

21 December 2020

[DPIE Planning Portal](#) ref: Western Sydney Aerotropolis Draft Precinct Plans

To whom it may concern:

Draft Aerotropolis Precinct Plan & Draft Special Infrastructure Contribution

Ingham Property is the owner of a significant 182 ha landholding located at [REDACTED] Badgerys Creek Road ([REDACTED]), within the 'Aerotropolis Core' precinct in Badgerys Creek. The Ingham family have a long history of investment in Liverpool and Western Sydney and are motivated 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 Lendlease's skills, resources and collaborative culture.

Ingham Property and Lendlease are ready to invest and we are working towards construction commencement in 2022. We note that the exhibition period has been extended from December 2020 to February 2021 but we don't wish to delay. We write to you now because we want to proceed and feel the best response to your consultation would be commencement of a Master Plan process. We nominated to commence that process by correspondence 14 October. Regrettably, neither DPIE or any other agency has yet initiated a response to that request.

We encourage DPIE to maintain the momentum established by the Planning Partnership to ensure that the Western Sydney Aerotropolis can be activated concurrently with the airport opening in March 2026.

Yours sincerely



Arthur Ilias
Development Director, Lendlease



Michael Parkinson
General Manager, Ingham Property

WESTERN SYDNEY AEROTROPOLIS

BADGERYS CREEK ROAD

**COMMENT ON DRAFT AEROTROPOLIS CORE PRECINCT PLAN
& DRAFT SPECIAL INFRASTRUCTURE CONTRIBUTIONS PLAN**



Executive Summary

Lendlease and Ingham Property prepared a submission to the planning package in February 2020. At that time, we expressed our readiness to invest and assist in the precinct planning process. Whilst we were invited to attend certain consultation sessions, they did not facilitate the kind of collaborative co-design process that best establishes the early delivery of place. It is acknowledged that the complications of the COVID-19 pandemic made consultation less productive. However, our February submission and our follow up sessions focused on two key themes that, in our opinion have not been addressed:

- 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

We recommended that Government 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.

This has not been achieved. We can't get back the lost year of 2020 – but we can commence the master plan process. We nominated to commence that process by correspondence 14 October. Regrettably, neither DPIE nor any other agency has yet formally replied.

Planning for evolution of the urban grid over time

In February 2020 we commented that 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.

10 months later, this critique remains valid in the form of the exhibited draft Precinct Plan. 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.

Opportunities and Risks in the Aerotropolis Core Precinct Plan

For the purpose of this December 2020 submission, we have focused our comments on site specific opportunities to improve the Precinct Plan:

- i. Alignment of the Eastern Ring-Road;
- ii. Alignment of Fifteenth Avenue extension and early transit connection to the airport;
- iii. Proposed secondary town centre within the Aerotropolis Core;
- iv. Planning for long-term mixed-use;

And also, implementation risks based on the limited resolution of the exhibited infrastructure plans:

- v. Risks associated with the draft Special Infrastructure Contributions plan; and
- vi. Risks associated with local contributions and the need for interim measures.

i.) Alignment of the eastern Ring-Road

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

The proposed re-alignment of the Eastern Ring-Road would meet the overarching district design brief and can be supported because:

- Travel time and speed between Elizabeth Drive and the Northern Road would be substantially the same;
- Major intersections are substantially the same as the draft Precinct Plan;
- Inclusion of a transit-only movement at the proposed intersection of Fifteenth Avenue and the Ring-Road would have minimal impact on the above stated design criteria and offers a design solution for a problem not yet resolved by the draft Precinct Plan (see ii.).

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. We nominated to commence a landowner led Master Plan process on 14 October 2020.

Lendlease and Ingham Property have coordinated with our neighbours, CSR and Greenfields Development who are similarly defined as 'major landowners'. Together we have made a joint submission (attached) that:

- *Proposes modifications to the Precinct Plan in the form of a coordinated plan; and*
- *Confirms in principle support from our neighbours for some of the modifications to the Precinct Plan proposed in this submission, in particular the alignment of:*
 - *The Eastern ring-road;*
 - *Fifteenth Avenue; and*
 - *The N-S connector between Fifteenth Avenue and Eastern Ring-Road.*

The proposed re-alignment would create a node near the proposed secondary town centre and the central green spine which, in turn, would create an improved opportunity and rationale for pedestrian / cycle crossing of the ring-road at this location. Without this connection, the Ingham / Lendlease parcel would rely on just two intersections at the edges of the parcel for through-precinct connectivity. This would thwart walkability targets and render the task of place making at the master plan stage much more difficult. The re-alignment should be supported because it would improve:

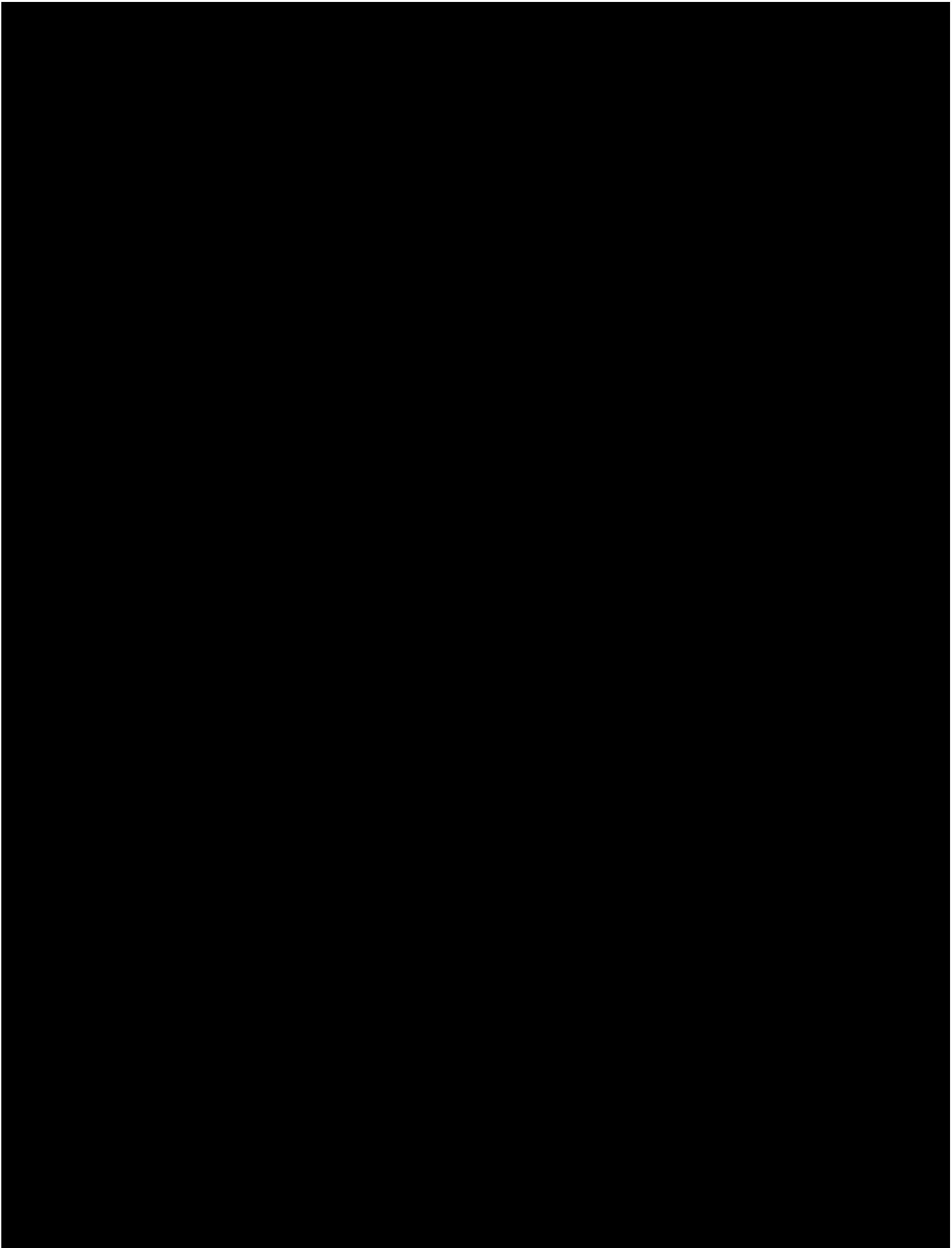
- Walkability and placemaking opportunities;
- Transit connectivity – at least in early phases of Aerotropolis development; and
- Efficiency / productivity of development parcels because of increased orthogonal shape.

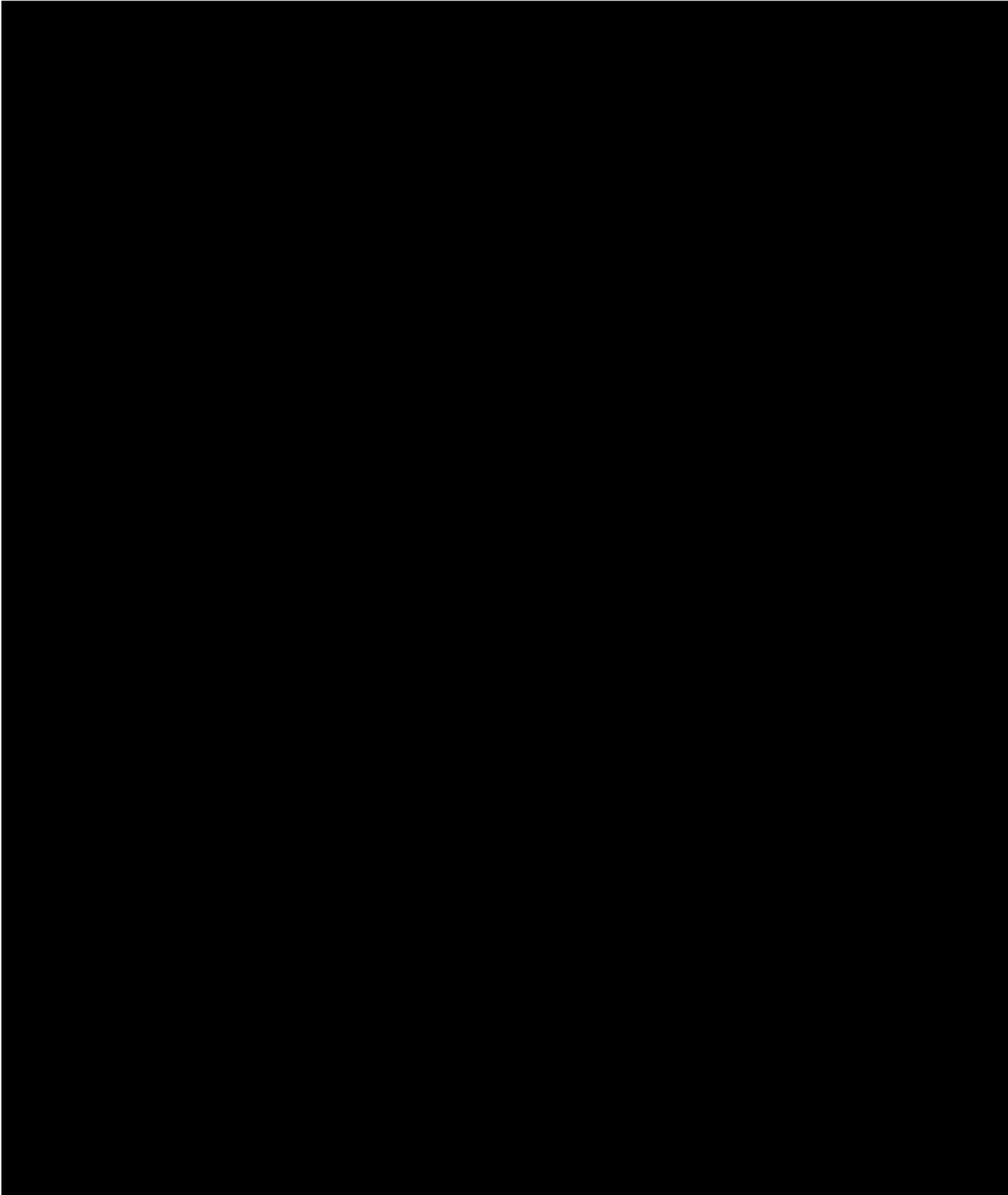
Recommendation

Commence a landowner led Master Plan process so that the alignment of the Eastern Ring-Road can be modified and relevant traffic modelling and road engineering be design assured. This would facilitate amendment to the Precinct Plan to improve design efficiency and deliverability without impediment to the Western Parkland City vision.

Establish a major landowners working group to assist the master plan process and ensure coordination across the Precinct Plan and any proposed modifications.

I) ALIGNMENT OF THE EASTERN RING ROAD





ii.) Alignment of Fifteenth Avenue and early transit connection to the airport

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 of delivery of the new transport connection between the Liverpool CBD and the Airport by 2026, the planned commencement of operations at the Airport.

However, 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 once in a generation employment opportunity.

The draft Precinct Plan of February 2020 was amended to include linework to indicate the extension of Fifteenth Avenue across the Eastern Ring-Road but the transport plans do not indicate an intersection. It is clear that Government policy for this draft Precinct Plan is not coordinated and does not have a resolved plan for this vital transit link in the early phases of the Aerotropolis.

The Lendlease / Ingham Property site can deliver the early link to provide public transport connectivity during the construction phase of the Airport and beyond. This direct link would provide the quickest route which is of critical importance to the success of the transport service. The link could potentially be constructed ahead of the future ring-road.

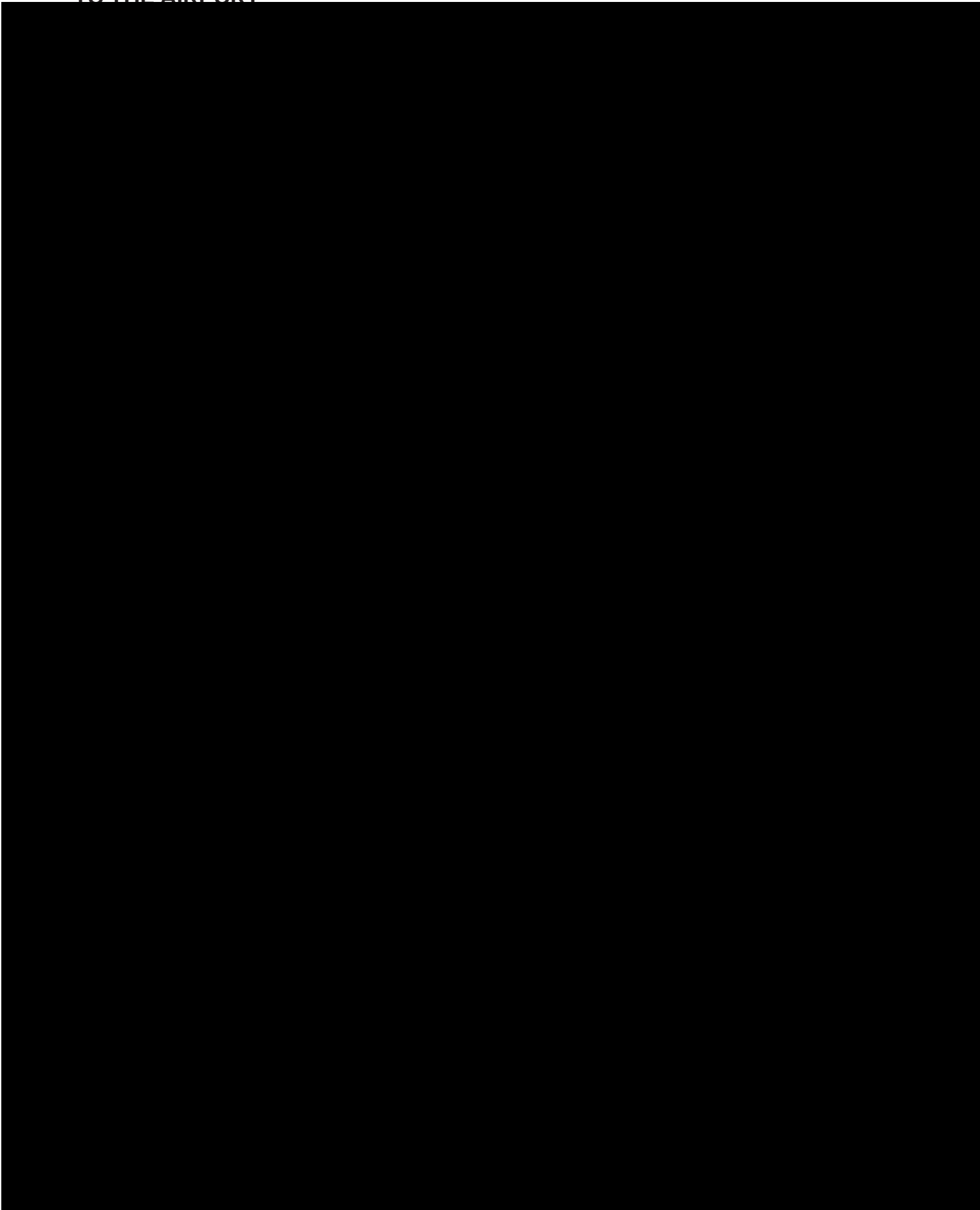
The connection of Fifteenth Avenue to Badgerys Creek Road must be a priority of the early phases of the Aerotropolis Core's development and would be:

- An important link for all traffic in the short term before the ring-road is completed;
- A critical transit link between Liverpool CBD and the Airport especially in the short-term; and
- A long-term place making opportunity bringing welcome transit orientated activity and accessibility to the secondary town-centre.

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.

**II) ALIGNMENT OF FIFTEENTH AVENUE AND EARLY TRANSIT CONNECTION
TO THE AIRPORT**



iii.) Proposed secondary town centre in the Aerotropolis Core

In the absence of exhibited plans to compulsorily 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.

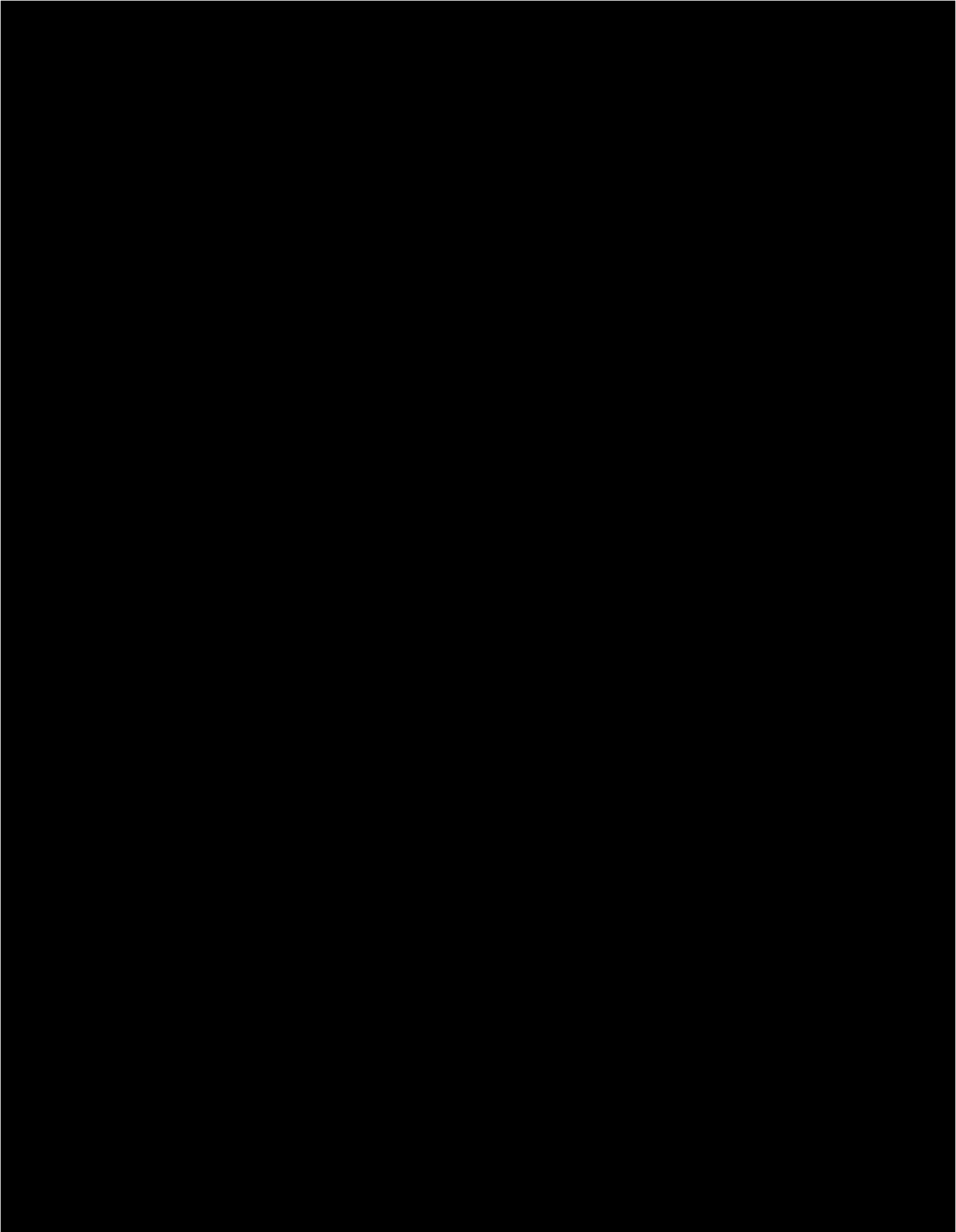
Recommendation

Recognise that property ownership is a relevant constraint to delivery and re-work the Precinct Plan slightly to allow for more practical coordination between landowners.

Adjust the town centre design (as described in i. & ii.) to include provision for through transit and improved connection with central green space and walkability / connectivity east-west.

Commence the landowner led Master Plan process so that the alignment of the N-S connector road can be modified and relevant traffic modelling and road engineering be design assured so that the Precinct Plan can be amended to improve design efficiency and deliverability without impediment to the Precinct vision.

III) PROPOSED SECONDARY TOWN CENTRE IN THE AEROTROPOLIS CORE



iv.) Planning for long-term mixed-use (including residential)

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 singular 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 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?

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.

Recommendation

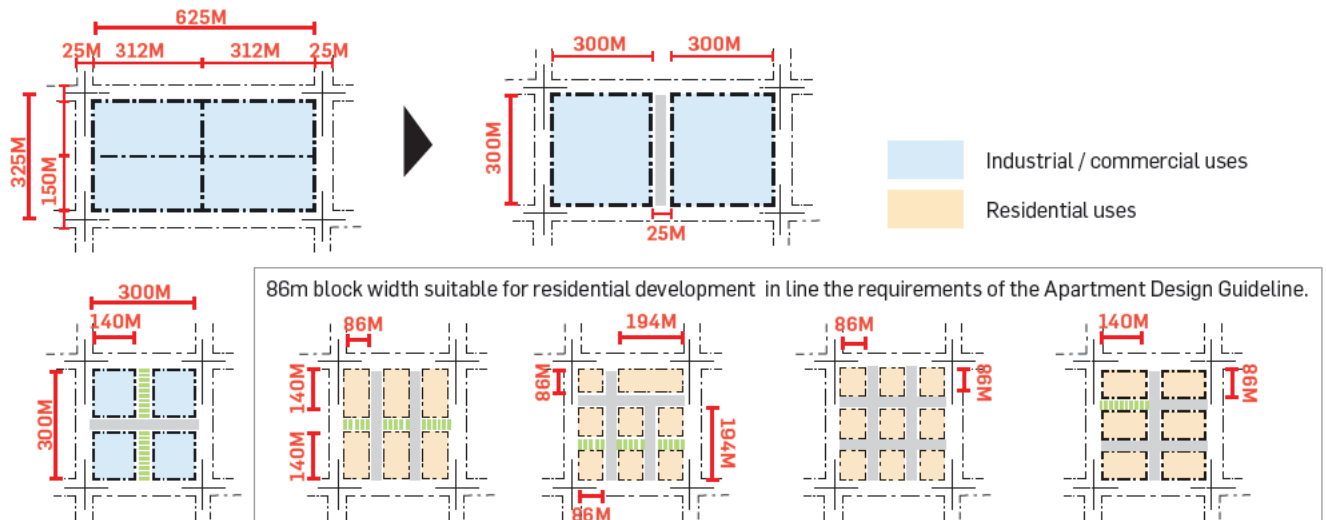
Ensure that the future Aerotropolis is a sustainable mixed-use city, by:

- 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.

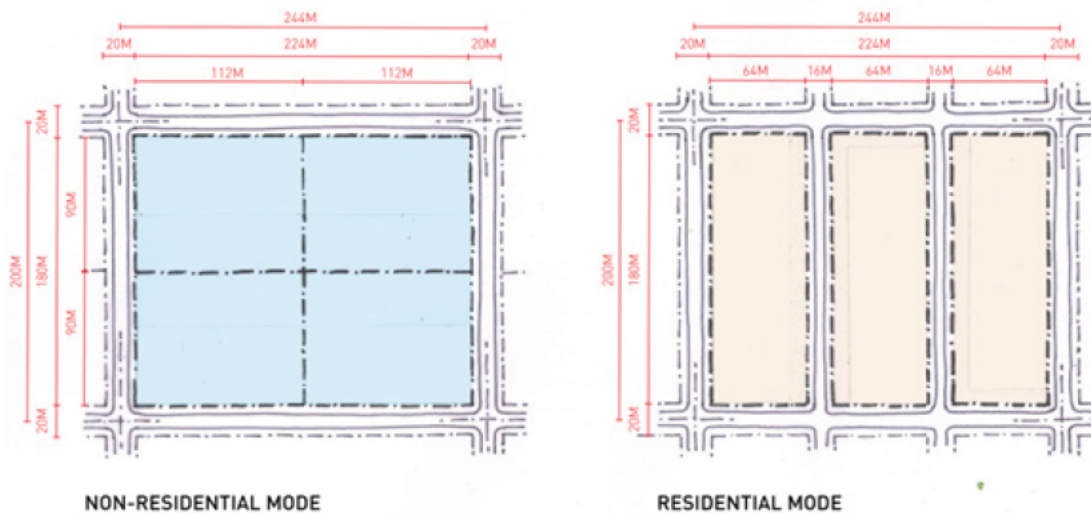
IV) PLANNING FOR LONG-TERM MIXED-USE (INCLUDING RESIDENTIAL)

SUPER LOT STRATEGY - PLANNING FOR FLEXIBILITY AND EVOLUTION

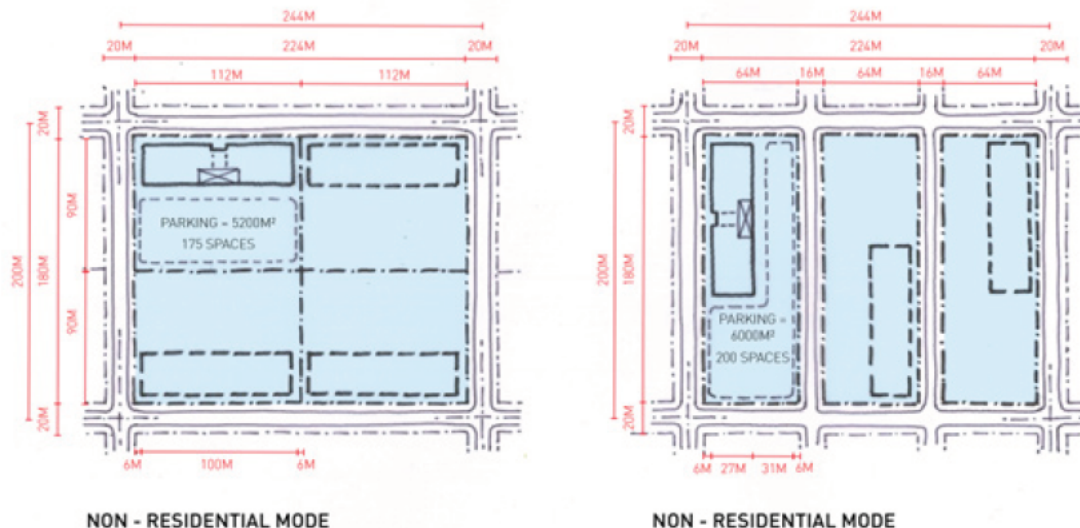
Industrial Uses (600 squared to 300 squared)



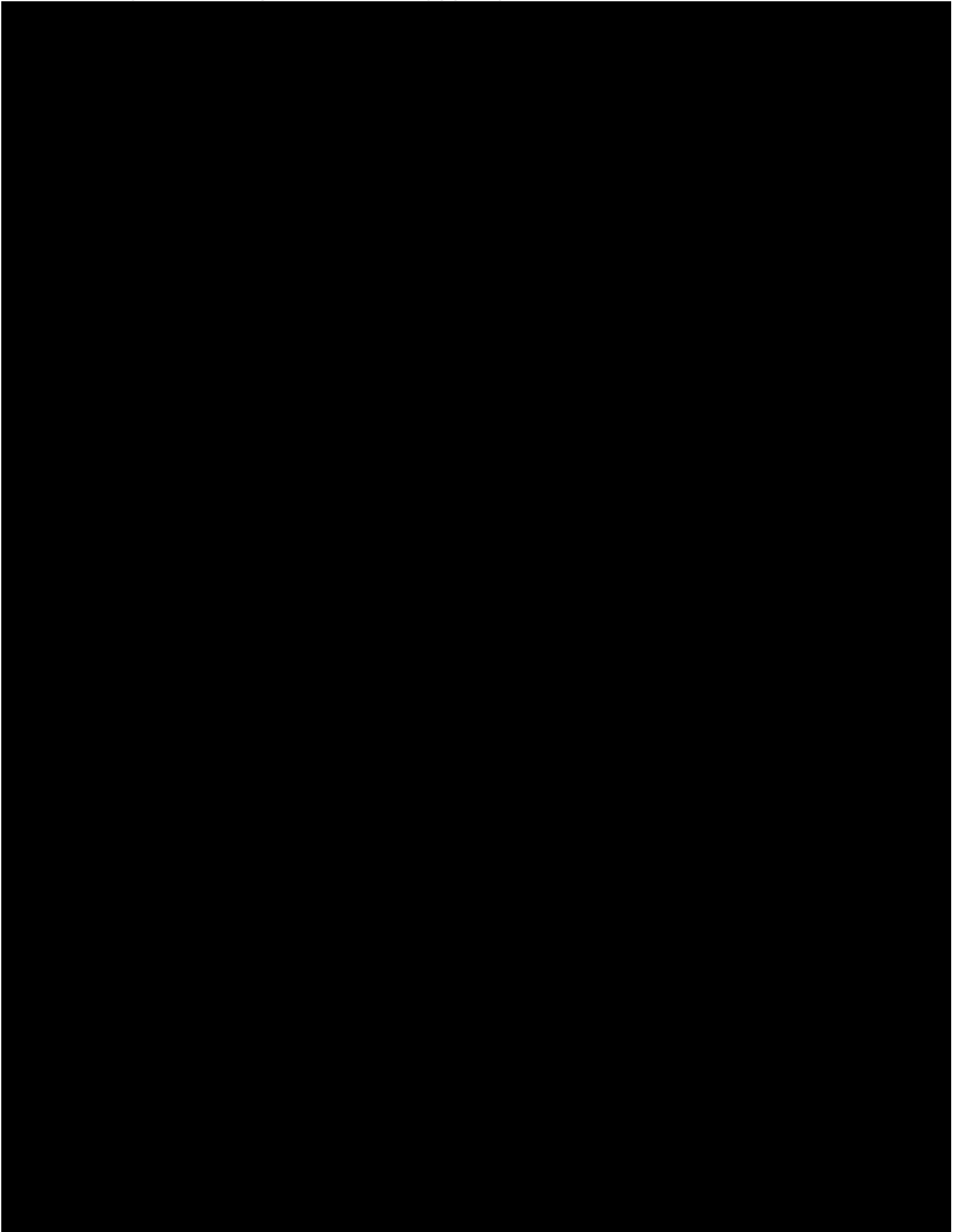
Transition from Industrial to Residential (200 x 244 super lot)



Commercial Uses (200 x 244 super lot)



EXTENSION OF MIXED-USE ZONE ALONG
THE WESTERN BANK OF WIANAMATTA SOUTH CREEK



v.) Risks associated with the draft Special Infrastructure Contributions plan

As explained above, 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.

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. 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.

The value of infrastructure works described by the Precinct Plan on the site is likely to exceed our notional liability especially if we are among the first to develop. Therefore, a Government run trading scheme for credits amongst precinct landowners would accelerate delivery of works-in-kind and precinct development in general.

vi.) Risks associated with local contributions - the need for interim measures

The s.7.12 local infrastructure contributions levy exhibited by Liverpool City Council is too high and will stifle investment within the Aerotropolis given there is similar industrial land elsewhere in western Sydney that does not attract a comparable levy. This is a problem for all involved in the City Deal and needs to be resolved collectively.

The Western Parkland City and Aerotropolis Core draft Precinct Plans set a bold vision but will not be delivered as such if implementation relies on business-as-usual contributions frameworks. The burden of open space acquisition, its embellishment and operation has seemingly been left to local government without any compensating strategy or plan to finance a sustainable implementation.

It would seem that the s.7.12 percentage levy approach is a stab-in-the-dark forecast and hopefully just an interim measure until an itemised s7.11 plan with actual nexus to proposed development can be prepared. Liverpool City Council will need the support of the NSW Government in two ways:

- Assistance to prepare an itemised plan quickly so as not to delay investment; and
- NSW Government to accept fair share of district costs and prioritise development in phases (the entire 2050 vision is too much to cost and fund in one plan).

Recommendation

The NSW Government / DPIE / Planning Partnership needs to support Liverpool City Council to:

- adopt an itemised infrastructure plan with real nexus to development;
- adopt a short-term capital efficient contributions plan - phased toward a long-term vision;
- 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.

Working with major landowners is a realistic way to accelerate investment and delivery of associated infrastructure that will benefit the broader precinct. But the evolving and uncertain nature of the proposed infrastructure contributions frameworks may be considered high risk and therefore significantly delay investment. Early development may be disadvantaged by higher levies and this too may discourage early investment.

Recommendation

To better facilitate and encourage the early delivery of works-in-kind and reward major landowners to encourage confidence in Government's vision, it would be desirable to establish a pro-forma Voluntary Planning Agreement for the Aerotropolis Core that would:

- cover both state and local contributions as a combined price based on exhibited / final plans;
- satisfy an 'Aerotropolis certificate';
- allow for the delivery (or partial phased delivery) of works-in-kind of identified items in plan;
- give developers certainty of a total cap price based on a reconciliation process in time (if the actual price of plans was reduced in the future) by guaranteeing a 'no worse off scenario'; and
- allow the offset of credits against future stages of development by the same landowner or allow the trade of credits with other landowners within the Aerotropolis.