation: There is a need for mandatory targets to be implemented if the Plan's Vision is to be achieved. This should, amongst other things, include the use of high-quality recycled water for non-potable residential, commercial and retail uses (alongside the use of lower-grade recycled water for agricultural and industrial purposes).
- S2.4: Integrated water management should cover more than water health. The description should be expanded to include sustainable, circular economy principles that are capable of facilitating innovative approaches to water recycling, inclusive of enabling access to public assets for the purposes of water harvesting, reuse and discharge.
- S2.6: Should not refer specifically to 'Rental', but encompass all forms. The description should also encompass sustainability and whole of lifecycle considerations (ie: operation costs).
- S2.8: The description appears to default to incumbent utility providers (public / State-owned bodies) as recipients of any contributions assistance. Flow recommends that the PIC should instead countenance contributions being utilised to facilitate any form of infrastructure that delivers on the Plan vision, no matter whether the catalyst is a public, State owned or private entity. The emphasis should be on facilitating circular economy, high sustainability outcomes-based solutions. This could take the form of either/both of capital and operational subsidies, depending on the situation.
- S2.11:
 - Once again, the implied focus appears to be on centralised infrastructure delivery, assumed to be by incumbent State-owned entities. This is counter to the Plan's Vision, and unlikely to facilitate sustainable, circular economy outcomes. The wording needs to be amended to facilitate integrated water solutions including decentralised and/or micro-grid solutions as part of a circular economy, 'hub and spoke' solution that embraces innovation, competition and cooperation.
 - Words such as 'consider' in paragraph 4 should be discouraged. For the vision to be delivered, loftier ambitions are required.
 - The reference to digital infrastructure is supported, but should be embellished to also take in the integration of multi-utility networks as a means of ensuring they are operated efficiently and cost effectively.
- S3.8:
 - Ideally, all land use zones should facilitate delivery of sustainable decentralised local multi-utility schemes (facilities and associated local networks, with trunk/grid connections). Our exemplar globally-recognised scheme at Central Park (City of Sydney) is just one example of how state of the art sustainability outcomes are achievable in any land use zone, provided planning controls do not prohibit or discourage them.
 - The Environment and Recreation Zone should include water discharge, irrigation, capture, reuse and/or recycling uses as being permitted with consent.
 - The Infrastructure Zones SP1 & SP2 reference a '*purpose shown on the Land Zoning Map*', which is not apparent. This requires clarification. In addition, utility infrastructure and associated networks should be specifically listed as being permitted with consent.
- S4.3: The final paragraph is difficult to comprehend and could benefit from rewording.

In Closing...

Success of the WSA is contingent on the Plan's Vision elements of sustainability, innovation, circular economy, resilience, flexibility and climate modulation being delivered. These are the differentiators that will define success. They are facilitated in an open, cooperative and competitive environment that encourages innovation and leadership. Unfortunately, the Documents fail to deliver to the marketplace any certainty about how the Plan's Vision can be achieved, defaulting all too often to 'business as usual' and in doing so, stifling the opportunity for us in the private sector to play an important role in delivering the Plan's Vision. Flow also considers the absence of mandatory criteria to be a key oversight in this respect.

From experience, 'business as usual' generally equates to delay, inefficiency, inflexibility, escalating cost and most importantly, conservative outcomes. Whilst it has its place in the delivery of core support trunk networks and other major transfer infrastructure, it needs to work in concert with the more nimble, innovative solutions that private sector is ready, willing and able to deliver: the hub and spokes approach.

Sections 6.2 and 6.3 of the 'WSA Land Use and Infrastructure Implementation Plan – Stage 1: Initial Precincts' dated August, 2018 ('LUIIP') contains an excellent discussion on the constraints, opportunities and funding options available as catalysts for delivery of the Aerotropolis vision. We recommend that DPIE ensure that at all times, the Documents are consistent with and where appropriate, embellish the content of the LUIIP. Further, it is essential to success that where required, the current amendments to the Water Industry Competition Act (2006) are implemented as a priority to facilitate these outcomes.

Please do not hesitate to contact me should we be able to assist WSPP / DPIE in any way to ensure that delivery of the WSA is facilitated in a manner consistent with the NSW Government's vision. As you appreciate, this is a once-in-a-lifetime opportunity to get it right from the start and optimise achieving the Vision.

Yours sincerely,

