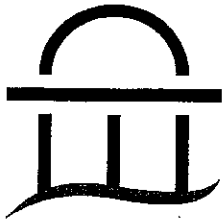


## **INQUIRY INTO BADGERYS CREEK LAND DEALINGS AND PLANNING DECISIONS**

**Organisation:** Property Council of Australia (NSW)  
**Name:** Mr Ken Morrison  
**Position:** Executive Director  
**Date received:** 24/09/2009

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24 September 2009

The Hon Jenny Gardiner MLC  
Committee Chair  
General Purpose Standing Committee No.4  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

Dear Ms Gardiner

**Inquiry into Badgerys Creek Land Dealings and Property Decisions**

Thank you for the invitation to make a submission to this inquiry.

The Property Council of Australia is the key national representative of the property industry. Our members include companies which invest, own, manage and develop all forms of residential and non-residential property (including industrial). They have a long term stake in health and vitality of our cities.

The Property Council has been a long term advocate of the need for a better planning, delivery and infrastructure framework for the provision of employment land in Sydney and key regions of NSW.

Given this and the fact that the employment land policy framework sets a backdrop to the focus of the inquiry, we thought it appropriate to set out our views on the key elements of this policy framework.

We also write to provide our views on measures to improve the transparency of the planning and development assessment system.

I will say at the outset that neither Roy nor Ron Medich or their companies are members of the Property Council. We are not able to assist the inquiry with any information on particular issues associated with their individual land holdings.

I also note that the Property Council does not lobby for individual member interests. Our role is to represent the property industry as a whole and advocate for policy settings which best advance the industry's interests.

**Employment land policy settings**

Since 2002 the Property Council has argued for the improved planning and delivery of employment lands in Sydney and key regions of NSW.

**The Voice of Leadership**

Property Council of Australia House - Level 1, 11 Barrack St, Sydney NSW 2000  
Phone: 02 9033 1900 Fax: 02 9033 1966 ABN 13 008 474 422  
Email: [info@propertyoz.com.au](mailto:info@propertyoz.com.au) - [www.propertyoz.com.au](http://www.propertyoz.com.au)

  
**PROPERTY  
COUNCIL**  
of Australia

In 2002 the Property Council released *Initiatives for Sydney*. This document highlighted the need to address the diminishing supply of land for industrial and commercial activities in Sydney and the backlog in infrastructure provision.

In 2004 we prepared *Metro Strategy – A Property Industry Perspective* in response to the Metropolitan Strategy Ministerial Directions Paper. In this submission we recommended that existing strategically important industrial land stocks needed to be protected, additional employment lands needed to be identified and infrastructure servicing bottlenecks needed to be addressed.

In this submission we also noted the existence of systemic problems in the planning and delivery of industrial land.

The Property Council welcomed the 2005 release of *The Metropolitan Strategy – Cities of Cities*. This 25 year strategic plan for Sydney's growth recognised the importance of planning for and facilitating the delivery of employment lands.

*The Metropolitan Strategy* outlines that 500,000 new jobs will be required in Sydney to 2031. Nearly half of these new jobs are to be delivered in Western Sydney.

It also notes that between 4,000–7,500 hectares of new employment lands need to be identified, zoned and developed to satisfy Sydney's employment growth needs to 2031.

*The Metropolitan Strategy* outlines the following key actions (amongst others):

- Plan for sufficient zoned land and infrastructure to achieve employment capacity targets in employment lands (A1.2),
- Protect and enhance employment lands of state significance (A1.5), and
- Improve planning and delivery of employment lands (A1.6).

Following the release of *The Metropolitan Strategy* then Premier Morris Iemma established an Employment Lands Task Force to advise the Government on a policy framework to better manage employment lands. I was a member of this Task Force.

I have attached a copy of the Task Force terms of reference for the Committee's information.

The Task Force made 18 recommendations to Government. Key recommendations included:

- Stage the release of more greenfield sites accessible to high growth population areas and linked to strategic infrastructure,
- Complete supply audits and identify potential future employment land areas to be provided over the next 5, 10 and 25 year timeframes,
- Establish the Employment Lands Development Program (ELDP) to monitor the provision of employment land, uptake and forecast short to medium term supply, and
- Use ELDP to guide the NSW Government's *State Infrastructure Strategy* and local infrastructure plans to ensure coordinated servicing of new employment lands.

In response to the Task Force's recommendations, the Government released an *Employment Lands Action Plan* in February 2007 which I have attached for your reference. This Action Plan outlined five key initiatives:

1. Establish an Employment Lands Development Program (ELDP) to maintain the balance between demand and supply of employment land.
2. Release more greenfield land to overcome a shortage of supply.
3. Develop new policy initiatives to encourage the regeneration of brownfield sites to support new investment and employment opportunities.
4. Employ more efficient processes for rezoning and developing employment lands
5. Improve coordination between State Departments and Agencies, councils and industry to improve economic development opportunities associated with employment lands policy.

The Property Council strongly welcomed the release of this Action Plan. Unfortunately, not enough has been done to progress the positive initiatives outlined in the Action Plan since its 2007 release.

An audit of the Action Plan reveals that many of the key actions have not been implemented.

Action	Progress
1. Establish an Employment Lands Development Program to maintain the balance between demand and supply of employment land.	<b>No progress</b> - Government allocated \$1 million to this in 2007 with no outcome.
2. Release more greenfield land to overcome a shortage of supply (this action referenced the Western Sydney Employment Lands Investigation Area).	<b>Progress</b> - In August 2009 the Minister for Planning released some land in the Western Sydney Employment Area (although land is burdened with a significant development levy). Work is progressing on the Western Sydney Employment Land Investigation Area.
3. Develop new policy initiatives to encourage the regeneration of brownfield sites to support new investment and employment opportunities.	<b>No progress</b> - The situation has deteriorated with councils, under direction from the Department of Planning, inappropriately prohibiting the renewal of many old industrial sites which should be converted to other uses.
4. Employ more efficient processes for rezoning and developing employment lands	<b>Progress</b> - Infrastructure coordination and funding remain significant barriers.
5. Improve coordination between State Departments and Agencies, councils and industry to improve economic development opportunities associated with employment lands policy.	<b>Progress</b> - A post Jobs Summit commitment to examine further streamlining of state agency concurrence and referrals (although no action at this stage) and the implementation of the Project Management and Coordination Branch within the Department of Planning.

In August 2009 the Minister for Planning Kristina Keneally announced the release of several parcels of land in the vicinity of Eastern Creek and Horsley Park in the Western Sydney Employment Area. This land release is proposed to accommodate up to 16,500 new jobs.

This rezoning was underpinned by the gazettal of *State Environmental Planning Policy (Western Sydney Employment Area) 2009*.

While welcoming the rezoning of this land and the Government's related commitment to fund the \$80 million Erskine Park Link Road, the Property Council criticised the very high development levy that would be applicable to development this land - \$180,000/ha. This levy is more than twice the levy applied to industrial land in the North West and South West Growth Centres.

Furthermore, no schedule of infrastructure works to be funded by the levy has been released.

Our media release is attached for your reference.

### **General need for the Western Sydney Employment Land Investigation Area**

The February 2007 *Employment Lands Action Plan* identified that the Employment Lands Development Program would consider the designation of a Western Sydney Employment Lands Investigation Area in the area between the Western Sydney Employment Area and Badgerys Creek.

We are aware that work on Employment Lands Investigation Area has progressed within Government.

Employment land additional to that already identified in the Western Sydney Employment Area is needed to accommodate Sydney's employment growth and development needs in the long term.

As such, it is strategically and economically vital to continue to progress planning for the future release of land in the Western Sydney Employment Lands Investigation Area and consider this as part of the development of the NSW Transport Blueprint.

### **Recent planning reforms**

The Property Council supports the NSW Government's recent planning reforms, including the establishment of Joint Regional Planning Panels (JRPPs) to determine projects of regional significance and the Planning Assessment Commission (PAC) to determine or provide advice on projects of state significance.

We believe these reforms will de-politicise decision making and inject much needed transparency into the planning process.

Currently the PAC only determines projects where a political donation has been received from the proponent, if the development is in the Minister's electorate or if the Minister has a pecuniary interest.

We have recommended that the role of the PAC should be extended. The PAC should be the determining authority for all Part 3A projects currently determined by the Minister for Planning (perhaps with the exception of critical infrastructure projects).

The Property Council also participated in the development of the General Commercial and Industrial Code for exempt and complying development.

This welcome amendment to *State Environmental Planning Policy (Exempt and Complying Development Codes) 2008* will allow small projects (eg. change of use and internal fit-outs) to be dealt with as exempt or complying development and, if complying development, determined within 10 days.

We also support in principal the Local Environmental Plan (LEP) Gateway Process to facilitate and manage the preparation of LEPs and the rezoning of land, although the efficiency of the Gateway still needs to be demonstrated.

The Property Council acknowledges that further reforms to the planning system are needed but we urge this process to be considered strategically and holistically. We note that a separate Legislative Council inquiry is underway to examine and report on this issue (ie. the Inquiry into the NSW Planning Framework by the Standing Committee on State Development).

Ad hoc legislative changes or the roll back of recent positive reforms to the planning system should **not** be recommended as a result of the Badgerys Creek Land Dealings and Planning Decisions Inquiry.

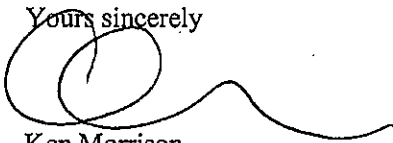
### **Key recommendations**

The Property Council makes the following recommendations to the Committee:

1. Planning for the future release of the Western Sydney Employment Lands Investigation Area should continue as it is a critical economic resource for Sydney long term growth.
2. Existing planning reforms, including the JRPPs and PAC, should be supported and strengthened.
3. Consider future reforms to the planning system in a strategic and holistic manner.

Thank you once again for seeking our views on these matters.

Yours sincerely

A handwritten signature in black ink, consisting of a large, stylized 'K' followed by a wavy line.

Ken Morrison  
NSW Executive Director