



“Our Cities” Discussion Paper by the Australian Government

Submission by the Northern Sydney Regional Organisation of Councils (NSROC)

11 March 2011

BACKGROUND

The Northern Sydney Regional Organisation of Councils is comprised of seven councils (Hunter’s Hill, North Sydney, Willoughby, Ku-ring-gai, Ryde, Hornsby and Lane Cove) in the northern part of Sydney which have voluntarily come together to address regional issues, work co-operatively for the benefit of the region, and advocate on agreed regional positions and priorities. All of these councils work closely with their communities to ensure that planning for growth within the region is sustainable and recognises the social, economic and environmental needs of the community.

GENERAL COMMENTS

NSROC recognises that a National Urban Policy may be of value for improving the effectiveness of strategic funding and delivery of Federal related services and infrastructure in Australian cities. It is important that the Federal Government’s decision criteria for these activities are transparent for all States and Territories.

It is acknowledged that while every city is different there are common city issues. Common responses to matters such as climate change and ageing populations could be captured in a National Urban Policy. At the same time a National Urban Policy must also provide flexibility in delivery and delegated appropriate activity to the most effective levels of government, including directly to local government. As such the principle of “subsidiarity” between levels of government that is noted in the Discussion Paper must be practiced to achieve desirable urban outcomes.

RESPONSES TO QUESTIONS RAISED IN DISCUSSION PAPER

Our aspirations

- **A Sydney that offers the highest amenity**

NSROC councils recognise that the population will continue to grow in its council regions for some time to come. NSROC Councils have endorsed the regional population, housing and employment targets set in the NSW Governments 2005 Metro Strategy and have been responding to these targets in their planning instruments.

Our aspiration for Sydney is for a city that delivers a desirable level of amenity to its residents based on benchmarks for the provision of services, accessibility, transport effectiveness, economic and environmental sustainability, and housing affordability. Given such benchmarks, it may be the case that the population of Sydney reaches a critical point in terms of amenity. For this reason Sydney

population planning must be looked at in concert with policy on population growth for NSW regions. It should not be assumed that the projected rate of population increases for Sydney are fixed and that it is beyond the scope of the government to influence the size and location of populations. A mix of new policy initiatives or strategies which encourage population growth outside of the Sydney Basin is needed as well as initiatives which accommodate growth within Sydney itself.

The ultimate distribution of population between Sydney and NSW will be primarily influenced by State and Federal factors such as land release and cross-regional transport as well as specific policies on immigration and settlement. Hence the NSROC Councils are interested in the principles to be developed in the Australian Government's *Sustainable Population Strategy*.

Harnessing our productivity

The Federal Government has identified national significant issues of productivity and global competitiveness, and connectivity of people to jobs and businesses to markets (COAG Criteria 4b and 4e) should be captured in capital city strategic planning.

- **Business functionality**

Various city strategies have a focus on business connectivity. In Sydney there is a strong focus on the "global arc" representing an integrated transport, employment and business activity corridor through key business precincts. Criteria 3 of the Federal Government's requirements seeks capital cities to identify key nationally significant infrastructure such as transport corridors, international gateways, intermodal connections, major communications and utilities infrastructure, and reservation of land for future expansion.

The Federal Governments has a key role to play in these connections, most directly through the funding of major infrastructure projects such as airports, major rail or road systems. A key facet of effective connectivity and business productivity is the **timely delivery** of key infrastructure and this is an area where a National Urban Policy and Federal action is critical.

For example the North West Rail Link and the Epping to Chatswood Rail Link have been historically identified as critical for the northern Sydney's productivity. In the NSROC region 50 per cent of the workforce travels from outside of the region from areas like Blacktown and the Central Coast. The Links, if completed, would connect workers to employment areas and substantially relieve road congestion between the West, North West and Northern Sydney.

The continued deferral of these projects is a fundamental constraint on jobs and businesses in these existing areas. With each delay, the project costs (such as land purchase) and the opportunity costs (such as productivity losses due to poor transport) accumulate. In this sense a National Urban Policy and Federal funding assessment process which requires an assessment of both the costs and benefits of key projects but also the costs associated with deferral of a project (its opportunity costs) should be considered.

- **Business diversity**

Land tenure and zoning are some of the tools councils use for maintaining business diversity and increasing productivity. NSROC sees that while there is increased need for housing to address population growth, this should not come at the expense of designated commercial space and industrial zoned land. The disparity between the profitability of residential development versus commercial/office/industrial development means that Councils face considerable pressure to rezone commercial development sites to residential. However if this trend continues local and sub-regional employment and economic capacity will be compromised. Suburbs that are predominantly residential with few local

businesses and employers will exacerbate transport demand and travel to work issues impacting on sustainability.

Some other actions which NSROC believes could improve local and regional economic viability include:

- removal of payroll tax for targeted businesses such as creative industries would act as a new incentive for start ups;
- active encouragement of business clustering through State agencies such as DSRD and the Department of Commerce;
- the ability to leverage sufficient development contributions to sustain significant public domain initiatives to stimulate vibrancy, enhance retail, leisure and tourism experiences and attract and retain key workers;
- provision of flexibility in land use planning instruments to allow local government to incentivise and tailor commercial development around a business cluster theme; and,
- improved coordination of major utility roll outs in commercial areas.

A key element in attracting business to a region is the certainty of appropriate and timely infrastructure development. A National Urban Policy must recognise the synergies in infrastructure development and economic growth. For example businesses are attracted to areas with reliable broadband and access to rail or road for freight movements.

- **Effective masterplanning of transport**

NSROC has consistently argued that there is no single answer for the best use of sites adjacent to transport infrastructure. Effective master-planning and funding processes are required for each site to reflect specific attributes of the surrounding community. Consideration must be given to topography, commuter parking and adjacent services such as retail, health or education facilities etc. Transport infrastructure planning must capture both local needs and wider integrated network requirements.

More importantly, in order to get best value from investment and best outcomes for residents, State infrastructure bodies must cooperatively engage with local government in such master-planning processes. A disturbing trend is for the State Government to delineate arbitrary distances from centres or transport nodes and mandate density within the proscribed area. Such one-size-fits-all approaches do not provide for considered outcomes nor do they recognise the heterogeneity of built form, existing infrastructure and topography in Sydney.

Specifically such approaches do not address the inherent dysfunctionality of the state agencies with a transport function in brokering transport solutions at a service level (such as integrated ticketing) or a infrastructure level (such as the failure to deliver on the majority of the bus corridors).

NSROC councils have found that many transport agencies fail to consult and work cooperatively to develop transport infrastructure changes with the relevant councils. For example the poor design and operational failings of the Chatswood Bus Interchange, which has now been found to be unable to cater for current and future bus services, is indicative of inability of government infrastructure providers such as TIDC and the STA to properly and co-operatively plan for transport services.

It should be noted that as pedestrian and cycling rates increase, shared paths can pose risks. Ideally cycling and pedestrian paths should be separated. However some Council are limited by topography and finances as to the form of pedestrian and cycling facilities that can be provided. Large scale joint state and federal funded access ways that target key commuter routes with separate pedestrian and bicycle paths would make the city better for pedestrians and cyclists. Further initiatives for improving pedestrian, public transport and cycling rates include:

- cycling friendly facilities on public transport;

- secure bicycle storage at intermodal transfers;
- demand management parking controls to limit employee parking around centres with good public transport in order to promote public transport use;
- increase incentives for complementary cycling facilities or car share schemes in new developments; a
- encouragement of green star work travel plans; and
- better use of freeway and rail corridors to incorporate regional cycle routes.

Where significant investment into public transport does occur, such as in Macquarie Park, the very tangible integrated transport benefits can be realised such as Optus's current 50/50 modal split which is predicated on the new Macquarie Park train stations, careful planning, corporate responsibility and active engagement by council, state agencies and the business community. Such innovative solutions should include the possibility of development incentives where the public benefits of an integrated transport solution by a developer are clear and tangible.

A National Urban Policy must allow for the tailoring of transport modes and integration for local communities whilst maintaining pressure on state agencies to masterplan and to provide a universal minimum of public transport services.

Advancing sustainability

- **Climate change and sustainability**

The Federal Government is also recommending that capital city planning specifically address climate change mitigation and adaptation (COAG Criteria 4c).

Climate adaption and mitigation planning should be included strategic city planning. NSROC argues that both Federal and State government could enhance its existing environmental policies and planning systems to improve Sydney's capacity to be climate change ready. Some suggestions include:

- extend environmental design requirements (such as the BASIX requirements in NSW) to commercial development and add additional incentives, through tax or other mechanisms for development to go beyond the minimum environmental requirements;
- apply greater compliance on national and State government agencies and State owned utilities to meet national and state energy and greenhouse gas reduction targets;
- apply binding obligations or penalties on utilities (private or public owned) to reduce waste and unsustainable practices such as water leakages in Sydney Water infrastructure system;
- take further action on waste management by fostering the development of alternative waste technologies and implementing a National Packaging Covenant;
- provide incentives in the planning system and through national programs for the uptake of co-generation initiatives and other alternative energy options solar, wind etc; and
- ensure consistency in approaches to environmental management across national and state government agencies. For example, in NSW the recent DECCW guidelines on coastal development are not consistent with Department of Planning's Coastal Development SEPP.

- **Agricultural Lands**

Protecting land on the city fringe is a key issue in our region. NSROC councils undertake various initiatives to encourage local food production such as community gardens in our more dense suburbs and perma-culture and home based food production in our semi rural districts. Member councils Hornsby and Ku-ring-gai are bounded by large tracts of protected bushland and agricultural or semi-rural land. Greenfield developments, that fragment large parcels of rural land, cannot be reformed back into rural land, and for this reason lands should be protected as a resource for future local agriculture purposes. NSROC suggest a National Urban Policy include planning, tax or other

incentives to provide local food production in the metropolitan area and should include actions to preserve existing land for agricultural purposes on the metro fringe

Enhancing our liveability

- **Housing affordability**

The Federal Cities Strategic Planning Criteria recommends that capital city plans address housing affordability and future housing needs (Criteria 4i).

The NSW State Government's Affordable Housing SEPP is a key document that attempts to encourage the provision of affordable housing by allowing for flexible housing types. However some development options provided through the SEPP, such as the capacity for the development of "granny flats", has had some unintended consequences.

NSROC councils have observed that the result of this option is random (as distinct from strategic) infill development. Unchecked growth through this process changes the demands on utilities, infrastructure and local community services and transport demand. Councils have developed specific housing strategies and complementary services that are based on predictable growth patterns rather than ad hoc growth. The fear is that these SEPP mechanisms can undermine and compromise local government strategic plans.

Councils are particularly concerned in the manner in which the Affordable Housing SEPP was introduced and the difficulty councils will have in the effective monitoring and control of its impacts. Whilst the intent might be laudable, over time the impacts in certain areas will be significant and residential resistance will significantly increase. One of the undertakings by the Department of Planning in the development of the Metropolitan Strategy was to provide greater certainty for residents regarding the character of the neighbourhoods in return for accepting increased density in centres. The Affordable Housing SEPP undermines this philosophy by providing for increased density everywhere, however whilst this is unlikely to fundamentally address the issue of housing affordability, it is likely to generate increased discontent within the community and hostility towards those who occupy the resultant dwellings.

With population growth, urban renewal targets for increased high and medium density housing will be required. Councils anticipate that the residents of such density will become more diverse. For example the number of families living in apartments is likely to increase. This brings with it new challenges for design and planning and strata laws. The housing affordability should also include examination of how design and strata laws may need to be changed to fit the profile of future residents. NSROC councils also see a long term need for greater flexibility in rezoning and land title laws to allow effective redevelopment of large strata blocks.

- **Social inclusion and wellbeing**

The Federal Cities Planning Criteria suggest that planning address issues of social inclusion and health liveability and community wellbeing (Criteria 4h and 4g).

NSROC councils believe that community vibrancy can be developed through cooperative local and state government master-planning. For example quality master-planning processes can examine and ensure public squares have the right level of community services to match local needs. This rarely occurs as part of the planning and design process for large projects and centres. The work of EPRA (East Perth Redevelopment Authority) through its Northbridge project is a good example of urban design leading a redevelopment masterplan. Councils are concerned that State Government intervention through Part 3A developments can compromise these masterplan visions. Care must be taken to ensure Part 3A developments complement and contribute to the overall plans for the centre.

Delivering masterplanned projects is the major challenge. In NSW contributions from developers (known as Section 94 contributions) are capped and are constrained to focusing on new developments. Renewal projects, such as Main Street programs, attract less developer source funds. Councils suggest special levies for this kind of public domain renewal need to be developed.

NSROC councils note that enhancing business or retail centres that have disparate ownership structures (such as main streets) requires more coordination than large shopping complex centres which have a centre management system. However large operators are generally seen to have less engagement with local communities and therefore less impact on community vibrancy. Planning tools which allowed councils to apply a centre management system for renewal and upgrade to smaller centres should be explored.

- **Open space provision**

NSROC is very concerned about the maintenance of open space in increasingly dense areas. As areas intensify with population the open space use is pressured. The lack of open space has major effects on community health and wellbeing which, if not addressed, generate other costs to the State and Federal government through issues such as high rates of obesity and other health conditions related to inactivity and isolation.

NSROC region has high land values so the capacity for councils to acquire land for open space purposes is highly expensive. In NSW the Sydney Region Development Fund was dedicated to this purpose and over time Councils have contributed millions of dollars towards this fund yet little additional regional open space has been provided to serve the northern region of Sydney.

As all cities grow and density increases, a targeted program to assist with open space acquisition using council, state and federal monies is required. This should initially be focused on acquiring additional open space for active recreation purposes. Guidance through the development of open space/population ratios and mechanisms for funding open space acquisition would be welcomed in a National Urban Policy.

Improving the governance and planning of our cities

- **Planning Arrangements**

NSROC councils believe that governance structures, financing and whole of government integration are key factors for the effective city planning.

Recent research¹ indicates that citizen engagement is at the heart of city planning and the development of urban policy. NSROC believes that with the emergence of technologies which engage local communities through social media, sit at the heart of finding urban solutions for complex issues in consultation with local communities.

NSROC supports the inclusion of community engagement utilizing social media methodologies in a National Urban Policy.

Accountability in planning is critical. A core problem identified by NSROC with the NSW Government's revised Metropolitan Strategy 2010 was the failure to reconcile actions and outcomes with its predecessor the 2005 Metropolitan Strategy. Without this analysis it is difficult to evaluate

¹ Research by Grattan Institute - Kelly, J., 2010, *Cities: Who Decides?*, Grattan Institute, Melbourne.

performance and improvements. In this sense the current planning framework in NSW fails to meet the COAG planning criteria (Criteria 9) that is :

- a) clear accountabilities, timelines and appropriate performance measures;
- b) coordination of between all three levels of government ;
- c) evaluation and review cycles; and
- d) appropriate engagement and consultation.

In NSW there is a disconnect between planning coordination, financing and delivery. NSROC believes that there is a role for development authorities to bridge this gap in some instances. However a critical factor is the structure of such authorities and their accountabilities to local councils. A good practice example is the East Perth Redevelopment Authority. A poor example is the recently introduced Sydney Metropolitan Development Authority. NSROC has identified key governance factors missing from this new NSW authority including:

- Clear Terms of Reference - which are exhibited for public discussion prior to establishment
- Transparent operations including milestones and KPIs
- Statutory public consultation obligations
- Cross-sectional representation including local government
- Limited rezoning, land acquisition powers and reselling restrictions
- Authority profits invested into public infrastructure and facilities
- Need to satisfy constitutional and legal requirements
- Independent reporting to the Parliament or to the Auditor General.

The Sydney Metropolitan Development Authority does not have these characteristics. It assumes land planning controls without any safeguards for community and local government consultation. At a governance level it appears to have no cross representation of other agencies or levels of government. At a planning level there is a complete disconnect from regional planning and Local Environmental Planning.

NSROC would welcome an evaluation by the Major Cities Unit into best practice “development authority” models. From this analysis, some guidelines could be developed for best practice development authority structures and governance within a National Urban Policy.

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