

Local Government  
Association of NSW



Shires Association of NSW

<b>SUBMISSION ON THE SYDNEY METROPOLITAN STRATEGY REVIEW</b>	
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## **Executive Summary**

Local Government has been and remains a strong supporter and essential partner in progressing the objectives of the *Metropolitan Strategy 2005: City of Cities*. Local Government will continue to play an important role in the future planning of metropolitan Sydney by providing the local knowledge, experience and fine-grain planning and delivery mechanisms that are critical to meeting the challenges posed by a growing population.

Planning for a sustainable Sydney requires more than the rewriting of targets for housing and jobs, the creation of new bureaucracies or the merging of existing plans.

The Associations' submission focuses on the key issues that are critical to the future of metropolitan planning in Sydney and the State. These key issues include:

### ***Learn from the past to avoid creating the mistakes of the future***

There is an urgent need for an independent review and audit of the objectives and actions of the *Metropolitan Strategy 2005: City of Cities* so that evidence based and informed decisions can be made about future metropolitan planning.

### ***Sustainable population growth and whole of state development***

The current metropolitan planning framework fails to place Sydney's future growth in the context of the development of Sydney, the adjoining regions and the rest of the State. The current framework also assumes that the forecast population growth can and should be accommodated within the existing Sydney basin.

The existing development path of NSW is not sustainable from an economic, social and environmental perspective. Over the past 20 years, NSW has witnessed growing disparities in employment, wealth, income and educational opportunities between and within regions in the state. The NSW Government should adopt a 'Whole of State Development' approach, where the local and regional dimension to State development is recognised and emphasised in new policy directions.

### ***Capital Cities Strategic Planning***

The proposed integrated Metropolitan Plan will not meet the Federal Government's National Objective and Criteria for Future Strategic Planning of Capital Cities. The State Government should revise the metropolitan planning framework so that it fully meets these criteria.

### ***Transport and land-use planning***

Local Government recognises the importance of public transport as a vital component of the overall transport task in all areas of the State, but especially in Sydney. Planning for a sustainable Sydney must include a commitment to key transport infrastructure investments that underpin and support those planning strategies. These vital investments must be developed and staged as essential components of the broader Metropolitan Planning Strategy, not as one-off projects built years after they are required.

### ***Social dimensions of planning***

The Metropolitan Strategy review fails to recognise the role of human services in the development of a sustainable metropolitan Sydney. There is no recognition of how facilities for human services – aged care, hospitals, schools, neighbourhood centres and child care centres – are to be provided under this planning regime. A particular concern is the provision of appropriate recreational facilities and open space in established areas where there are significant constraints on available land and funding sources. The Associations strongly support the integration of social planning principles into physical land use planning in future metropolitan plans.

### ***Integration and coordination of planning frameworks***

Local Government efforts in metropolitan planning have been frustrated by a lack of State agency coordination and input into local land use plans, a lack of commitment by the State Government to infrastructure plans and priorities, no committed funding to support critical projects, and significant State-

imposed financial constraints on Local Government revenue sources (rate pegging and limits on infrastructure contributions)

There is a need for better integration and coordination in planning between levels of Government as well as between agencies within the State Government. The Associations seek the NSW Government's commitment to better integrating the State Plan, regional plans and the Metropolitan Plan with Local Government Community Strategic Plans and supported by coordinated funding strategies.

***Metropolitan Development Authority***

A new Metropolitan Development Authority (MDA) is to be established and will be responsible for achieving urban renewal outcomes for identified areas. At best, the proposed MDA may provide a mechanism for coordinating State agency input into major urban renewal projects, and provide a more coordinated State-Local model for the provision and funding of infrastructure and services. At worst, the MDA will be a 'top down' entity that facilitates the wholesale rezoning and development of land around metropolitan transport nodes and corridors, operates outside existing planning controls, in isolation from the local planning context, and disengaged from local communities.

Local Government would welcome a dialogue with the State Government and the private sector on the complex issues that are faced in progressing urban renewal projects.

**In conclusion**

The Associations welcome the opportunity to provide input into the Metropolitan Strategy Review. The review provides an opportunity for the State Government, in partnership with Local Government, to develop a sustainable, integrated and long term strategic planning framework for metropolitan Sydney.

### Introduction

The Local Government Association of NSW and Shires Association of NSW (the Associations) are the peak bodies for NSW Local Government.

Together, the Local Government Association and the Shires Association represent all the 152 NSW general-purpose councils, the special-purpose county councils and the regions of the NSW Aboriginal Land Council. The mission of the Associations is to be credible, professional organisations representing Local Government and facilitating the development of an effective community-based system of Local Government in NSW. In pursuit of this mission, the Associations represent the views of councils to NSW and Australian Governments, provide industrial relations and specialist services to councils and promote Local Government to the community.

The Associations are pleased to provide a submission on the Metropolitan Strategy Review and discussion paper '*Sydney Towards 2036*'.

Local Government has been and remains a strong supporter and essential partner in progressing the objectives of the *Metropolitan Strategy 2005: City of Cities*. Local Government will continue to play an important role in the future planning of metropolitan Sydney by providing the local knowledge, experience and fine-grain planning and delivery mechanisms that are critical to meeting the challenges posed by a growing population.

Planning for a sustainable Sydney requires more than the rewriting of targets for housing and jobs, the creation of new bureaucracies or the merging of existing plans.

It will require:

- A step change in the NSW Government's approach to metropolitan and regional planning.
- A strengthening of partnership arrangements between levels of government, the private sector and communities in planning for a sustainable future for metropolitan Sydney.
- A more integrated and coordinated approach by all levels of government to the planning and delivery of infrastructure and services;

The Associations' submission focuses on the key issues that are critical to the future of planning in Sydney and the State.

### Learn from the past to avoid creating the mistakes of the future

It is extremely disappointing and a significant gap in the review process that no detailed evaluation of the *Metropolitan Strategy 2005 – City of Cities* has been undertaken. This would enable evidence based and informed decisions to be made about future metropolitan planning processes.

State agencies, Local Government, the private sector and the community now have five years of experience with developing plans, delivering programs and understanding the challenges posed by the 2005 strategy. An independent assessment, including a review of qualitative and quantitative data and case studies on progress towards the objectives and actions under the 2005 Metropolitan Strategy, are critical to making informed decisions about changes to metropolitan planning through to 2036. Without this information it is difficult to see how the NSW Government can sensibly move forward and make changes to existing policy settings, planning processes or delivery mechanisms.

The Associations strongly recommend that the NSW Government immediately undertake an audit of the objectives and actions of the *Metropolitan Strategy 2005: City of Cities* and make available its findings as the basis for the development of future metropolitan plans.

## Sustainable population growth and whole of state development

The discussion paper ‘*Sydney Towards 2036*’ outlines the latest population projections for Sydney, which are higher than those used when the Metropolitan Strategy was developed in 2005. In the Metropolitan Strategy 2005, Sydney’s population was projected to increase to 5.3 million in 2031 (from 4.3 million in 2006). However the latest data indicates that the population of Sydney (including the Central Coast) is expected to be 5.7 million in 2031 and 6 million by 2036.

The Metropolitan Strategy Review fails to consider the broader sustainability framework within which population growth and land use planning must be considered. The discussion paper makes no mention of key issues affecting Sydney’s future including resource management (energy and water), food security, health and social issues.

The current metropolitan planning framework also fails to place Sydney’s future growth in the context of the development of Sydney, the adjoining regions and the rest of the State. The current framework also assumes that the forecast population growth can and should be accommodated within the existing Sydney basin.

The Associations believe that the current development path of NSW is not sustainable from an economic, social and environmental perspective. Over the past 20 years, NSW has witnessed growing disparities in employment, wealth, income and educational opportunities between regions and within regions in metropolitan Sydney and the State.

NSW’s existing development path is not adequately spreading the benefits of globalisation and the digital revolution across the State. The spatial impacts of the current economic development path are uneven. They are characterised by the concentration of high value added economic opportunities in global Sydney, dispersal of lower income populations and lower value added industries to Greater Western Sydney and the Central Coast, consolidation around provincial cities and marginalisation of parts of rural and traditional industrial areas of NSW. The result is growing disparities in jobs, wealth, incomes, skills and learning opportunities between regions of the State and within regions.

Coupled with the impacts of climate change, the evidence of environmental damage is mounting. Sydney is on an unsustainable growth path with increasing congestion, car dependence, inadequate public transport and threats to vital environmental assets, such as the Hawkesbury-Nepean River, from urban development.

Areas in the ‘global economic arc’, stretching from North Ryde, Lane Cove, North Sydney, CBD, and increasingly southward to Kingsford-Smith Airport are characterised by increasing property prices, incomes, employment, and a concentration of high-skilled, knowledge-based jobs. Traditional industrial areas of Sydney – a corridor stretching from Canterbury-Bankstown, Liverpool, Fairfield, Holroyd, and parts of Parramatta-Auburn and Blacktown – have not fared as well. Although unemployment has come down, it still remains unacceptably high.

If this path continues, Sydney and regions across NSW will become increasingly polarised and fragmented.

The Associations believe that a ‘Whole of State Development’ approach is required<sup>1</sup>.

Such an approach would:

- Ensure that the global competitiveness of Sydney is matched by a commitment to improving environmental quality and lifestyle amenities.
- Provide strategies to redirect a significant proportion of Sydney’s projected population growth to regional NSW. This entails significant public investment in education, transport infrastructure, R&D and information and communications technologies in rural centres that demonstrate growth potential. It also includes tax credits to encourage job creating investment into designated development zones.

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<sup>1</sup> For full details see ‘A Framework for Whole of State Development’ <http://www.lgsa.org.au/www/html/244-economic-and-regional-development.asp>

- Strengthen planning for Sydney as a multi centred city with strategies to increase the number of knowledge based jobs in the regional centres of western Sydney and improve public transport access to these centres.
- Promote active revitalisation of the adjoining areas of Wollongong and Newcastle. These regions have a capacity to take some of the population growth of Sydney, particularly if there is increased investment in their economic base and rail infrastructure links to Sydney are upgraded.
- Encourage further diversification of lifestyle regions of the north and south coast with investments in education, amenities and infrastructure.

The Associations recommend that the NSW Government adopt a 'Whole of State Development' approach, where the local and regional dimension to state economic development is recognised and emphasised in new policy directions. The 'Whole of State Development' approach aims to ensure that all NSW regions share in the benefits of globalisation and the digital revolution. Measures are required to build the knowledge base, infrastructure and innovative capacity of all regions. The new approach requires a major resource commitment and strategic coordination from all spheres of government. Local Government seeks to be a pro-active partner in this process.

### **Capital Cities Strategic Planning**

The discussion paper '*Sydney Towards 2036*' provides a cursory review of the Metro Strategy 2005, an overview of changes since the development of the Metro Strategy and limited discussion and analysis of future metropolitan planning challenges.

The proposed integrated Metropolitan Plan will bring together, for the first time, transport and land use planning in metropolitan Sydney. While this is a welcome step, it will not meet the Federal Government's National Objective and Criteria for Future Strategic Planning of Capital Cities.

There are significant gaps in the metropolitan planning framework in NSW which need to be filled. Most significant are:

- A hierarchy of publicly available plans including long term integrated strategic plans, medium term prioritised land use and infrastructure plans and near term infrastructure plans supported by detailed project plans.
- Strategic planning systems that address social inclusion, health, liveability and community well being, housing affordability and matters of environmental significance.
- Consideration and strengthening of networks between cities and major regional centres and other important domestic and international connections.
- Priorities for investment and policy effort by governments and an effective framework for private sector investment and innovation.
- Implementation arrangements and supporting mechanisms including clear accountabilities, timelines and performance measures; and appropriate consultation and engagement with the community.

The South East Queensland Regional Plan provides a useful model for the development of a Metropolitan Plan that will assist in meeting the National Capital Cities Strategic Planning criteria and also address many of the current gaps and problems with the metropolitan planning framework in NSW.

The Associations recommend that the State Government revise their metropolitan planning framework so that it fully meets the National Objective and Criteria for Capital Cities Planning.

### **Transport and land-use planning**

Local Government recognises the importance of public transport as a vital component of the overall transport task in all areas of the state, but especially in Sydney. The provision of public transport contributes not only to the long-term sustainability of our communities, but also provides vital access to those people in remote locations or in disadvantaged groups. Planning for a sustainable Sydney must include a commitment to key transport infrastructure investments that underpin and support those planning strategies. These vital

investments must be developed and staged as essential components of the broader Metropolitan Planning Strategy, not as one-off projects built years after they are required.

The Associations have provided a separate submission to the *Metropolitan Transport Plan – Connecting the City of Cities*, elements of which have been included in this submission and a full copy of which is included as an annexure.

Local Government has a key role in land use planning processes, particularly for new land release areas, and also in the design and provision of appropriate public transport infrastructure in town centres and on local roads. The issue of integrated transport planning, particularly in the context of regional and whole-of-state development, has long been a policy stance of Local Government in NSW. Policies need to address the appropriate application and integration of transport solutions in combination with land use and planning, environmental, institutional and behavioural factors in both urban and regional areas. Development of integrated transport strategies that encourages investment and development in a whole of state context is critical to breaking down the divide between cities and regional areas of Australia. These policies must include committed investment in major infrastructure projects such as those outlined in various strategic planning and transport planning documents published over many years.

However the Associations are concerned that many of the important elements of these types of policies fall outside the direct responsibility of Local Government and require significant additional resources to achieve optimum outcomes. Nonetheless there is a vital role for our sector to encourage and work with the State Government to achieve positive planning outcomes that provide for genuine modal choice in our communities.

Local Government requires commitment to integrated transport and land use planning arrangements which provide for appropriate public transport access in new land release areas. We see the inclusion of public transport options as an essential component of development, but on the clear understanding that no commitments can be made without the provision of appropriate financial resources.

### **Social dimensions of planning**

The discussion paper *'Sydney Towards 2036'* fails to recognise the role of human services in the development of a sustainable metropolitan Sydney. There is no recognition of how facilities for human services – aged care, hospitals, schools, neighbourhood centres, child care centres, public libraries and cultural facilities – are to be provided under this planning regime. A particular concern is the provision of appropriate recreational facilities and open space in established areas where there are significant constraints on available land as well as physical and financial limitations on Local Government in terms of the acquisition of land and the provision of appropriate facilities.

The Associations believe that the following principles should be applied to physical land use planning and integrated into the metropolitan planning framework:

- safety;
- physical activity;
- mental health and wellbeing;
- social/ generational interconnectedness;
- community and cultural development; and
- access to services, employment and lifelong education.

### **Integration and coordination of planning frameworks**

The State Government, through the *Metropolitan Strategy 2005: City of Cities* set the parameters for meeting the projected growth in Sydney's population over the next 25 years and provided targets for creating jobs and housing. The difficult task of delivering on those targets in a sustainable way has been left to Local Government.

Over the past five years, Local Government has committed extensive resources to planning, funding and delivering projects to meet the targets set under the *Metropolitan Strategy 2005*. However, particularly in areas outside the designated Growth Centres, Local Government efforts have been frustrated by a lack of State agency coordination and input into local land use plans, a lack of commitment by the State Government to infrastructure plans and priorities, no committed funding to support critical projects, and significant State-imposed financial constraints on Local Government revenue sources (rate pegging and limits on infrastructure contributions).

While Local Government largely is progressing towards the targets set in the *Metropolitan Strategy 2005*, there has been limited commitment by the State agencies to the metropolitan planning framework.

Local Government currently is working on the delivery of Community Strategic Plans under the Integrated Planning and Reporting framework, which will support a more strategic and integrated approach to planning and reporting by local councils.

There is a need for better integration and coordination in planning between levels of Government as well as between agencies within the State Government. The Associations seek the NSW Government's commitment to better integrating the State Plan, regional plans and the Metropolitan Plan with Local Government Community Strategic Plans. These plans need to be supported by coordinated funding strategies.

### **Metropolitan Development Authority**

One of the few changes announced in the Metropolitan Strategy review is the establishment of a new Metropolitan Development Authority (MDA), which will be responsible, for achieving urban renewal outcomes for identified areas. However the discussion paper '*Sydney Towards 2036*' provides no analysis of the current state of urban renewal projects, no analysis of existing problems or challenges and provides only minimal detail on the roles and responsibilities of the MDA.

At best, the proposed MDA may provide a mechanism for coordinating State agency input into major urban renewal projects, and provide a more coordinated State-Local model for the provision and funding of infrastructure and services. At worst, the MDA will be a 'top down' entity that facilitates the wholesale rezoning and development of land around metropolitan transport nodes and corridors; operating outside existing planning controls (similar to Part 3A projects); in isolation from the local planning context; and disengaged from local communities.

Issues that need to be considered in progressing urban renewal in the metropolitan area, and which should shape the State Government's response include:

- **Location** – sites for urban renewal projects must be identified, prioritised and planned with knowledge of the opportunities for renewal as well as limits to development.
- **Scale** – different planning and delivery mechanisms are needed for minor and small-scale renewal of neighbourhood centres (which can be managed at local level) through to larger urban renewal projects that require coordination and liaison between multiple agencies, land owners, developers and the local community.
- **Infrastructure provision** – the Metropolitan Plan, and urban renewal projects in particular, need to be supported by infrastructure plans (transport as well as other hard and soft infrastructure) that are fully funded for a minimum of 10 years. Constantly changing infrastructure priorities and a lack of commitment by State agencies and Treasury to the Metropolitan Strategy have created confusion and uncertainty in land use and transport planning in metropolitan Sydney.
- **Social dimensions** – promoting the principles of social planning (noted above) and consideration of how facilities for human services are to be provided.
- **Funding** – a new model is required that allows for the long term funding of infrastructure and ongoing services required to meet Sydney's increasing population. There are serious flaws and contradictions in the current State Government, with recent limits and thresholds on infrastructure contributions at both

State and Local level, no long term commitment to infrastructure priorities, and rate pegging of local councils. Local Government will also face the costs associated with preparing for and responding to climate change impacts and will need assistance from the State Government.

- **Community engagement** – one of the key challenges of urban renewal projects is to deliver positive outcomes for the existing community as well as new residents. The use of demonstration projects and other educative and engagement strategies are critical elements. Local councils, as the level of government closest to the community, have knowledge and experience in delivering on urban renewal projects through positive engagement with their communities.
- **Partnerships** between all levels of government, government and the private sector and government and the community will be critical to achieving the targets set by the Metropolitan Strategy. There needs to be improved transparency, certainty and confidence in the planning system to facilitate these partnerships.
- **Natural Resource Management** – the long term protection and appropriate management of priority natural resource assets within the entire Sydney region is vital. The security of clean water, productive agricultural land, threatened species and ecological communities, natural environmental assets, and priority ecosystem services need to be based on a co-ordinated approach to quality strategic planning and practical implementation of plans, supported by realistic funding levels.

Local Government would welcome a dialogue with the State Government and the private sector on the complex issues that are faced in progressing urban renewal projects. It is very unlikely that the revised population projections and 70/30 (renewal/greenfield) residential targets can be met without the input and cooperation of local councils and the positive engagement of local communities.

### Conclusion

The Associations welcome the opportunity to provide input into the Metropolitan Strategy Review. The review provides an opportunity for the State Government, in partnership with Local Government, to develop a sustainable, integrated and long term strategic planning framework for metropolitan Sydney.

Local Government remains a strong supporter of the key directions of the *Metropolitan Strategy 2005: City of Cities* and looks forward to working with the State Government in the development of the Metropolitan Plan 2036.