

12 December 2022

The Department of Planning and Environment
Locked Bag 5022
PARRAMATTA NSW 2124

Electronic submission

To whom it may concern

Re Parramatta Metro Station – Over Station Development

The Metro West project is a critical piece of infrastructure for Sydney. By linking the west with the Sydney CBD, it will advance aims to transform Sydney more into a 30-minute city.

The proposal for the Parramatta metro station precinct is a critical component of the Sydney Metro West. It is vital that the Government gets the planning framework right for this precinct and maximise the return to the public on a significant investment of public money into transport infrastructure.

It is critical that DPE does not make repeat the mistake they made with Parramatta CBD Plan, which required an urgent amending SEPP to overturn the constraints on height and FSR imposed unilaterally by DPE staff. For Parramatta to realise its dream of becoming a world class city, the development above the new metro must be a landmark development of with building of significant height and design quality.

Proposed Zoning

The Urban Taskforce raises a concern over the proposed zoning for the Parramatta Metro precinct. While the Sydney Olympic Park proposal provides for mixed use – almost equivalent GFA for residential and commercial retail, the Parramatta precinct is heavily skewed towards commercial – with only 18,900 sqm for residential accommodation (contained entirely in Building B). Building B is zoned B4, whilst the remainder of the site is commercial core.

Whilst B3 commercial can be approve for Build to Rent, it precludes Build -to-Sell residential. Urban Taskforce is of the strong view that B4, mixed use zone, is the optimal zoning for the station precinct. It integrates commercial, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling. It also permits maximum flexibility in responding to market demand and getting the balance right to help ensure the viability of centres.

The Economic Impact Assessment notes that Parramatta is experiencing a time of change and evolution in Parramatta. If the precinct is to be a “truly mixed-use project that corresponds with existing and future growth demand”¹ a mixed-use zoning should be considered. This will allow the market sufficient flexibility to respond to the various demands that will be placed on this strategic site.

The commercial space provided in the 3 towers represents around 163,250 sqm of commercial office floor space. This is more than 18% of the commercial office space currently provided within the Parramatta CBD. It is noted that there is currently a 12.5% vacancy rate within the CBD, with much of this vacancy being driven by the completion of new A grade stock which currently accounts for around 70% of vacant stock. Whilst vacancy can be lumpy, it does bring into question the market for new A grade stock.

By allowing mixed use, there is an opportunity for the market to respond to the need for well-located housing and commercial development.

Recommendation 1: in order to provide greater flexibility in responding to demand for commercial and residential development, that the NSW Government apply a B4 mixed use zoning for the Parramatta -over station development.

Correlation between business case underpinning original budget commitment for large transport infrastructure and expected development outcomes

The Sydney metro west project commits significant amounts of public money – with many estimates suggesting the project could cost up to \$30 billion.

The NSW Productivity Commission's White Paper also recommended that the Government needs to public justify infrastructure spending.² Besides public transport considerations, there needs to be consideration given much earlier in the decision-making process on large, expensive infrastructure projects like Sydney metro west.

A significant Government decision of a project such as the Sydney Metro West would be accompanied by a detailed business case, which would have included specific outcomes/benefits, including anticipated residential development adjacent to or on top of transport infrastructure. The anticipated benefits that underpinned the business case should be carried over into the subsequent developmental outcomes associated with any transport

¹ Ethos Urban, Economic Impact Assessment, Parramatta Over and Adjacent State Development, 2022, p.36

² NSW Productivity Commission, White Paper, 2021, p. 311

Delays between allocating funds to infrastructure and development gives rise to community opposition at later stages of the project. This is currently evident in the proposed developments around the Marrickville and Dulwich Hill metro stations on the Sydenham to Bankstown corridor. This was compounded when the NSW Government handed back planning control to Council over the associated development around the new metro stations. Now opposition is so entrenched that Inner West council has postponed any decision on its LEP which proposed greater heights and densities around these transport projects. A similar tendency can be detected in the conservative residential proposals attached to the Government metro precinct proposals at the Bays Precinct and Cherrybrook.

To have public exhibitions on zoning, densities and heights well after the decision to allocate funding for large public infrastructure projects risks the under delivery of public goods such as new housing, commercial space as well as other social infrastructure that would help justify these projects in the first place. There needs to be much stronger correlation between the decision to fund a particular infrastructure project and the development that will ensue on completion of the project.

Besides creating greater certainty and transparency around Government decision making, it will also help ensure maximising outcomes from any such decision. The rivers of gold from the initial rounds of asset recycling cannot be assumed or expected to continue, and it is critical that the Government in the future maximise the public return on these mega projects.

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

Recommendation 2: in order to establish stronger correlation between decisions to fund infrastructure projects and the expected development outcomes which underpin the business case justification for the funding of the project, the NSW Government should lock in those development expectations, as per those included in the business case, at the time of the original funding decision.

Camelia metro station

The Sydney Metro West is a critical transport infrastructure project for Greater Sydney. Urban Taskforce iterates its calls for the Government to include a metro station at Camelia.

We note that the distance between Sydney Olympic Park and Parramatta is approximately seven kilometres. It is highly unusual for metro rail lines to have such long distances between stations and we believe it would be a

significantly missed opportunity to deny the location of an additional metro station west of Sydney Olympic Park at Camellia.

The Government appears to have moved away from Andrew Constance's pre-occupation with travel time for the Metro rather than seeing it as every planner and commentator now does, a chance to shape the housing and employment patterns for the future Greater Sydney.

The Camellia Landholders Alliance commissioned an analysis of an alternative route incorporating a metro station at Camellia which could be delivered through an additional 200 metres of tunnelling. Such a small amount of tunnelling should be prioritised and viewed as a city building project supporting the NSW Government's vision for Parramatta as Sydney's Central City.

We see clear strategic land use planning and transport alignment for Sydney Metro West at Camellia. The City of Parramatta's executive leadership and elected councillors express a strong preference for a station at Camellia, and the Council's Local Strategic Planning Statement, as endorsed by the then Greater Sydney Commission, highlights the critical importance of Camellia to Parramatta as a future centre which could provide 5,000 jobs and 10,000 dwellings. This is significantly greater than the benefits accrued to Camellia in the GSC's analysis.

Camellia holds long-term potential to strategically extend the land footprint of the Parramatta CBD by rezoning employment lands as exhibited by DPE in 2018 as a 'Planned Precinct'. This would broaden the Camellia peninsula's economic base and transition towards an integrated mixed-use employment and residential hub, including a high-density core of smart jobs in commercial office and other employment in Camellia. This option has the potential to support a large increase in employment in the Camellia/Rosehill SA2 in 2050 from 65,000 jobs without renewal to up to 131,000 jobs with renewal – catalysed by Sydney Metro West.

Retrofitting a new metro station would come ultimately at a greater cost and disruption. Given the significance of the Sydney Metro West to how Greater Sydney lives, works and operates well into the future, Urban Taskforce again implore the Government to reconsider a Camelia metro station as part of the Metro West project.

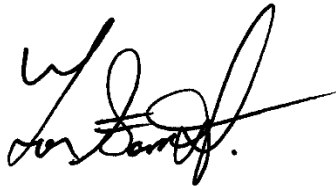
Recommendation 3: given the significance of Sydney Metro West, that the NSW commit to delivering a metro station at Camelia

Conclusion

It is important that the SSD pathway ensures flexibility and scale in order to achieve the economic and social objectives of this significant investment of public funding. The Government has one opportunity to get this right, and the Urban Taskforce implores the Government to ensure the development can achieve maximum returns in meeting critical objectives of housing close to employment and transport.

Should you wish to discuss this matter further, please call our Head of Policy, Planning and Research, Stephen Fenn on 9238 3969 or via email stephen@urbantaskforce.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Forrest', with a stylized flourish extending to the right.

Tom Forrest
Chief Executive Officer

Recommendations

Recommendation 1: in order to provide greater flexibility in responding to demand for commercial and residential development, that the NSW Government apply a B4 mixed use zoning for the Parramatta -over station development.

Recommendation 2: in order to establish stronger correlation between decisions to fund infrastructure projects and the expected development outcomes which underpin the business case justification for the funding of the project, the NSW Government should lock in those development expectations, as per those included in the business case, at the time of the original funding decision.

Recommendation 3: given the significance of Sydney Metro West, that the NSW commit to delivering a metro station at Camelia