

Draft Western District Plan

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Draft Greater Sydney Region Plan and Western City District Plan Submission relating to landholdings in Menangle

On behalf of Mirvac

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1 Overview

While Mirvac supports the overall intent of the draft Greater Sydney Region Plan, the 10 overarching Directions and the need for a District focus for the Western City, amendments are requested for specific sites to enable growth in areas that have clear planning merit. This is particularly the case where sites have resolvable constraints and are owned or controlled by a single entity, making housing and jobs delivery more streamlined.

There are several reasons why the amount of land identified in the draft Plans may result in construction rates below that required in the next 20-40 years:

- **Viability issues** as a result of the removal of the residential housing levy cap; reliance on a 'user pays' approach; community expectations of a higher quality and broader range of facilities and services early in the development cycle; the tendency towards 'gold plating' of infrastructure by some Councils; and the cumulative costs of the different contributions regimes including the provision of affordable housing and biodiversity certification
- **Council resourcing** is already stretched, and with the additional areas of focus from the GSC (LEPs within 2-3 years inclusive of supporting studies) and DP&E (through the EP&A Act amendments), consideration needs to be given to how to ensure Planning Proposals and DAs are not unduly delayed
- **Physical constraints** that were not picked up at the district analysis level in the Plan preparation, but that will be identified once sites are ground truthed, will delay or prevent the progression of some sites identified for urban growth
- **Fragmented land holdings** identified for growth do not offer the benefits derived from larger parcels of land and/or land under single control
- **Infrastructure provision** commitments and timeframes may change noting alignment finalisation and funding for some large infrastructure projects identified are yet to occur
- **Political changes** in Federal, State and local government can lead to policy shifts which alter areas of focus and timeframes
- **Forecasting accuracy** in relation to population increases and household size is difficult with a 20-40-year timeframe, as can already be seen through the 2016 census results
- **Metrics and performance** need further consideration given the Plans will not be finalised until 2018 with targets commencing in 2016. It is unclear what processes and incentives will be established to ensure targets are met and what contingencies are in place where they are not.

To ensure enough housing supply occurs, we strongly recommend that the Plans include:

1. **Expanded and additional Planned Precincts, Growth Areas and land suitable for Urban Investigation, including the inclusion of land at Menangle for urban development**
2. **Clear criteria to enable suitable land in the Metropolitan Urban Area to be considered for urban development on planning merit. This is particularly important given site specific studies were not undertaken to inform site inclusion. The criteria should include:**
 - **proximity to existing or planned urban areas**
 - **ability to be serviced (all infrastructure)**
 - **demonstration of resolution of identified key constraints**
 - **contribution to housing and jobs targets**
 - **contribution to the 30-minute city objective**
 - **feasibility of progressing in the immediate to medium term (i.e. not fragmented ownership)**

1.1 About Mirvac

Mirvac owns and manages assets across Australia in the office, retail and industrial sectors, with over \$17 billion worth of assets currently under management, making a significant contribution to the NSW economy. Their development activities allow them to create and deliver innovative and high-quality commercial assets and residential projects in the Greater Sydney region.

Mirvac produces a variety of housing typologies including conventional detached, semi-detached, attached and terrace row housing and residential flat buildings. They also offer innovative separate titled studios, triplexes, manor homes and new multigenerational home designs that promote housing diversity and help address affordability constraints.

Mirvac prides themselves on their contribution to Australia's urban landscape, and they work closely with councils and communities to ensure the right mix of services, facilities, open space, employment and housing typologies come to fruition.

They are ideally placed to provide an industry perspective on the Greater Sydney Commission's draft Plans.

1.2 Purpose of the submission

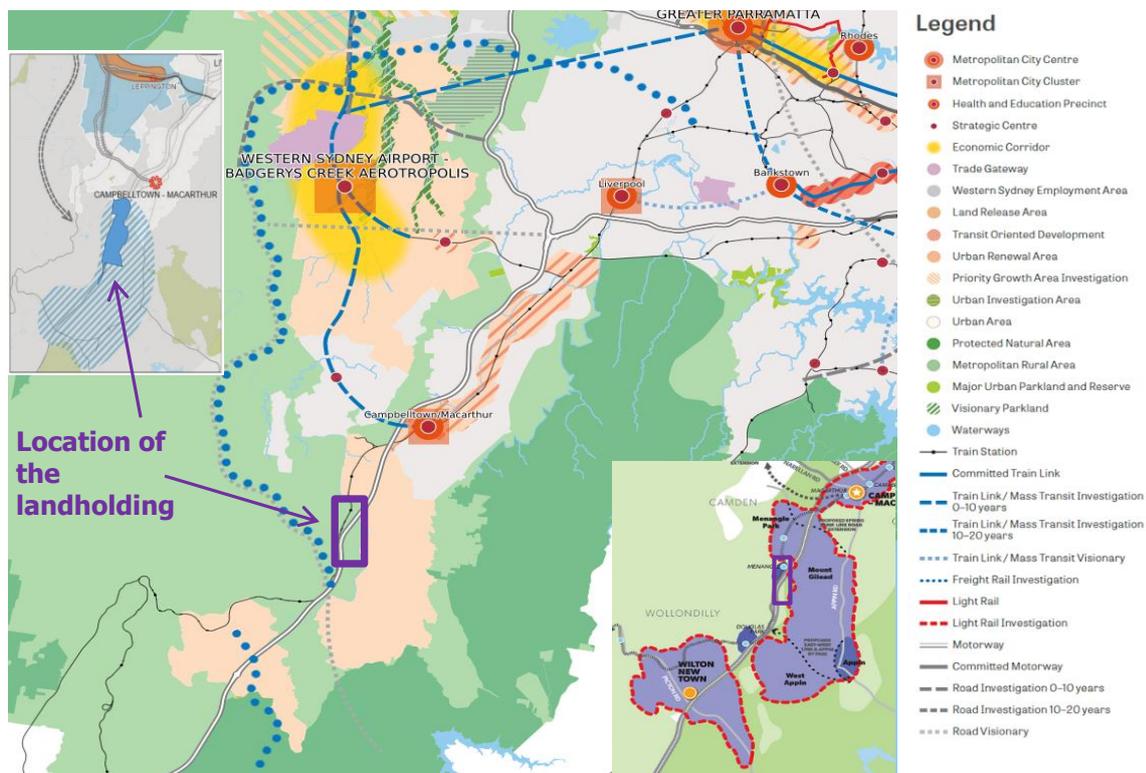
Mirvac is looking to make a significant contribution to the housing and jobs targets in Sydney's south west through progressing a rezoning at Menangle. The rezoning of land at Menangle from RU1 Primary Production to R2 Low Density Residential with small scale business areas, health, schools, open space and community services and facilities in close proximity to rail, will enable a quality residential community to grow. With access to jobs, services and transport, development at Menangle would make a significant contribution to the NSW Government's 30-minute city objective, leveraging off surrounding infrastructure improvements and urban development.

1.3 Overview of the Menangle proposal

Menangle is located just south of the Menangle Park and immediately west of the Mount Gilead growth areas. The whole 525ha (approx.) landholding in which Mirvac has secured development rights to was identified as being within the boundaries of the Macarthur South Investigation Area in 'A Plan for Growing Sydney' (See **Figure 1**). It has direct frontage to the Hume Highway, and access to Menangle train station which is located within the land. The Outer Sydney Orbital and the Campbelltown / Camden / Western Sydney Airport rail link are also proposed in close proximity, as is the recently announced Spring Farm Parkway link to the Hume Highway (located to the north of the site). The potential electrification of rail from Campbelltown South to Picton that is currently being considered by the Federal and State Government will also better connect local and strategic centres in the region. This infrastructure is catalytic for growth in the area.

When the Growth Centres SEPP was amended in 2016, the land was not included in the Greater Macarthur Priority Growth Area due to issues predominantly around heritage, servicing and coal mining. It is noted that the landholding would meet the pathway step requirements contained in the Greater Macarthur Land Release Investigation report, that identifies what encumbered sites need to address prior to urban development occurring (2015, p8). Wollondilly Shire Council has indicated to DP&E that they do not support the inclusion of the landholdings in the Growth Area based on these issues along with overall yield, agricultural and scenic impacts. Council is also primarily focussed on Wilton for the LGA's housing delivery. In the same vein Council also does not support Gilead, Menangle Park, and West Appin, which are currently included in the Growth Area boundary, substantial portions of which have the same constraints, however, unlike Mirvac's landholding at Menangle, these constraints in these other areas have not as yet been addressed.

Figure 1 Draft Greater Sydney Region Plan on a Page



Source: GSC and DPE

In order to demonstrate the suitability of the landholding and any residual concerns about resolving the issues identified, a number of technical studies have been prepared and provided to DP&E addressing: -

- » **Serviceability of water, wastewater and electrical services** including a review by Endeavour Energy. Economies of scale that can be captured through the adjoining sewer, water and electricity being undertaken for the Urban Growth Menangle Park development and advice provided by GHD confirming essential services can be provided at no or very little upfront cost for the first 1,200-1,400 lots and that Sydney Water’s Greater Macarthur strategy will encompass lots beyond this amount. The delivery of sewer to stage 1 of the Mirvac landholding (discussed further below) will allow the existing neighbouring Menangle village to also be connected to sewer.
- » **Heritage** – through an archaeological Due Diligence assessment which concluded that heritage on the site will be uniquely advantaged by one owner controlling the considerable land holding ensuring that a managed strategy will protect and celebrate areas of cultural significance, and that
- » **Subsurface mining risk** - by way of an agreement executed by the landowners, Mirvac and South32 (the miner whom holds the mining lease over the lands) to not undermine the Mirvac landholdings protecting future residences (and exiting residences in the neighbouring Menangle village) from any subsidence impacts associated with underground mining.

Stage one approved

The rezoning of stage 1 of the Mirvac landholding comprising 38 hectares, first submitted in 2012, was approved by the Sydney Western City Planning Panel on the 30th of November 2017. It rezones the land at Station Street Menangle around the existing station as an extension to Menangle Village to enable low density residential, a neighbourhood centre, and open space, as well as securing the ongoing management and maintenance of heritage buildings in The Creamery precinct (see **Figure 3**).

The satisfactory resolution of constraints through working with relevant State Government agencies, service providers and the mining company demonstrates that land in the area is suitable for urban development.

Balance of the Mirvac Landholding

A large proportion of the balance of the landholding relates to an area that is relatively self-contained – between the Hume Hwy and the Nepean River (see **Figure 3**). These existing physical features afford the opportunity to work with the GSC, Council and the community to create an area with a new unique identity that does not detract from the current Menangle village or setting.

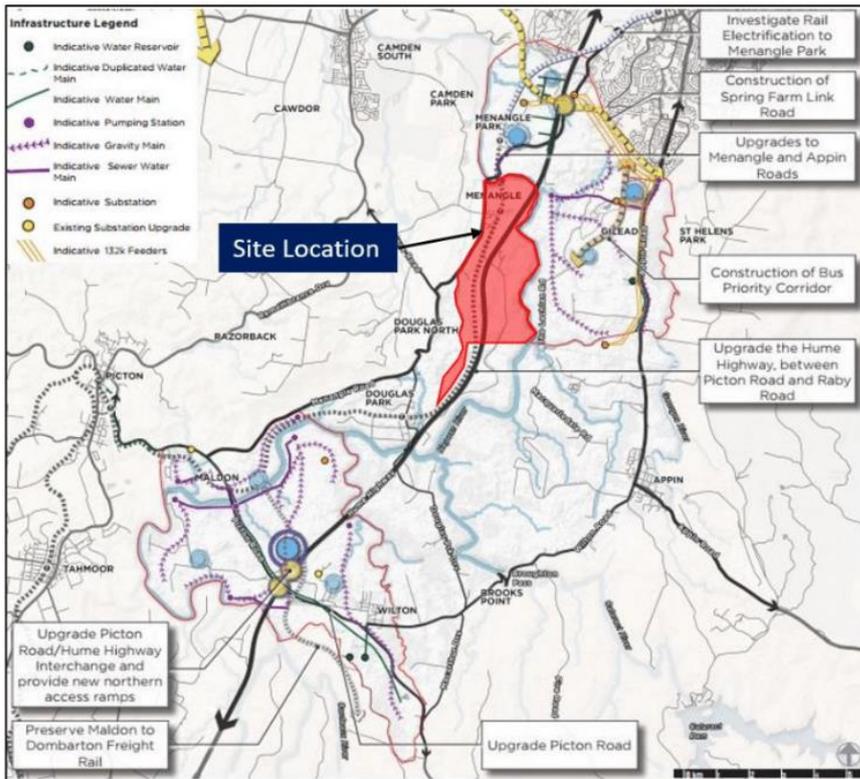
A yield of approximately 5,000 lots, housing around 15,000 people has been utilised to review social infrastructure requirements including schools, health facilities, open space, riparian access, as well as any necessary transport and servicing upgrades. Mirvac's concept structure plan reflecting the high level spatial land uses, demonstrates the potential mix of uses of the new community (see **Figure 3**).

The concept plan indicates that employment land is considered integral to the success of the area, bringing with it the ability to provide approximately 625 jobs (calculated at 25 jobs per hectare of developed employment land as stated in the DPE Employment Land Development Program Report 2010 South West Sub Region).

Other key aspects of the proposal include:

- » Identification of key green corridors and the provision of walking and cycling connections, with direct access to the Nepean River foreshore providing opportunities to enhance riparian quality and activate and engage this area – actively contributing Sydney's Blue and Green Grid
- » The inclusion of approximately 222ha for open space and the protection of vegetation and fauna
- » Enhancement, conservation and celebration of 'The Creamery' precinct including heritage buildings
- » A logical and efficient collector road network. The proposed Spring Farm Link Road will connect the land to the Hume Highway, noting also the proximity of the proposed M9 Outer Sydney Orbital and a range of other upgrades in the area (see **Figure 2**)
- » Approximately 300ha of developable residential land with a mix of low density housing typologies on a range of lot sizes
- » Employment uses with the potential for new neighbourhood centres to service the needs of the new community
- » ~11 ha of land to accommodate three schools to be provided as the community grows (one primary, one secondary and one private)
- » A potential health facility to service the existing and new community
- » Potential for a new railway station at the southern end of the site integrating with employment lands

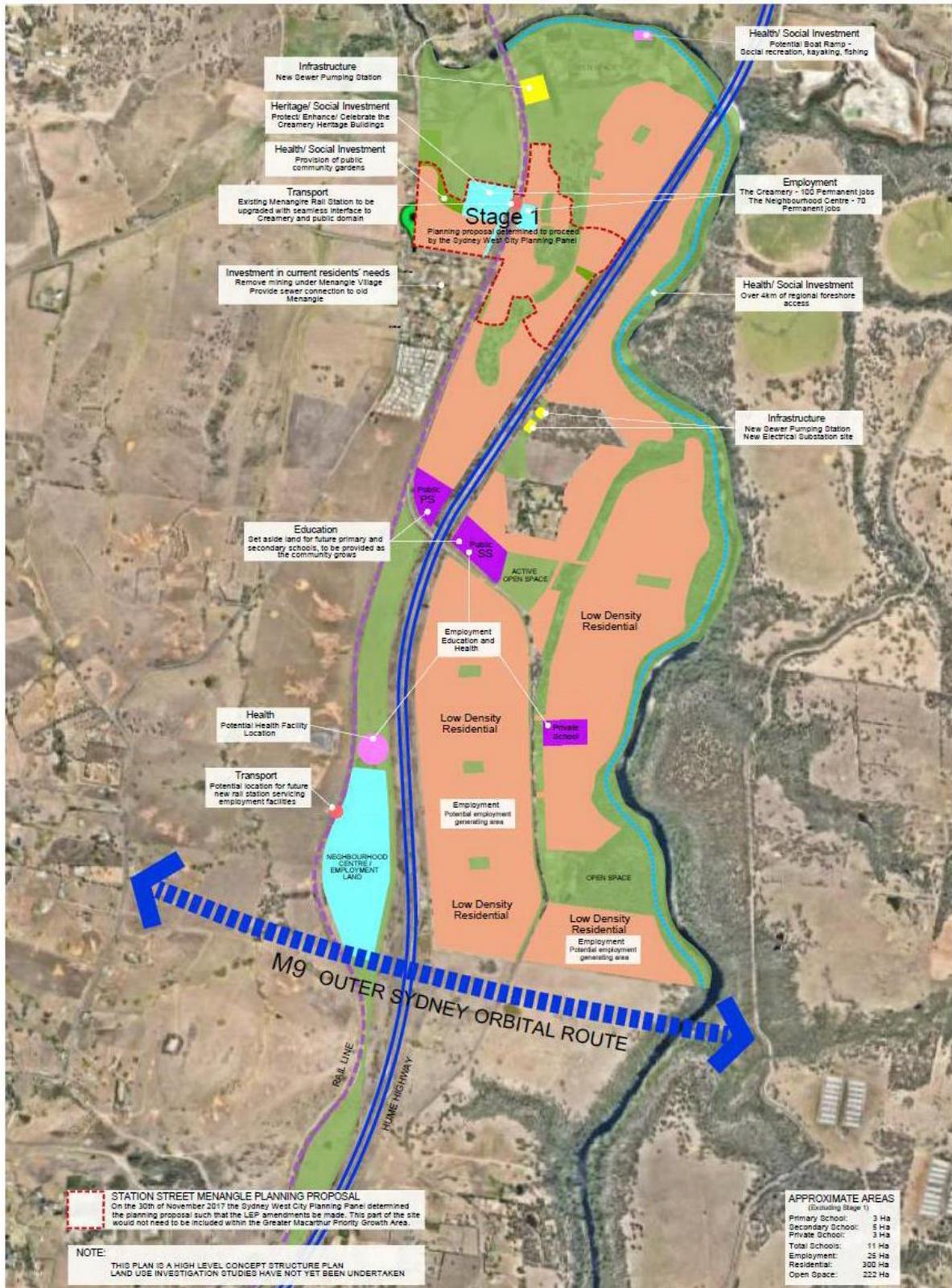
Figure 2 Infrastructure and Mirvac landholdings



Source: GLN, March 2017

Further required investigations and assessments would be undertaken as part of the rezoning process and Mirvac would work with Council and the community to establish a masterplan that clearly demonstrates the benefits such a proposal would bring to both the immediate and wider area. There is flexibility around the yield which would be determined iteratively as part of the planning proposal process.

Figure 3 Draft Concept Plan - Menangle



DRAFT

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file
Concept Structure Plan

date 05.12.2017

scale @ A3 1:5000

job no.

drawing no. MP01

rev H

Source: Mirvac, December 2017

2 Key issues

2.1 Metropolitan Rural Area

Within the draft Plans the landholding at Menangle is identified as 'Metropolitan Rural Area', which is of specific importance for poultry, eggs, vegetables including mushrooms, nurseries, cultivated turf and cut flowers (p120). It also covers mining and extractive resources noting the need to prevent incompatible land uses encroaching on such industries.

Strategy 24.3 of the draft Plan is to: 'Protect and support agricultural production and mineral resources (in particular construction materials) by preventing inappropriately dispersed urban activities in rural areas'.

Mirvac's proposal does not constitute the disbursement of urban activity in rural areas, but is well-placed adjoining rail and other existing and developing urban areas, with mining, heritage and ecological issues able to be resolved to the satisfaction of all relevant agencies. Rural uses in the area are not of the type described in the Draft Plan, and the land does not fall within the Biophysical Strategic Agricultural Land maps prepared by DPE in 2014 which highlight high quality soil and water resources capable of sustaining high levels of productivity (see Strategic Agricultural land map sheet 41).

The landholding at Menangle should be identified in the finalised Plans as 'urban' within the Greater Macarthur Priority Growth Area within the finalised Plans. Criteria could be established to give comfort that constraints are managed appropriately, and servicing can be provided. The same criteria should be utilised to enable planning proposals to be considered and progress for urban development that have been identified on a broad scale as being within the Metropolitan Rural Area.

2.2 Housing Targets

While Council determines that their 5-year housing targets will be easily met given current proposals, the longer term targets need focus. Only two years will remain on the short term targets once the Plan is finalised in 2018. The draft Greater Sydney Region Plan notes that 6-10 year targets will be developed by the GSC and Local Government, although no timeframe is provided as to when this will occur and with what other consultation. For the Western City as a whole the target from 2016-2036 is given as 184,500 (p50). The NSW Government should ensure enough land has been identified to cater for unforeseen blockages and sequencing changes throughout the whole Western City area.

3 Conclusion

The blanket statement that ‘Urban development is not consistent with the values of the Metropolitan Rural Area’ (p138) is contrary to the precinct approach advocated in the Draft Plans, where sensitive design can enable some urban development within the rural setting particularly around transport nodes. We have already outlined the reasons why the identified areas for growth in the Draft Plan may not result in the housing numbers required, and as a result, the current Planned Precincts, Priority Growth Areas and Investigation Areas alone are unlikely to ‘eliminate the need for urban expansion into the Metropolitan Rural Area’.

The draft Greater Sydney Region Plan states that:

*“Urban development is not consistent with the values of the Metropolitan Rural Area. Priority Growth Areas in the Western Parkland City **generally** provide a long-term supply of land for the growth of Greater Sydney and eliminate the need for urban expansion into the Metropolitan Rural Area”* (emphasis added, p138). It further states that *“Future region plans will identify if additional areas of land in the Metropolitan Rural Area are required for urban development”* (p138).

The Greater Macarthur Land Release Investigation Preliminary Strategy and Action Plan (2015), identifies the need for the NSW Government to continue to focus investment in North West and South West Priority Growth Areas and priority urban renewal precincts, and to **“Look beyond these priority areas to other locations that could contribute to meeting the housing supply challenge, now and beyond 2036”** (p2) [emphasis added].

It is crucial to ensure new releases in the West City District, where possible, expand on existing releases such as the GMLRA, and that enough land is identified to cater for a range of housing delivery scenarios. The inclusion of the Mirvac land at Menangle in the GMLRA or as a newly identified release area, should be brought forward prior to the finalisation of the Plans, as it:

- » can be easily serviced
- » any constraints are readily resolvable as evidenced through the recent Stage 1 approval and advice previously provided to DP&E.
- » is controlled by one entity
- » has direct access to the Nepean River foreshore providing opportunities to enhance riparian quality and activate and engage this area –contributing Sydney’s Blue and Green Grid
- » is located on Menangle station transportation node and has direct frontage to the Hume Highway. The Outer Sydney Orbital and the Campbelltown / Camden / Western Sydney Airport rail link are also proposed in close proximity, as is the recently announced Spring Farm Parkway link to the Hume Highway (located to the north of the site). The potential electrification of rail from Campbelltown South to Picton that is currently being considered by the Federal and State Government will also better connect local and strategic centres in the region. This infrastructure is catalytic for growth in the area
- » can supply both housing and employment lands to the West City District in support of the 30 minute city in a timely (immediate, short and medium term) and sustainable way with a full range of supporting infrastructure and product mix
- » will capture economies-of-scale through consideration of a wider area enabling more innovative solutions and outcomes to be delivered.

To ensure enough housing supply occurs, we strongly recommend that the Plans include:

- 1. Expanded and additional Planned Precincts, Growth Areas and land suitable for Urban Investigation, including the inclusion of land at Menangle for urban development**
- 2. Clear criteria to enable suitable land in the Metropolitan Urban Area to be considered for urban development on planning merit. This is particularly important given site specific studies were not undertaken to inform site inclusion. The criteria should include:**
 - proximity to existing or planned urban areas**
 - ability to be serviced (all infrastructure)**
 - demonstration of resolution of identified key constraints**
 - contribution to housing and jobs targets**
 - contribution to the 30-minute city objective**
 - feasibility of progressing in the immediate to medium term (i.e. not fragmented ownership)**

4 Draft Western City District Plan comments

Mirvac supports a regional approach to the higher level directions contained in the Draft Greater Sydney Region Plan, and in light of the above discussion, provides the following feedback to assist the GSC in strengthening the revised Draft Western City District Plan.

Table 1 Revised Draft Western City District Plan High Level Analysis (Oct 2017)

| Section | Response |
|--|--|
| Infrastructure and Collaboration Planning Priority W1. Planning for a city supported by infrastructure | Development adjacent to rail stations is fundamental to well-planned cities and Mirvac has developed a concept masterplan for their landholdings at Menangle that demonstrates a place-based approach that can evolve through consultation with Council and the community. |
| Liveability Planning Priority W2. Working through collaboration | <p>The proposal draws from Federal, State and local initiatives identified in the draft Plans and the draft Future Transport Strategy. It provide benefits back to local government, the community and businesses.</p> <p>Mirvac supports a collaborative approach to the progression of the landholding so it can be developed in a timely manner and in a way that benefits the current and future community of Menangle.</p> |
| Liveability Planning Priority W3. Providing housing supply, choice and affordability, with access to jobs and services | The location of the proposal is ideal for harnessing the existing and proposed improvements (e.g. electrification) to the train system, providing a new community with a range of housing and employment opportunities, while addressing heritage, flooding, biodiversity and other issues in a sensitive place specific manner. As with Stage 1 Mirvac could enter into a VPA, with a DCP specifying design standards for remaining landholdings. |
| Liveability More housing in the right locations: Creating capacity for new housing in the right locations requires clear criteria for where capacity is to be located. | The proposal is aligned to investment in the Menangle and broader area, with an existing rail station and the ability to provide jobs and housing in close proximity. Constraints can be resolved and the area sensitively designed including the provision of schools, health services and open space. It is considered to be the right location for new housing. |
| Liveability Planning Priority W4. Creating and renewing great places and local centres, and respecting the District's heritage. | Mirvac has worked carefully on the concept plan to maintain the distinctive features of the area to retain a sense of place, while maximising opportunities close to the rail station to provide more services and facilities, and a great urban environment delivering jobs and housing to the area. |
| Local centres Local centres are the focal point of neighbourhoods and where they are a focus for public transport, they are an important part of a 30-minute city. (p48) | Mirvac's proposal will assist in the delivery of all the features expected around a train station in manner appropriate to the surrounds. |
| Heritage and character Heritage and history are also important components of local identity and are important attributes of great places. | Stage 1 includes The Creamery precinct which has an association of historical significance and sensitive adaptive reuse will ensure their conservation into the future. Required works have been determined through a Conservation Management Plan. |

| | |
|--|--|
| <p>Productivity Planning Priority W5. Establishing the land use and transport structure to deliver a liveable, productive and sustainable Western Parkland City</p> | <p>The 30-minute city requires housing and jobs in close proximity to public transport, which the proposal will achieve.</p> |
| <p>Liveability Planning Priority W6 Creating and renewing great places and local centres, and respecting the District's heritage</p> | <p>Mirvac prides itself on creating great places, and to do so the heritage of an area needs to be respected and celebrated. The Creamery precinct is a prime example of the outcomes that can be achieved.</p> |
| <p>Productivity Planning Priority W7 Establishing the land use and transport structure to deliver a liveable, productive and sustainable Western Parkland City</p> | <p>Mirvac's landholding is positioned to take advantage of the increased investment in key infrastructure and proximity to Sydney's Second Airport.</p> |
| <p>Productivity Planning Priority W8 Leveraging industry opportunities from the Western Sydney Airport and Badgerys Creek Aerotropolis</p> | <p>Mirvac agrees that the airport is a transformational project, which needs to be supported by a rail connection. The proximity of our site to this and other key infrastructure such as the Outer Sydney Orbital means housing in close proximity to jobs can be provided, assisting in achieving the government's 30-minute city initiative.</p> <p>It is important that the Western Sydney City Deal helps unlock public and private investment and fairly apportions funding between public and private entities.</p> |
| <p>Sustainability Planning Priority W12 Protecting and improving the health and enjoyment of the District's waterways</p> | <p>The proposal addresses this priority by protecting areas of biodiversity, with OEH to comment further at the rezoning phase.</p> <p>The Menangle concept plan identifies key green corridors and the provision of walking and cycling connections, with direct access to the Nepean River foreshore providing opportunities to enhance riparian quality and activate and engage this area –contributing Sydney's Blue and Green Grid</p> |
| <p>Sustainability Planning Priority W14 Protecting and enhancing bushland and biodiversity</p> | <p>Mirvac's concept provides 222 ha of open space, including the protection of riparian and sensitive ecological areas.</p> |
| <p>Sustainability Planning Priority W15 Increasing urban tree canopy cover and delivering Green Grid connections</p> | <p>The concept plan includes quality green open space to connect communities to the natural landscape and conserve features important to the setting.</p> |
| <p>Sustainability Planning Priority W16 Protecting and enhancing scenic and cultural landscapes</p> | <p>Cultural landscapes do not remain static but adapt over time. Important features should be identified collaboratively when LEPs are prepared, with detailed design demonstrating how the heritage precinct and connections to nature can best be managed in a sustainable way.</p> |
| <p>Sustainability Planning Priority W17 Better managing rural areas</p> | <p>Some priority growth area boundaries are still being considered in terms of the existing identified 'urban' and 'rural' areas.</p> <p>Mirvac believes sites have been included in the MRA allocation that are more suited to urban, particularly in close proximity to existing rail stations and existing and future urban areas scheduled for further infrastructure augmentation.</p> <p>Mirvac wants to ensure that the MRA allocation does not preclude the consideration of residential housing and other urban development, and recommends criteria be established and included in the Plans to enable this to occur on merit.</p> |
| <p>Sustainability Planning Priority W18 Delivering high quality open space</p> | <p>The provision of quality open space for community access is an important component of great places. Careful planning and apportionment is needed as well as enabling innovative solutions through LEPs, DCPs and Masterplans.</p> |
| <p>Sustainability Planning Priority W19 Reducing carbon emissions and managing energy, water and waste efficiently</p> | <p>Mirvac supports the consideration of new more sustainable approaches to energy, waste and water systems, and requests further information on district wide solutions.</p> |
| <p>Sustainability Planning Priority W20 Adapting to the impacts of urban and natural hazards and climate change</p> | <p>Agency feedback in relation to impacts and mitigation measures needs to be consistent and timely to streamline the PP and DA system.</p> |



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