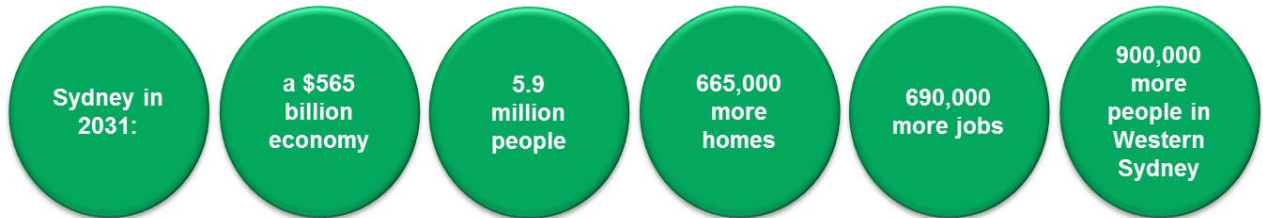


Submission to the NSW Government

Creating a Greater Sydney Commission with purpose

April 2015



Executive Summary

Sydney is a global city that acts as a magnet for talent and investment, home to more than four million people and growing fast.

But who runs Sydney . . . ? The answer: no one.

That's why for over 10 years the Property Council has consistently argued for a metropolitan planning authority to lead the delivery of jobs, housing, services and infrastructure across the city.

A Greater Sydney Commission can fill that void if it's properly empowered. But it needs a clear mandate, meaningful priorities and the tools required to get results.

Our paper on the design and work agenda for the proposed Commission is deliberate in making choices about what matters.

A real commitment to removing bureaucratic hurdles, resolving the jobs challenge facing Sydney's west and a new culture of accountability should be front-and-centre in its formation and ongoing functions.

We don't need a new agency for the sake of it. We need one that works.

The property industry is integral to our city. We generate one in 10 jobs and create over 10 percent of economic growth.

Our industry finances, owns and develops the places where Sydneysiders work, live, shop and retire. We invest in cities for the long-haul.

The Property Council wants Sydney to succeed and hope our ideas on the best model for the Greater Sydney Commission are embraced.

Glenn Byres
NSW Executive Director

The case for a Greater Sydney Commission

Good strategic planning has remained the ‘black hole’ of policy when it comes to managing Sydney’s growth.

In 2011, the COAG Reform Council’s review of capital city strategic planning said:

“While the NSW planning system is strong on planning and policy content, it lacks the hard-edged accountability, performance and implementation measures to drive these policies.”¹

Similarly, the 2012 Development Assessment Forum Report Card praised the WA Planning Commission as a fundamental reason for that state receiving the highest reform score.²

The gap in city-wide planning in Sydney has meant:

- the 2005 and 2010 Metropolitan Plans were not fully implemented
- the 2013 draft document remains unresolved for 18 months
- sub-regional plans are still in draft form eight years on
- conversion to the Standard Instrument LEP is incomplete, and
- other critical policies such as Activity Centres Policy stagnated.

A Greater Sydney Commission, properly designed and empowered, can step into the breach.

We welcome the Government’s resolve to institute the new authority, and the bi-partisan consensus that has emerged about its value.

“Other major jurisdictions have shown the way on how to better manage urban growth and provide choice and opportunity for housing and employment.” NSW Premier Mike Baird, June 3, 2014

“Sydney is an orphan of public policy. This has to change.” NSW Opposition Leader Luke Foley, December 15, 2014.

¹ COAG Reform Council, Review of Capital City Strategic Planning Systems, December 2011

² DAF Report Card 2012, prepared by Macroplan Dimasi for the Property Council of Australia

Good governance matters

Recommendation 1: **Legislation to create the Commission – including a well-defined mandate, statutory powers and creation of an independent board – should pass Parliament by July 1, 2015.**

The Greater Sydney Commission's authority should be entrenched via legislation.

The Western Australian Planning Commission serves as a model that should inform creation of the GSC.

Its legislation defines its main role as providing effective and efficient land use planning, preparing regional strategies, reviewing planning strategies and policies and plan-making capability.

The Act also includes powers that mean *'the Commission may do all things necessary or convenient to be done for or in connection with the performance of its functions'*.

Legislation governing the GSC could explicitly state its prime task is to manage and implement the *Plan for Growing Sydney* – and relevant subsidiary plans and policies.

This would include sub-regional plans, working to ensure local plans give effect to targets, and mandated deadlines.

It would also include statutory powers to undertake precinct plans, via rezonings utilising dedicated plan-making functions, and select development assessment powers.

The GSC would also need the statutory licence to override state agencies or councils that impede the development and implementation of metropolitan and sub-regional plans.

Just as the WA Planning Commission has particular provisions that recognise the primacy of its task, Sydney has done so before.

During the preparation for the 2000 Olympics Games, NSW created SEPP 38. Clause 14 defined its relationship with other planning instruments.

It stated: *'... in the event of an inconsistency between this policy and another environmental planning instrument whether made before or after the commencement of this policy, this policy prevails to the extent of the inconsistency.'*

We need to re-inject the same urgency and sense of purpose into the task of managing Sydney's growth.

Recommendation 2: **The Greater Sydney Commission's Board needs to have a majority of independent people, including its Chair, and define the eligibility of local government participation.**

Infrastructure NSW serves as a template for the proposed Greater Sydney Commission in the composition of its board.

It includes an independent chair and balance between private sector experts and public sector appointments.

It is crucial the Commission's board is truly independent, and this should be captured in the legislation.

But its composition also matters. We would recommend:

- Six independent appointments, including the Chair
- The CEO (appointed by the Board)
- The CEOs of Premier & Cabinet, NSW Treasury, Planning & Environment, and Transport for NSW
- Two mayors.

These mayors could only be drawn from councils that:

- Have been deemed to be ***Fit-for-the-Future***
- Have **popularly elected**, fixed four-year terms
- Are **meeting existing targets** for housing and employment

Recommendation 3: **Maintain separation between the Greater Sydney Commission's role and UrbanGrowth NSW.**

UrbanGrowth NSW should be maintained as a separate authority from the proposed Commission.

It needs to be able to continue to progress complex, high-density sites that are underpinned by government land, and will require 10-20 year delivery horizons.

Other jurisdictions have a similar separation between strategic planning authorities and urban renewal agencies.

For example, Perth's Metropolitan Redevelopment Authority fulfils a similar function and sits separate to other planning-related agencies.

A champion for strategic planning

Recommendation 4: Mandated deadlines should be set for the delivery of strategic plans – including regular reviews of the *Plan for Growing Sydney* and delivery of sub-regional and local plans.

The hierarchy of strategic plans are essential in illustrating to communities and investors how Sydney will evolve over the next 20 years and beyond.

They help outline employment and housing targets, baseline infrastructure requirements, articulate environmental aspirations and other strategic priorities specific to each region.

Given the past drift in completing strategic plans, there needs to be mandated deadlines for completing them in the future.

This should include:

- sub-regional plans being complete by **1 September 2015**
- all LEPs being complete by **1 July 2016**
- **quarterly reporting** on progress against objectives and targets
- **five-year reviews** of the *Plan for Growing Sydney*

Recommendation 5: Sub-regional plans should be confined to six key elements – housing targets, employment targets, funded infrastructure schedules, priority precincts, specific strategic priorities, and open space and environmental priorities.

Prior iterations of sub-regional plans were both overly complicated, and never completed.

This is why we believe the next wave of sub-regional plans should be streamlined to focus on the most critical elements that translate higher-order policy objectives into actionable strategies.

They will also benefit from:

- being developed using the **Urban Feasibility Model** to test the commerciality of proposed plans, targets and allocation of housing
- having a **fully-funded schedule of infrastructure** hardwired in, and
- giving primacy to the game-changing **strategic priorities** specific to each region

Work has already commenced within the Department of Planning & Environment on the new sub-regional plans.

This should ensure they can be swiftly advanced – and completed by the Greater Sydney Commission by September 2015.

An ideal sub-regional plan would comprise the following elements:

- global **housing and employment targets**
 - allocated to each LGA
 - with **20 years of capacity** built into subsequent local plans
- a funded **infrastructure** schedule
 - including both **economic** (ie: transport) and **social** (ie: schools) infrastructure
- a rolling series of **Priority Precincts**
- specific strategic priorities for each sub-region
 - for example, in Central West, **Parramatta to Olympic Peninsula** has been nominated as a priority in the *Plan for Growing Sydney* and a delivery plan should be completed within 12 months
- open space and environmental priorities
 - for example, in Central West, the **Sydney Green Grid** pilot complements broader urban renewal aspirations and should be defined within 12 months.
- a commitment to complete all subsequent **LEPs within a further 9 months** to ensure local planning controls provide relevant capacity.

Meeting the urban renewal challenge

Recommendation 6: **The Commission should directly monitor the roll-out and implementation of Priority Precincts against agreed reporting timelines.**

Priority Precincts (PPs), as identified by the NSW Department of Planning and Environment, will be crucial in delivering a large share of future housing and employment.

These precincts will sensibly bring together jobs, housing and transport and help governments receive a dividend from its substantial investment in infrastructure.

A Plan for Growing Sydney identifies the acceleration of urban renewal, particularly in transport corridors and around strategic centres, as a priority (Goal 2).

To put it in context, though, Sydney will need to accelerate the number of the precincts. The Commission should directly monitor the roll-out and implementation of them against agreed reporting timelines.

It should also be able to intervene and facilitate progress on stalled precincts – including the capacity to override state or local authorities impeding delivery.

In 2013, the first eight priority precincts – then known as Urban Activation Precincts – were announced.

They were located at North Ryde, Macquarie Park, Epping, Wentworth Point, Lidcombe, Randwick, Mascot and Anzac Parade.

If all were developed at full yield over time, it was promised that 30,000 homes would be created. This is just shy of the number of additional new homes Sydney needs each year.

But, in December 2013, three UAPs stalled. Randwick, Mascot and Anzac Parade were canned due to local opposition, despite investment in new transport such as light rail.

The Government has since unveiled proposals for new Priority Precincts in the north-west and south-west of Sydney, as well as around select rail stations.

However, it should go further and conduct an audit of its substantial infrastructure program over the next decade and beyond to identify the next wave of sites.

We recommend a rolling schedule of Priority Precincts, with eight per year the objective.

Jobs in Western Sydney

Recommendation 7: **The Commission should prioritise the growth of Parramatta as the Western Sydney CBD, the Parramatta to Olympic Peninsula Corridor and Broader Western Sydney Employment Area**

The Government's forecasts for population and jobs growth show that there is already a deficit of 200,000 jobs in Western Sydney – and it is poised to grow to 300,000.

It represents the great economic, social and environmental challenge of our global city.

As a result, the Commission needs to prioritise tasks that will help close the jobs divide and generate more employment opportunities in Sydney's west.

The three main, immediate opportunities are:

- accelerating Parramatta's emergence as **the Western Sydney CBD**
- transforming the corridor between **Parramatta and Olympic Peninsula**, and
- leveraging the clarity provided by the decision about a **Western Sydney airport** to turbo-charge investment in the broader employment lands

Parramatta Council is actively progressing the transformation of its CBD – and State-owned lands at North Parramatta are being advanced by UrbanGrowth NSW.

Transformation of the corridor between Parramatta and Olympic Park is also identified as a priority growth area in the *Plan for Growing Sydney*.

The Greater Sydney Commission should commit to:

- recommend **land use changes** across the corridor to facilitate urban renewal and other investment opportunities
- resolving the **transport connections** required, particularly light rail – but also resolution of the inadequate rail services for Olympic Park
- establishing **social infrastructure** requirements needed to support the evolution of communities in the corridor – including schools, hospitals and open space
- give clarity around **short-, medium- and long-term timeframes** for land use opportunities.

This should be completed within 12 months of the Commission being established.

The Broader Western Sydney Employment Area represents over 50,000 hectares of land – anchored by the presence of the new Western Sydney airport at Badgerys Creek.

The proposed airport will no doubt serve as a catalyst for investment, jobs and economic activity.

But the sheer scale of the employment lands means greater opportunities exist – and given the jobs deficit in western Sydney, this area should be a priority for the GSC.

Within 12 months, the Commission should seek to:

- complete a **structure plan** for the BWSEA
- make recommendations on adaption of the current SEPP (Western Sydney Employment Area) 2009 to provide a **framework for project assessment**
- establish a **hierarchy of land uses** – from freight and logistics warehousing through to business parks and commercial centres, and diversity of lot sizes
- identify opportunities for **centres of excellence** to emerge in industries such as health, education, science and professionalisation of manufacturing
- incorporate **urban amenity design principles**, particularly for town centres, in the structure plan
- keep employment as the primary purpose of the BWSEA, but identify **select areas that are appropriate for housing**
- identify additional **fine-grain infrastructure** (ie: an extension of Archibold Road from the M4 into the BWSEA)
- commence **corridor reservation** for critical links, such as freight rail to an intermodal terminal within the precinct
- establish a strategy for **servicing infrastructure** such as energy, water and sewage, and roads
- establish a **schedule of delivery** for all infrastructure
- explore **alternative financing methods** for infrastructure, such as Growth Area Bonds

A pathway for investment

Recommendation 8: Provide statutory powers to the Commission to create rezonings or precinct plans – and give it select development assessment powers.

The Greater Sydney Commission will need to be able to give effect to its mandate through executing land use changes.

This should include access to statutory powers that allow it to create precinct plans for major urban renewal areas, major centres and other strategic priorities.

It will also require ongoing capacity to undertake rezonings or amendments to precinct plans as market conditions or circumstances demand.

These though will need to be matched by improved efficiencies in the development assessment of projects that follow.

It is worth noting – property projects were largely excluded from the State Significant Development schedule created in 2011.

As a result, investment within areas nominated for acceleration by the Commission remains stuck in the convoluted assessment streams relating to Part 4 of the EP&A Act.

We recommend that, particularly absent any broader reform of the planning system, the following assessment pathways should be established:

- **exempt, complying and new code assessment** streams should be available for projects that are consistent with underlying statutory plans created by the Commission
- for **projects that straddle council boundaries** (i.e.: town centres dissected by more than one local government area), projects are automatically referred to the Commission for assessment and determination
- for merit-based proposals that meet set criteria, proponents should have the option of **seeking assessment from the Commission**
- these criteria would define a **public interest benefit test**, that includes economic, social and/or environmental outcomes

Performance matters

Recommendation 9: The Commission should provide transparent reporting on progress against critical targets and objectives – and have the capacity to intervene where under-performance occurs.

The Government has proposed that the Commission will monitor and report on progress in delivering the actions and main goals in the *Plan for Growing Sydney*.

This includes annualised reporting, outcome reports every three years and a review of the plan every five years.

It will also test against key metrics including job creation, office space capacity, jobs to dwelling ratios in key centres, housing mix, open space, and air and water quality.

This is welcome, but needs to extend further.

The creation of an e-planning portal will, for example, allow more ‘real-time’ data to be made available on housing approvals to test progress against targets.

The idea is not to generate burdensome reporting requirements and reports – but to introduce a new level of transparency and accountability on critical metrics using available data.

We would also suggest the performance monitoring should be used to help set annualised priorities for the Commission.

For example, if the share of new housing close to centres falls, the Commission should be tasked with assessing why and remedying the causes.

And there should be no discretion over the release of information. Some current elements of performance monitoring are subject to ministerial discretion on timing. This should not be repeated with those areas where the Commission is responsible.

Where consistent under-performance occurs – and the Commission deems that councils are failing to give effect to targets and policy directions – intervention is required.

So, for example, if a council:

- is failing to meet targets
- refuses to act on advice or directions to remove impediments to delivery
- the Commission should be able to leverage section 118 of the existing EP&A Act

This would give the Commission the capacity to act as a planning administrator and assessment panel in the local government area.

It is a power that would hopefully be used selectively, if at all; but is required to act as a deterrent to recalcitrant councils.

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