Urban Taskforce
AUSTRALIA

18 September 2023

The Hon Cate Faehrmann MLC
Chair
Portfolio Committee No. 6
Legislative Council
Macquarie St
SYDNEY NSW 2000

Dear Ms Faehrmann

***Re Inquiry into the current and future public transport needs in Western Sydney***

**Introduction**

I write in relation to the NSW Legislative Council Portfolio Committee No.6's Inquiry into the current and future public transport needs in Western Sydney.

Western Sydney is a growing economic powerhouse, a status that will only advance with the completion of the Western Sydney airport in 2026.

The Greater Western Sydney region contributes more than $100 billion to the national and state economy – 31% of Greater Sydney's Gross Regional Product. It is home to approximately 2.5 million people, with that figure project to exceed 3 million by the middle of the next decade.

Western Sydney has suffered from an historic under investment is key infrastructure items such as public transport.

There is a clear need for the Government to prioritise scarce public resources in addressing this historic underinvestment and support housing and employment in Western Sydney. The completion of the Western Sydney Airport in 2026 will act as a catalyst for investment in infrastructure that both services new housing and jobs.

The effective integration of land use planning and transport infrastructure planning is critical in addressing housing supply and ensuring appropriately serviced new communities with adequate amenity, and housing close to jobs and social infrastructure.

The North West of Sydney was fully developed without a rail line. This was a deliberate and conscious decision taken by the Griener government. The North

Urban Taskforce Australia Ltd. ABN: 21 102 685 174 | GPO Box 5396 Sydney NSW 2001
T 612 9238 3955 | F 612 9222 9122 | Level 12, 32 Martin Place Sydney NSW | Level 6, 39 London Circuit, Canberra ACT
admin@urbantaskforce.com.au | www.urbantaskforce.com.au

West Metro when built cost significantly more to build as a result of the disconnect between the development of housing and the reservation of the transport corridor. It forced the metro to be built in an expensive viaduct or an even more expensive tunnel.

Lessons learnt need to feed into the planning and delivery of public transport infrastructure across the broader Western Sydney region, well before land is upzoned for residential use. Sadly, this ship has already sailed as a result of the GCC pushing through with rezonings of massive swathes of Western Sydney before land corridors had been reserved or easements created for water, sewerage, roads, or public transport. The irony is that when that land is procured under compulsory acquisition, it will be purchased at the upzoned cost per square metre. Getting the order wrong has been a significant contributor to the blow out in the cost of new infrastructure in Western Sydney. That is the legacy of the former Government and the GCC.

There is no doubt that investment in economic infrastructure like public transport will drive and support a diversity in housing supply that is required to address the State's housing supply crisis. Increasing height and density in greenfield development must also play a part in resolving the housing supply crisis. Maximising the opportunities for housing and employment around new Metro stops should be front and centre of local and regional planning. This in turn will ensure housing stock that meets the growing needs of the region and its economy.

**Housing supply needs to be supported by infrastructure.**

**Housing supply needs to be supported by infrastructure.**

The National Housing Accord demands a significant increase in housing for NSW. Based on current demographic trends, NSW will be expected to deliver approximately 376,000 new homes in the five years from July 2024 – more than 75,000 new homes each year for five years.

This supply will not be met alone from in fill, and greenfield development in Greater Western Sydney will be expected to deliver its fair share of hew housing to promote housing choice and diversity. Based on historic trends, around 35% of new housing should be expected to be greenfield development. For NSW under the National Housing Accord, this would mean about 130,000 new homes in greenfield sites in NSW. Western Sydney would be expected to accommodate approximately two thirds of that figure – equating to around 85,000 to 90,000 new greenfield homes by June 2029 in addition to infill development.

Housing and population growth, particularly in Sydney's southwest, along with the opening of the new Western Sydney airport, will demand a new approach to planning for and delivering public transport.

The historic hub and spoke approach to Sydney's public transport, centred around Sydney CBD, needs now to be enhance by a polycentric approach where public transport feeds the growing populations of Parramatta, Liverpool, Penrith and Campbelltown. Yet travel between these centres via public transport is difficult and rudimentary, requiring multiple connections and infrequencies of services.

The anticipated housing planned for Sydney's southwest in 2003 will easily be surpassed owing to smaller lot sizes and increased acceptance of medium density housing. The public infrastructure needed to service this housing needs to be delivered in a timely and coordinated fashion. Achieving the densities required to support investment in Metro will not be a significant issue in this area and something the larger masterplanner developers would support.

The NSW Government must respond to these centres and the housing that is and will continue to be delivered in and around them by investing in public transport that links the hub and spokes.

The proposed North South Metro link, from St Marys to the Aerotropolis and future links to Oran Park and Macarthur are critical. It is also critical that the Sydney Metro West continue to be constructed and planning for an extension to Western Sydney Airport commence as a matter of priority.

Given the fiscal constraints of the NSW budget, a staged extension to Oran Park in the first place could be considered, similar to the proposal to extend the Sydney metro west line from Hunter St in the Sydney CBD to Zetland before a further extension to Sydney's South East.

Another extension to be considered is the extension of the metro from St Marys to the current terminus of the North West Metro, Tallawong. This 20km critical missing link will form another key public infrastructure "spoke" that will open up the North West growth area of Marsden Park with the further economic opportunities presented by the new airport.

The 20km extension could accommodate up 7 new stations and service a number of disadvantaged suburbs north of Mt Druitt poorly serviced by public transport. This would trigger opportunities for urban renewal through the redevelopment of such suburb, increasing the social and affordable housing stock while supplementing this with more market-based housing.

A metro connecting Tallawong to the north and Macarthur to the south would deliver a strategic spine linking the Western Sydney airport to the north and start to create the much need spokes to tie together strategic centres in Western Sydney.

**Recommendation 1 – that the Committee recommends the NSW Government prioritise the planning, corridor reservation and delivery of future metro extensions including:**
**1.extension of Sydney Metro – Western Sydney Airport through Oran Park to Macarthur;**
**2. extension of the Sydney Metro – Western Sydney Airport from St Marys to Tallawong; and**
**3. extension of Sydney Metro West to the Western Sydney Airport.**

**All Investment in Public Transport needs to be backed by Strong Business Cases**

Governments need to be transparent with the community in explaining the expectations around suburbs and localities that will benefit from the NSW taxpayers allocated significant amounts of funding towards such projects.

Approving large investment in public transport needs to be accompanied by a business case that justifies the investment. Housing and employment are critical outcomes and benefits of public transport.

The NSW Productivity Commission's White Paper recommended that the Government needs to publicly justify infrastructure spending.[1] Besides public transport considerations, there needs to be consideration given much earlier in the decision-making process on large, expensive infrastructure projects like Sydney metro west, to ensure that the benefits for the economy, for housing supply and for job creation are actually realised.

A significant Government funding decision on any transport must be accompanied by a detailed business case, which should include specific outcomes/benefits, including anticipated residential development adjacent to, surrounding or on top of, the proposed transport infrastructure.

The anticipated economic and housing supply benefits that underpinned the business case should be carried over into the subsequent developmental outcomes associated with any transport project. The planning system must accommodate the uplift to ensure the benefits to the economy arising from the commitment of massive sums of public money are realised.

To have public exhibitions on zoning, densities, and heights, well after the decision to allocate funding for large public infrastructure projects, risks the under-delivery

[1] NSW Productivity Commission, White Paper, 2021, p. 311

of public goods such as new housing, commercial space as well as other social infrastructure that would help justify these projects in the first place. This is exactly what happened with the North West Metro and the under development of North Sydney, Crows Nest, St Leonards, Chatswood, Macquarie Park and Cherrybrook.

There needs to be a stronger correlation between the decision to fund a particular infrastructure project and the development that will ensue on completion of the project which justified the allocation of public funding in the first place.

Besides creating greater certainty and transparency around Government decision making, it will also help ensure maximising outcomes from any such decision. The "rivers of gold" from the initial rounds of "asset recycling" under Mike Baird will not continue, and it is critical that the Government in the future maximise the public return on these mega-projects.

Driving high density housing around public transport will not only address housing supply, but the new housing will also in itself deliver revenue for the government through property taxes and stamp duty. This, in additional to overall economic stimulus, needs to help underpin the business cases for these large public outlays on infrastructure.

**Recommendation 3: in order to establish a stronger correlation between decisions to fund infrastructure projects and the expected development outcomes stemming from that decision (namely housing and employment), that the NSW Government confirm development expectations at the time of the original funding decision.**

**Coordinating land use planning with infrastructure planning**

To avoid haphazard planning decisions, there needs to be greater coordination between rezoning decisions, whether that be for housing or employment, and the provision of infrastructure including public transport.

Governments must avoid situation which occurred under former Premier Berejiklian where large swathes of land in Western Sydney were rezoned without any plan to service these lands with infrastructure.

Complementing the need for NSW Cabinet to adhere to providing outcomes contained within the original business case for large infrastructure projects, there is a need for a coordinating role at the highest levels of Government (such as an Infrastructure Coordinating and Delivery Committee chaired by the Secretary of the Premier's Department) that brings in all NSW infrastructure agencies and holds them to account for the delivery of housing enabling and employment. This

committee could then make recommendations to a Cabinet Sub-committee to ensure a whole of government approach to such critical decisions.

**Recommendation 4 – that the Committee recommend the establishment of an Infrastructure Coordinating and Delivery Committee, chaired by the Secretary of the Premier's Department**

## Conclusion

Since the end of the Second World War, the development of Sydney can be largely described as a "a tale of two cities" - an establish inner to middle ring that is generally well serviced by transport and has experienced an ongoing lift in amenity; along with the western suburbs which have endured an underinvestment in the type of infrastructure (transport, roads, sewerage, health, cultural and education facilities) that their inner Sydney, northern beaches, eastern suburbs and southern Sydney counterparts have largely taken for granted.

The asset recycling program of the former NSW Government has seen a significant proportion of the sale of public infrastructure which has resulted in increased charges for the people of western Sydney. We can no longer afford to tolerate knee-jerk resistance to increased height and density from suburbs that have historically been blessed with publicly funded investment in high quality social and economic infrastructure.

When it comes to housing, the larger Western Sydney councils have done most of the heavy lifting when it comes to housing approvals and completions over the past decade.

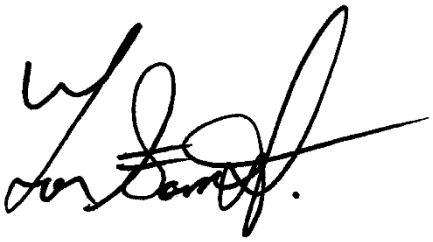
The next wave of public transport infrastructure spending needs to be focussed on the growing Greater Western Sydney Region. This needs to be targeted and supported by broader public outcomes, including the provision of houses and employment to cater for the growing population in the Greater Western Sydney region.

The poor experience of the northwest, where housing was delivered without adequate transport infrastructure, contrasts with the positive example of the extension of the heavy rail East Hills line from Glenfield to Leppington, through Edmondson Park (known as the South West Rail Link), where the land reservations were made well ahead of any rezoning.

This should serve as a guide to the future planning and delivery of transport infrastructure, housing and employment lands in Sydney's west.

Should any Committee member wish to discuss matters relating to this submission, please contact Head of Policy, Planning and Research, Mr Stephen Fenn on 9238 3969 or via email stephen@urbantaskforce.com.au.

Yours sincerely



**Tom Forrest**
Chief Executive Officer