

2 May 2025

The Hon Penny Sharpe MLC
Minister for Climate Change, Energy, Environment, and Heritage
Leader of the Government in the Legislative Council
Via email: office@sharpe.minister.nsw.gov.au
Cc: gs.certification@environment.nsw.gov.au

RE: GROWTH CENTRES BIODIVERSITY CERTIFICATION ORDER EXTENSION

Dear Minister Sharpe,

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 450 members across the entire spectrum of the industry including developers, financiers, builders, suppliers, architects, contractors, engineers, ecologists, consultants, academics and state and local government bodies.

UDIA invests in evidence-based research that informs our advocacy to state, federal and local government, so that development policies are developed to best meet user needs and ensure critical investment is directed to where it is needed the most. Together with our members, we shape the places where people will live for generations to come and in doing so, we are city shapers.

UDIA welcomes the opportunity to make a submission to you as Minister for Environment, as well as to the Department of Climate Change, Energy, Environment & Water (DCCEEW) on the proposed extension of the Sydney Region Growth Centres Biodiversity Certification Order. UDIA supports the principles of the strategic biodiversity certification in fostering sustainable development while protecting biodiversity. In this regard, the Growth Centres Bio-certification was intended to deliver strategic, landscape level biodiversity protections, while supporting the orderly and staged consolidation of urban development in the Northwest and Southwest Growth Centres over several decades.

UDIA wishes to convey its appreciation for a proposed extension to the existing Biodiversity Certification Order and would like to offer its assistance in the upcoming review, as it relates to the certification, the Growth Centres Environmental Planning Instruments and funding arrangements. Industry is keen to engage with DCCEEW and the Minister's Office on this important work to ensure that any proposed improvements are adequately considered and importantly, do not hinder housing supply or built form outcomes.

Large parts of both Growth Centres are still yet to be developed, and the ultimate delivery of those developments are reliant on the current Bio-certification Order remaining in place. According to the Government's own Urban Development Program data, and analysis from the UDIA, the Northwest and Southwest Growth Areas, including the Blacktown and The Hills Shire LGAs, have a combined remaining dwelling capacity of approximately 200,000. This estimate encompasses both zoned and announced dwelling potentials and incorporates triangulated estimates from current projects and announced metro-linked developments across individual release areas within these regions. In order for these new homes to be delivered according to the Government's own forecast, industry needs certainty. We therefore urge the NSW Government to extend the Order in line with the approach taken by the Commonwealth Government, whose concurrent approval of this Bio-certification under the Environment Protection and Biodiversity Conservation Act (EPBC) runs until 2041.

We note there are concerns that some of the contemplated biodiversity outcomes have yet to be fully realised through land acquisition, dedication and stewardship agreements, however with such a significant pipeline of new homes still to be built, there are potentially billions of dollars in development contributions yet to be levied from new housing development to fund these measures over time. In addition, all of the 2,000 hectares of high-quality vegetation that were identified for conservation within the Growth Centres under the Order, remain protected from forms of re-development. As such, we urge the NSW Government to consider the following recommendations to the proposed extension, to best support the housing and development industry and ensure delivery of the Government's housing forecast for the Growth Centres. Importantly, none of these recommendations would impact a future review, which could consider enhancements to the existing Order's mechanisms.

Recommendations Summary:

- 1. UDIA recommends the NSW Government extends the Biodiversity Certification Order in line with the conferred Commonwealth approval of the Program, which is set to expire on 31 December 2041.**
- 2. UDIA supports a timely review of the operation of the Certification to ensure the outcomes are being met which can be undertaken with the longer-term extension to 2041 in place.**
- 3. UDIA recommends the NSW Government recommits to the original 50-year vision for the Western Sydney Growth Centres. The multi-level government, bi-partisan plan established in 2008 remains a critical lever for delivering both housing and biodiversity outcomes in Western Sydney.**

Background:

Since its implementation in 2008, the Biodiversity Certification of the Sydney Region Growth Centres State Environmental Planning Policy (Growth Centres SEPP) has played a critical role in enabling early and streamlined housing delivery in Western Sydney, by allowing a strategic environmental assessment across the Growth Centres, reducing duplication in planning approvals and biodiversity assessments. The Biodiversity Certification was negotiated to balance urban development with long-term environmental protections, whilst simultaneously removing the need for each local council to negotiate its own environmental outcome with individual proponents across multiple development sites in LGA's across Sydney's growth areas. Some of the key features included consolidating urban development in the Northwest and Southwest Growth Centres, offsetting biodiversity loss via protection of "green zones" and conservation lands, as well as establishing a structure-planned, sustainable framework with then-named NSW Department of Environment and Climate Change (DECC) and the former Growth Centres Commission.

Biodiversity Certification was leading edge reform, enabling the strategic management of development and biodiversity conservation over a large area and long time-frame. Extensive analysis and negotiations were undertaken to ensure that the order's mechanisms and provisions would, over time, achieve outcomes that would maintain or improve biodiversity outcomes, which were determined in the knowledge that the subsequent pace and pattern of development could not be known. These provisions do not need review and indeed their preservation is vital to achieving the confidence required by developers to invest and hence generate the funds required for implementation.

On the other hand, with the passage of time, it may be appropriate to create an opportunity to review administrative effectiveness. This could identify any areas for improvement in how the range of funding and delivery measures are being delivered, and to confirm that the requirements of certification are being adhered to. This will also add to community confidence that the envisaged environmental outcomes will be realised over the long life of development in the certified areas. UDIA would be willing to assist with such a review.

Strategic biodiversity assessments allow planning authorities to consider impacts to protected matters on a broad scale, allowing eligible developments in the Growth Centres to satisfy environmental assessments and obtain approvals more efficiently. With the Australian Government approval of the certification under the Environment Protection and Biodiversity Conservation Act (EPBC) in 2012, state and federal duplication in assessment was removed, further streamlining conservation and development

decisions under one efficient program. The Growth Centres biodiversity certification has been a resounding success, both in securing the protection of high value threatened bushland and species, as well as providing the certainty required to enable the delivery of thousands of critically needed new homes for the growing population of Greater Sydney.

While the proposed 12-month extension could provide short-term certainty for a small number of development projects, industry has consistently called for alignment with the Commonwealth strategic assessment, which is valid until 31 December 2041. This longer-term alignment remains unaddressed by the 12-month proposal and will cause undue uncertainty for the planned development outcomes in the Growth Centres as well as compliance and administration fatigue, especially if further changes are made to the Order in 2026. Biodiversity certification has created a better outcome for the environment and development by addressing flora and fauna protection at a regional level. It is important that this continues with certainty.

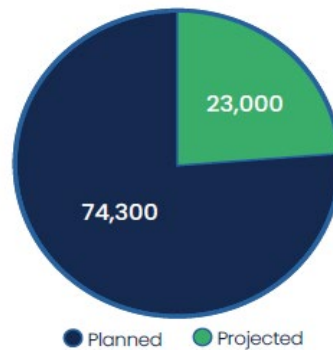
Recommendation:

UDIA recommends the NSW Government extends the Biodiversity Certification Order in line with the conferred Commonwealth approval of the Program, which is set to expire on 31 December 2041.

Impact on Housing Accord Targets

According to data published by the Department of Planning Housing and Infrastructure (DPHI), the Western Parkland City, in addition to the local government areas of Blacktown and the Hills (due to their geographic location within the Northwest Growth Area) are forecast to contribute 97,300 dwellings toward the NSW housing targets over the coming 5 years (refer to Figure 1 below). The target of 97,300 homes is split into both planned houses which are already in the system, and projected houses anticipated to be delivered from new policies such as Transport Orientated Development (TOD), Low and Mid-Rise Reforms (LMR) and the Housing Development Authority (HDA). The Growth Centres figure represents 25.8% of NSW's total National Housing Accord target, which is at risk of being missed due to uncertainty which will stem as a result of proposed changes to the Certification Order.

Western Sydney – National Housing Accord Target Split



5-Year Housing Targets, by Region

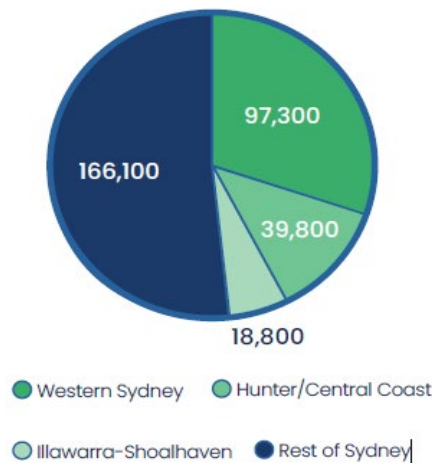


Figure 1 – DPPI Data/UDIA Western Sydney – National Housing Accord Target Split

During the Housing Accord period, Government and industry must partner to do whatever it takes to best support the development of housing.

Environmental Outcomes:

The Biodiversity Offset program for the Growth Centres has, since its inception in 2008, permanently protected approximately 900 hectares across 24 sites in Western Sydney, including critical habitat for threatened species and endangered plant communities such as the Cumberland Plain Woodland. The program supports state and federal biodiversity obligations through Biodiversity Certification of the Sydney Region Growth Centres SEPP (2006), Commonwealth Strategic Assessment Approval (2012) and the Mulgoa Biobank Site Agreement (2013).

The program is funded by an equal split between two sources: the Special Infrastructure Contribution (SIC) from development, and general revenue over 25–30 years. As of June 2023, the program has received \$85.8 million in contributions, about 30% of the total

required funding linked to the rate of development. Funds are preferentially invested in high priority areas on the Cumberland Plain, via the establishment of new reserves, or biodiversity stewardship agreements (formerly "biobanking") with private landholders. The biodiversity measures underpinning the Certification have remained unchanged since 2007. These include the permanent protection of 2,000 hectares of high-quality vegetation within the Growth Centres and the establishment of a \$530 million conservation fund. \$397.5 million (75%) of this is allocated to the Growth Centres Biodiversity Offset program.

UDIA and its members are concerned that if the Certification Order is not extended for longer than 12 months there will be a significant loss of contributions revenue due to the bio-certification potentially being removed altogether, or from significant developer uncertainty drying up development opportunities. Such a situation would reduce program funding and jeopardise its planned environmental outcomes. While there may be concerns some of the contemplated biodiversity outcomes have yet to be fully realised through land acquisition, dedication and stewardship agreements, with such a significant pipeline of new homes still to be built, there are potentially billions of dollars in biodiversity development contributions yet to be levied from new housing development to fund these measures over time. In the meantime, all of the 2,000 hectares of high-quality vegetation that were earmarked for protected conservation within the Growth Centres under the Order remain protected from forms of re-development.

Commitment to Western Sydney's Growth Centres:

The Western Parkland City is projected to have the largest population growth of Greater Sydney over the coming decades. The Western Sydney Growth Centres Program is a key enabler of Western Sydney's future, initially aiming to deliver over 181,000 new homes to support approximately 500,000 new residents. According to the Government's own Urban Development Program data, and analysis from the UDIA, the Northwest and Southwest Growth Areas, including the Blacktown and The Hills Shire LGAs, have a combined remaining dwelling capacity of approximately 200,000. This estimate encompasses both zoned and announced dwelling potentials and incorporate triangulated estimates from current projects and announced metro-linked developments across individual release areas within these regions. Opportunities to review this figure will arise as new infrastructure is announced, which may involve more medium and high-density housing.

Western Sydney Building Blocks Report 2025:

UDIA's Western Sydney Building Blocks Report 2025 (Refer to Figure 2 below) identifies the infrastructure and housing delivery sequence in the near term as well as the delivery of lots across key growth areas in the West. This research was collated in combination with extensive industry engagement and survey work, as well as publicly accessible data and information from the NSW Government including the Department of Planning, Housing and Infrastructure. The 2025 update of our Western Sydney Building Blocks was prepared in collaboration with IDC, Stantec and Design+Planning and details the progress made toward delivering key and enabling infrastructure since 2021, when the last Building Blocks Report was published, whilst reviewing the potential delivery of future housing. Building Blocks reviewed the on-ground delivery of housing lots in both the Northwest and Southwest Growth Centres and determined that 25,500 lots have been delivered in the previous 4 years (2020-2025). Both Growth Areas have been mapped to assist the Government and DCCEEW to review the data and determine where future growth will occur, whilst utilising the Certification Order as a means for fast tracking environmental approvals.

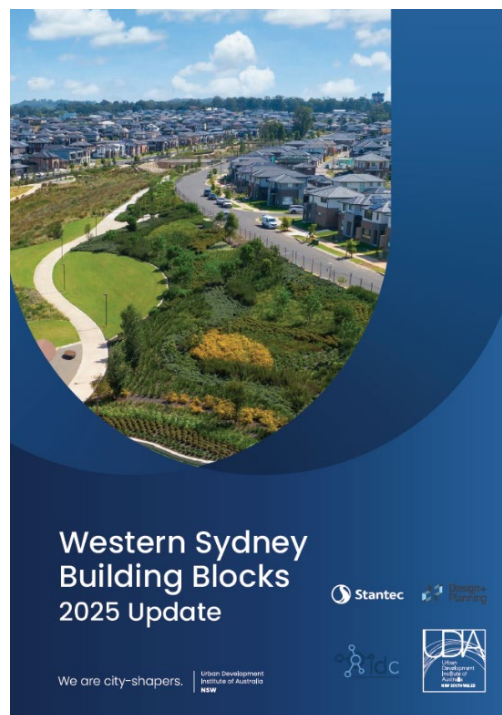


Figure 2 – UDIA Western Sydney Building Blocks Report Front Cover (link embedded)

Industry Case Studies:

The Biodiversity Certification Order plays a critical role in facilitating timely approvals for projects within the Western Sydney Growth Centres. The below case studies highlight industry's widespread reliance on the Biodiversity Certification Order for current and impending future approvals, as well as its appropriate application to relevant staged approvals and development applications for major master planned communities in the future.

Pondicherry:

Pondicherry is a new development by Greenfields Development Company adjacent to Oran Park. The site is planned to include approximately 2,200 homes including detached, townhouses, and apartments, a 10-hectare stormwater management lake with wetlands and a recirculation system, and 10 hectares of open space including parks and a smaller active recreation area. It will also feature 9.2 hectares of district sports facilities with potential for expansion, 3 hectares of revegetated creek corridors, a lakeside neighbourhood shopping centre and community centre, two schools (a 1,000-student public primary and a 2,000-student K-12 private), sites for childcare centres, 4.5km of shared cycle paths and green links, and carefully selected street trees to enhance neighbourhood character and reduce urban heat. Planned since 2018 with Camden Council and state agencies, the project is a key example of projects within the Growth Centres, which would be at risk of delays to approvals being provided, if it were not for the Biodiversity Certification Order.

Birling – Stage 5 Onwards:

Birling is a master planned residential community at Bringelly in Sydney comprising approximately 2,100 dwellings with a mix of housing types, multiple parks, a sports field and local highway / community service. It is situated within the Southwest Growth Centre and adjoining Lowes Creek at The Northern Road. Birling Estate is located within 10km of the future Western Sydney International Airport. Birling most recently lodged Development Applications (DAs) for Stages 3 to 5 of the Master planned Precinct in late 2024, paving the way for 231 new land lots, with anticipated future stages being prepared for planning approval within the coming years for the remainder of the Precinct. All remaining stages rely on the use of the Bio Certification Order for its approval's pathway.

Lowes Creek Maryland:

Lowes Creek Maryland is located in the Southwest Growth Area. It is approximately 5 km from the Oran Park Town Centre, 8 km from the future Western Sydney Aerotropolis and 47 km from Parramatta CBD. The Lowes Creek Maryland Precinct was rezoned on 16 July 2021. The Lowes Creek Maryland Precinct (when developed) will accommodate up to 7,000 new homes, 2,200 new jobs, a local centre, a new school and a community facility, along with open space, cycling and pedestrian paths. The Lowes Creek development has and will continue to utilise the Bio Certification Order in order to seek the necessary additional approvals in the future.

Recommendation:

UDIA strongly encourages the NSW Government recommit to the original 50-year vision for the Growth Centres. The multi-level government, bi-partisan plan established in 2008 remains a critical lever for delivering both housing and biodiversity outcomes in Western Sydney.

UDIA looks forward to engaging further with the Department and Minister on these critical issues and hopes that the final timeframe for the Certification's extension will reflect a more balanced and practical approach.

Should you need any additional information in relation to this submission, please feel free to contact me directly or **Charles Kekovich, Director – Greater Western Sydney** at ckekovich@udiansw.com.au or on 0409 776 588.

Kind regards,

A handwritten signature in black ink, appearing to read 'Stuart Ayres', with a long, sweeping horizontal line extending to the right.

Hon Stuart Ayres
Chief Executive Officer
UDIA NSW