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Content:
HIA's submission is attached.

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HOUSING INDUSTRY ASSOCIATION



Housing Australians

Reforming Building & Planning Laws

Submission to Department of Planning & Environment

**Western Sydney Aerotropolis – Land Use & Infrastructure
Implementation Plan (Stage 1 Initial Precincts)**

11 October 2018

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ABOUT THE HOUSING INDUSTRY ASSOCIATION

The Housing Industry Association (HIA) is Australia's only national industry association representing the interests of the residential building industry, including new home builders, renovators, trade contractors, land developers, related building professionals, and suppliers and manufacturers of building products.

As the voice of the industry, HIA represents some 40,000 member businesses throughout Australia. The residential building industry includes land development, detached home construction, home renovations, low/medium-density housing, high-rise apartment buildings and building product manufacturing.

HIA members comprise a diversity of residential builders, including the Housing 100 volume builders, small to medium builders and renovators, residential developers, trade contractors, major building product manufacturers and suppliers and consultants to the industry. HIA members construct over 85 per cent of the nation's new building stock.

HIA exists to service the businesses it represents, lobby for the best possible business environment for the building industry and to encourage a responsible and quality driven, affordable residential building development industry. HIA's mission is to:

"promote policies and provide services which enhance our members' business practices, products and profitability, consistent with the highest standards of professional and commercial conduct."

The residential building industry is one of Australia's most dynamic, innovative and efficient service industries and is a key driver of the Australian economy. The residential building industry has a wide reach into manufacturing, supply, and retail sectors.

The aggregate residential industry contribution to the Australian economy is over \$150 billion per annum, with over one million employees in building and construction, tens of thousands of small businesses, and over 200,000 sub-contractors reliant on the industry for their livelihood.

HIA develops and advocates policy on behalf of members to further advance new home building and renovating, enabling members to provide affordable and appropriate housing to the growing Australian population. New policy is generated through a grassroots process that starts with local and regional committees before progressing to the National Policy Congress by which time it has passed through almost 1,000 sets of hands.

Policy development is supported by an ongoing process of collecting and analysing data, forecasting, and providing industry data and insights for members, the general public and on a contract basis.

The association operates offices in 23 centres around the nation providing a wide range of advocacy, business support including services and products to members, technical and compliance advice, training services, contracts and stationary, industry awards for excellence, and member only discounts on goods and services.

1.0 INTRODUCTION

The Housing Industry Association (HIA) welcomes the opportunity to provide comments on the Western Sydney Aerotropolis Land Use and Infrastructure Implementation Plan (the Draft Plan) released in August 2018.

Although predominantly an employment precinct, the Western Sydney Aerotropolis will have some areas designated for housing development which is important for HIA members. The identification of two of the initial precincts for a range of land uses, including mixed use development, is appropriate. The comments in this submission will be focused on the components of the Draft Plan which specifically concern the mixed use precincts and any other areas capable of supporting the development of housing.

The Draft Plan outlines the future development of the initial precincts within the broader Western Sydney Aerotropolis area and provides a roadmap towards the establishment of planning controls to guide the area's staged development. It is appropriate for there to be housing near the new airport where conditions (aircraft noise and other environmental factors) are favourable. The precinct's proximity to employment and services make it ideal for development for urban purposes.

The Draft Plan will capitalise on the Commonwealth Government's \$5 billion investment towards the new airport and the \$3.6 billion infrastructure plan that has been jointly announced by the NSW and Commonwealth governments. The new airport and the associated infrastructure investment have the ability to initiate a major transformation within Western Sydney. The acknowledgement of the transformational potential of the new airport in the Draft Plan is welcomed.

The Draft Plan places considerable importance on collaboration between government, landowners, industry and the community. It is pleasing to see the value being given to collaboration processes in the Draft Plan. The Department should consider applying a collaborative approach with stakeholders as it develops the planning framework for the Western Sydney Aerotropolis.

2.0 WESTERN SYDNEY AEROTROPOLIS

The Draft Plan represents the initial planning stage for the 11,200 hectare Western Sydney Aerotropolis site surrounding the new airport. Unprecedented cooperation between Commonwealth and State Governments and local councils to deliver the airport, infrastructure and the area's development potential has been valuable. Arrangements such as the Western Sydney City Deal will assist to provide certainty about the delivery of enabling infrastructure.

Notwithstanding the fact the aerotropolis is primarily being developed as an economic precinct, it will also be developed for about 60,000 homes. Providing for a range of housing types and densities, the Draft Plan, will provide the basis for the establishment of attractive communities in Sydney's south western suburbs close to where people work. This is consistent with the Greater Sydney Commission desire for a 30 minute city.

It is noted that the Draft Plan aligns with the strategies and actions set out in *"A Metropolis of Three Cities"*, *"Future Transport Strategy 2056"* and the State Infrastructure Strategy. The planning work behind the Western Sydney Aerotropolis will be used to guide the delivery of the long term vision for the Western Parkland City. It is important whole-of-Government support for the implementation of this vision is maintained through the future stages and precincts.



3.0 INITIAL PRECINCT PLANNING

The Draft Plan provides information about the first three precincts that would be released for planned for development within the Western Sydney Aerotropolis. The following comments are made in respect the details contained in the Plan:

3.1 NORTHERN GATEWAY

The Northern Gateway is a 1,120 hectare precinct located to the north of the new airport site. The Draft Plan has identified potential for approximately 3,400 homes within this precinct once it is fully developed. A mix of land uses within this precinct is considered appropriate.

Limiting residential uses to the precinct's primary centre and focused on the transport nodes serving the centre is appropriate. When the planning controls for this precinct are developed they should be flexible to enable a wide range of land uses to be carried out within each premises. Exempt and complying development pathways should be encouraged to avoid costs and delays associated with planning approvals.

Although there will be land within this precinct designated for residential development, it will be located to avoid excessive aircraft noise (must be outside the ANEF 20 contour). The rezoning of land within the precinct must be coordinated with the development of ANEF contours to ensure that only land suitable for urban use is developed for housing.

Consideration should be given to how the Draft Plan interacts with adjacent land. There should be appropriate transition from the land within the Aerotropolis to neighbouring land. Development of appropriate planning controls for land on the boundary of the Aerotropolis should minimise conflicts with neighbouring land uses.

3.2 AEROTROPOLIS CORE

The Aerotropolis Code is a 1,055 hectare precinct located to the south of the new airport site. The Draft Plan identifies an estimated 8,000 homes will be developed within this precinct once it is fully developed.

High density housing will be allowed in primary centre within this precinct to enhance vitality. Areas appropriate for housing will be determined based on aircraft noise and building design controls will minimise impacts from aircraft noise. These design controls need to be consistent with industry practice and adopted standards.

Although there will be land within this precinct designated for residential development, it will be located to avoid excessive aircraft noise (must be outside the ANEF 20 contour). The rezoning of land within the precinct must be coordinated with the development of ANEF contours to ensure that only land suitable for urban use is developed for housing.

It is important that the future development of the Western Sydney Aerotropolis be integrated with the surrounding areas, including the South West Growth Area to the south to ensure that adjacent land uses are compatible and complimentary. It is understood that up to 30,000 new homes could be built in the neighbouring South Creek West precinct once it is fully planned and developed.



3.3 SOUTH CREEK

The South Creek precinct is a 1,950 hectare precinct comprising open space, recreation facilities and community facilities. Some residential development will be allowed in appropriate areas. The corridor has several constraints including aircraft noise and flooding which limit opportunities for urban development.

Given parts of this precinct will be unsuitable for residential housing, due to hazards such as flooding and bushfire, it is appropriate that the detailed planning of the precinct allocate appropriate land use zones to the land such as recreation or special uses rather than urban use zones.

Any land within this precinct that is determined to be suitable for urban uses, such as housing, should provide for the same planning process as the other precincts. The development of detailed planning controls should be flexible enough to allow the use of exempt and complying development pathway, where appropriate, to avoid the high costs and delays associated with the Development Application process.

4.0 POLICY DRIVERS

4.1 AIRPORT OPERATIONS

4.1.1 Aircraft noise

The Draft Plan aims to respond to and implement policy requirements that will safeguard the future operations of the airport. It is acknowledged that there is to be a 24 hour airport developed in this location and that it will serve a major national economic purpose and should not be undermined in anyway whatsoever by other form of economic activity.

The importance of assessing aircraft noise in the initial planning of development surrounding the airport site is paramount. It is appropriate that any new development proposed under the Draft Plan meet planning controls on the location and design of future residential development around the airport. There needs to be a clear process for identification of land suitable for residential development to avoid adverse impacts to residents from aircraft noise.

The zoning of land must be informed by available ANEC/ANEF maps developed by the airport operator and Commonwealth Government. Future residents should not be burdened by additional costs to retrofit their homes to reduce intrusion of excessive aircraft noise. The Department and local councils as the appropriate planning authorities should determine which locations are appropriate for residential development and avoid zoning land for residential development if it will be affected by excessive aircraft noise.

4.1.2 Aviation safety

Planning rules for new development, particularly building heights, need to be development in a way that avoids conflict with airport and airspace operations. The Department should engage with the appropriate Commonwealth agencies to determine acceptable building heights surrounding the airport and integrate that information into the future planning controls developed for the Aerotropolis.

4.2 INFRASTRUCTURE

4.2.1 Public Transport

The Draft Plan states that public transport services to the Aerotropolis and surrounding areas will be staged with new development to provide efficient, reliable and easy-to-understand journeys. It is important that the



new communities being developed within the Aerotropolis are served by regular public transport services as early as possible. This will deliver benefits to both future residents and workforce of the precinct. The early identification and allocation of funding for transport infrastructure by the Government is welcomed.

4.2.2 Road connections

Given the airport and surrounding areas will become important economic infrastructure for the national, State and regional economies, the cost of road infrastructure should be funded from Commonwealth and State Budgets. Collection of levies from developers, which ultimately is passed onto home buyers, is not an appropriate method of funding infrastructure that will serve the broader national and regional economy.

The NSW Roads and Maritime Services (RMS) has developed a Western Sydney Infrastructure Plan which has been included on page 35 of the Draft Plan. This shows locations of new motorways and other road upgrades that will link the airport to Sydney's wider road network. Once detailed planning for the regional road network is completed, there should be adequate buffers provided between those roads and areas for new housing. Future residents should be protected from excessive noise associated with vehicles using these high-volume roads and motorways.

4.3 A SUSTAINABLE, LIVEABLE AND GREEN AEROTROPOLIS

4.3.1 Water smart planning in the South Creek catchment

South Creek and its tributaries will play a vital role in the development of the Aerotropolis as it will provide a green corridor for improving the environmental, recreational and hydrological value of the site. The Draft Plan recognises the importance of these waterways and refers to a new approach which brings riparian lands to the centre of urban activity and form, while improving and preserving environmental values. A NSW cross-agency program will deliver this outcome with the establishment of a framework that will address environmental, aesthetic, biodiversity and hydrological values. There needs to be stakeholder (industry and landowner) involvement in this program to ensure this type of program produces relevant outcomes.

South creek and its tributaries are flood affected (Probably Maximum Flood) and are identified as bushfire prone land. As part of identifying appropriate land uses for land within the Aerotropolis, it will be necessary to evaluate the relative risks associated with each constraint and prepare appropriate land use controls and restrictions. Any land that is not suitable for urban development (such as housing) should be allocated an appropriate non-urban zoning to avoid burdensome restrictions on future development.

4.3.2 Clean, reliable, affordable modern energy infrastructure

The Draft Plan refers to the changes occurring in the energy sector, including new energy technologies, solar, storage and digital metering. Planning for the Aerotropolis will consider how households and businesses can benefit from these changes. A number of proposals being considered include solar rooftop and solar gardens, smart grid technology and on-site battery storage.

Parts of the Aerotropolis will be developed to very high standards regarding adoption of renewable energy and technology. Take up of those technologies will generally be consumer driven and undertaken on a voluntary basis. Any proposal to require mandatory installation of new energy technology should be subject to full regulatory impact assessment and cost benefit analysis as well subject to further industry consultation.



5.0 FLEXIBLE AND ADAPTIVE PLANNING FRAMEWORK

5.1 URBAN DEVELOPMENT ZONE

The Draft Plan proposes the introduction of a new zoning “Urban Development Zone” to be used in the State Environmental Planning Policy (SEPP) that will apply to the Aerotropolis site. The new zone is expected to eliminate the need for costly planning and zoning amendments – allowing for new release areas to change and adapt over time. This approach is supported as it provides greater flexibility and reduces frequent and unnecessary changes to zones and other planning controls.

5.2 STREAMLINED DEVELOPMENT ASSESSMENT

The Draft Plan proposes introducing the concept of ‘Consistency Assessment’ with planning applications. This will be where an application includes a report that indicates consistency with the strategic planning directions in the Final Plan and the future SEPP. It indicates that a new referral mechanism to the Department to ensure new development proposals are assessed against the requirements of the plan. It is not clear from the Plan whether this will be adding a new layer of red tape to the planning process or eliminating an existing layer.

There is merit in having a streamlined development assessment process but the introduction of a concurrence role for the Department, where it is not the consent authority, will just add more red tape and delay. Unless the Department will take on the role of the local council as the relevant planning authority, this process has the risk of creating further delay and cost to the development assessment process. While it is important to ensure that proposals are consistent with the planning requirements set out in the Final Plan, it is not understood how a consistency assessment will improve the planning outcomes delivered on the ground.

The intention to expand the range of land uses that may be authorised through complying development is fully supported. Low impact development in the business and employment areas should all be possible using either exempt or complying development provisions. Provisions that encourage greater use of complying development should be evaluated by the Department to reduce the regulatory cost burden encountered by future businesses and residents.

5.3 INTERIM AND OUT OF SEQUENCE ARRANGEMENTS

The Draft Plan proposes a process to permit out of sequence and interim proposals. The facility for these to be taken into consideration and assessed is supported. Before a proposal is identified as being out of sequence, there should be an evaluation carried out of the Government’s preferred sequencing strategy to ensure that it continues to be relevant and achievable at all times. There may be factors that would lead to the final development sequence becoming outdated and redundant. There should be no penalty or additional cost to a developer where there are public benefits from a reorganisation of the adopted development sequence.

6.0 FUNDING, COORDINATION AND DELIVERY OF INFRASTRUCTURE

6.1 STATE AND LOCAL INFRASTRUCTURE REQUIREMENTS

The Aerotropolis and the Western Sydney Airport will involve a significant investment in new infrastructure, including transport, roads, education, health, open space and arts/culture. Much of this infrastructure will support the new residential and business communities but they will also provide significant benefit to the wider population of Sydney and beyond. Any proposal to impose a levy on future residents to pay for State and regional infrastructure would be inequitable and unreasonable.



6.2 UTILITIES

The timely and efficient provision of enabling infrastructure by utilities companies is a key consideration to activate precincts. There will be a considerable need to replace, upgrade and provide new trunk infrastructure to the region to support the airport and surrounding development.

The preparation of flexible servicing strategy with the next stage of the Land Use Plan to provide long term direction, ensure certainty of utility supply and allow for alternative servicing solutions is welcomed. There should be further consultation and collaboration with industry and stakeholder groups during the development of this strategy.

6.3 DEVELOPMENT CONTRIBUTIONS FOR THE AEROTROPOLIS

The Draft Plan proposes a range of options for funding new infrastructure. Traditional methods such as local contributions, fixed development consent levies, Special Infrastructure Contributions (SICs) and Voluntary Planning Agreements (VPAs) are identified as being available to fund certain types of infrastructure.

A new SIC will be developed to fund and deliver regional infrastructure for land surrounding the airport. Although the planning of the SIC and its related infrastructure schedule and SIC rate will be publicly exhibited, with the next stage of the Land Use Plan, there will be considerable equity and equality issues associated with a SIC in this precinct. The national, State and regional nature of the airport and the surrounding development will make it very difficult to attribute a nexus to the future residents and workforce.

6.4 OTHER VALUE SHARING MECHANISMS

The Draft Plan indicates that some regional infrastructure will be funded using 'other value sharing mechanisms'. It is important that infrastructure is delivered to the airport and surrounding land in a timely manner, the Department needs to ensure that it does not unfairly burden the landowners and developers with responsibility for funding that infrastructure.

The concepts of value capture and value sharing are relatively new and poorly understood in Australia and New South Wales. There must be better engagement between State and local governments and industry groups regarding the development of other value sharing mechanisms.

7.0 CONCLUSION

The development of the Western Sydney Airport will create a significant opportunity for Western Sydney. Apart from the aviation related activity needed to serve the airport operations, the potential it has to transform land surrounding the site cannot be underestimated. The response from the Department to commence precinct planning for the Aerotropolis is appropriate.

Several announcements from the Commonwealth and State Governments regarding investment in transport infrastructure and the Western Sydney City Deal have ensured that the airport and the Aerotropolis will be well connected to other parts of Sydney and NSW. It is clear the airport will have national and regional significance and governments will need to ensure that they continue to fund and deliver an appropriate level of infrastructure to support the region's growth.

Once the development of the Aerotropolis is underway it is important that an uncomplicated and flexible planning framework is established. It is heartening that the Draft Plan has identified a single urban



development zone and expanded complying development as both of these will be needed to encourage interim and long term investment into the precinct.

It is appropriate the Department is taking a staged approach to the planning and development of the Aerotropolis. The scale of the Aerotropolis precinct and the complex infrastructure issues that it involves, warrants the need for a managed implementation process. The establishment of the Western City and Aerotropolis Authority through legislation will satisfy the need for delivery and implementation leadership.

