### INQUIRY INTO WESTERN SYDNEY SCIENCE PARK AND AEROTROPOLIS DEVELOPMENTS

Organisation:Liverpool City CouncilDate Received:6 August 2024



Public Accountability and Works Committee Parliament of New South Wales 6 Macquarie Street SYDNEY NSW 2000

By email: pawc@parliament.nsw.gov.au

Dear Committee Members,

#### RE: Inquiry into Western Sydney Science Park and Aerotropolis Developments – Liverpool City Council Submission

Liverpool City Council ("Council") appreciates the opportunity to make a submission on the Parliamentary Inquiry into the Western Sydney Science Park and Aerotropolis Developments. Council has considered the Inquiry Terms of Reference and notes that our submission predominantly relates to the impact of Aerotropolis development on the Liverpool Local Government Area (LGA), particularly given the Sydney Science Park is sited within the Penrith LGA.

The Liverpool LGA is home to the future Western Sydney International (Nancy-Bird Walton) Airport (WSIA) and comprises the Liverpool City Centre, established suburbs, rapidly-developing growth precincts and the Western Sydney Aerotropolis.

The LGA is experiencing substantial population growth, with a forecast population increase from the current population of 251,438 people to approximately 352,811 people by 2046, representing an overall increase of 40% (Forecast ID). This growth, and associated land release is occurring now in precincts immediately east of the Aerotropolis, including Edmondson Park, Austral and Leppington North. When considering the impacts of the Aerotropolis in accordance with the Terms of Reference, Council is doing so with regards to this context.

It is our opinion that planning for the Aerotropolis has not adequately considered this existing and future surrounding context. This has resulted in service and infrastructure provision failing to connect the expanding populations immediately east of the Aerotropolis – of which, many of these residents will ultimately make-up the future workforce of both the Aerotropolis and WSIA – with the future jobs and services in Bradfield City Centre, the WSIA and the Aerotropolis more broadly.

Unfortunately the focus of successive Governments – both at a State and Federal level – has been on connectivity infrastructure to and from the Aerotropolis primarily from the north and northeast (e.g. M12, Mamre Road Upgrade, Sydney Metro – Western Sydney Airport) of the Precinct, with very little investment committed to improving connectivity east to the Liverpool CBD, southeast to Leppington and Edmondson Park, and south to Camden, Campbelltown and Wollondilly.



Customer Service Centre Ground floor, 33 Moore Street, Liverpool NSW 2170 All correspondence to Locked Bag 7064 Liverpool BC NSW 1871 Call Centre 1300 36 2170 Email lcc@liverpool.nsw.gov.au Web www.liverpool.nsw.gov.au NRS 13 36 77 ABN 84 181 182 471 F Planning for the Aerotropolis resulted in approximately 112km<sup>2</sup> of land being rezoned. In terms of timing, this rezoning was undertaken prior to precinct planning, the establishment of detailed development controls and infrastructure planning, and the identification of sufficient funding for critical infrastructure to support the rezoning. This ad hoc approach has resulted in both Local Government and NSW Government Agencies having to determine how best to provide detailed controls and infrastructure plans in an atmosphere of significant property speculation and volatile land values (resulting from the upzoning of generally rural land), community uncertainty and development pressure.

The rezoning has identified the following land use zones – Mixed Use Zone, Enterprise Zone, Agribusiness Zone, Environment and Recreation Zone and Special Use Zone. In terms of the Mixed Use, Enterprise and Agribusiness Zones, these are "open zones" meaning that with the exception of specifically identified prohibited uses, all development is permitted. This has resulted in huge increases in land values following the rezoning of those areas.

On the ground, the majority of the Aerotropolis is currently serviced by rural roads that generally do not provide road shoulders, kerb and gutter, formal drainage, footpaths or lighting, nor are they suitable for the larger vehicles anticipated to service the future Precinct. No lots within the Aerotropolis are currently serviced by sewer, and many lots are not serviced by a potable water supply. This reality has resulted in, and will continue to result in, development delays as these lots cannot be developed until connectivity to these services is delivered.

In terms of the environment, the vision of the Western Sydney Aerotropolis Plan (2020) is to adopt a "landscape-led response" formed around a "blue-green grid." Following community consultation, the DPHI responded to the recommendations of the Community Commissioner by amending the *State Environmental Planning Policy (Precincts – Western Parkland City) 2021*, which resulted in a **42% reduction** in the land identified for open space i.e. land zoned "Environment and Recreation."

While the supporting "Open Space Needs Study" identified that sufficient land was available for open space, limited commentary in relation to the ecological and environmental function of this land was provided. This change represented a significant decrease in the amount of land set aside both for the environment and restoration of the environment. Council initially objected to the extent of the reduction as it reduced riparian linkages in the blue grid.

Key lessons learned so far by Council from the Aerotropolis include:

- 1. Land should not be rezoned (or foreshadowed rezoning should be deferred) until service and infrastructure plans at the State and Local-level are established;
- A dedicated funding source must be in place at commencement to ensure the essential services and infrastructure required – roads, water, wastewater, utilities, public transport, schools, open space – for the Precinct is delivered in advance of development renewal occurring;

- Funding mechanisms to recoup costs for land acquisition and infrastructure provision should form part of the rezoning process in the form of value capture to ensure the costs and profits involved in growth area development is apportioned equitably;
- 4. Government leads the acquisition of land required for critical and essential infrastructure;
- 5. Focus of successive Governments both at a State and Federal level has been on connectivity infrastructure to and from the Aerotropolis primarily from the north and northeast of the Precinct, with very little investment committed to improving connectivity to the east, south-east and south of the Precinct.

Detailed comments and recommendations to the Terms of Reference, expanding on the summary above, is outlined in **Attachment A**. Council requests that the recommendations outlined in this submission are considered and prioritised by the Public Accountability and Works Committee as part of the Parliamentary Inquiry.

Council is committed to working with the NSW Government to improve services and infrastructure planning within and beyond the Aerotropolis to ensure these rapidly changing precincts are supported with the critical infrastructure required to maximise investment, amenity, sustainability, and resilience.

Yours sincerely

Lina Kakish Director Planning and Compliance

### **Attachment A – Detailed Comments**

Following is the detailed submission from Liverpool City Council ("Council") for the Parliamentary Inquiry into the Western Sydney Science Park and Aerotropolis Developments.

# 1. That the Public Accountability and Works Committee inquire into and report on the impacts of the Sydney Science Park and the Aerotropolis developments on Western Sydney, including:

# (a) The impacts of these (the Aerotropolis) developments on planning, land use, public works, employment, the environment and transport:

Given Sydney Science Park is not located within the Liverpool Local Government Area (LGA), the comments below will relate exclusively to development in the Aerotropolis Precinct, except where otherwise stated.

#### (i) Planning

The Strategic Planning Framework for the Aerotropolis is different from the Strategic Planning Framework that applies to the rest of NSW. This has added a level of complexity for Proponents preparing Planning Proposals and Development Applications for the Aerotropolis, and the Consent Authorities (e.g. Council, DPHI, Transport for NSW, Sydney Water, etc.) assessing them.

Land was rezoned under *State Environmental Planning Policy (Western Sydney Aerotropolis)* 2020 which commenced on 1 October 2020 prior to:

- Government acquiring land necessary for the delivery of State-level infrastructure (this is still ongoing with unresolved timeframes);
- the implementation of a Government Plan to recoup future infrastructure costs from the value added in land rezoning;
- Development of a Precinct Plan the Western Sydney Aerotropolis Precinct Plan (WSAPP) was not finalised until March 2022; and
- Preparation of detailed planning controls the Western Sydney Aerotropolis Development Control Plan (WSADCP) was not finalised until 10 November 2022.

This ad hoc planning approach has resulted in significant increases in land value prior to the establishment of Precinct-specific Infrastructure Plans. Furthermore, the increase in land value has not been adequately considered in relation to the funding of critical infrastructure in the Aerotropolis (i.e. initial estimates for land acquisition and infrastructure delivery are now significantly under-estimated given the increase in land values across the Precinct).

#### (ii) Land Use

Inclusion of open zone permissibility for the Agribusiness Zone under *State Environmental Planning Policy (Precincts – Western Parkland City) 2021* permits uses that are generally inconsistent (or cannot easily be demonstrated to be consistent) with the objectives of the SEPP and the vision and objectives of the NSW Government's Western Sydney Aerotropolis Plan (September 2020). This has consequences in relation to the form of future development and the use of land in this zone. It also adds complexity to the process of development assessment and determination.

The Environment and Recreation Zone has led to community apprehension in relation to property use and property values. Some creeks, flood affected areas and remnant bushland has been zoned Environment and Recreation without any plan for acquisition by a public authority.

Identified permissible uses within the Agribusiness Zone have encouraged property speculation and significant increase in property values. The increase in the cost of land has likely priced agricultural uses out of the market and, on this basis, it is unlikely that the objectives of the Agribusiness Zone under the *State Environmental Planning Policy (Precincts – Western Parkland City) 2021* and the vision and objectives under the Western Sydney Aerotropolis Plan will be fully realised as intended.

#### (iii) Public Works

The focus of successive Governments – both at a State and Federal level – has been on the planning and delivery of major public infrastructure to and from the Aerotropolis primarily from the north and north-east. The majority of road (e.g. M12, Mamre Road Upgrade, etc.) and rail (e.g. Sydney Metro – Western Sydney Airport) projects currently under construction are being provided to the north of the Bradfield City Centre and the WSIA.

In stark contrast, very little planning and investment has been committed to improving connectivity east to the Liverpool CBD, south-east to Leppington and Edmondson Park, and south to Camden, Campbelltown and Wollondilly. As a result, these communities may miss out on the opportunities offered by the WSIA, Bradfield City Centre and the employment and social opportunities offered by this development.

Funding for infrastructure and public works has not kept pace with the amount of rezoned land in the Aerotropolis. A large proportion of land within the Aerotropolis in the Liverpool LGA is not currently serviced by potable water or sewerage and the majority of land is serviced by rural roads with no pedestrian access. Development in the Aerotropolis will be delayed until this essential infrastructure is provided.

Master planning of the Bradfield City Centre has not considered how this western half of Bradfield City is to physically connect to the eastern half of the City on the opposite side of Thompsons Creek. Bradfield City is currently a similar size to the Parramatta CBD but there is no known funding arrangement to bridge Thompsons Creek and connect this portion of the city to the remaining Aerotropolis Core (mixed use land) that has an approximate area equal to that of the Sydney CBD. There must be funding arrangements in place for the provision of suitable bridge crossings of Thompsons Creek to ensure equitable connectivity across the Aerotropolis Core.

The timing of the Upper South Creek Advanced Wastewater Recycling Centre (AWRC) is uncertain, especially later stages servicing broader areas of the Aerotropolis. The Aerotropolis will not have access to sewerage until the AWRC is completed and development cannot be reasonably determined until sewer connections are available.

The timing of the provision of potable water to the Aerotropolis is also uncertain. The majority of land in the Aerotropolis is reliant on rainwater tank water currently. Lots reliant on rainwater tank water cannot be reasonably determined until connection to potable water is available.

The funding and construction of the Outer Sydney Orbital (OSO) and associated freight rail improvements is also uncertain. The provision of freight rail to reduce the pressure on roads is vital to the future operation of the Aerotropolis.

#### (iv) Employment

Given the lack of viable alternatives to private vehicular transport, the ability for residents within the Liverpool LGA, particularly those east and south-east of the Aerotropolis, to access the existing and future employment opportunities within the Aerotropolis is limited to those residents with access to a private vehicle. This generates a substantial equity issue, continues to promote a high-level of car reliance across Western Sydney, and is inconsistent with the sustainability goals and objectives highlighted in the various strategic planning instruments developed to guide development of the Precinct.

Furthermore, as residential development in the Aerotropolis and Bradfield City Centre will take time to come online, there will be no meaningful residential cohort to take advantage of jobs close to home.

#### (v) Environment

The amendments to *State Environmental Planning Policy (Precincts – Western Parkland City) 2021* have significantly reduced the area zoned "Environment and Recreation" which in effect, has also significantly reduced the amount of land available for the restoration of the environment.

While the Western Sydney Aerotropolis Precinct Plan (May 2023) and the Western Sydney Aerotropolis Development Control Plan established targets for the provision of canopy cover within the Aerotropolis Precincts, these targets may not be achieved unless the supporting planning framework is vigorous enough to set aside sufficient land for trees to be planted. This is the case both on private lots and on land zoned "Environment and Recreation".

There is a significant lag between the clearing and development of land and the establishment and maturing of replacement planting to a stage where useful canopy cover is provided. The urban heat island effect is already a significant issue in Western Sydney more broadly, and the ongoing replacement of formerly rural land and mature tree canopy with buildings and additional non-permeable materials within the Aerotropolis will contribute to more heat across the Precinct for years to come.

Whilst Council supported the overall aspirations of the Agribusiness Precinct, Council recommended in initial comments to the DPHI that an Economic Development Strategy and Feasibility Study be undertaken to ensure that agricultural activity can remain viable considering the prospects of land-speculators land-banking for industrial or other uses.

A Council commissioned Rural Lands Strategy that found in 2015/16, the Sydney Basin was responsible for producing 34 per cent of NSW vegetables, 25 per cent of NSW poultry, and 63 per cent of NSW strawberries. Of this, the Liverpool LGA contributed:

- 15 per cent of vegetables including mushrooms, lettuces and tomatoes;
- 23 per cent of poultry; and
- 19 per cent of strawberries.

The rural lands of the Liverpool LGA (Rossmore, Kemps Creek, Bradfield, Badgerys Creek and Bringelly) have been progressively rezoned for urban purposes in the last 50 years. The encroachment of urban development in these previously rural and semi-rural areas, has resulted in:

- Abandoned enterprises prior to rezoning;
- A noticeable transition from commercial scale agriculture to sub-commercial or hobby farming;
- A decline in standards of land management; and
- Increased land use conflicts on the borders of urban and rural land.

The change in land use zoning and associated permissable uses in the Aerotropolis has resulted in increased land values that reduce the viability and competitiveness of agricultural uses on this land. The impacts of this change will require ongoing review, however initial market commentary suggests that the Agribusiness Zone will not be used for agricultural purposes.

The stormwater system for the Aerotropolis relies entirely on the natural catchment and the use of natural topography and existing natural watercourses and overland flow paths to intercept and convey regional stormwater. At certain parts of the catchment, the retention and improvement of the existing natural drainage system is threatened by permissible uses on adjoining land and the threat of development on natural drainage catchments.

Ideally all land below the 1 in 100 year ARI, or within 40m of a watercourse, should have been appropriately zoned to avoid the ongoing threat of development creep into land required for stormwater conveyance or infrastructure.

#### (vi) Transport

As noted previously, the focus of successive Governments – both at a State and Federal level – has been on connectivity infrastructure to and from the Aerotropolis primarily from the north and north-east (e.g. M12, Mamre Road Upgrade, Sydney Metro – Western Sydney Airport) of the Precinct.

Very little investment has been committed to improving connectivity east to the Liverpool CBD, south-east to Leppington and Edmondson Park, and south to Camden, Campbelltown and Wollondilly. This is despite initiatives like the Liverpool to Airport Transit Corridor Project being identified as a key initiative when the Western Sydney City Deal was instigated in 2018 by all three levels of Government.

This lack of focus on improved connectivity to the east, south-east and south of the Aerotropolis will likely ensure that upon the opening of the WSIA in late 2026, the only viable way to travel to and from the Precinct will be via private vehicle transport.

Although Council acknowledges that Transport for NSW (TfNSW) is currently planning new bus services to connect both Campbelltown and Liverpool to the WSIA and Bradfield City Centre, ahead of the Airport opening in 2026, the anticipated travel times of 66 and 67 minutes respectively is nowhere near the "30 minute city" originally envisaged in the Western Sydney City Deal. Furthermore, the fact that the new bus services will only operate between 5am and 10pm each day to service an Airport and surrounding Precinct that will operate 24-hours a day, seven days week, highlights a significant disconnect between aspiration and reality.

For the provision of local road infrastructure within the Precinct, Council has no forward funding to enable the construction of local roads and associated infrastructure (e.g. bridges, culverts, etc.) until sufficient funds are collected under the recently-adopted *City of Liverpool Section 7.12 Aerotropolis Contributions Plan 2024.* Given sufficient funding will take years to accumulate, this will create development delays for lots services by roads funded under the Contributions Plan unless additional funding sources are made available to Local Government in the interim.

A funding mechanism that could have been (and still can be) considered by the NSW Government to assist in the early delivery of essential local transport infrastructure for the Precinct was the provision of interest-free loans to Local Government. Councils could then repay the loan once funding collected under the Contributions Plan begins to accumulate.

Further confusion in respect to existing and future road infrastructure within and beyond the Precinct relates to asset ownership. As a result of the changing importance of certain roads across the Aerotropolis, Council has consistently pushed for the reclassification of local roads that will transform as part of the renewal. Examples include Fifteenth Avenue, Badgerys Creek Road and Devonshire Road/King Street – all three Corridors are currently the responsibility of Council however they have all been identified for future upgrades to State Roads. Until the reclassification occurs, Council is responsible for their ongoing maintenance and renewal at significant cost to our rate payers.

Furthermore, it is also unclear who will be the ultimate asset owner for local road assets currently being delivered within the Bradfield City Centre. Previous communication with representatives of the former Western Parkland City Authority (WPCA) were unable to clarify whether these assets were to remain under the jurisdiction of the NSW Government or whether they were likely to be transferred to Council. This continuing ambiguity again highlights a lack of transparency between NSW Government Agencies and Local Government with respect to planning for the Precinct.

Finally under existing conditions, the majority of the Aerotropolis is currently serviced by rural roads that generally do not provide road shoulders, kerb and gutter, formal drainage, footpaths or lighting. These roads are not suitable to accommodate the increased construction traffic impacting the Precinct currently – and for many years to come – nor are they suitable for the larger vehicles that will service future development within the Precinct. Specific funding needs to be made available to allow Local Government to upgrade these former rural corridors to satisfactorily accommodate the traffic volumes and vehicle types – particularly freight-related transport – anticipated to service the future Precinct.

## 2. Lessons for current Government policy in relation to these developments and Western Sydney more broadly

Council acknowledges that planning for the development of a new city, suburbs and supporting infrastructure around a new International Airport is an extremely complex undertaking that places excessive demands on all levels of Government. The opportunity to provide commentary in relation to potential lessons learned for future policy development is appreciated. As such, Council forwards the following comments in relation to policy lessons:

- 1. The rezoning of land should be deferred until:
  - Government has acquired a significant portion of the land necessary to provide for essential infrastructure;
  - A central acquisition authority is appointed for all levels of Government;
  - Necessary infrastructure (rail, roads, potable water, sewer, electricity, schools, health etc) funding is available;
  - Precinct Plans and detailed planning controls are developed;
  - A mechanism is developed to capture a portion of the increase in land value from rezoning to fund essential infrastructure;
  - A better indexation tool for Contribution Plans is adopted; and
  - Rezoning should progress in tandem with the infrastructure roll out (rather being released in totality and waiting for infrastructure to catch up).
- 2. Relying on the market (i.e. private developers) to provide for infrastructure, especially in the case of local roads, is problematic as this will either result in bottlenecks to development (i.e. waiting for suitable local roads to connect new development to) or will result in the deficient provision of public roads until all lots are developed. A staged release of zoned land would

allow Local Government to extend the funding for land acquisition and construction of local roads rather than relying on the private delivery for the majority of local roads.

3. The lack of funding to Local Government for the preparation of Section 7.11 Contribution Plan/s is likely to delay the provision of infrastructure, noting that, unlike Section 7.11 Contribution Plans, the recently-adopted Section 7.12 Contributions Plan for the Aerotropolis Precinct cannot consider Works-In-Kind Agreements (WIKA) with developers. This is likely to delay the commencement of works on local infrastructure until sufficient 7.12 contributions are available.