

# **Submission to the Greater Sydney Commission – Draft District Plans and *Towards our Greater Sydney 2056***

March 2017 (updated April 2017)

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## Executive Summary

LGNSW supports the District Plans for their focus on strategic planning and the intention to integrate planning for growth with infrastructure provision, which has been a major failure of past metropolitan plans. The draft plans also introduce much-needed policy direction in relation to land value capture, protecting employment lands and affordable rental housing targets which are welcomed by local government.

Councils are understandably concerned about the ambitious 20 year housing targets foreshadowed in the District Plans. LGNSW urges the Greater Sydney Commission (GSC) to collaborate with councils in developing these targets for their local areas. It is also important for local government to understand the assumptions and facilitating mechanisms underpinning the targets.

Growth targets must align with the upfront delivery of infrastructure by the NSW Government. The proposal to integrate growth planning and the provision of infrastructure has been therefore well-received. However, the final District Plans must contain more detail on the framework and mechanisms to make this a reality. Further policy work to resolve major funding shortfalls for local infrastructure is urgently needed, with particular priority on the review of value capture as a credible funding mechanism.

Infrastructure provision and funding is possibly the single greatest concern of councils faced with accommodating significant population growth targets over the next 20 years. Infrastructure provision and funding is not a new issue for councils, but the dramatic population increase combined with the District Plans' far-reaching aspirational goals for productivity, sustainability and liveability, are a challenging mix for both state and local governments.

Securing a whole-of-government commitment, delivering and implementing actions, and monitoring and reviewing progress will be key success factors for the GSC in delivering its statutory objective of leading metropolitan planning for the Greater Sydney Region. The GSC must ensure that the necessary governance frameworks are in place to involve all relevant state agencies in delivering the District Plans.

The role and voice of local government will be vital in delivering the key productivity, liveability and sustainability priorities, therefore councils must be treated as more than just a stakeholder in this process. LGNSW specifically seeks further information about how local government will be engaged in finalising the District Plans and in the delivery phase, as well as clarification of the role of District Commissioners during implementation.

Councils are nominated as the lead agency or partner for some 20 actions common to all District Plans, giving local government responsibility for delivery of certain key productivity, liveability and sustainability goals. It is concerning, however, that the NSW Government's planning reform agenda is progressively eliminating councils' ability to champion these goals in their respective districts. The NSW Department of Planning & Environment's (DP&E's) current proposals for the Medium Density Housing Code and Education SEPP are two examples.

While the draft District Plans are considered a good first step and LGNSW supports the strategic intent, we have concerns about the potential for other planning mechanisms such as priority precincts, collaboration areas and the use of planning proposals as long term planning tools because they could undermine the intent of having a strategic plan. LGNSW is also concerned about the draft plans' reliance on proposals for widespread expansion of complying development (including medium density) to deliver housing targets, because it could compromise the delivery of other key liveability goals such as 'creating great spaces'.

As a general observation, the plans could be made more accessible if they were shorter and more succinct. In addition, there is not a clear line of sight between the priorities and actions. Every priority should be linked to relevant, deliverable and measurable actions (with timeframes and responsibilities). In their current form, many of the actions are vague and broad and cannot be easily measured or reported against. The risk is that the plans will be ineffective and it will be difficult to monitor progress/achievements against them unless the actions have measurable outputs and timeframes.

LGNSW's submission does not comment on the content of individual draft District Plans and should be read in conjunction with council submissions, which provide detailed analyses and perspectives based on local expertise.

LGNSW has indicated the elements of the District Plans which it supports and made recommendations on areas which require further information or clarity. LGNSW's 28 recommendations are summarised overleaf and are discussed in greater detail in the submission. The key recommendations relate to:

- implementation, roles and responsibilities;
- next steps and how local government will be involved in implementation;
- clarification and refinement of actions to align with priorities;
- further development of key policy areas, such as value uplift, protecting employment lands and affordable rental housing targets; and
- upfront infrastructure delivery to support growth targets.

The exhibition of the draft District Plans is the first opportunity for local government to formally comment on the approach to the GSC's proposed revision of the metropolitan-wide plan known as *A Plan for Growing Sydney*, which contains the proposed 'three-cities' concept and a reconsideration of the policy approach to centres. LGNSW seeks clarification about the consultation planned by the GSC during 2017 on this new strategic approach and urges the GSC to consult with local government early when developing the revised version of *A Plan for Growing Sydney*.

LGNSW appreciates the opportunity to put this submission to the GSC.

## Summary of LGNSW recommendations

- 1) *GSC should clarify the role of District Commissioners in delivering the District Plans.*
- 2) *GSC should develop a structured framework to facilitate cooperation between the Commission, state agencies and councils so that the priorities and actions of the District Plans can be achieved.*
- 3) *GSC should clarify what formal mechanisms will be established through which councils will have ongoing dialogue and involvement with the GSC as the plans are delivered.*
- 4) *The GSC's implementation plan should form part of the final District Plans and must contain detailed actions, responsibilities and timeframes relevant to all agencies.*
- 5) *The NSW Government should empower the GSC to demand whole-of-government delivery and clarify the hierarchy and roles of other plans and instruments, as well as the responsibilities of their respective delivery/planning agencies.*
- 6) *The final District Plans will need to clarify what will be required of councils with regard to:*
  - *Aligning their CSP with the various levels of strategic land use plans;*
  - *Updating their LEPs; and*
  - *Preparing the proposed Local Strategic Planning Statements.*
- 7) *The GSC and DP&E should work with the Office of Local Government (OLG) together with councils, to better integrate councils' community engagement strategies to specifically address land use issues.*
- 8) *The draft District Plans should be amended to include assessment criteria for determining 'strategic merit'.*
- 9) *The draft District Plans should discourage proponent led planning proposals that are inconsistent with recently updated local planning strategies, unless it can be demonstrated that a proposal would provide a significant public benefit (other than simply providing more housing).*
- 10) *The GSC should provide urgent clarification and direction on the funding mechanisms for local and district infrastructure, such as creating greater flexibility for section 94A contributions, and taking action to apply value capture as a funding mechanism as part of approval of any planning proposals/up-zonings associated with current urban renewal projects.*
- 11) *The GSC should clarify its intended consultation strategy for finalising the District Plans and 'A Plan for Growing Sydney', including the measures to be taken to consult with elected councillors and the newly elected councils post-September 2017.*
- 12) *The GSC should carefully consider the feedback from councils on the proposed redefined hierarchy for centres and consult with local government when developing the revised version of A Plan for Growing Sydney.*
- 13) *The GSC should review all of the actions in the draft plans and refine and tighten the wording so that they align with the priorities and can be easily measured and reported against.*
- 14) *As a matter of priority, the GSC should develop a policy framework and tools to enable councils to make informed decisions that will protect (where appropriate) and grow existing employment and urban services land.*
- 15) *The final District Plans should include meaningful actions and targets aimed at achieving great places – targets for liveability about the social, open space, public transport, education, health and employment needs required to support the forecasted population growth.*

- 16) *Councils should be afforded the opportunity to identify the preferred locations for medium density housing through their local planning strategies, rather than imposing a blanket medium density housing code.*
- 17) *The GSC must develop the 20 year housing targets in collaboration with councils, and clarify the assumptions and programs underpinning them.*
- 18) *The delivery of the housing targets should be staged to ensure they align with the delivery of upfront infrastructure by the NSW Government.*
- 19) *The GSC should work collaboratively with LGNSW, councils and the relevant state and housing bodies to develop an appropriate methodology and mechanisms for devising affordable housing targets and appropriate mechanisms that could be applied at a district and local level.*
- 20) *The GSC should:*
  - a) *work collaboratively with councils and OEH to develop water quality and ecosystem health criteria that are relevant to most stakeholders and are cost effective to measure; and*
  - b) *ensure ongoing technical analysis of combined monitoring results.*
- 21) *The GSC should work collaboratively with councils and relevant state agencies to undertake a regional scale assessment of biodiversity and identify threatened species and ecological communities to be protected, as well as identifying areas where other management tools (such as incentive programs, offsets, etc) maybe appropriate.*
- 22) *The GSC should include consideration of funding mechanisms that councils can implement to achieve greater connectivity in the Green Grid, such as use of financial incentives for the delivery of connections or mandated minimum standards that are supported by mechanisms that councils can easily implement to achieve Green Grid connectivity.*
- 23) *The draft District Plans should be amended to include an action to identify partnership opportunities with other government agencies (such as the Department of Education and National Parks and Wildlife Services) to create new district open space.*
- 24) *The draft District Plans should be amended to include an action requiring regional road agencies to review their policies on street trees, with the aim of increasing opportunities to extend the urban canopy where feasible along these corridors.*
- 25) *The GSC should work collaboratively with LGNSW, councils and the relevant state agencies to coordinate a holistic planning strategy for the Metropolitan Rural Area to avoid ad-hoc planning outcomes resulting from site specific planning proposals.*
- 26) *The GSC must provide greater leadership with regard to waste infrastructure solutions, by ensuring that:*
  - *Waste management and supporting transportation infrastructure is strategically planned for through the district plans, providing adequate capacity, low impact transportation and improved recycling opportunity for all streams of waste for all of Sydney.*
  - *The District Plans are amended to ensure strategic waste planning is carried out in collaboration with local government.*
  - *The final District Plans make reference to the NSW Environment Protection Authority's 'Better Practice Guide for Waste Management in Multi-unit Dwellings'.*
- 27) *The GSC replace the reference to C40 (Carbon Disclosure Protocol) requirements with the Global Protocol for Community-Scale Greenhouse Gas Emission Inventories.*
- 28) *The GSC should work collaboratively with LGNSW, councils and the relevant state agencies to reduce climate risks to the community through planning controls that consider appropriate design and material selection for a changing climate.*

## Opening

Local Government NSW (LGNSW) is the peak body for local government in NSW, representing NSW general-purpose councils, associate members including special-purpose county councils, and the NSW Aboriginal Land Council. LGNSW facilitates the development of an effective community based system of local government in the State.

LGNSW welcomes the opportunity to make a submission on the draft District Plans and on the amendments to the overarching metropolitan plan contained within *Towards our Greater Sydney 2056*.

## Purpose

This submission is a response to the Greater Sydney Commission's (GSC's) request for feedback on the six draft District Plans for Sydney and on *Towards our Greater Sydney 2056* which proposes an amendment to the existing metropolitan plan for Sydney known as *A Plan for Growing Sydney*.

This submission is structured in three sections:

- Section A provides general comments on metropolitan and district planning and highlights key concerns for local government;
- Section B contains a response to *Towards our Greater Sydney*; and
- Section C contains comments on the main components of the draft District Plans.

The submission does not comment on the content of individual draft District Plans; this is a matter for councils in each district. LGNSW comments on overarching matters for local government across all districts. Therefore, the submission should be read in conjunction with councils' submissions, which provide detailed analyses, expertise and views relevant to specific districts and local areas.

## Background

LGNSW understands that councils have provided technical input to date and that the GSC undertook an initial phase of community and stakeholder engagement during 2016 to support the development of the draft District Plans.

Since the GSC commenced in January 2016, council staff have provided valuable information and insights to the District Commissioners through various communication and consultation channels. Prior to this time and long before the GSC was announced, councils worked with the NSW Department of Planning and Environment (DP&E) in the early preparation of what was then known as 'sub-regional plans' for Sydney.

This submission has been informed by consultation with LGNSW's member councils and a targeted workshop held in February 2017 with 21 Sydney councils to discuss the draft District Plans.

The input of elected councils following the September 2017 local government elections will be vital.

## Section A: General comments

### 1. Support for metropolitan-wide planning

LGNSW supports the overall approach and philosophy of metropolitan-wide planning (through *A Plan for Growing Sydney*) as this approach involves an integrated and coordinated long term strategic plan for greater Sydney. The problem with previous metropolitan strategies has been a lack of deliverable actions, monitoring and evaluation and a failure to effectively align land use planning with guaranteed infrastructure delivery.

With the establishment of the GSC, local government is cautiously optimistic about a new approach to metropolitan planning, where planning, expenditure and upfront delivery of infrastructure by state agencies are aligned with meeting the growth and land use targets that have been identified in the District Plans. However, for the GSC to differentiate itself from its predecessors, it will need to be appropriately resourced, have the authority and mechanisms to coordinate the relevant state agencies to integrate land use and infrastructure planning, and actively review and monitor delivery of the District Plans.

### 2. Importance of local government

Despite the perception that local government opposes growth, this is not the case. The level of development that is occurring across Sydney currently is evidence that councils have been planning for future growth – routinely consulting with their communities, reviewing strategies, and up-zoning land which now is being developed at unprecedented rates. However, the impacts of many planning decisions are felt locally and for this reason local government must continue to be fully involved in, and lead, land use planning at the local level. Democratically-elected local government plays an important role in representing the community views in planning processes and it provides a vital governance framework that should be respected.

Councils are nominated as the lead agency or partner for some 20 actions common to all District Plans, giving local government responsibility for delivery of certain key productivity, liveability and sustainability goals. It is concerning however, that the NSW Government's planning reform agenda is progressively eliminating councils' ability to champion these goals in their respective districts. The NSW DP&E's current proposals for the Medium Density Housing Code and Education SEPP are two examples.

Councils have a wealth of local and district knowledge about what is happening 'on the ground' and an important role in providing a local voice to create amenity and liveability in the places and spaces of their local areas. For this reason, local government must be treated as a real partner in the district planning process, not just another stakeholder making submissions during the public exhibition phase. Having a District Commissioner chosen by councils for each district is a good start, however it is unclear how they will engage with councils in implementing the District Plans and what the future role of the District Commissioners will be in ongoing implementation.

#### **Key/outstanding questions:**

- What mechanisms will be in place for councils, as lead agencies and partners, to have ongoing dialogue with the GSC on the implementation of District Plans?
- What is the role of the District Commissioners during implementation/delivery?
- What will the role of the District Commissioners be, beyond the development of the final District Plans?

### **LGNSW Recommendations**

- 1) GSC should clarify the role of District Commissioners in delivering the District Plans.
- 2) GSC should develop a structured framework to facilitate cooperation between the Commission, state agencies and councils so that the priorities and actions of the District Plans can be achieved.
- 3) GSC should clarify what formal mechanisms will be established through which councils will have ongoing dialogue and involvement with the GSC as the plans are delivered.

## **3. Governance and implementation**

### **a) Whole-of-government commitment and coordination**

The GSC is one of many agencies with a role in land use planning and development across the metropolitan area<sup>1</sup>, and (as discussed further below) the District Plans are one of a multitude of policy and strategic planning documents currently driving Sydney's development<sup>2</sup>. With the unprecedented amount of development under way across Greater Sydney, we are already seeing 'strategic plan clutter', with overlap and confusion about roles and responsibilities. The GSC's principal objectives, set out in the *Greater Sydney Commission Act 2015*<sup>3</sup> lay the foundation for its leadership of metropolitan planning. Whole-of-government coordination is one of the Commission's most important functions in this framework.

With one of its principal objectives being "to promote the alignment of Government infrastructure decision-making with land use planning"<sup>4</sup>, it is incumbent on the GSC to ensure that the state agencies responsible for planning and for infrastructure provision work together to ensure the timely and upfront provision of infrastructure to support growth.

Securing whole-of-government commitment and support for the District Plans, delivering and implementing actions, and monitoring and reviewing progress will be key success factors for the GSC to deliver on its statutory objectives. The following undertakings are a step in the right direction:

- The GSC's intention to prepare an implementation plan covering all relevant actions in the District Plans, which will identify target outcomes, actions, timeframes, quantitative KPIs and responsibilities, and accountabilities and reporting mechanisms.<sup>5</sup>
- Commitment to a 5-yearly formal review of the District Plans.<sup>6</sup>

The GSC requires local government to review and amend its local plans to suit the district plan "as soon as practicable". Conversely, the process of integrating and aligning the activities of state agencies with the direction of the District Plans is notably less clear.

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<sup>1</sup> Other key state agencies with a major stake in planning, development and/or infrastructure include: DP&E, UrbanGrowth NSW, NSW Treasury, Infrastructure NSW, Transport for NSW, NSW Department of Education, and Office of Environment and Heritage.

<sup>2</sup> For example: Priority growth areas and precincts covering 14 local areas

(<http://www.planning.nsw.gov.au/Plans-for-your-area/Priority-Growth-Areas-and-Precincts>)

<sup>3</sup> *Greater Sydney Commission Act 2015*, section 9

<sup>4</sup> *Greater Sydney Commission Act 2015*, section 9(c)

<sup>5</sup> Draft District Plan Information Note 5 - Priorities and Actions, p 2

<sup>6</sup> Refer to section 1.2 of the draft District Plans

**LGNSW Recommendation**

- 4) *The GSC's implementation plan should form part of the final District Plans and must contain detailed actions, responsibilities and timeframes relevant to all agencies.*

**b) The role of District Plans**

The draft District Plans set out to provide a twenty year vision however, the statement that “District planning must also consider priorities identified by the Minister for Planning and other relevant plans, strategies and NSW Government policies”<sup>7</sup> is of considerable concern to local government. This begs the question: Will the District Plans be a true reflection of the vision for their areas, or are they merely a document which articulates and reflects the priorities of the NSW Government as they change from time to time? Will the District Plans, together with the metropolitan-wide *A Plan for Growing Sydney*, be genuine high level/guiding plans or do they run the risk of being another example of failed strategic plans, with their long-term vision and goals being overridden by the short term agenda of the government of the day?

Councils are expected to prepare local housing strategies to deliver the District Plans, yet there are ad hoc proposals occurring outside of this framework – priority precincts on multiple fronts, a barrage of planning proposals and wholesale policy changes under consideration by the DP&E – that are confusing and compromise long term strategic planning. The continued reliance on priority precincts and collaboration areas to deliver growth outcomes outside of the strategic vision set by the District Plans has the potential to undermine the strategic direction of the plans, compromise certainty and erode public confidence.

In this current climate of ad hoc development, the purpose, scope and relationship of the District Plans with other strategic planning documents must be clearly articulated, understood and respected.

Ideally, priority precincts would reflect areas that have been identified by councils in their local housing strategies, consistent with the District Plans, rather than a parallel process outside the housing strategy. Relevant councils must be consulted well before the NSW Government makes announcements about new priority precincts and other major projects. However, as discussed earlier in this submission, it is unclear which of the primary agencies involved in urban development – GSC, DP&E or UrbanGrowth for example – would have responsibility to engage with councils in the process.

Another concern of local government which has been raised by LGNSW in separate submissions on the draft Medium Density Housing Code, draft Education SEPP and the proposed amendments to the EP&A Act is whether the widespread expansion of complying development will override liveability goals in the District Plans. The reliance on blanket expansion of complying development for medium density to deliver housing targets would remove the ability for councils and communities to determine important location and design considerations for these types of development. This may compromise the delivery of key liveability goals in the plans such as ‘creating great spaces’.

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<sup>7</sup> Refer to section 1.1 Role of district planning in each draft District Plan

**Key/outstanding questions:**

- How are all the precinct plans being rationalised/managed/coordinated with the District Plans?
- Is the GSC sufficiently empowered to direct all relevant government agencies?
- Will the Medium Density Housing Code (i.e. the ‘missing middle’) and other SEPPs override what is in the District Plans?

**LGNSW Recommendation**

- 5) *The NSW Government should empower the GSC to demand whole-of-government delivery and clarify the hierarchy and roles of other plans and instruments, as well as the responsibilities of their respective delivery/planning agencies.*

## 4. Interface with local planning

### a) Implications for local planning/community strategic plans

Councils are expected to update their local environmental plans (LEPs) “as soon as practicable” to reflect the twenty year vision set by District Plans. Councils will also be required in future – under proposed changes to the EP&A Act – to review their LEPs regularly. This should obviate the reliance on planning proposals in future. However, local government requires more information about the expected timeframe and triggers for councils to update their LEPs and what support will be available through this process. The reality of forced amalgamations – and the prospect of more – will add another dimension for many Sydney councils to consider as they update and integrate their local plans.

The strategic planning framework within which local government operates is becoming increasingly complex and potentially conflicted. On the one hand, local government has a statutory obligation under the *Local Government Act 1993* to undertake a community strategic planning (CSP) process, with a ten-year planning cycle (with review at the end of each four year term). This well-accepted consultative process involves councils consulting their citizens about the type of community they want to live in and what services they want, including whether council can provide this at all and what it might cost them (e.g. through increased rates).

On the other hand, a proposal is currently under consideration that would require councils to prepare a Local Strategic Planning Statement (LSPS) to:

“explain how the council will give effect to regional and district plans in its local area, having regard to any community strategic plan under the Local Government Act 1993”.<sup>8</sup>

The supporting documentation for the EP&A Amendment Bill states that the local strategic planning statements:

- “will need to be consistent with regional and district plans”<sup>9</sup>;
- “will incorporate and summarise land use objectives and priorities identified through the council’s Community Strategic Plan process”<sup>10</sup>; and

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<sup>8</sup> Planning Legislation Updates – Bill Guide, January 2017, p 9

<sup>9</sup> Ibid, p 11

<sup>10</sup> Planning Legislation updates – Summary of proposals, January 2017, p 10

- would be refreshed every five years.

Within this hierarchy of plans (state, metropolitan, district/regional and local) which requires each plan to be consistent with the one above it, there is an inherent conflict in reconciling the top-down approach with the idea of empowering communities to have a say about what they would like to see in their local areas. LGNSW questions how the plans at the regional and subregional levels will effectively be able to include the community's input when the plans are being driven from the top down. Councils may find themselves conflicted when aligning their capital programs to meet the outcomes of both the community strategic planning process and overriding goals of the District Plan. Strategic decisions on local land use must be guided by the objectives/outcomes identified through the community strategic planning process.

#### **LGNSW Recommendation**

- 6) *The final District Plans will need to clarify what will be required of councils with regard to:*
  - *Aligning their CSP with the various levels of strategic land use plans;*
  - *Updating their LEPs; and*
  - *Preparing the proposed Local Strategic Planning Statements.*
- 7) *The GSC and DP&E should work with the Office of Local Government (OLG) together with councils, to better integrate councils' community engagement strategies to specifically address land use issues.*

#### **b) Planning proposals**

In recent years, the local planning landscape has been dominated by planning proposals. Councils are facing enormous pressure to rezone land for higher order residential use or from non-residential uses such as rural and employment land to residential.

The District Plans are supposed to be strategic plans which provide some certainty and direction for local planning and decision-making. Local government sees this as one of the benefits of the district planning framework. Yet embedded in the plans is an underlying presumption that planning proposals will remain an acceptable and on-going approach. Local government rejects this premise. Certainly, councils concede that until LEPs are updated and local housing strategies developed, the District Plans can help inform planning proposals, but as discussed earlier in this submission, the reliance on planning proposals as a long term planning tool entirely undermines the intent of having a strategic plan and the outcomes realised. The District Plans should explicitly discourage proponent-led planning proposals that are inconsistent with recently updated local planning strategies, unless it can be demonstrated that a proposal would provide a significant public benefit (other than simply providing more housing).

DP&E identified the need for a strengthened strategic merit test in its Rezoning Review and articulated this test in its updated *Guide to preparing planning proposals* (August 2016). Councils are looking to the District Plans to give more rigour to assessing 'strategic merit' for planning proposals. However, the draft plans provide little guidance in relation to determining whether a planning proposal is consistent.

#### **LGNSW Recommendations:**

- 8) *The draft District Plans should be amended to include assessment criteria for determining 'strategic merit'.*
- 9) *The draft District Plans should discourage proponent led planning proposals that are inconsistent with recently updated local planning strategies, unless it can be demonstrated that a proposal would provide a significant public benefit (other than simply providing more housing).*

## 5. Infrastructure provision and funding

Upfront infrastructure provision and funding is possibly the single greatest concern of councils faced with accommodating significant population growth targets over the next 20 years. Infrastructure provision and funding is not a new issue for councils, but the dramatic population increase combined with the District Plans' far-reaching aspirational goals for productivity, sustainability and liveability, are a challenging mix for both state and local government.

There are four key issues for councils in relation to infrastructure provision:

### a) Current infrastructure deficit

While many existing areas may have the benefit of established infrastructure, this is now nearing or above capacity in some areas and many councils are already facing infrastructure renewal backlogs. Councils are concerned that further intensive housing increases will exacerbate the problem. Many councils simply cannot support additional growth and meet the liveability targets, while already challenged by an infrastructure deficit.

### b) The need for certainty

In responding to successive metropolitan strategies, local government has called for mechanisms that would give these plans the 'teeth' to coordinate and direct agencies' expenditure programs to meet growth and land use demands upfront. Councils have found themselves entering into agreements for urban activation precincts in their areas, only to find that the promised state-funded infrastructure to support this growth has been reduced or withdrawn, or provided far too late. Councils are being left with the legacy of poor infrastructure investment in growth areas.

### c) Supporting growth with adequate infrastructure capacity

While the District Plans contain discussion about 'aligning land use planning and infrastructure' and recognise the importance of infrastructure funding<sup>11</sup>, the question that is yet to be fully answered or understood is how these will be integrated and delivered in the District Plans' implementation.

LGNSW acknowledges that some actions are proposed in the District Plans to assist this alignment, such as a cross-agency Infrastructure Delivery Committee and the Annual Infrastructure Priority List. However, it is unclear what mechanisms the GSC will use to link the plans' growth targets with coordination and actual agency expenditure. There needs to be further details on what forms of infrastructure the Annual Infrastructure Priority List will include. Local government maintains a one-year priority list is inadequate, and a 5 year infrastructure priority list is needed at a minimum.

From local government's perspective, a major priority is to ensure that the District Plans include approved and funded infrastructure growth plans to integrate and phase infrastructure construction by the NSW Government together with housing and employment delivery by councils. This is critical to address the risk that development occurs without the necessary infrastructure as has occurred in the past. Any new growth area should only

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<sup>11</sup> Refer to sections 1.2.2 and 1.2.3 of the draft District Plans

proceed on the basis of an agreement to incorporate the upfront provision of state infrastructure. This is vital if the GSC and the NSW Government are serious about accommodating the unprecedented levels of growth whilst meeting the liveability, sustainability and productivity goals in the District Plans.

#### **d) Funding sources**

What has been missing from metropolitan planning to date is a committed and funded implementation plan to deliver the overarching strategies in a timely, consistent and financially sound manner. The traditional range of infrastructure funding mechanisms – federal funding; state infrastructure contributions; local infrastructure investment; local (section 94) development contributions and voluntary planning agreements (VPAs) – are inadequate or not sufficiently flexible to meet growth needs. Councils are facing a funding gap, particularly with regard to funding important liveability facilities like open space.

There is very little in the draft District Plans about alternative funding mechanisms. However, it is pleasing to see that they introduce the concept of value capture<sup>12</sup>. This at least is acknowledgement by the GSC that public investment and policy changes (such as those proposed in the draft District Plans) generate enormous value uplift, and that windfall gains can and should be shared more widely with the community. However, the draft plans do not go far enough, they make no commitment to this mechanism as a viable and necessary funding option to support delivery of the District Plans. The GSC states that this is subject to further work but this is not reflected as an action in the draft plans and there is no timetable for completion of this work.

Councils see value capture as critical to obtaining sufficient funding for much needed infrastructure, especially in renewal areas, and many are advocating for value capture mechanisms other than VPAs to be developed and finalised urgently. To prevent market uncertainty over future land value uplift, this needs to happen before planning proposals are prepared.

This is an urgent policy matter not for only the GSC but the NSW Government as a whole. Value capture is a potential funding mechanism alongside the more traditional measures that needs to be in legislation to ensure consistency. Local and state governments will be powerless to deliver on the goals of the plans in a timely manner unless alternative and fair funding measures are adopted.

LGNSW would like more details about how the GSC proposes to “work across government on the amount, mechanisms and purpose of value sharing to create a more consistent approach to capturing value for public benefit, complementary with other existing mechanisms.”<sup>13</sup>

***Key/outstanding questions:***

- What forms of infrastructure will the Annual Infrastructure Priority List include? Will it address state as well as local infrastructure? Who will endorse it? What exactly will its role be? How will it be implemented?
- What action will be taken to capture value uplift?

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<sup>12</sup> Refer to section 1.2.3 of the draft District Plans

<sup>13</sup> Ibid.

**LGNSW Recommendation:**

10) *The GSC should provide urgent clarification and direction on the funding mechanisms for local and district infrastructure, such as creating greater flexibility for section 94A contributions, and taking action to apply value capture as a funding mechanism as part of approval of any planning proposals/up-zonings associated with current urban renewal projects.*

## 6. Consultation

The GSC has developed the six draft District Plans “in consultation with State agencies, the community and with technical input from councils”<sup>14</sup>. LGNSW understands there has been no formal input from elected councillors. With 14 Sydney councils having been dissolved in May 2016 and replaced with 6 new councils currently under administration, the opportunity for input from democratically elected local representatives across the metropolitan area has been unduly impeded.

LGNSW therefore welcomes undertakings by the GSC that the draft District Plans will not be finalised until the end of 2017, which would “provide the opportunity for newly-elected councillors to amalgamated councils to comment”<sup>15</sup>. It is also noted that the plans will need to allow time to align with the review of *A Plan for Growing Sydney*. It is unclear however, what consultation is envisaged for the review of *A Plan for Growing Sydney* and what formal or other consultation measures will be used to invite/provide for the newly elected councillors to have input.

It should be noted that a number of Sydney councils still have amalgamations pending subject to a court decision and election dates for those councils remains uncertain either way.

**Key/outstanding questions:**

- What is the process and timeframes for finalising the District Plans?
- How will the GSC involve the newly elected councillors in finalising the plans? Will there be a formal request for input? Or a casual opening for councillors to ‘have their say’?

**LGNSW Recommendation:**

11) *The GSC should clarify its intended consultation strategy for finalising the District Plans and ‘A Plan for Growing Sydney’, including the measures to be taken to consult with elected councillors and the newly elected councils post-September 2017.*

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<sup>14</sup> Refer to section 1 (Introduction) of the draft District Plans.

<sup>15</sup> Refer to section 1.3 of the draft District Plans.

## Section B: Towards our Greater Sydney 2056

Part 2 of the draft District Plans is a key contextual element as it establishes the ‘three cities concept’ for the metropolitan area as a whole. This is the first opportunity for local government to be able to formally comment on this revised approach to the metropolitan strategy known as *A Plan for Growing Sydney*. It is not clear what further consultation is planned by the GSC to get feedback on this new strategic approach.

The idea of the ‘three cities’ at least offers an overarching strategic framework which, unlike previous metropolitan strategies, recognises and plans for the prospect of a second Sydney airport. However, the three cities framework hinges wholly on the delivery of this substantial infrastructure commitment and is heavily reliant on an untold effort of coordination, funding and commitment from all three spheres of government. A concern of local government is the question of matching the necessary level of investment in infrastructure supporting this new airport to the needs of this emerging ‘western city’. As past experience shows, it is challenging enough to coordinate state agencies to deliver on strategic priorities, let alone to be able to effectively influence, coordinate and align the delivery timetables of federal agencies. It is also unclear how the Western Sydney City Deal will be implemented in practice and what involvement local government will have.

LGNSW also notes that the GSC is proposing a new hierarchy of centres which redefines centres down to a simplified hierarchy of three types: strategic, district and local. This represents a significant shift in the policy approach to centres away from that which has been traditionally contained in *A Plan for Growing Sydney* and it is the first opportunity that councils have had to formally respond to this revised policy approach. LGNSW urges the GSC to consider carefully the feedback from councils about this reconsideration of the approach to centres, and consult further with local government when developing the revised version of *A Plan for Growing Sydney* for public consultation.

**LGNSW Recommendation:**

12) *The GSC should carefully consider the feedback from councils on the proposed redefined hierarchy for centres and consult with local government when developing the revised version of A Plan for Growing Sydney.*

## Section C: Specific comments on draft District Plans

### 1. General comments on content, length of draft plans

The content and background information contained in the draft District Plans has been generally well-received by councils. Councils acknowledge that there is a good deal of background data and research in some sections.

While the details about context and background information are valuable, much of the material in each plan (e.g. parts 1 (Introduction) and 2 (Greater Sydney Vision) of the district plans) is generic and may benefit from being placed in a separate stand-alone document that sets context for the plans, rather than within each draft District Plan itself.

While the background material and research should not be lost, the plans could be made more accessible if they were shorter and more succinct. As strategic documents the plans inherently contain some high level aspirational statements which are common across all districts, but they would benefit from systematic editing to articulate the vision unique to their district and define the priorities and actions more clearly.

### 2. Priorities & Actions

The plans contain some position statements from the GSC that have been well-received by local government. In particular, councils welcome the direction that is contained in the draft plans for protecting employment lands, capturing land value uplift, and introducing targets for affordable housing. However, the key strategies and actions fall way short in delivering on these important policy directions to achieve the outcomes of the plans.

A number of the actions contained in the plans are either vague or lack detail, while others are not sufficient in and of themselves to deliver on all the priority areas of the plans. In their current form, it is difficult to clearly see a line of sight between the priorities and actions in the draft plans. Greater scrutiny is required of every priority to ensure that each is linked to specified relevant, deliverable and measurable actions. This could be further assisted with use of a table or matrix that clearly shows which actions support each priority.

There is also a need to ensure that each action has clear accountabilities for delivery in terms of the agency responsible and clearly agreed timeframes and funding commitments. The actions also need to be further refined and tightened so they have measurable outputs. In their current form, many of the actions cannot be easily measured or reported against. This risks the plans being ineffective and progress/achievements being hard to monitor.

A detailed implementation plan should be agreed and committed to by state agencies for delivery of the priority infrastructure for the region including clear funding mechanisms, delivery timetables and responsibilities.

The monitoring and reporting framework is also unclear. One of the downfalls of previous metropolitan strategies was there was no follow-through with implementation. The GSC's intention to develop a monitoring and reporting framework for the District Plans is noted.

#### ***LGNSW Recommendation:***

*13) The GSC should review all of the actions in the draft plans and refine and tighten the wording so that they align with the priorities and can be easily measured and reported against.*

### 3. Productive City

LGNSW supports the emphasis on employment and jobs and the utopian concept of the 30-minute city giving an increased proportion of people easier access to jobs. LGNSW defers to councils' individual submissions for specific comments in relation jobs and accessibility within and around strategic district and local centres in their areas. Councils also have specific views about the redefinition of centres which the GSC must fully consider.

The GSC has replaced the term 'employment land' with 'employment and urban services land'. The intention is to reflect the evolving nature of employment areas, the jobs and economic activity they generate, and the way they support urban areas and industries. Local government would like more clarity about what is intended under this new terminology.

With regard to planning for job targets in the draft plans, it must be recognised that realising these targets will be largely a factor of market forces. Councils can provide for and facilitate employment by securing strategically placed employment and services land but they can't make jobs appear. Job targets can be notional at best, because any significant interventions to generate employment will require economic levers and incentives which are outside the scope of local government and the GSC. Actions will be needed by government to consolidate the hierarchy of centres and to assist with financial incentives to attract businesses, for example relocation of government/public sector headquarters to nominated centres.

Many Sydney councils are experiencing significant housing growth and for some, the pressure to convert existing employment lands for residential development is already high and is growing. Local government welcomes the inclusion of a precautionary approach to rezoning employment and urban services land in the draft District Plans. However, there will need to be strong policy support from the GSC to assist councils in preserving this land given the intense pressures to zone it for alternative land uses.

All six draft District Plans contain an action to undertake further investigations that will "develop a better understanding of the value and operation of employment and urban services land"<sup>16</sup>. This is welcomed by local government and must be a priority for the GSC. This research should include the development of a policy framework that would equip councils with the tools necessary to make informed decisions that will protect (where appropriate) and grow existing employment and urban services land.

***LGNSW Recommendation:***

*14) As a matter of priority, the GSC should develop a policy framework and tools to enable councils to make informed decisions that will protect (where appropriate) and grow existing employment and urban services land.*

### 4. Liveable City

#### a) Liveability outcomes

Liveability is one of the core principles of the draft District Plans, and LGNSW and councils welcome the priority of 'creating great places' which is common to all the District Plans<sup>17</sup>.

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<sup>16</sup> Refer to *Draft District Plan Information Note 5 - Priorities and Actions*, p 18

<sup>17</sup> Refer to section 4.2 Liveability priorities in each draft District Plan

Good design and planning is all about creating places that people live which are close to public transport, high quality open space and other community facilities, easy to move around sustainably (walking, cycling), and in close proximity to meaningful work. Local government has an important role to play at the local level. Councils need to manage the impacts of additional growth on the liveability of their existing communities while at the same time meeting liveability expectations for vast new populations within their local areas. As the population increases significantly, negative externalities such as congestion and demand for at-capacity facilities need to be managed, planned for and properly funded. The challenge of ‘creating great places’, as discussed earlier in this submission, is that councils have no readily available funding mechanisms to meet this expectation.

While liveability is an overarching priority, the draft plans lack detailed liveability targets. Councils are under pressure to meet housing targets, yet while the draft plans pay a lot of attention to quantifying future housing targets, they fail to be specific about other liveability indicators – the social, open space, public transport, education, health and employment needs required to support the projected population growth. This significantly weakens the plans’ ability and commitment to deliver on important liveability outcomes.

**LGNSW Recommendation:**

15) *The final District Plans should include meaningful actions and targets aimed at achieving great places – targets for liveability about the social, open space, public transport, education, health and employment needs required to support the forecasted population growth.*

## **b) Housing choice and diversity**

Local government is concerned that a lot is weighing on councils’ local housing strategies to achieve the District Plan goals for housing choice, supply, diversity and affordability. The draft plans identify medium density housing as a measure to deliver these outcomes, and LGNSW welcomes acknowledgement in the draft plans that “Councils are in the best position to investigate opportunities for medium density...”<sup>18</sup> However, as discussed earlier in this submission, it is concerning for local government that at the same time, the NSW DP&E is proposing radical changes to medium density developments with the short-sighted objective of accelerating the delivery of housing supply. The proposed Medium Density Housing Code would see these housing types (referred to as the ‘missing middle’) certified as complying development, bypassing councils’ local policies and pre-empting the requirement in the draft District Plans for councils to prepare local housing strategies which would identify the most appropriate locations for medium density housing in their areas.

LGNSW and many councils are opposed to the imposition of a blanket medium density housing code as proposed in the Medium Density Housing Code. This is clearly undermining local government’s planning role and could result in a proliferation of medium density development that is incompatible with its surroundings and is unable to be customised to address local impacts.

**LGNSW Recommendation:**

16) *Councils should be afforded the opportunity to identify the preferred locations for medium density housing through their local planning strategies, rather than imposing a blanket medium density housing code.*

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<sup>18</sup> Refer to information box under ‘Medium density infill development’ in draft District Plans

### c) Housing targets

Setting housing targets is supported by local government, provided the targets are evidence-based and linked to capacity, commitments and actual delivery of infrastructure. Having to meet a growing demand for housing is not new – councils have been contributing their share of meeting Sydney’s future housing needs over many years by integrating the population, housing and employment targets of previous metropolitan strategies into their LEPs. However, local government is understandably cautious about the ambitious housing targets contained in the draft District Plans. While supply is generally not an issue for most councils in the next 5 years, the challenge is enormous over the 5-20 year horizon. This is largely due to a lack of confidence about the corresponding infrastructure that is or will be available to support such development and the limited funding options open to councils to meet local needs. The experience of some councils in the past has seen them agreeing to support new development precincts in their local area, only to find that the State Government fails to deliver the necessary supporting infrastructure.

LGNSW cannot comment on the specific housing targets in each district or local government area – that is a matter for the individual councils and their districts. However, housing targets do raise some universal questions from the local government sector:

- How were the housing targets derived and why are they spread inequitably across the metropolitan area? It is unclear how the targets for each council have been determined by the GSC; there are few details about which state or local programs informed the housing targets. Without an understanding of the planning work underpinning the targets, councils question whether these targets will be feasible.
- What about social equity? What is fair and reasonable? The increased housing targets allocated to some areas are ambitious and unachievable without upfront infrastructure support from the NSW Government, while in other areas, they are appreciably lower and relatively straightforward to accommodate.
- How will the 20 year growth targets across the district and within each LGA be formulated? LGNSW urges the GSC to involve local government in an open and transparent process to determine these targets. This will also help councils communicate with their communities the need for more housing to accommodate a growing population.
- How will future growth be supported with infrastructure? This is an ongoing challenge for councils and one that leaves them understandably nervous about the growing infrastructure deficit in their local areas.
- What happens when the ‘targets’ are reached? The idea of a ‘target’ falsely raises community understanding that there will be no further development or growth pressure if they reach their ‘target’.

While local government agrees that having targets can assist with scoping its consultation with communities, councils will be nevertheless under tremendous pressure to review their areas and identify how they intend to achieve these targets. LGNSW awaits further details about how local government can work in partnership with the GSC to develop the housing targets and address other issues such as housing affordability.

***Key/outstanding questions:***

- How were the housing growth targets determined?
- Will there be consequences in the case of failure to achieve development targets established by State Government?

**LGNSW Recommendation**

- 17) *The GSC must develop the 20 year housing targets in collaboration with councils, and clarify the assumptions and programs underpinning them.*
- 18) *The delivery of the housing targets should be staged to ensure they align with the delivery of upfront infrastructure by the NSW Government.*

**d) Housing affordability**

LGNSW rejects the premise that increased housing supply will deliver housing affordability and faster development approval processes will increase housing. The NSW Housing and Planning Minister himself has acknowledged this, stating that even with increased levels of supply, it is unrealistic to expect Sydney's house prices to fall.<sup>19</sup> We still have an affordability issue, despite the fact, as stated in the draft District Plans that “dwelling approvals and completions are currently at their highest level in 16 years”<sup>20</sup>.

There is increasing recognition that the major factors contributing to Sydney's housing affordability crisis are beyond the influence of local government and are on the demand side. The drivers are many and varied including:

- high population growth supported by immigration
- Sydney's attraction as a global city
- high levels of foreign investment
- high levels of domestic investment
- the commodification of housing stock as a financial investment
- low interest rates and high credit availability
- tax incentives such as negative gearing.

**e) Affordable rental housing**

Councils have limited capacity to provide for affordable housing, however they can have an important role in identifying the retention and provision of affordable housing within the housing supply stream. LGNSW supports the retention and facilitation of opportunities for affordable rental housing as an integral part of strategic planning at both district and local planning level. We therefore welcome the inclusion of an affordable housing target in the draft District Plans. This is a good first step but councils are broadly of the view that it does not go far enough.

The market alone is unlikely to provide much of the required affordable housing in many areas, and this needs to be acknowledged in the draft District Plans.

Former NSW Liberal Premier Nick Greiner recently called for a “fairer plan for Sydney's housing affordability problem”, arguing the case for providing affordable market rental housing:

“It is now surely time to turn our minds to affordable housing, the market segment immediately above social housing, which largely escapes policy and political attention at all three levels of government. Particularly in Sydney – where the state's economic success and the record infrastructure spend over the next decade or more will underpin the rapid population growth – it is apparent that the Australian dream will increasingly be out of reach for people in the lowest 40 per cent of incomes. Or to put it another way given the NSW Intergenerational Report conclusion that the city's

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<sup>19</sup> The Hon. Anthony Roberts MP, NSW Minister for Housing and Minister for Planning, ABC Radio Sydney, 2 March 2017

<sup>20</sup> Draft District Plans, Section 4.3.2 Understand the Greater Sydney housing market and demand

population will double in 40 years, we must learn to find ways to do density well and to do it justly.

‘Value sharing’, or inclusionary rezoning, is one part of the solutions that state and local government should adopt. Value sharing is the inclusion of a percentage of affordable housing in new developments where development is contingent on government intervention through rezoning.

Conservative leaders should not be afraid to follow their counterparts overseas where global cities are instituting these policies. Boris Johnson in London has argued for a 30 to 50 per cent target, while Amsterdam has a 30 per cent goal. Various schemes with targets between 15 and 30 per cent were in place in New York under Mayor Michael Bloomberg, along with hundreds of cities across the United States and Europe...

...Value sharing, phased in and considered, can be integrated easily into the booming construction industry which is the basis of so much of Sydney's current prosperity.

While developers may not have an interest in publicly advocating for such a policy, their counterparts overseas are very used to integrating these policies into the feasibility of projects. With sufficient notice, value sharing need not impact on developers' bottom line at all.

Currently the gap between social housing and market rental is so great that there is a perverse incentive to stay in social housing. Affordable housing provides a step out of welfare dependency.”<sup>21</sup>

Further, and most importantly, the draft District Plans need to include tangible actions and mechanisms (including timeframes and responsibilities) that will ensure delivery of affordable rental housing at least to the minimum target level proposed in the plans.

There are four specific actions in the draft district plans<sup>22</sup> related to provision of affordable rental housing, and they are vague and unspecific to say the least:

- Independently assess need and viability
- Support councils to achieve additional affordable housing
- Provide guidance on Affordable Rental Housing Targets
- Undertake broad approaches to facilitate affordable housing.

The draft plans state the promised outcome of these actions is an “increase in affordable rental housing”, yet there are no timeframes and no indicators or measures.

There is an established history in the metropolitan area of councils seeking contributions for affordable housing as part of major urban renewal projects. This can be either in the form of monetary contributions or the dedication of completed land/dwellings for affordable rental housing. While the introduction of an affordable housing target for the first time is well-supported by local government, there is nothing in the draft plans on how this will work. This has been raised many councils. Before finalising the District Plans the GSC must:

- Consider the legal mechanisms available or needed to mandate affordable housing targets.
- Clarify whether the target will replace the SEPP (Affordable Rental Housing) 2009.

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<sup>21</sup> Greiner, N., ‘We need a fairer plan for Sydney's housing affordability problem’, *Sydney Morning Herald*, 27 July 2016

<sup>22</sup> Refer to *Draft District Plan Information Note 5 – Priorities and Actions*, p 19

- Clarify whether registered community housing providers will manage dwellings in perpetuity.
- Consider supporting at least 30% of all new housing created in priority urban renewal areas, large redevelopment sites and government land being affordable housing in perpetuity.

Local government has welcomed the focus on affordable housing but urges the NSW Government to develop a consistent framework which is reflected in the metropolitan plan and can be applied consistently across all six Sydney districts through the District Plans.

***LGNSW recommendation***

19) *The GSC should work collaboratively with LGNSW, councils and the relevant state and housing bodies to develop an appropriate methodology and mechanisms for devising affordable housing targets and appropriate mechanisms that could be applied at a district and local level.*

## **5. Sustainable City**

### **a) Protecting waterways**

Sydney's District Plans prioritise water quality and waterway health. The proposed action for the Office of Environment and Heritage (OEH) to recommend criteria for monitoring water quality and aquatic ecosystem health is welcomed, as this would provide a useful tool to assist with benchmarking and planning. Open access to the data is also important. LGNSW also notes that not all of Sydney's councils have the resources to undertake water quality monitoring or have the technical expertise to analyse data sets.

LGNSW agrees that the management of riparian corridors needs improving. Local government has resourced de-channelling, bank stabilisation, revegetation, gross pollutant traps and other water quality works through stormwater levies and grants programs such as OEH's estuary management program and the Environmental Trust's restoration and rehabilitation program, however the funding is still insufficient to meet the scope of works required. LGNSW is therefore supportive of statutory mechanisms for waterway health to be considered in planning and development controls.

***LGNSW recommendation***

20) *The GSC should:*

- a) work collaboratively with councils and OEH to develop water quality and ecosystem health criteria that are relevant to most stakeholders and are cost effective to measure; and*
- b) ensure ongoing technical analysis of combined monitoring results.*

### **b) Protecting and enhancing biodiversity**

LGNSW is supportive of the District Plans' priority to avoid and minimise impacts on biodiversity. Only when impacts cannot be avoided or minimised, should consideration be given to offsetting those impacts. Given the threats posed to biodiversity by development, it is critical to have a strong link between planning and environmental legislation.

Biodiversity is most appropriately managed in a regional context. A clearer identification of the areas to be protected needs to occur 'upfront' in the planning process to give clarity for all stakeholders. Continuing to make site-specific decisions can create cumulative losses across

Greater Sydney, and is an expensive and time consuming approach focusing on threatened species and not broader ecological values.

Strategic planning to identify areas earmarked for development or 'red flagged' areas where development should be avoided, would provide a clearer framework for all involved. A shift from site-specific assessment to regional scale assessment is only possible with good quality information. Such an approach should also identify targets for threatened species and ecological communities to be protected in perpetuity, and then consider approaches such as incentive programs, land conservation agreements, compensation, zoning changes, offsets and other management tools, to achieve multiple objectives in Greater Sydney. Resolving issues earlier in the development process would allow more certainty for all involved and minimise the need for expensive site-specific assessments. However, the current legislative frameworks do not provide an incentive to consider biodiversity values at the strategic stage. Biodiversity certification is too expensive for councils and there has been little uptake of this tool to date. The land management and biodiversity reforms may assist in this area, however we await the more detailed framework components (regulation, guidance) in order to understand the true implications.

**LGNSW recommendation**

21) *The GSC should work collaboratively with councils and relevant state agencies to undertake a regional scale assessment of biodiversity and identify threatened species and ecological communities to be protected, as well as identifying areas where other management tools (such as incentive programs, offsets, etc) maybe appropriate.*

**c) Green grid**

Local government supports the concept of the green grid as an organising structure for planning urban areas as it gives increased strategic focus on the importance of connected natural systems, open space and active transport links, and the urban tree canopy. However, the draft District Plans offer very little in the way of policy direction to support these priorities and fail to provide information on funding mechanisms necessary for open space land acquisition in order to deliver the green grid priorities. The action to 'Develop support tools and methodologies for local open space planning' for councils is unclear.

With the focus on accommodating Sydney's massive population increase over the next five to twenty years in multi-unit housing, open space provision at a regional, district and local level will be more critical than ever before. While the draft District Plans refer to NSW Government funding programs that can be used to extend and enhance open space as part of the green grid, these funds are only nominal when compared with the cost of providing new open space given the current market value of land. This will become an increasing problem for councils, with limited alternative funding mechanisms available. State funding support, for the purposes of land acquisition, may be required to address gaps in the regional open space network that forms part of the green grid.

For a truly networked green grid to be successful, the District Plans must introduce a strategic approach and the mechanisms to deliver the grid. The draft District Plans provide mechanisms to address funding shortfalls to deliver the green grid, and they also provide the ideal framework for bringing a whole-of-government approach to all aspects of the green grid – including connectivity, shared use of resources, and tree canopy cover – which could be better promoted. For example, in some districts, agencies such as the NSW Department of Education and National Parks and Wildlife Services manage large land holdings which could offer opportunities for new district open space such as sportsgrounds and indoor sports centres. In addition, transport agencies responsible for regional roads (e.g. Roads and Maritime Services) should be required to review their philosophy and policies on street trees.

Local government does not control the land within these corridors, and the priority to protect, enhance and extend the urban canopy in the draft District Plans should apply equally to these transport agencies as it does to councils.

**LGNSW recommendations**

- 22) *The GSC should include consideration of funding mechanisms that councils can implement to achieve greater connectivity in the Green Grid, such as use of financial incentives for the delivery of connections or mandated minimum standards that are supported by mechanisms that councils can easily implement to achieve Green Grid connectivity.*
- 23) *The draft District Plans should be amended to include an action to identify partnership opportunities with other government agencies (such as the Department of Education and National Parks and Wildlife Services) to create new district open space.*
- 24) *The draft District Plans should be amended to include an action requiring regional road agencies to review their policies on street trees, with the aim of increasing opportunities to extend the urban canopy where feasible along these corridors.*

**d) Metropolitan rural area**

The District Plans aim to discourage urban development in the Metropolitan Rural Area as agriculture and primary industries provide economic, environmental and social value. Local food production in the Sydney basin provides many benefits and underpins the resilience of the city. A project funded by OEH and LGNSW's Building Resilience to Climate Change program found there are enormous benefits to growing fresh food in the Sydney Basin.

The District Plans raise a number of considerations for relevant planning authorities to consider when planning for the Metropolitan Rural Area including clarifying what the future should be for rural lands to prevent speculation and protect against encroachment. A collaborative approach is required to provide a clear vision for the rural areas including an infrastructure plan to cater for existing and future development. If left to the individual planning authorities, site specific decisions will result in a cumulative loss of the Metropolitan Rural Area across Greater Sydney.

**LGNSW recommendation**

- 25) *The GSC should work collaboratively with LGNSW, councils and the relevant state agencies to coordinate a holistic planning strategy for the Metropolitan Rural Area to avoid ad-hoc planning outcomes resulting from site specific planning proposals.*

**e) Waste management**

As identified in the district plans, Sydney's waste management and supporting transportation infrastructure is under increasing pressure. In the Central district, for example, current access to recycling and appropriate disposal for materials (not covered by kerbside services) is extremely limited, such as for organics, bulky waste and problem wastes.

Although the district plans include an action to "identify land for future waste reuse and recycling"<sup>23</sup>, there is a lack of leadership in this area, and a more detailed and strategic approach is required to make real impact and deal with Sydney's future waste volumes. Sydney needs a strategically planned and integrated waste and recycling infrastructure

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<sup>23</sup> Refer to *Draft District Plan Information Note 5 – Priorities and Actions*, p 20

network which is developed with consideration to low-impact service provision and increased opportunity for recycling/reuse of all streams of waste in all districts.

While local government is the primary service provider of waste services to the Sydney community, local government has limited control over waste infrastructure planning. It is vital that local government is brought to the table in planning for Sydney's future waste infrastructure.

Further, in order to ensure the design-led planning principles of the district plans are fully articulated, further emphasis on waste planning at the precinct level is necessary. Particularly in new housing release areas and multi-unit developments, attention to delivering best practice waste management, including access and storage, is necessary. In this regard, reference to the NSW Environment Protection Authority's Better Practice Guide for Waste Management in Multi-unit Dwellings in the district plans would have a significant impact.

#### **LGNSW recommendations**

26) *The GSC must provide greater leadership with regard to waste infrastructure solutions, by ensuring that:*

- *Waste management and supporting transportation infrastructure is strategically planned for through the district plans, providing adequate capacity, low impact transportation and improved recycling opportunity for all streams of waste for all of Sydney.*
- *The District Plans are amended to ensure strategic waste planning is carried out in collaboration with local government.*
- *The final District Plans make reference to the NSW Environment Protection Authority's 'Better Practice Guide for Waste Management in Multi-unit Dwellings'.*

#### **f) Carbon emissions**

Sydney's District Plans state that the GSC will report annually on carbon emissions across Greater Sydney in accordance with the C40 (Carbon Disclosure Protocol) requirements. The C40 requirements rely on the Global Protocol for Community-Scale Greenhouse Gas Emission Inventories. The latter Protocol is more accessible to all councils as the City of Sydney is the only member of C40 in Greater Sydney.

#### **Key/outstanding questions:**

- As the Global Protocol is designed for local government, is there an expectation that councils will provide emissions data?
- How will GSC obtain the data to report on carbon emissions?

#### **LGNSW recommendation**

27) *The GSC replace the reference to C40 (Carbon Disclosure Protocol) requirements with the Global Protocol for Community-Scale Greenhouse Gas Emission Inventories.*

#### **g) Planning for a resilient Sydney**

The District Plans include actions to embed the NSW Climate Change Policy Framework into local planning decisions to improve energy efficiency, reduce carbon emissions and improve environmental performance. However, the other aspects of the Framework around adapting to climate change impacts should also be embedded into planning decisions. This could include water sensitive urban decision considerations, appropriate material selection, and building and precinct design to increase resilience to more frequent and intense storms, wind, hail, flooding, bushfire and extreme heat.

The District Plans could benefit from referring to OEH's Towards a Resilient Sydney project as there is on-going collaboration with local government and NSW agencies to increase Sydney's resilience.

**LGNSW recommendation**

28) *The GSC should work collaboratively with LGNSW, councils and the relevant state agencies to reduce climate risks to the community through planning controls that consider appropriate design and material selection for a changing climate.*

## Conclusion

This submission has sought to recognise the potential value that the district planning framework can provide, by restoring a more strategic focus to district and local planning. A recurring theme in this submission is the importance of the GSC's coordination and leadership role to provide a much-needed whole-of-government approach. The provision and funding of infrastructure upfront is also a major recurring theme, with local government concerned that without proper coordination and funding it is being left with the legacy of poor infrastructure investment in growth areas.

This submission contains a number of recommendations, which broadly seek:

- further detailed explanation around implementation, roles and responsibilities, in particular, how the GSC proposes to involve local government in implementation;
- clarification and refinement of actions or addition of new actions;
- further development of key policy areas, such as value uplift, protecting employment lands and affordable rental housing targets.

The GSC has recognised the need for policy direction in relation to capturing land value uplift, protecting employment lands and affordable rental housing targets. However, more work is needed to flesh out these policies and identify meaningful actions to support them. LGNSW looks forward to discussing these policies and the recommendations contained in this submission further with the GSC.

To recap, a summary of the recommendations combined in this submission is provided below:

- 1) *GSC should clarify the role of District Commissioners in delivering the District Plans.*
- 2) *GSC should develop a structured framework to facilitate cooperation between the Commission, state agencies and councils so that the priorities and actions of the District Plans can be achieved.*
- 3) *GSC should clarify what formal mechanisms will be established through which councils will have ongoing dialogue and involvement with the GSC as the plans are delivered.*
- 4) *The GSC's implementation plan should form part of the final District Plans and must contain detailed actions, responsibilities and timeframes relevant to all agencies.*
- 5) *The NSW Government should empower the GSC to demand whole-of-government delivery and clarify the hierarchy and roles of other plans and instruments, as well as the responsibilities of their respective delivery/planning agencies.*
- 6) *The final District Plans will need to clarify what will be required of councils with regard to:*
  - *Aligning their CSP with the various levels of strategic land use plans;*
  - *Updating their LEPs; and*
  - *Preparing the proposed Local Strategic Planning Statements.*

- 7) *The GSC and DP&E should work with the Office of Local Government (OLG) together with councils, to better integrate councils' community engagement strategies to specifically address land use issues.*
- 8) *The draft District Plans should be amended to include assessment criteria for determining 'strategic merit'.*
- 9) *The draft District Plans should discourage proponent led planning proposals that are inconsistent with recently updated local planning strategies, unless it can be demonstrated that a proposal would provide a significant public benefit (other than simply providing more housing).*
- 10) *The GSC should provide urgent clarification and direction on the funding mechanisms for local and district infrastructure, such as creating greater flexibility for section 94A contributions, and taking action to apply value capture as a funding mechanism as part of approval of any planning proposals/up-zonings associated with current urban renewal projects.*
- 11) *The GSC should clarify its intended consultation strategy for finalising the District Plans and 'A Plan for Growing Sydney', including the measures to be taken to consult with elected councillors and the newly elected councils post-September 2017.*
- 12) *The GSC should carefully consider the feedback from councils on the proposed redefined hierarchy for centres and consult with local government when developing the revised version of A Plan for Growing Sydney.*
- 13) *The GSC should review all of the actions in the draft plans and refine and tighten the wording so that they align with the priorities and can be easily measured and reported against.*
- 14) *As a matter of priority, the GSC should develop a policy framework and tools to enable councils to make informed decisions that will protect (where appropriate) and grow existing employment and urban services land.*
- 15) *The final District Plans should include meaningful actions and targets aimed at achieving great places – targets for liveability about the social, open space, public transport, education, health and employment needs required to support the forecasted population growth.*
- 16) *Councils should be afforded the opportunity to identify the preferred locations for medium density housing through their local planning strategies, rather than imposing a blanket medium density housing code.*
- 17) *The GSC must develop the 20 year housing targets in collaboration with councils, and clarify the assumptions and programs underpinning them.*
- 18) *The delivery of the housing targets should be staged to ensure they align with the delivery of upfront infrastructure by the NSW Government.*
- 19) *The GSC should work collaboratively with LGNSW, councils and the relevant state and housing bodies to develop an appropriate methodology and mechanisms for devising affordable housing targets and appropriate mechanisms that could be applied at a district and local level.*
- 20) *The GSC should:*
  - a) *work collaboratively with councils and OEHS to develop water quality and ecosystem health criteria that are relevant to most stakeholders and are cost effective to measure; and*
  - b) *ensure ongoing technical analysis of combined monitoring results.*
- 21) *The GSC should work collaboratively with councils and relevant state agencies to undertake a regional scale assessment of biodiversity and identify threatened species*

*and ecological communities to be protected, as well as identifying areas where other management tools (such as incentive programs, offsets, etc) maybe appropriate.*

- 22) The GSC should include consideration of funding mechanisms that councils can implement to achieve greater connectivity in the Green Grid, such as use of financial incentives for the delivery of connections or mandated minimum standards that are supported by mechanisms that councils can easily implement to achieve Green Grid connectivity.*
- 23) The draft District Plans should be amended to include an action to identify partnership opportunities with other government agencies (such as the Department of Education and National Parks and Wildlife Services) to create new district open space.*
- 24) The draft District Plans should be amended to include an action requiring regional road agencies to review their policies on street trees, with the aim of increasing opportunities to extend the urban canopy where feasible along these corridors.*
- 25) The GSC should work collaboratively with LGNSW, councils and the relevant state agencies to coordinate a holistic planning strategy for the Metropolitan Rural Area to avoid ad-hoc planning outcomes resulting from site specific planning proposals.*
- 26) The GSC must provide greater leadership with regard to waste infrastructure solutions, by ensuring that:*
  - Waste management and supporting transportation infrastructure is strategically planned for through the district plans, providing adequate capacity, low impact transportation and improved recycling opportunity for all streams of waste for all of Sydney.*
  - The District Plans are amended to ensure strategic waste planning is carried out in collaboration with local government.*
  - The final District Plans make reference to the NSW Environment Protection Authority's 'Better Practice Guide for Waste Management in Multi-unit Dwellings'.*
- 27) The GSC replace the reference to C40 (Carbon Disclosure Protocol) requirements with the Global Protocol for Community-Scale Greenhouse Gas Emission Inventories.*
- 28) The GSC should work collaboratively with LGNSW, councils and the relevant state agencies to reduce climate risks to the community through planning controls that consider appropriate design and material selection for a changing climate.*