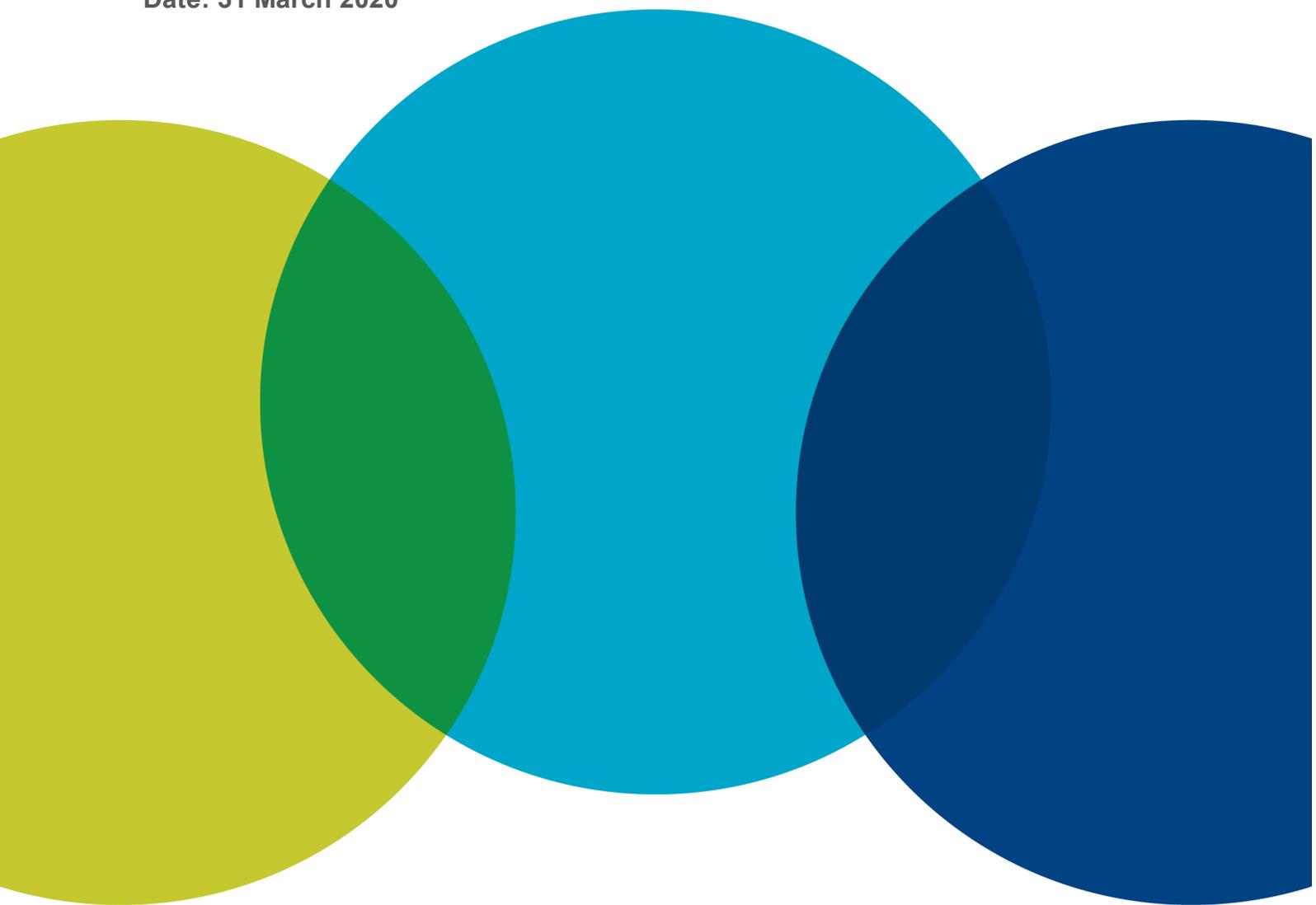




Recommendations report

**Place-based Infrastructure Compact Pilot for
Greater Parramatta and the Olympic Peninsula**

Date: 31 March 2020





Executive summary

The Place-based Infrastructure Compact (PIC) is a new collaborative model for strategic planning piloted by the Greater Sydney Commission (the Commission) in Greater Parramatta and the Olympic Peninsula (GPOP).

The PIC model as well as the findings and proposed actions from piloting the model in GPOP were published in *A City Supported by Infrastructure – Place-based Infrastructure Compact Pilot* on 7 November 2019. This marked the start of a six-week public feedback period that closed on 18 December 2019. Written feedback was received from 77 stakeholders, with a further 58 individuals contributing feedback through focus groups and drop-in sessions.

Feedback received through the consultation program indicated broad support for the new PIC model. Local councils, industry and the community regarded the new model to be a well-considered approach for addressing the long-standing challenge of aligning growth in homes and jobs with infrastructure.

A summary of the feedback received is presented in the recently published *Consultation Outcomes Report*, available for viewing at greater.sydney/project/infrastructure along with the submissions received. A broad range of issues and concerns were raised, but two key areas of concern became evident:

- i. **Collaboration and transparency:** the level of collaboration in developing the PIC Pilot and transparency of supporting evidence underpinning the findings for GPOP; and
- ii. **Consistency with the hierarchy of plans:** the relationship of the PIC Pilot's proposed actions to the existing hierarchy of plans in the NSW planning system, particularly in relation to the Camellia-Rosehill Precinct.

These concerns were the focus of several submissions and discussions with landowners and business owners with interests in the Camellia area, as well as the City of Parramatta Council and industry peak groups.

All feedback provided has been carefully reviewed and considered by the Commission in finalising these recommendations to the NSW Government.

There are 23 recommendations, organised under ten themes that emerged from the feedback. These are presented in two sections: the results of the PIC Pilot in GPOP and the PIC model itself.

Should they be supported, the Commission will work with the NSW Government, local councils and the community to implement the recommendations through the NSW planning system and infrastructure investment decision making processes.

Introduction

This report presents the Greater Sydney Commission's (the Commission) recommendations resulting from the PIC Pilot for GPOP to the NSW Government for its consideration and response.

This work delivers on Action 7 of the *Greater Sydney Region Plan – A Metropolis of Three Cities*.

The PIC model, the findings and proposed actions from its pilot application were presented in *A City Supported by Infrastructure – Place-based Infrastructure Compact Pilot* on 7 November 2019. This marked the start of a six-week public feedback period that closed on 18 December 2019.

Feedback received through the consultation period indicated broad support for the new PIC model, its wider application and use at different scales.

Local councils, industry and the community regarded the new model to be a well-considered approach for addressing the long-standing challenge of aligning growth in homes and jobs with infrastructure.

However, two key areas of concern require the Commission's response ahead of setting out its recommendations to the NSW Government:

- The level of collaboration in developing the PIC Pilot and transparency of supporting evidence underpinning the findings for GPOP; and
- The relationship of the PIC Pilot's proposed actions to the hierarchy of plans recently established in the NSW planning system, particularly in relation to the Camellia-Rosehill Precinct.

Collaboration and transparency

While the Commission promoted strong collaboration in the preparation of the *Greater Sydney Region Plan* and the *District Plans*, as a new cross-agency initiative within the NSW Government the PIC Pilot has required a different approach.

The new PIC model's place-based approach to understanding infrastructure costs upfront and ahead of land use decisions being made has not been undertaken before in NSW. The approach may be likened to a pre-feasibility or due diligence process to support more effective decision making in the NSW planning system.

Delivering the PIC Pilot has driven substantial cultural change within NSW Government agencies to better work together and contribute to place-based planning. Further, the level of detail that was brought together from across the agencies and presented for public feedback in *A City Supported by Infrastructure – Place-based Infrastructure Compact Pilot* is considerable at this early stage of strategic planning.

The information generated for the Pilot was the best available at that time; and suitable to establish a relative sequencing of places to grow over time. These inputs were valuable and fundamental for the strategic planning of the PIC Pilot for GPOP and will continue to be refined as more detailed planning work is undertaken.

Given the Commission's ambition to collate an unprecedented level of commercially sensitive information to inform the PIC Pilot in GPOP, collaboration efforts needed to focus within NSW Government agencies. For

this reason, local councils, peak groups, landowners and the community were engaged upon completion of drafting the PIC Pilot with aggregated data inputs shared for feedback.

The Commission is confident that with the PIC Pilot now successfully complete there will be greater and earlier collaboration with local councils, peak groups, landowners and the community in developing future PICs, while balancing the ongoing need to treat commercial information confidentially.

Progress is already being made in two new PICs in Western Sydney where a tri-level governance arrangement has been established by the Western Sydney City Deal.

Consistency with the hierarchy of plans

With respect to the relationship of the new PIC model and the hierarchy of plans in the NSW planning system, concern was expressed about how the PIC's findings and proposed actions would be implemented through the statutory planning system.

There was concern about some inconsistencies in the PIC Pilot's proposed actions for precincts with the *Greater Sydney Region Plan* and the *Central City District Plan*. In particular, the PIC Pilot's proposed action for the Camellia-Rosehill Precinct is inconsistent with the draft *Camellia Town Centre Master Plan*.

The Commission has worked to align the hierarchy of strategic plans in Greater Sydney starting with the *Greater Sydney Region Plan* and a set of five *District Plans* in 2018. Extensive work is underway to develop *Local Strategic Planning Statements* to bring *Local Environmental Plans* across 33 local councils into alignment with the Region and District Plans in 2020.

Given the effort between State and local government to align the hierarchy of plans, the concerns about inconsistency from key stakeholders, including the City of Parramatta, landowners and peak industry groups, are valid and well understood.

However, the PIC Pilot for GPOP is an action of the *Greater Sydney Region Plan*. In delivering this action, the Commission working with its partners has produced significant new information and insights not available at the time of preparing the *Greater Sydney Region Plan* and the *Central City District Plan*.

The Commission proposes that where this occurs through a PIC process, as has occurred in the Pilot, the NSW Government give due consideration to amending plans in the broader interest of the metropolis, districts and the local community.

Structure of this report

This report presents the Commission's recommendations in two parts:

Part 1: Recommendations for the PIC Pilot outcomes for GOP and the sequencing of precincts; and

Part 2: Recommendations for the new PIC model and how it would be implemented.

The recommendations are presented as they relate to the key themes identified through the public consultation process.

A City Supported by Infrastructure – Consultation outcomes report

The Commission published the *Consultation outcomes report - Place-based Infrastructure Compact Pilot for Greater Parramatta and the Olympic Peninsula* in March 2020.

It is available for viewing at greater.sydney/project/infrastructure along with the feedback received where the Commission has been granted permission to publish.

During the six-week engagement period for *A City Supported by Infrastructure – Place-based Infrastructure Compact Pilot*, over November and December 2019:

- 35 stakeholders provided feedback at two information drop-in sessions;
- 58 stakeholders submitted a response by email;
- 19 online surveys were completed; and
- 23 participants provided feedback via three market research focus groups.

Part 1: Recommendations for the PIC Pilot outcomes for GPOP

Key theme 1: Support for a more transformative and visionary future for GPOP

There was a level of consensus in the feedback received that the higher growth, cost and benefit scenarios were supported for GPOP.

These were the 'Transformative' and 'Visionary' scenarios presented in *A City Supported by Infrastructure* on pages 27 to 29. These scenarios include various future-focused initiatives, including irrigation from sustainable water sources and a new resource recovery facility in GPOP.

Some stakeholders expressed the desire for high-quality suburban areas to remain on the periphery of precincts, such as Telopea-Oatlands, as they are highly valued and are not currently, or in the future, planned to be serviced by frequent public transport services.

Recommendation 1:

The Commission recommends that:

- i. consistent with *Greater Sydney Region Plan, Future Transport 2056* and the *Building Momentum: State Infrastructure Strategy 2018-2038*, the NSW Government progress the 'Transformative' scenario tested in the PIC Pilot for GPOP over the next ten years, and transition to the 'Visionary' scenario as outlined in *A City Supported by Infrastructure*;
- ii. DPIE ensures the 'Transformative' and 'Visionary' scenarios are reflected in the NSW Government's population and employment distribution forecasts, known as Common Planning Assumptions*, for use by all infrastructure and services agencies; and
- iii. local character values are identified and considered in a way that supports good place outcomes in implementing the PIC through district and local plans in consultation with councils and the community.

* NSW Government's standard population and employment distribution forecasts are available at www.planning.nsw.gov.au/Research-and-Demography.



Recommendation 2:

The Commission recommends that DPIE develop a targeted strategy/s over the **next 12-18 months** to support regulated utility and private providers in implementing the ‘Transformative’ and ‘Visionary’ scenarios for GOP, as presented in *A City Supported by Infrastructure*, including recycled water, resource recovery and waste to energy services, to promote better efficiency, resilience, resource management and low carbon precincts.

Key theme 2: Extend the area of GOP and include all councils in implementing the PIC as partners

Local councils and community members provided feedback that the boundaries for GOP should not be limiting in the planning for new and enhanced infrastructure and services, with some requesting that the area of GOP be extended.

Specific requests included:

- the inclusion of Epping, based on recent and forecast growth;
- engaging with City of Canada Bay Council owing to the North Strathfield Precinct being within the GOP boundary, and spanning the Central and Eastern Districts; and
- the need for a greater focus on services for the area on the southern side of Westmead rail station, extending across the Great Western Highway and the M4 Motorway into the Cumberland local government area towards Merrylands.

Recommendation 3:

The Commission recommends that the NSW Government:

- i. retain the existing GOP boundary, with the potential to include Epping considered when the mass transit link from Parramatta to Epping (as identified in *Future Transport 2056* for investigation in the next 10-20 years) commences; and
- ii. request that DPIE in implementing the PIC subsequently engage with:
 - the City of Parramatta, Cumberland, Canada Bay and Strathfield Councils, with respect to significant land use and infrastructure issues in the vicinity of the GOP boundary where state agencies and the councils can work better together; and
 - Canada Bay and Strathfield, with respect to the North Strathfield Precinct, recognising the location of a future North Strathfield metro station has been confirmed.

Key theme 3: Consistency of the PIC outcomes with existing Region and District Plans

Concern was heard around consistency of the proposed actions of the PIC Pilot for GPOP with the *Greater Sydney Region Plan*, *Central City District Plan* and the relevant draft *Local Strategic Planning Statements*, following extensive collaborative efforts by state and local government to align a hierarchy of plans.

Stakeholders were concerned about the uncertainty created for the Camellia-Rosehill Precinct and the proposed Camellia Town Centre, which has been under consideration and reflected in the City of Parramatta Council and NSW Government plans for several years.

There was also concern about the need for significant rework on advanced planning proposals, and the precedent being set in a PIC, where it proposes actions that are inconsistent with the Region Plan and District Plans.

The relationship of the PIC with the development of a Special Infrastructure Contribution (SIC) Framework for the GPOP area was also unclear to many stakeholders. Similarly, several stakeholders expressed confusion around housing targets, and whether the PIC has a role to play in setting them rather than implementing those already determined.

Recommendation 4:

The Commission recommends that subject to the NSW Government's consideration of *Recommendations 6 to 12*, that DPIE be nominated as the responsible agency for implementation of the GPOP PIC Pilot, and that:

- i. DPIE and the Commission concurrently update and/or prepare, exhibit and finalise amendments to the *Greater Sydney Region Plan*, *Central City District Plan*, the *Eastern City District Plan*, the *Greater Parramatta Interim Land Use and Infrastructure Implementation Plan* and the Special Infrastructure Contribution Framework for GPOP to implement the PIC Pilot, **within 12-18 months**; and
- ii. DPIE and the Commission subsequently work with councils to align *Local Strategic Planning Statements* and *Local Environmental Plans* to the amended District Plans as they relate to GPOP, **within 18 months**.

Recommendation 5:

The Commission recommends that DPIE work with the Commission and relevant Councils **over the next 6-12 months** to ensure that Local Housing Strategies and Affordable Housing Contribution Plans are completed as a matter of priority to ensure any affordable housing contribution is recognised in the preparation of a Special Infrastructure Contribution Framework for the GPOP area.

Key theme 4: Alternative proposals for the sequencing of precincts in GPOP and future planning outcomes

Several stakeholders provided support for the overall logic of the proposed sequencing plan for GPOP, and the merit in taking a sequenced approach to the delivery of growth aligned with infrastructure.

Feedback was received for alternative sequencing proposals for five precincts:

- Camellia-Rosehill;
- Harris Park;
- Melrose Park;
- North Strathfield; and
- Sydney Olympic Park.

The alternative proposals requested that precincts be bought forward into either *Phase 1: Focus on precincts where growth can be aligned*, with already committed infrastructure to support job creation and new development (Harris Park, Melrose Park, North Strathfield and Sydney Olympic Park), or *Phase 2: Focus on aligning growth with future city-shaping infrastructure* (Camellia-Rosehill).

There was also suggestion that the Harris Park and Camellia-Rosehill Precincts should be further subdivided to focus on immediate activation around Parramatta Light Rail stops.

Camellia-Rosehill and Harris Park Precincts

Significant feedback was received from landowners, peak industry groups and the City of Parramatta, about what is viewed as a major policy shift proposed for the Camellia-Rosehill Precinct owing to the findings of the PIC process.

The Commission heard that several landowners, development industry groups and the City of Parramatta opposed the proposed action that impacts the proposed Camellia Town Centre (12 submissions received), where State-led planning has been underway since it was identified as an Urban Activation Precinct in 2014.

Other major landowners and businesses provided feedback in support of the same proposed action, reiterating their concerns about the proposed Camellia Town Centre (four submissions received). They seek to continue to operate in the Camellia-Rosehill and Camellia Industrial Precincts and deliver essential urban services for the function of GPOP, the Central City and Greater Sydney.

These landowners and businesses are concerned about the land use conflicts that would arise from introducing new residential uses in close proximity to industrial uses that would remain in the Camellia Industrial Precinct, adjacent to the proposed Camellia Town Centre.

Submissions from landowners in the proposed Camellia Town Centre and the City of Parramatta highlight the significant investment in planning activities that has been made since the State progressed planning activities in 2014.

They note that planning for the new centre has been reinforced in various land use plans and in developing major infrastructure proposals, and most recently that Camellia was included in DPIE's new approach to precincts released in November 2019 as a precinct for 'collaborative planning'.

The cost of growth in the Camellia-Rosehill Precinct relative to the other precincts in GPOP is contested, based on concerns around transparency. These concerns mainly relate to details of the data inputs and methodology in the documents released for feedback.

Some landowners propose making a financial contribution to mitigate the relatively high costs of servicing the Camellia-Rosehill Precinct, and the cost in remediating contaminated land on the foreshore of the Parramatta River for public use.

The key considerations for the Commission in making its recommendations for the Camellia-Rosehill Precinct are provided in more detail in **Appendix 1**.

With regard to the Harris Park Precinct, feedback was received about an investigation for a rezoning proposal of industrial land for mixed use development west of James Ruse Drive, and in the vicinity of a new Parramatta Light Rail (stop known as the Tramway Avenue stop).

Melrose Park Precinct

Feedback was received requesting to bring forward the sequencing of the Melrose Park Precinct, comprising Melrose Park North and Melrose Park South, into *Phase 1 – Align growth with committed infrastructure*.

The Transport Management and Accessibility Plan (TMAP) completed as part of the Planning Proposal for Melrose Park North demonstrates that some development can proceed there based on existing transport infrastructure capacity. The TMAP indicates that sequencing development ahead of an investment decision for Parramatta Light Rail Stage 2 and Sydney Metro West would result in lower development yields in both Melrose Park North and South.

However, given the commitment to Sydney Metro West, a new north-south regional public and active transport link across the Parramatta River to Sydney Olympic Park would enable more intense urban renewal in the Precinct irrespective of the modes supported by the link.

North Strathfield and Olympic Park

Significant feedback was received from landowners and residents of the North Strathfield area, who requested the sequencing of the Homebush – North Strathfield Precinct to be brought forward from Phase 2 to Phase 1. The area has been subject to uncertainty since 2013 when draft plans were made to densify some residential areas. Subsequent changes were made to these plans in the finalised Parramatta Road Corridor Urban Transformation Strategy released in 2016.

Landowners and residents see that the area has already been subject to some densification of residential areas and seek for this to continue in the short term given the close proximity of existing social and environmental infrastructure, and transport options that enable travel to Sydney and Parramatta CBD in 30 minutes.

There was also some feedback from stakeholders to bring forward the sequencing of Sydney Olympic Park Precinct from Phase 2 to Phase 1. Stakeholders noted the proposed light rail and metro projects currently in planning that would benefit the precinct.

Recommendation 6:

The Commission recommends that the NSW Government:

- i. adopt the sequencing plan proposed in *A City Supported by Infrastructure (Appendix 2)*;
- ii. in implementing the sequencing plan through the hierarchy of regional, district and local plans, address the potential for early intensification of existing land uses in parts of the Rosehill-Camellia and Harris Park Precincts, as outlined in *Recommendation 8*; and
- iii. enable the Melrose Park, North Strathfield and Sydney Olympic Peninsula Precincts to intensify in line with the timing of the delivery of light rail and metro rail.

Recommendation 7:

The Commission recommends that the NSW Government:

- i. enhance the important Camellia-Rosehill-Camellia Industrial-Rydalmere-Silverwater cluster of precincts for urban services vital to the success of the GPOP Economic Corridor, the Central City and Greater Sydney (**Appendix 3**);
- ii. support synergies in water, waste, energy and transport services in Camellia-Rosehill-Camellia Industrial-Rydalmere-Silverwater to continuously evolve, generating a range of employment types, including new highly skilled jobs and industries (including the circular economy);
- iii. safeguard existing and future strategic urban services in the Camellia-Rosehill and Camellia-Industrial Precincts from incompatible residential encroachment;
- iv. retain the existing zoning (B5 – Business Development) for lands in the north-western corner of the Camellia-Rosehill Precinct to:
 - provide for a business land use to allow a transition to the adjacent industrial zones in the Camellia-Rosehill and Camellia Industrial Precincts;
 - optimise the new light rail stop in Camellia, with development controls for the site to be reviewed to enable intense business/employment uses; and
 - avoid the costly relocation of an existing sewer pumping station.
- v. reconsider the servicing requirements and value of the proposed Parramatta Light Rail Stage 2 through the Camellia-Rosehill and Camellia Industrial Precincts.

Recommendation 8:

The Commission recommends that the potential for the early intensification of existing land uses in parts of the Camellia-Rosehill Precinct and Harris Park Precinct, as shown in **Appendix 4** is considered in implementing the PIC. Subsequent planning by DPIE and the City of Parramatta Council should have regard to:

- i. leveraging new light rail stops at Camellia and Tramway Avenue and minimising car parking in new developments;
- ii. enhancing the development of a tourism, recreation and entertainment precinct by leveraging the existing Rosehill Racecourse, to create an attractive visitor destination within the Central City;
- iii. the movement function of the James Ruse Drive corridor and the capacity of the surrounding road network before significant upgrades are proposed to be funded and delivered;
- iv. prioritising the use of any latent capacity in the road network for special, urban services and employment uses;
- v. recognising the James Ruse Drive/Grand Avenue/Hassell Street intersection as a limiting factor to intensive development in both the Rosehill-Camellia and Harris Park Precincts without significant investment; and
- vi. the preclusion of residential uses on the eastern side of James Ruse Drive in the Camellia-Rosehill Precinct to avoid the development of isolated communities, land use conflict with adjacent industrial areas and encroachment on industrial activities.

Recommendation 9:

The Commission recommends that, working with local councils, the NSW Government:

- i. leverage NSW Treasury's existing investor relationships, both foreign and domestic, to attract a pipeline of future-focused industries to the Camellia-Rosehill and Camellia Industrial Precincts to promote renewal and the circular economy; and
- ii. focus on attracting the infrastructure and environment industries as identified in the NSW 2040 Economic Blueprint, as they are compatible with the long term industrial and urban services function of this part of the Central City.

Recommendation 10:

Should the NSW Government seek to progress a Camellia Town Centre (in its current or a modified form), the Commission recommends that, before any rezoning decisions are made, the NSW Government give consideration to:

- i. industrial and urban services land objectives and priorities set out in the *Greater Sydney Region Plan* and *Central City District Plan* (see **Appendix 1**);
- ii. a precinct-wide remediation strategy for the Camellia-Rosehill and Camellia Industrial Precincts, supported by independent cost estimates;
- iii. an affordable traffic and transport solution to support the intensity of trips generated by a town centre in this location, with the funding required for this infrastructure; and
- iv. land use conflict matters that may arise from noise, odour, lighting, hours of operation and heavy vehicle traffic impacts from industrial activities in the area.

Recommendation 11

Should the NSW Government proceed with *Recommendation 10* and landowners and/or proponents seek to contribute to the funding or delivery of state and regional infrastructure, the Commission recommends that:

- i. a contribution is secured to deliver the infrastructure, in whole or part, as needed to enable the town centre to occur (e.g. relocation of the sewer pumping station) and to address the demands generated by the development;
- ii. owing to the scale, complexity and risks involved in delivering the proposed Camellia Town Centre, any offers are diligently assessed, leveraging principles of the NSW Government's *Public Private Partnership Guidelines (2017)* and *Unsolicited Proposals – Guide for Submission and Assessment (2017)*; and
- iii. the timing of contributions from landowners and/or proponents are coordinated with investment required by the NSW Government (e.g. for road network upgrades), as the latter would need to be prioritised amongst other needs across Greater Sydney and NSW.

Recommendation 12:

The Commission recommends that Melrose Park Precinct remain *in Phase 2 – Align growth with future city-shaping infrastructure*, acknowledging:

- i. the potential for more intense urban renewal in the Precinct that may be enabled with a new north-south regional public and active transport link across the Parramatta River, connecting to Sydney Olympic Park and the future Sydney Metro station;
- ii. that any such intensification would need to be considered with other liveability and sustainability objectives and priorities outlined in the *Greater Sydney Region Plan* and *Central City District Plan*;
- iii. the potential for the Precinct to proceed earlier, if a north-south regional public and active transport link could be delivered prior or separate to the proposed Parramatta Light Rail Stage 2;
- iv. developer contributions could enable earlier delivery of a north-south regional public and active transport link than if funded primarily by the NSW Government; and
- v. the benefits that a north-south regional public and active transport link would provide to both the Central and North Districts

Key theme 5: Share more detailed information with stakeholders

Feedback was received about the level of information provided to allow for stakeholders to meaningfully engage in the findings, proposed actions and implementation of the PIC for GPOP, particularly at the precinct level.

Some stakeholders felt that more detailed information needed to be made available for them to scrutinise before the proposed actions for GPOP could be accepted.

Access was sought in relation to the data and methods used for population, dwelling and job forecasting, as well as the details of infrastructure needs and costs, apportionment of costs across precincts, calculation of benefits and determination of funding sources.

Recommendation 13:

The Commission recommends that the NSW Government:

- i. direct stakeholders to the unprecedented level of information on the PIC Pilot for GPOP that is already publicly available;
- ii. publicly share the additional supporting information in **Appendix 5**, which compares net benefits analysis at the precinct level as a complement to the cost effectiveness analysis published in *A City Supported by Infrastructure*;
- iii. provide details of infrastructure needs, costs and apportionment as part of the process of preparing and determining a Special Infrastructure Contribution Framework for a PIC area; and
- iv. establish the principles for the release of information on future PICs in the proposed guide for the new PIC model, as outlined in *Recommendation 15*.

Part 2: Recommendations for the new PIC model

Key theme 6: Broad support for the PIC model, with greater collaboration and transparency

Feedback received indicated broad support for the new PIC model, its wider application and use at different scales, subject to greater collaboration and transparency of supporting evidence.

The new PIC model was supported by local councils, the development industry and the community as a well-considered approach to addressing the long-standing challenge of aligning growth and infrastructure.

Several stakeholders expressed particular interest in:

- using the model at different scales, while requesting greater transparency about data inputs and the detailed method for preparing a PIC;
- the need to establish criteria for where and when the new PIC model would be applied, and how areas for future PICs would be selected; and
- local government being involved in the governance model for the preparation of PICs.

Recommendation 14:

The Commission recommends that the NSW Government adopts the new PIC model for use in strategically significant areas, and:

- i. that areas for PICs are nominated by the Commission, the Department of Planning, Industry and Environment (DPIE) and/or any other relevant agency for NSW Government consideration;
- ii. all PICs approved by the NSW Government, regardless of the delivery agency, are overseen by the Commission's Infrastructure Delivery Committee; and
- iii. the findings and actions resulting from PICs are used to inform updates to the *Greater Sydney Region Plan* and the relevant District Plan/s consistent with Recommendation 2 of *Building Momentum: State Infrastructure Strategy 2018-2038*.

Recommendation 15:

The Commission recommends to the NSW Government that **by the end of 2020**:

- i. the role of the PIC process is confirmed in the hierarchy of plans in the NSW planning system, jointly by the Commission and DPIE; and
- ii. the role of the PIC process and the place-based Strategic Business Case (SBC) is confirmed in relevant NSW Government policies and, if required, the Infrastructure Investor Assurance Framework, jointly by Infrastructure NSW and NSW Treasury.

Recommendation 16:

The Commission recommends the NSW Government endorse:

- i. releasing a guide detailing the new PIC model and how to prepare a PIC **by the end of 2020**, to be developed jointly by the Commission and DPIE; and
- ii. the guide focusing on enabling wider application of the PIC model, continuous improvement in methods, better collaboration, transparency and capacity building of all involved.

Recommendation 17:

The Commission recommends that NSW Government agencies continue to reorientate their service and infrastructure planning to support better place-based planning, further PICs and place-based SBCs, and their implementation consistent with the *Greater Sydney Region Plan* and *Building Momentum: State Infrastructure Strategy 2018-2038*.

Key theme 7: Improve partnerships with local councils and better engage with the community, peak groups, industry and regulators

While the PIC model was broadly supported, early and continuous partnering with local government, and engagement with the community, peak groups, industry, landowners, not-for profit providers and regulators was considered by many to be fundamental to its success.

A greater level of partnering and engagement was considered essential to building trust and legitimacy around the PIC model, the 'Co.Lens' tool, findings of the PICs and the implementation of proposed actions.

To support the delivery of more dynamic, innovative and future-focused solutions for high growth and transformation areas, better engagement with utility regulators and community was also considered necessary.

Recommendation 18:

The Commission recommends to the NSW Government that the PIC model guide, proposed in *Recommendation 16*, incorporates a framework and principles for consulting and engaging with:

- i. local council officers, local elected officials, the community (including First Nations People), peak groups, not-for profit providers and regulators, on:
 - aspirations for the future of places;
 - scenario development and land use needs;
 - defining PIC boundaries and precincts;
 - establishing principles for sequencing precincts;
 - the identification of infrastructure needs and priorities;
 - more dynamic and innovative solutions to meeting needs; and
 - the implementation of PICs.
- ii. the development industry and landowners to gain insight into market conditions, customer needs and preferences, and development feasibility.

Recommendation 19:

The Commission recommends to the NSW Government that the PIC model guide, proposed in *Recommendation 16*, confirms:

- i. arrangements for partnering with local council officers on the technical work of the PIC, including governance;
- ii. that the existing statutory membership of the Commission's Infrastructure Delivery Committee continues to be limited to State agencies only; and
- iii. arrangements for senior executives and/or elected officials of local, state and where relevant federal governments to convene through the PIC process.



Recommendation 20:

The Commission recommends that the NSW Government work to better support utility providers, regulators and the community in developing and delivering resource-efficient, resilient and low carbon precincts to implement PICs consistent with the relevant objectives and priorities in the *Greater Sydney Region Plan* and relevant District Plans.

Key theme 8: Strong support to extend the remit of PICs to include local and other infrastructure

Several stakeholders identified opportunities for the PIC to include infrastructure beyond that provided by State agencies and utility providers. This included:

- local infrastructure provided by councils; and
- a range of infrastructure by the not-for-profit and private sectors.

Specific types of infrastructure identified included:

- sports grounds, indoor sport facilities, play spaces, school halls, libraries, aquatic facilities;
- artists facilities and galleries, independent screens, live music venues, convention and exhibition facilities;
- social and affordable housing, build-to-rent housing; and
- waste and resource recovery, flood risk reduction and water quality improvements.

Feedback was also received proposing to mandate social and affordable rental housing targets as part of a PIC process.

Recommendation 21:

The Commission recommends to the NSW Government that for future PICs, the scope of infrastructure be extended to include:

- i. regional green, blue, social, community and cultural infrastructure requiring co-delivery by local and State governments;
- ii. non-government schools, working with the not-for-profit sector through the Department of Education and Schools Infrastructure; and
- iii. social and affordable rental housing provision to the extent practical.

Further, to enhance the delivery of (i) above, the NSW Government should consider the sustained delivery of these regional facilities in PIC areas by supplementing existing grant programs and developer contributions.

With regard to affordable rental housing, while essential infrastructure, the Commission recommends that it be planned and delivered consistent with the NSW Government's Affordable Housing Targets Policy set out in the *Greater Sydney Region Plan* and adopted Affordable Housing Contributions Plans.

Key theme 9: Greater consideration of net benefits and developer contributions

Some stakeholders were concerned that the PIC model overly relied on the cost effectiveness of accommodating a new resident or job in a precinct to inform sequencing, rather than taking a broader view of the benefits that could be achieved for a precinct.

Further, concern was expressed that the PIC model fails to consider the capacity of landowners and developers to make a financial contribution to the cost of infrastructure, which would reduce costs to Government and increase the feasibility of delivering growth with infrastructure in a precinct.

Recommendation 22:

The Commission recommends to the NSW Government that determining the source of funds for infrastructure should be an important but secondary question for PICs, which is focused on identifying the orderly development of precincts and infrastructure priorities in the first instance.

Further, in future PICs:

- i. the results of cost and benefits analysis at the precinct level should be publicly reported, so stakeholders can be assured that precincts delivering higher benefits relative to costs are sequenced early, rather than the lowest cost precincts regardless of benefits; and
- ii. the capacity of developers to feasibly make a financial contribution to infrastructure be considered after a PIC is completed, and only once net benefits are demonstrated for a precinct and sequencing is established.

The results of the net benefits analysis at the precinct level developed in the PIC Pilot for GPOP are detailed in **Appendix 5**. This information is additional to the cost effectiveness analysis included in *A City Supported by Infrastructure – Place-based Infrastructure Compact Pilot* and was a key consideration in developing the sequencing plan.

Key theme 10: Implementing the findings and proposed actions resulting from the new PIC model

Feedback suggested that greater clarity is needed on how the findings and proposed actions resulting from the new PIC model would be delivered through the statutory planning system, and how prioritised infrastructure would be funded and coordinated for delivery over time.

Several stakeholders highlighted the need for the PIC process to be implemented in a timely way through the clearly established hierarchy of statutory plans in Greater Sydney – the Region Plan, District Plans and local plans.

Greater certainty of funding availability to deliver infrastructure priorities through State and local government processes, as well as through developer contributions and agreements, was also highlighted as an issue of concern in the feedback.

Some stakeholders sought to be involved in the infrastructure prioritisation process, and others identified the need for strong leadership and coordination to ensure the intent of the new PIC model was delivered over time.

Recommendation 23:

The Commission recommends that where a PIC is accepted by the NSW Government, a small dedicated coordination office is established in the relevant agency (most often DPIE) to progress the timely implementation of a PIC, including:

- i. through a review and update of the relevant strategic and statutory plans, through the hierarchy of plans in the NSW planning system **within 12-18 months**;
- iii. preparation of a Special Infrastructure Contributions Framework (and potentially value sharing arrangements in very high value parts of precincts) **within 12-18 months**;
- ii. preparation of place-based Strategic Business Cases and project Final Business Cases by agencies for the delivery of infrastructure priorities; and
- iii. regular monitoring and public reporting on progress, including actual development compared to the forecast assumptions in a PIC.

Next steps

The Commission will submit these recommendations to the NSW Premier and Minister for Planning and Public Spaces for consideration by the NSW Government.

A response from the NSW Government is anticipated in mid-2020, as outlined in *A City Supported by Infrastructure*.

Should they be supported, the Commission will continue to promote a more collaborative approach to implementing the recommendations of the PIC Pilot for GPOP.

Appendix 1

Key considerations for the Commission in making its recommendations for the Camellia-Rosehill Precinct

The guiding planning principles used by the City of Parramatta Council in the *Camellia 21st Century Business, Industry and Entertainment Precinct Discussion Paper*, and subsequently progressed by the Department of Planning, Industry and Environment (DPIE) to prepare the draft *Camellia Town Centre Master Plan*, were considered sound at the time.

The City of Parramatta Council recognised the strategic value of employment lands in the Camellia Precinct, as well as the need for renewal to support the growth of Parramatta. In consultation with landowners and businesses, City of Parramatta Council had sought to commence a process to agree a long-term vision for the Camellia Precinct, investigate funding opportunities, and determine a pathway leading to rezoning.

There was broad recognition that the renewal of the Camellia Precinct on lands fronting the Parramatta River could support the decontamination of former heavy industrial sites, an increase in housing supply close to the Parramatta Central Business District, and new public amenity on the foreshore.

The then *A Plan for Growing Sydney* (2014) identified that the NSW Government would develop a structure plan for Camellia to underpin future redevelopment of the area, as part of Action 1.3.3 *Deliver Priority Revitalisation Precinct*.

The Commission's recommendations to the NSW Government in regard to the Camellia-Rosehill Precinct are informed principally by (i) the new policy positions established in the *Greater Sydney Region Plan* (2018); (ii) the new information prepared in the PIC Pilot for GPOP delivered consistent with Action 7 of the *Greater Sydney Region Plan*; and (iii) emerging implications of delivering major new infrastructure in GPOP on industrial and urban services land.

1. Subsequent new policy positions in the *Greater Sydney Region Plan*

The relevant objectives and priorities that have guided the Commission's recommendations are:

Greater Sydney Region Plan

- i. The first section of the plan 'A city supported by infrastructure' which sets a very clear focus on aligning growth with infrastructure, by taking a comparative approach to determine the most effective and appropriate locations and then to sequence growth (**Objective 2**).
- ii. The establishment of the Eastern, GPOP and Western Economic Corridors, emphasising the productivity function of GPOP for the metropolis (**Objective 15**).
- iii. Industrial and urban services land is planned, retained and managed with a 'review and managed' approach adopted in the Central City. The Plan identifies that in limited cases, conversion to other uses may be appropriate. However, it specifies that in some locations such as GPOP, specifically Camellia, Rydalmere and Silverwater, the retention of industrial activities will be a starting objective (**Objective 23**).

- iv. The final section of the plan, 'an efficient city', sets a focus on capturing, using and reusing energy and water flows, and supporting the development of a circular economy so that more waste is reused and recycled (**Objectives 34 and 35**).

Consistent with the intent of a hierarchy of plans, these objectives and priorities are further detailed in the *Central City District Plan*, as follows:

Central City District Plan

- i. Planning a city supported by infrastructure with a growth infrastructure compact (now PIC) in GPOP, providing an important benchmark for understanding the relative costs and benefits of new development (**Planning Priority C1**).
- ii. Delivering a more connected GPOP Economic Corridor by evolving Camellia into a highly productive part of the Central River City, with a focus on coexisting water, energy and transport uses generating a range of employment types and retaining Camellia, Rydalmere and Silverwater as locations for urban services (**Planning Priority C8**).
- iii. Retaining and managing industrial and urban services land in the Central City to safeguard them from competing pressures, especially residential and mixed-use zones. In GPOP, specifically Camellia, Rydalmere and Silverwater, the starting objective is safeguarding industrial activities (**Planning Priority C11**).
- iv. Reducing carbon emissions and managing energy, water and waste efficiently, including the application of circular economy principles, where waste is re-used and recycled. A new water resources facility on a site up to 17 hectares is identified for location in GPOP's urban services area (**Planning Priority C19**).

The Commission recognises that the *Greater Sydney Region Plan* (**Objective 15**) and the *Central City District Plan* (**Planning Priority C5**) also identify Camellia (in part) as an area for housing supply and living, reflecting the *Greater Parramatta Interim Land use and Implementation Plan* and *Draft Camellia Town Centre Master Plan* released prior.

2. New information prepared in the PIC Pilot for GPOP

The PIC Pilot for GPOP delivers on Action 7 of the *Greater Sydney Region Plan*. In delivering this action, the Commission, working with its agency partners, has produced significant new information and insights not available at the time of preparing the *Greater Sydney Region Plan* (2018) and the *Central City District Plan* (2018).

The 18-month investigation has been extensive and supported by technical analysis including land use forecasting, market demand analysis, infrastructure needs assessment, strategic costing and apportionment, cost effective analysis and cost and benefits analysis.

Consistent with NSW Treasury's *Infrastructure Investor Assurance Framework*, the work of the PIC Pilot was independently assured to provide the NSW Cabinet confidence that the work could be used to inform its decision making.

The level of investigation undertaken for GPOP, including the Camellia-Rosehill Precinct, was not available for consideration when preparing in *A Plan for Growing Sydney* (2014), the *Camellia Land Use and Infrastructure Strategy* (2015), *Greater Parramatta Interim Land Use and Infrastructure Plan* (2017), or the draft *Camellia Town Centre Master Plan* (2018).

The new information presented in the PIC provides a basis to demonstrate the relatively high cost, risk and complexity of delivering new housing supply in the Camellia-Rosehill Precinct, compared to other locations. Further, it demonstrates that demand for housing can be accommodated in 11 other precincts across GPOP over the next decade, and in several others in subsequent decades.

3. Emerging implications of delivering major new infrastructure in GPOP on industrial and urban services land

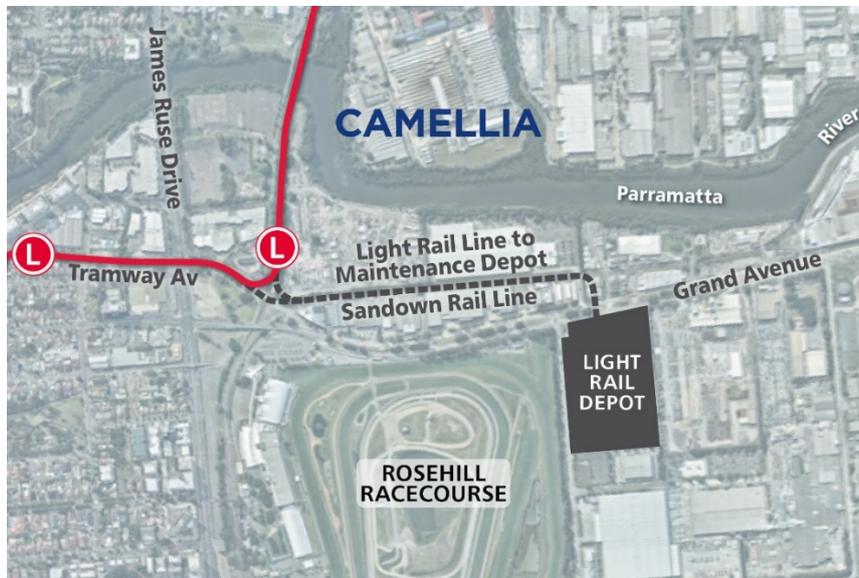
The *Greater Sydney Region Plan* and *Central City District Plan* anticipate the need for retaining and safeguarding Camellia for industrial and urban services. The significant demand for housing in GPOP and employment in the GPOP Economic Corridor is driving the need for major investments in the city's transport, water and energy systems.

This results in not only the need for the intensification of housing around new transport stops and stations, but also the need to locate operational, maintenance and construction facilities. Given the Central City is an established city this means often sites need to be acquired in industrial and urban services areas, displacing business that have purposefully located in the area.

The Commission is aware of the NSW Government's recent decisions to locate the facilities for Parramatta Light Rail (**Figure 1**) and Sydney Metro West (**Figure 2**) in Camellia. This will displace some existing businesses located on land that is currently zoned industrial, including waste and recycling facilities essential to the city's operations.

Many of these businesses will seek to relocate and continue business in Camellia, or nearby, because of their existing customers, supply chains and workforce. It is highly unlikely that any more industrial and urban services land will be created in the Central City, though the demand for it is very likely to increase over time. It is therefore prudent to ensure that these lands are actively retained, managed and safeguarded.

Figure 1 - Parramatta Light Rail stabling and maintenance facility construction site located in the Camellia-Industrial Precinct



Source: Transport for NSW, Parramatta Light Rail Office, March 2020

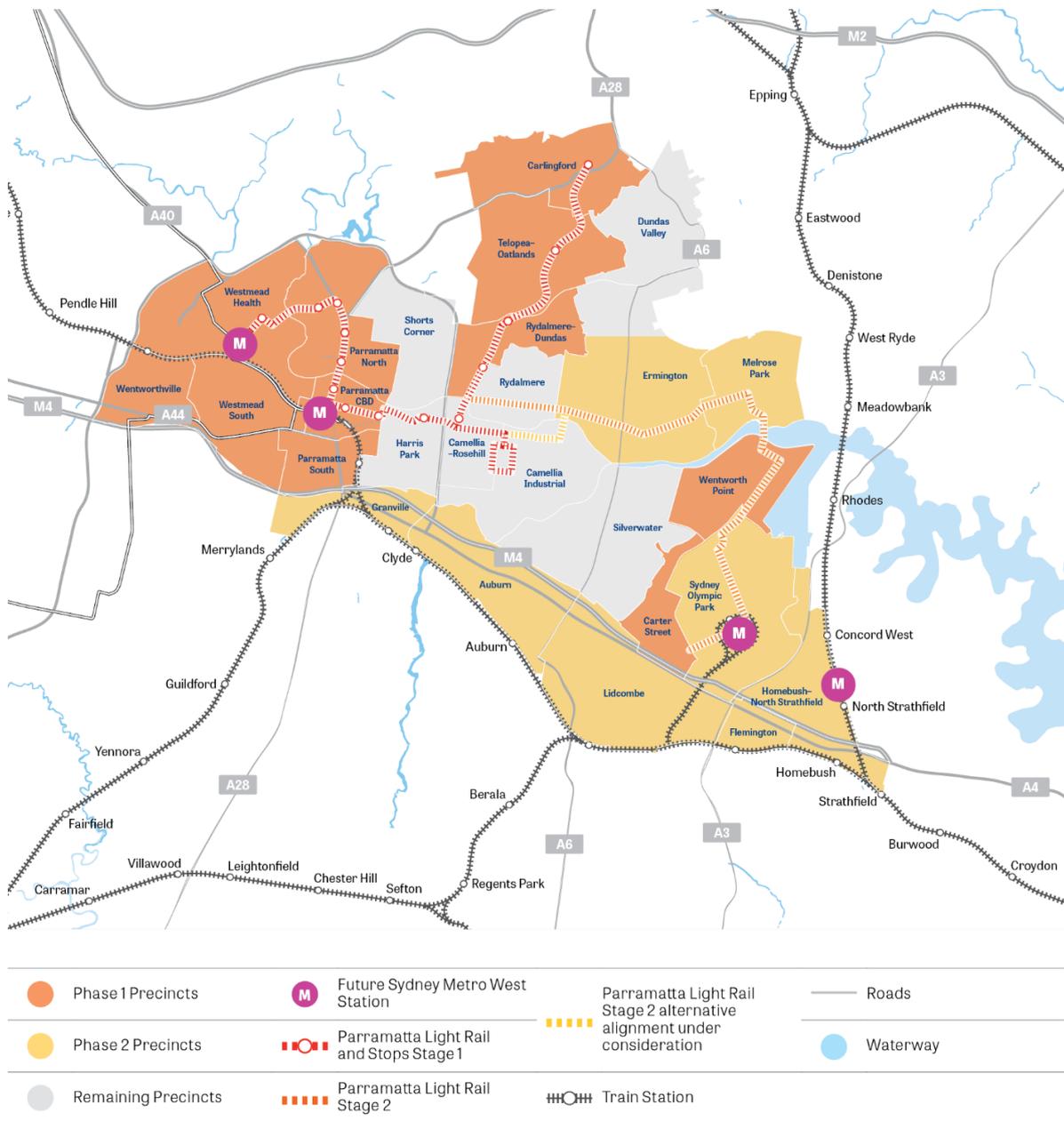
Figure 2 - Sydney Metro West stabling and maintenance facility construction site, located in the Camellia-Industrial Precinct



Source: Transport for NSW, Scoping Report - Westmead to The Bays and Sydney CBD Request for Secretary's Environmental Assessment Requirements, October 2019, www.sydneymetro.info/sites/default/files/document-library/Sydney Metro West Scoping Report Westmead to The Bays and Sydney%20 CBD.pdf

Appendix 2

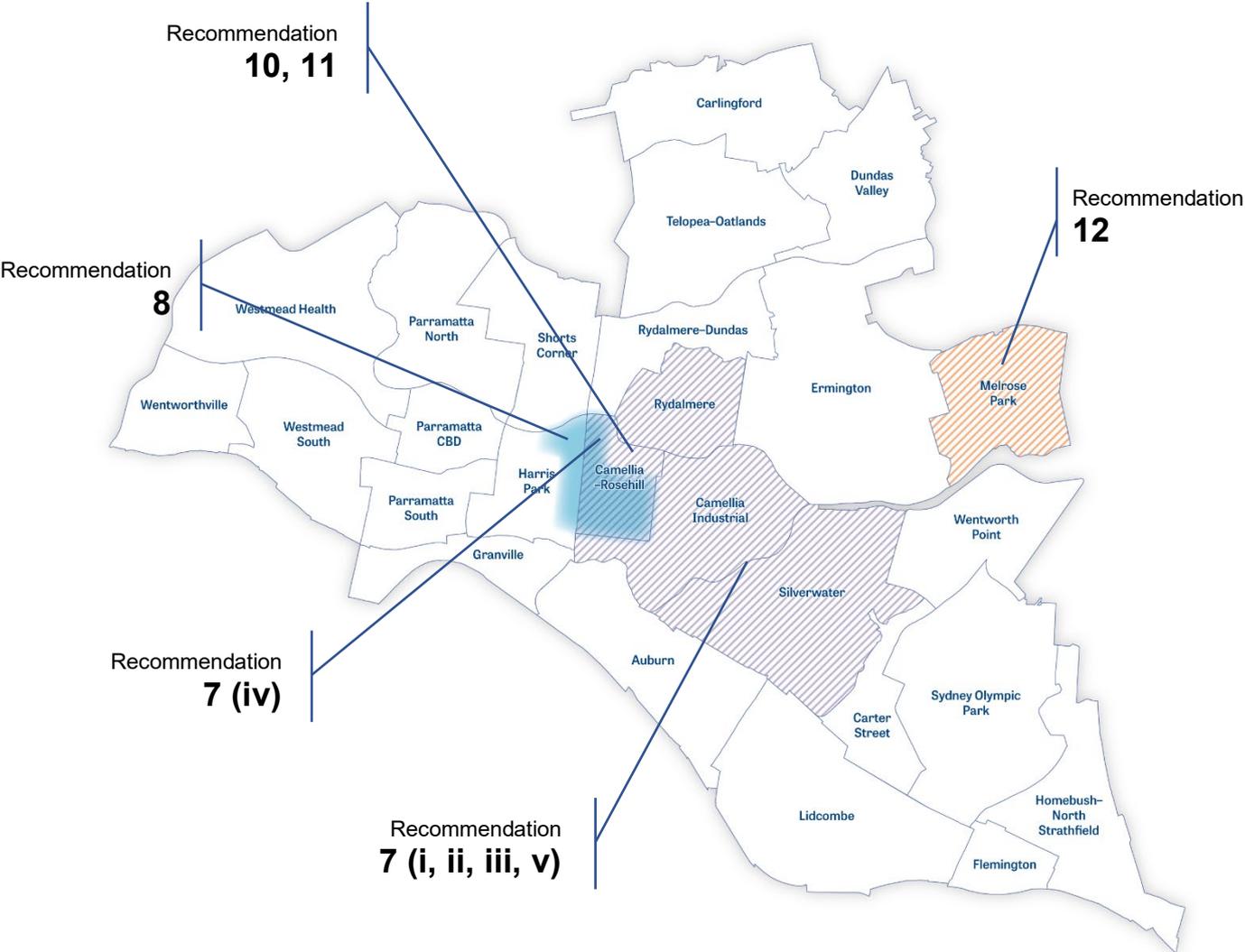
Figure 3 – Proposed sequencing plan for Greater Parramatta and the Olympic Peninsula



Source: A City Supported by Infrastructure – Place-based Infrastructure Compact Pilot, November 2019, https://gsc-public-1.s3.amazonaws.com/s3fs-public/qpop_pic_-_a_city_supported_by_infrastructure_web.pdf

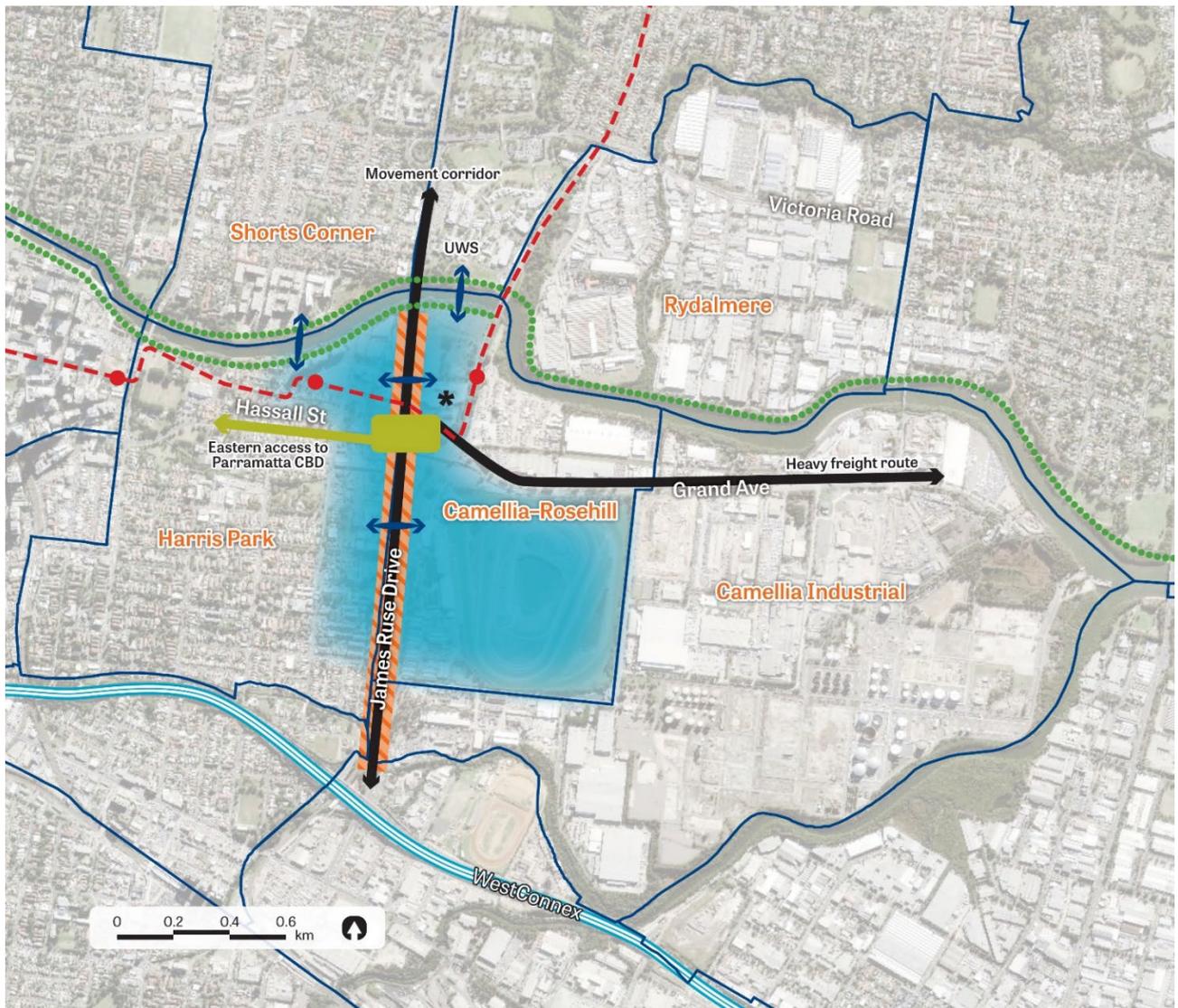
Appendix 3

Figure 4 – GPOP locations relating to recommendations 7, 8, 10, 11 and 12



Appendix 4

Figure 5 – Potential for earlier intensification of existing land uses in parts of the Camellia-Rosehill and Harris Park Precincts, as per Recommendation 8



- | | | |
|---|--------------------------------|--|
| Movement corridor | High amenity along river front | Major intersection of movement corridor/freight route/CBD access |
| Edge condition along movement corridor | Parramatta Light Rail | Focus area |
| Pedestrian/cycle bridge linking precincts (existing and proposed) | Precinct boundary | |
| | SPS67 | |

Appendix 5

Results of the net benefits analysis at the precinct level developed in the PIC Pilot for GPOP

The results of the net benefits analysis at the precinct level developed in the PIC Pilot for GPOP is shown in **Figure 6**.

This information was not reported in *A City Supported by Infrastructure: Place-based Infrastructure Compact Pilot*, alongside the cost-effective analysis shown on pages 9 and 41.

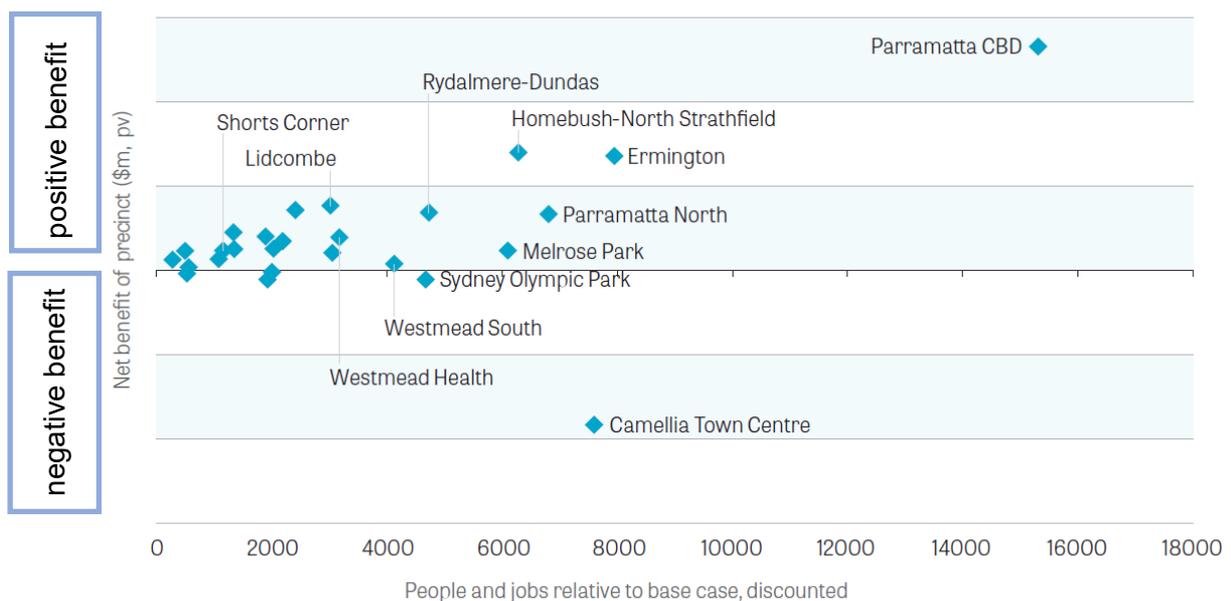
This graph displays the net benefits at the precinct level of accommodating additional people and jobs under the 'Transformative' Scenario 3 compared to the 'Existing' Scenario 1 over 40-years.

Whilst the cost effectiveness analysis is reported over 20 years, the benefits analysis was undertaken over 40 years recognising the timeframe over which benefits may be realised.

The graph demonstrates that aligning growth with infrastructure in a significant majority of the 26 precincts assessed in the PIC Pilot for GPOP would result in net benefits, meaning that the benefits would outweigh cost.

However, as shown in the cost-effectiveness analysis, there are positive and negative outliers being the Parramatta CBD and the Camellia-Rosehill Precinct (shown as the Camellia Town Centre).

Figure 6 - Net benefits at the precinct level of accommodating additional people and jobs under the 'Transformative' Scenario 3 compared to the 'Existing' Scenario 1 at 40-years



Source: Technical advice prepared in the PIC Pilot for GPOP and submitted to the NSW Cabinet for consideration.