

26 August 2013

Department of Planning and Infrastructure
GPO Box 39
Sydney NSW 2001
(By email)

NSW Business Chamber
incorporates

- Sydney Business Chamber
- Australian Business Limited Apprenticeships
- Australian Business Lawyers and Advisors
- Australian Business Consulting and Solution

Dear Sir / Madam,

Submission: The Broader Western Sydney Employment Area Draft Structure Plan

The NSW Business Chamber and the Sydney Business Chamber (collectively 'the Chambers') welcome the development of the Broader Western Sydney Employment Area Draft Structure Plan ('the Draft Plan') and believes that a well-designed and executed plan can be part of the solution in addressing the critical jobs deficit in Western Sydney.

The Western Sydney Employment Area (WSEA) is the single largest new employment space in the metropolitan area, and one of the nine 'city shapers' identified in the Metropolitan Strategy. The WSEA is expected to create 56,000 jobs over 30 years. The Chambers recognise the critical need for new employment opportunities in Western Sydney, with the region already impacted by a jobs deficit of 200,000ⁱ, where one in three Western Sydney residents travel outside their local government area for workⁱⁱ.

The Chambers support the general direction of the Draft Plan, but recommends a greater focus on:

- Demand-side issues, such as the need for economic infrastructure, to attract employers to the area;
- transport and infrastructure linkages to the area, particularly given the likely use of the area as a freight and logistics centre; and
- governance arrangements to ensure that plans for the WSEA are consistently implemented across the four local councils which oversee the area.

Economic Development Plan for Western Sydney

A more holistic approach to jobs creation is required to ensure that the WSEA delivers the forecast 56,000 jobs, and to help meet the ambitious jobs targets for Western Sydney set out in the draft Metropolitan Strategy. While the Draft Plan outlines potential land uses and transport corridors, it does not provide measures to increase the demand for employers to relocate to the area. As part of the planning process, demand-side factors should be considered in more depth including the provision of economic infrastructure, such as a Western Sydney Airport, to stimulate and encourage employers to locate to the WSEA, and the provision of new government services and amenities.

The Chambers recommend that an economic development plan be developed for the WSEA, as a part of a broader jobs plan for Western Sydney. The development of a Western Sydney jobs plan is vital in addressing the significant jobs deficit in Western Sydney. Plans for the WSEA, particularly the flagged mix of office and industrial use, should be considered in tandem with the development of regional centres such as Liverpool, Penrith and Parramatta, and linkages to the promotion of emerging industries in the area including advanced manufacturing and medical technologies.

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Western Sydney Airport is vital to any economic development plan for Western Sydney. The NSW Business Chamber recently released a report detailing the employment and economic benefits generated by a supplementary airport in Sydney at the Badgerys Creek site. The *Economic Impact of a Western Sydney Airport*, prepared by Deloitte Access Economics, outlines three potential growth scenarios of an airport at Badgerys Creek and models the economic impact on Western Sydney of each scenario. The modelling demonstrates that more than 28,000 additional jobs could be created in Western Sydney by 2050 through the creation of jobs directly at the airport, but also through the creation or relocation of jobs in industries benefitting from having increased access via an airport.ⁱⁱⁱ

It is clear that measures are needed to attract employers to the region. An airport is one of the few catalysts available to create demand for employers to locate in the area. While ultimately the decision around Sydney's second airport remains a Federal issue, the NSW Government cannot prepare an employment strategy for this area without recognising the jobs which would be created as a result of an airport. An airport would also be a key driver in attracting particular types of industries to the WSEA, such as transport and logistics, business services, manufacturing and trade.

Transport and infrastructure issues

The Draft plan recognises that transport links – for both freight and passenger transport - are necessary for the plan's implementation and identifies some broad options for road and rail links. Obviously, to attract employers to the area, the WSEA must have adequate transport links.

The NSW Government should examine case studies of employment lands in other areas of Sydney and elsewhere to ensure the WSEA is based on best practice. For instance, the Macquarie Park precinct provides a good example of the consequences of having inadequate transport links, particularly as the precinct grows. The Macquarie Park Transport Management Association, which was established to address the precinct's transport problems, surveyed businesses and found that 95% of respondents indicated that traffic congestion affects their business directly. More than 50% of businesses also stated that insufficient parking availability and poor integration of public transport modes were factors affecting the Macquarie Park area.^{iv} The NSW Government needs to ensure this experience is not replicated in the WSEA.

Further planning on the WSEA should include detail on how the WSEA will link to regional centres in Sydney such as Liverpool and Penrith. It needs to incorporate the growth strategies of these regional centres as outlined in the Metropolitan Strategy in its planning for the WSEA, and ensure that adequate transport corridors are reserved to support growth in these centres, and corresponding demand for travel connection from WSEA to the regional centres.

Given that the draft Plan has highlighted the likely prominence of the freight and logistics sector, it is even more important that there are adequate transport links. Going forward, as more detailed transport plans are being developed, the NSW Government should ensure it consults with industry – particularly the freight and logistics sector – about transport needs going forward. Without consultation and transparent, detailed planning, businesses will simply not locate to the WSEA.

Any transport plan should also ensure that corridors are reserved to enable connections to an airport at Badgerys Creek. This plan will need to account for expanding transport links as the airport grows over time. The growth scenarios outlined in the *Economic Impact of a Western Sydney Airport* report shows that by 2050, an airport at Badgerys Creek could facilitate 33 million passenger movements per annum – approximately equivalent to current passenger movements seen at Tullamarine Airport in Melbourne.

Governance issues

Planning for the WSEA is likely to face governance challenges given that the area sits across four local government areas, and its dependence on various other government policies and processes.

With respect to local government issues, the optimal solution would be the strategic realignment of local government boundaries to reflect the strategic direction of the Sydney Metropolitan Strategy. Ideally the WSEA should be governed by one local plan under the jurisdiction of a single local council. The proposals for metropolitan council consolidation put forward by the Independent Local Government Review Panel provides an ideal opportunity for the NSW Government to address the challenges of the ad-hoc nature of local government boundaries. In the absence of local government reform, the NSW Government must ensure robust governance arrangements and oversight to ensure that the development and implementation of the Draft Plan occurs in a holistic and consistent manner across the four LGAs.

The WSEA Plan needs to explicitly outline the critical interdependencies and linkages with other Government policies and processes. The progression of the Plan is dependent on the delivery of planning reforms, the finalisation of the Sydney Metropolitan Strategy, and linkages with the State Infrastructure Strategy.

The Chambers wish to thank the Department for seeking comment on the Draft Western Sydney Employment Area Structure Plan. Should you have any questions or require additional information, please contact Ash Salardini, Policy Advisor, NSW Business Chamber on 9458 7491 or ash.salardini@nswbc.com.au.

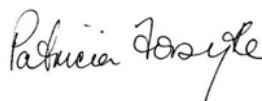
Yours sincerely,



Paul Orton

DIRECTOR POLICY AND ADVOCACY

NSW Business Chamber



The Hon Patricia Forsythe

EXECUTIVE DIRECTOR

Sydney Business Chamber

ⁱ Urban Taskforce (2012), *Jobs in Western Sydney – redressing the balance*

ⁱⁱ Western Sydney Regional Organisation of Councils at URL: <http://profile.id.com.au/wsroc/employment-status>

ⁱⁱⁱ NSW Business Chamber (2013) *Economic Impact of a Western Sydney Airport*

^{iv} http://www.ryde.nsw.gov.au/Documents/Dev-Macquarie+Park/MacquarieParkUpdate_TMA_300812.pdf