

5 February 2024

Attention: Nicole Magurren
Director Planning and Environment
via email: Nicole.Magurren@camden.nsw.gov.au

Attention: John Ajaka
Chief Executive Officer
via email: ajakaj@liverpool.nsw.gov.au

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RE: LEPPINGTON TOWN CENTRE PLANNING PROPOSAL

Dear Ms Magurren and Mr Ajaka,

The Urban Development Institute of Australia NSW (UDIA) is the state's leading development industry body. We represent the leading participants in the industry and have more than 500 Members across the entire spectrum of the industry including developers, financiers, builders, suppliers, architects, contractors, engineers, consultants, academics and state and local government bodies. A quarter of these Members are based in regional NSW.

UDIA NSW aims to secure the viability and sustainability of the urban development industry for the benefit of our members and the communities they create. We invest in evidence-based research to inform our advocacy to Government, which enables our members to shape cities of the future. In NSW alone, the property industry creates more than \$581.4 billion in flow on activity, generates around 387,000 jobs and provides around \$61.7 billion in wages and salaries to workers and their families.

UDIA welcomes the opportunity to respond to Camden and Liverpool Councils' Leppington Centre Planning Proposal. We are pleased to see that significant steps are being taken to progress the delivery of new infrastructure and service developments in the Leppington Town Centre Precinct. UDIA and our Members must ensure that infrastructure is planned, funded and delivered to support both the development industry and new and emerging communities in Southwest Sydney.

In 2019, the NSW Department of Planning and Environment (DPE) requested Camden and Liverpool councils conduct a review on potential future development of Leppington, noting its identification as a strategic centre in the NSW Government's Greater Sydney Region Plan and Western City District Plan. Initial consultation was undertaken in 2021 to help inform the vision. Both councils submitted the Planning Proposal on 18 November 2022 and on 25 August 2023, the Department of Planning issued a favourable Gateway Determination, enabling the Planning Proposal to proceed to public exhibition.

The UDIA welcomes the application of Transit-Oriented Development (TOD) principles by Camden and Liverpool Council in this context. Proposing increased density across a mix of uses in a location with existing rail services is something UDIA fundamentally supports. For Camden Council, Leppington train station is the first and only station in the LGA. UDIA commends the Council in their endeavours to bring the vision for Leppington Town Centre to reality, particularly given the lack of development since the original rezoning in 2013.

UDIA and our Members have identified some areas of concern regarding the current planning proposal and associated contributions plans and we stand ready to assist both Camden and Liverpool Councils to achieve the vision for the Precinct. In order to better improve on the proposed planning proposal for Leppington Town Centre, both Councils should consider the following recommendations:

Recommendations:

- 1. UDIA recommends both Liverpool and Camden Council reduce the application of land acquisition requirements for the purposes of local roads, pedestrian infrastructure, and open space requirements, in order to reduce \$7.11 contribution costs.**
- 2. UDIA recommends Liverpool and Camden Council consider following the Government Architect's 'Greener Places Guidance', which outlines open space commitments focusing on quantum, functional differentiation, and emphasis on access.**
- 3. UDIA recommends Council recalculate how much land is required to meet open space requirements and consider implementing a more equitable acquisition model, which doesn't hinder development in the Precinct.**
- 4. UDIA recommends Camden Council reimagine the proposed Byron Road Linear Park, with open space which captures, amenity, experience and natural exposure to sunlight.**

- 5. UDIA recommends both Liverpool and Camden Council consider adding in detail to the written DCP objectives, rather than prescribed at the level of detail envisaged in the Precincts current planning review.**
- 6. Councils should strongly consider reordering the road pattern fragments to match and align with existing cadastral boundaries.**
- 7. UDIA recommends both Liverpool and Camden Councils consider removing the requirement for Landscaped Road Reserves from the Planning Proposal.**
- 8. UDIA and our Members believe that Councils should design and make provision for a designated Bus Interchanges one block back from the Train Station, with an accompanying walk-through arcade.**
- 9. UDIA recommends Councils increase the maximum building height controls and floor space ratio controls across the Precinct in order to better meet the density and affordability objectives set out in the planning proposal.**
- 10. Industry believes that consideration should be given to implement planning pathways for new multi storey buildings, which utilises a smaller footprint and better integrates with the sporting fields in the Leppington Primary and High School site.**

NextGen West Manifesto:

The UDIA's policy platform for Western Sydney "NextGen West" Manifesto recognises the need for accessible, affordable and reliable and integrated transport options across the region. NextGen West identifies the six critical areas necessary to ensure that Greater Western Sydney contributes to Sydney's growth and global competitiveness. and the policy settings needed to address the imbalance of jobs across the six cities region and to create opportunities for more diverse jobs across GWS particularly at the Aerotropolis and in the key regional centres of Penrith, Campbelltown, Liverpool, Blacktown and Parramatta.

NextGen West is a strategy designed to improve regional access and ensure that informed decision-making by local government leads to infrastructure coordination and a significant increase in amenity. UDIA recommends both Camden and Liverpool Council incorporate best practice thinking outlined in the six pillars of NextGen West, which include:

- Developing essential Infrastructure that covers both city shaping and critical enabling infrastructure aimed at servicing future growth and better connections between commercial centres across the western suburbs.
- Placing downward pressure on housing affordability by ensuring the right balance of density and diversity across local government areas.

- Continue incorporating jobs and employment initiatives that create higher skilled jobs closer to home in Western Sydney.
- Simplify governance and planning pathways that assist the development industry in navigating planning decisions.
- Ensure environment and resilience measures are prioritised for communities to better withstand environmental challenges and which include biodiversity outcomes that are realistic, affordable, and achievable.
- Continue investment in social and cultural infrastructure to improve urban environments and public domain areas together with funding for arts and culture that will build upon the rich diversity in Western Sydney.

Proposed Contributions and Housing Affordability:

The property industry in New South Wales is a significant economic contributor and already contributes \$22.3 billion through existing taxes to NSW State and Local Governments, making the property industry the state's largest paying taxpayer and accounting for 52.1% of total state and local government taxes and rates. UDIA and our Members have identified significant concerns in relation to the proposed contribution rates outlined under the Leppington Town Centre planning proposal.

UDIA believes that the significant cost of the Precincts proposed local contributions scheme is driven largely due to the land acquisition requirements identified by council for the purposes of local roads, pedestrian infrastructure and open space requirements. UDIA recommends Councils reduce the application of land acquisition requirements for the purposes of local roads, pedestrian infrastructure, and open space requirements, in order to reduce \$7.11 contribution costs. UDIA believes that the same level of social and community benefit can still be achieved via roads, pedestrian infrastructure and open space if land acquisition is reduced via the use of government surplus land or by being more economically frugal and efficient with infrastructure delivery and placement throughout the Precinct.

Industry is already facing the reintroduction of DSPs, the Housing and Productivity Contributions Bill (H&PC) charges, changes to the National Construction Code, through increased BASIX requirements and increased local infrastructure contributions in 2023/24. The cumulative impact of these multiple additional changes will destroy development feasibilities, which are already precariously low, and place significant stress on the ability of the NSW Government to meet its revised National Housing Accord target of 77,000 new, well-located homes per annum over the next 5 years.

Modelling from UDIA has shown the introduction of the Housing & Productivity Contributions Regime, re- introduction by Sydney Water of Development Servicing Plans,

and increased BASIX requirements will collectively add around \$110,000 to the cost of a new detached greenfield home. **This is before any local contributions are levied.** Figure 1 highlights the cost of a new apartment and greenfield lots in NSW, which are significant in the context of average assumptions of current local contributions across NSW.

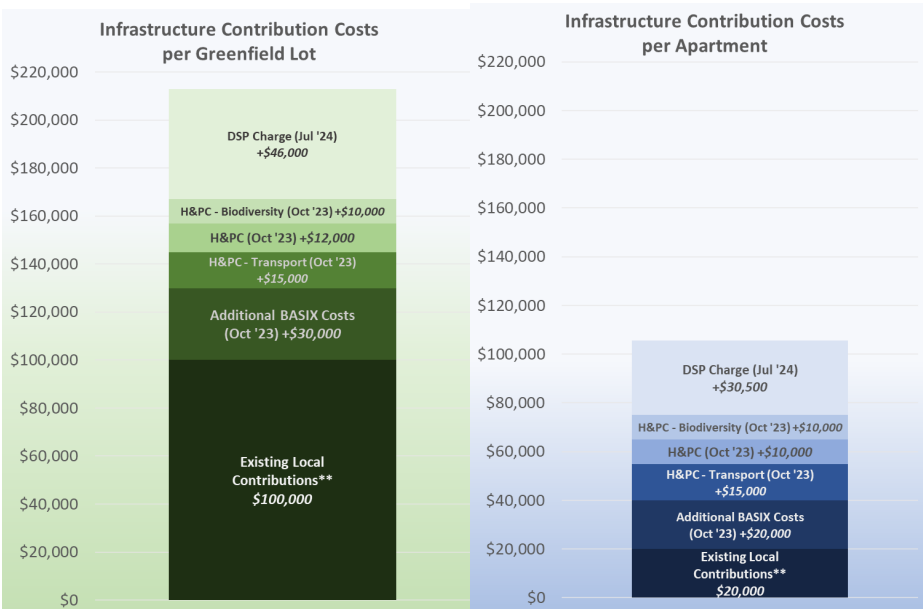


Figure 1: Cumulative Impact of Existing and Proposed Contributions in NSW, by Typology.

Source: UDIA NSW, Homeworld, Rider Levett Bucknall

Recommendation:

- UDIA recommends Councils reduce the application of land acquisition requirements for the purposes of local roads, pedestrian infrastructure, and open space requirements, in order to reduce \$7.11 contribution costs.

Open Space Requirements:

The vast swathes of parkland identified in the draft Leppington DCP are isolated and increase separation between residential and business/mixed use areas. These parks will not be delivered by industry because there is no commercial benefit to deliver the space. They can only be delivered by either Liverpool or Camden Council, once sufficient S.7.11 funds are collected, which may be delayed if investment and development are not considered to be commercially viable due to the overly prescriptive and cost intensive application of identified sites.

The draft contributions plan currently on exhibition by Camden Council outlines a \$860 million cost in infrastructure proposed in the plan, as well as \$360 million for open space. The other large costs identified under the draft contributions plan include \$388 million for transport, with \$220 million of that amount being for land acquisition for road

widening. In terms of open space provision rates, the underlying social infrastructure assessment completed by Elton Consulting shows that between 66 and 81 hectares of open space is needed throughout the Precinct. Members have highlighted that if the quoted figure of 88ha is correct, then it sits clearly outside that quoted range. The largest portion of this appears to be along the Creeks as well as the East West Park (Byron Road) to the South of the Train Station.

The S.7.11 contributions will need to be excessively high to fund the amount of land to be zoned for SP2 and RE1, as a result the land acquisition rates in the contribution plan will never be enough to make it commercially viable for a developer to acquire land significantly constrained by the zoning. The real consequences of this will mean that land in the Precinct will not convert as a result of contributions being set too high.

The excessive land acquisition for the purposes of open space and infrastructure impacts the contribution plan as it represents the largest and most rapidly growing cost item in the plan. UDIA recommends Camden and Liverpool Council recalculate how much land is required to meet open space requirements and consider implementing a more equitable acquisition model which doesn't hinder development in the Precinct. Both Councils should also consider taking a more balanced approach to consider the social and environmental outcomes as well as the economic outcomes of this policy decision. Land use needs to be more efficient with a greater focus on the economic cost and benefits of zoning for land uses, other than residential/mixed use/business or commercial.

Overall suppressing activation of the Precinct and the inability to pool contributions will only further exacerbate the commercial viability of developing sites. The green space dedicated on the southern side of the rail station appears excessively large and will diminish social vibrancy by spreading out activity over too large an area. These areas should be promoted as activated spaces within a retail experience and can be delivered by the industry on a much smaller area.

UDIA recommends Liverpool and Camden Council consider following the Government Architect's 'Greener Places Guidance', which outlines open space commitments focusing on quantum, functional differentiation, and emphasis on access. The proposed Byron Road Linear Park for example, which is located on the southern side of Byron Road, does not connect the most important community assets desired in the Town Centre. The proposed Byron Road Linear Park would also be overshadowed by tall buildings to the north for most of the day and thus not offer the desired community amenity which Camden Council has indicated they desire for the Precinct. UDIA recommends Camden Council reimagine the proposed Byron Road Linear Park, with open space which captures, amenity, experience and natural exposure to sunlight.

Recommendations:

- **UDIA recommends Liverpool and Camden Council consider following the Government Architect's 'Greener Places Guidance', which outlines open space commitments focusing on quantum, functional differentiation, and emphasis on access.**
- **UDIA recommends Council recalculate how much land is required to meet open space requirements and consider implementing a more equitable acquisition model which doesn't hinder development in the Precinct.**
- **UDIA recommends Camden Council reimagine the proposed Byron Road Linear Park, with open space which captures, amenity, experience and natural exposure to sunlight.**

Road and Pedestrian Networks:

UDIA and our Members are supportive of high-density planning and zoning located around the Leppington Town Centre. Members recognise that this is being considered for the first time in the history of the Camden LGA. UDIA is concerned that there is a above average amount of land set aside for parks, open space and other local infrastructure that will constrain the commercial viability of activating development in the Precinct.

The consequences of this imbalance relate to private land parcels with an insufficient amount of land zoned for residential or commercial use, which will cause significant issues for developers' ability to generate enough commercial return to acquire and develop the land. If developers are unable to make these sites commercially viable, then this will become a blight on the landscape, where little to no development occurs and the intention of the Precinct is never met.

Other concerns identified by UDIA relate to the proposed road and pedestrian infrastructure assignment across the Precinct. UDIA Members hold reservations regarding the overly prescriptive and detailed nature of the proposed road network, as well as the unintended sterilisation of developable land close to the Leppington Train Station. Smaller laneways have also been identified as a broad objective of ensuring pedestrian permeability, with UDIA recommending both Liverpool and Camden Council consider these details be embedded in the written DCP objectives rather than prescribed at the level of detail envisaged in the Precincts current planning review.

The proposed road pattern fragments and constrains the business zones which should be left with a larger grid pattern to enable best use of the land. These large retail/mixed use platforms are needed to provide the variety of retail, social and entertainment

offerings. Fragmentation of these spaces by roadways diminishes functionality and commercial viability of these land uses and the overall desirability of the precinct.

UDIA believes there is too much land set aside for local road and pedestrian infrastructure in the scheme. Roads represent a lost opportunity for more housing and community benefit. This is due to road land needing to be acquired and dedicated free of cost, with developers unable to make a commercial return on road land. Camden Council should strongly consider reordering the road pattern fragments to match and align with existing cadastral boundaries. Fundamentally, Leppington needs to be able to get momentum, and overly prescriptive controls which hinder site aggregation should be avoided at all costs.

Recommendations:

- **UDIA recommends Camden and Liverpool Council consider details be embedded in the written DCP objectives, rather than prescribed at the level of detail envisaged in the Precincts current planning review.**
- **Camden Council should strongly consider reordering the road pattern fragments to match and align with existing cadastral boundaries.**

Landscaped Road Reserves:

UDIA and our Members strongly encourage council to reconsider the introduction of "Landscaped Road Reserves" which sterilises land that would otherwise be used for housing supply or commercial/employment use. The unintended consequences of this requirement are that it further erodes the commercial viability of development within the precinct by sterilising more land from returning a commercial benefit to the developer. This represents double dipping on open space land by forcing the provision of additional open space land, in addition to the land to be zoned SP2. because there is no compensatory mechanism or funding in the S.7.11 contribution plan, the introduction of the Landscaped Road Reserves makes development less viable and will delay the activation of the precinct.

Recommendations:

- **UDIA recommends both Liverpool and Camden Councils consider removing the requirement for Landscaped Road Reserves from the Planning Proposal.**

Public Transport Connections:

The scheme does not adequately address bus interchanges that will be needed on both sides of the rail station. Street patterns should encourage bus circulation from the northern side of the station going to and coming from Austral and on the southern side of the station going to and coming from Leppington.

UDIA and our Members believe that both Camden and Liverpool Council should design and make provision for a designated bus interchanges 1 block back from the Train Station, with an accompanying walk-through arcade. The proposed Bus Interchange would encourage activation of shops along the pedestrian route to and from the bus interchanges and the Rail Station. The current proposal to include a single bus interchange is undesirable, as it promotes more traffic at crossing points and at the interchange itself and should be discouraged. Two interchanges will generate more shop front activation on both sides of the rail line, so there is no live side and dead side.

Recommendation:

- **UDIA and our Members believe that Council should design and make provision for a designated bus interchange one block back from the Train Station, with an accompanying walk-through arcade.**

Strategic Centre Intent:

The Leppington Town Centre is supported by an existing train station. It has significant strategic merit due to its proximity to the future Western Sydney Airport, and major roads and motorways. The Town Centre is predominately undeveloped large land holdings that can be developed to deliver all the required and Council desired public assets in coordination with landowners. However, delivery of the public assets needs to be generated from greater incentives and increased density and yield.

Both Council's proposed urban pattern and built form limits the potential of the Town Centre and ability to achieve all the desired public assets. The Council's proposed Town Centre development standards focus building heights within 400m of a station. This principle is appropriate for an urban infill and brownfield development, however in this case the Leppington Town Centre is generally undeveloped large 'rural style' land holdings. Therefore, the Town Centre's concentration of taller buildings should be extended out to 600m to 800m radius from the Leppington Train Station.

Further, the Town Centre rezoning ignores the Planning Principle 'W13' in the Western City District Plan 'Creating a Parkland City' in relation to urban structure and identity, with South Creek as a defining spatial element' to create density where public amenity is

located. The unique structure of Leppington positions this Centre to deliver a new Western City Centre typology, with a focus on orienting residential density towards amenity delivered by the Blue-Green Grid along the creek corridors.

UDIA also supports the need to encourage greater height limits for new developments in the Precinct. It is noted that Council's initial intentions were for the future building height controls to be implemented as a range within Council's development control plan (DCP). However, at DPE's request a maximum height of building (HOB) development standards map was prepared that would be formally included in the *State Environmental Planning Policy (Precincts-Western Parkland City) 2021* (SEPP). The proposed HOB SEPP map does not align with Council's initial proposed maximum building height controls. The result is that the HOB SEPP map limits the development potential of the Town Centre and disincentivises design excellence and development in the Town Centre. In particular, the LTC core within 600 metres of the train station should increase the height controls by at least 30%. This would also better align with density controls that would further incentivise development in the Town Centre.

In addition, the combination of s.7.11 contributions, State Government levies, potential land dedications and the current Council proposed Floor Space Ratio (FSR) development standards also disincentivise development in the Town Centre. It is highlighted that the HillPDA *"Leppington Town Centre Market Demand"* report that supports Council's Planning Proposal, that was prepared in May 2021, includes base 'tipping point' FSRs that are the minimum required to make development feasible in the Town Centre. For example, on mixed use zone land within the LTC core between 400m to 600m of the train station the minimum 'tipping point' FSR identified in the HillPDA report is 4.5:1, without affordable housing, design excellence and low carbon incentives. Hence, the total minimum FSR with all incentives is 5.75:1. The HillPDA report also states, *"If FSRs lower than the 'tipping point' are adopted, this would hamper development as developers would adopt a 'wait and see' approach. Therefore, LTC would struggle with achieving strategic centre status."*

Importantly, since the publication of the HillPDA report construction costs have increased by up to 30% in Greater Sydney. This further adds to disincentivising development in the LTC based on the current proposed FSR controls and proposed cost imposts. Therefore, in order to encourage development in the LTC and encourage design excellence and better development outcomes, the minimum base FSRs in the LTC core within 600 metres of the train station should be at least 5.5:1.

UDIA and our Members firmly believe that height and density limits should be further increased. The LTC is a Strategic Centre that is not burdened with the same environmental conditions as the City of Bradfield, given Bradfield's proximity to the Western Sydney Airport. The LTC also benefits from being serviced by an existing train

station. Therefore, the conditions in the LTC are prime to encourage development, especially when there are willing landowners that are committed to achieving high quality outcomes for the LTC, with respect to land uses, design excellence, high quality landscaped open space, active public domain and affordable housing. Increasing the building height and FSR controls would give the precinct a feasible chance to be developed, encourage development of a distinct character and allow it to compete with the new and nearby city of Bradfield, and importantly allow the LTC to significantly contribute to housing supply in Western Sydney and Greater Sydney.

UDIA is concerned that without such provision for greater height and density increases, that the Precinct will fall short of meeting its potential density and development yields for a Strategic Centre of the size of Leppington. In order to better align with the Greater Sydney Region Plan and Western City District Plan intended outcomes, UDIA recommends Council increase the maximum building height and FSR controls across the Precinct in order to better meet the density and affordability objectives.

Further, to increasing the FSR controls it is also requested that Council delete the location of lanes with 0:1 FSR in the SEPP FSR map, throughout the LTC. The implication of including this control is:

1. it sterilises developable land,
2. limits creative design solutions and development / design flexibility, and
3. introduces an unnecessary administrative hurdle, whereby any changes to the SEPP FSR map would require a Planning Proposal. Hence, Council could be burdened with many Planning Proposals thus taking up valuable Council resources as well as delaying development in the LTC.

Additionally, UDIA supports the retention of Leppington Primary School and the planned expansion of the adjacent high school, along with the co-located sporting fields. Concerns regarding the overall size and land take for the schools being too high, is still felt by industry. Industry believed that consideration should be given to implement planning pathways for new multi storey buildings, which utilises a smaller footprint and better integrates with the sporting fields.

Recommendations:

- **UDIA recommends Council increase the maximum building height controls and floor space ratio controls across the Precinct in order to better meet the density and affordability objectives.**
- **Industry believed that consideration should be given to implement planning pathways for new multi storey buildings, which utilises a smaller footprint and better integrates with the sporting fields in the Leppington Primary and High School site.**

Conclusion

Industry is currently in a position where any introduction of increased developer contributions must maximise certainty for infrastructure delivery and clearly demonstrate productivity gains. We appreciate that Council has prepared a robust and well-considered Precinct masterplan, associated infrastructure and contributions plan, but we note some key improvements could be made. The recommendations outlined above in our submission, if implemented by Council would deliver greater certainty for industry to deliver on the vision set out for the Leppington Town Centre Precinct.

Please reach out to **Director – Greater Western Sydney, Charles Kekovich** at ckekovich@udiansw.com.au or call via 0409 776 588 if you would like to discuss these matters further.

Kind regards,

A handwritten signature in black ink, appearing to read 'G. Melvin', with a long, sweeping horizontal stroke underneath.

Gavin Melvin
Acting Chief Executive Officer
UDIA NSW