

Central District Plan submission

Thank you for the opportunity to make a submission to the Greater Sydney Commission's draft plan for the Central District.

The Greens NSW, our members and supporters understand the importance of good planning. We also know the very real damage that poor planning decisions have had on our city.

Concerns with the role of the Commission

The Greens remain concerned that the Greater Sydney Commission is an undemocratic body populated by appointees of the Planning Minister. Commissioners have no statutory responsibility to genuinely engage with local communities or councils and are not democratically accountable to the communities they are making significant planning decisions about.

The Commission holds significant power in approving or rejecting Local Environment Plan amendments, approving and rejecting significant development proposals and conducting pre-gateway reviews to approve or reject rezonings. We believe that the Commission's role in producing district plans with enforceable housing and development quotas on local councils inappropriately overrides local councils planning powers. Planning should be far more collaborative than this top-down process.

The Greens acknowledge that Sydney does need far more comprehensive strategic planning, but it must also be democratic. The Commission, and therefore this planning process, ultimately fails the test of democratic accountability.

Consultation with local councils

The proposed Central District Plan will affect the local government areas of Bayside, Burwood, Canada Bay, Inner West, Randwick, Strathfield, City of Sydney, Waverley and Woollahra.

Under the current consultation timeline councils such as Bayside and the Inner West will not be properly involved in responding to the Central District Plan.

These councils have been forcibly amalgamated, do not have any elected representation and are currently being overseen by government appointed Administrators. It is unclear how this consultation process can be considered genuine when these communities are not being democratically represented.

We believe that the consultation on these initial draft plans must be extended until March 2018 to ensure that councillors elected in September 2017 are able to understand the detail and impact of the draft District Plans, properly consult with their local communities and respond to the proposals.

Climate Change

The draft plans include a statement that climate change is a significant issue and commit to making Sydney a zero emissions city by 2050. But the objective rings hollow with no detail is provided about how the district plans will deliver this important goal.

The Greens support the objective to achieve carbon neutrality and note that the council of the City of Sydney has made significant strides toward carbon neutrality over the last few years. The progress that the City of Sydney has made has only been achieved by clear targets, detailed strategies and committed monitoring.

The District Plans provide no clear interim targets or strategies to move toward the goal. The Greens call for the Commission to put forward initiatives to transform the design of housing to minimise energy use and requirements to set clear objectives to increase renewable energy sources in all new dwelling proposals. A major overhaul of BASIX is



warranted. Whole of life greenhouse gas emissions ratings for new housing should be required. Clear strategies to encourage adaptive reuse rather than demolition should be included.

It is also concerning that no information is provided about the main climate related issues for the Central District. For example there is no mention of the potential for sea level rise to have significant implications for utilities such as the Sydney sewerage system and other coastal development. Increased bushfire risk or flooding risks are equally not mentioned. These and other climate change related impacts should be identified and prioritised for planning responses in any serious 20 year planning process.

Housing affordability

The plan outlines four liveability actions aimed to address housing affordability:

- L5: *Independently assess need and viability*
- L6: *Support councils to achieve additional affordable housing*
- L7: *Provide guidance on Affordable Rental Housing Targets*
- L8: *Undertake broad approaches to facilitate affordable housing*

In addition to increasing supply there is recognition of the importance of diversity in housing choice, creating cohesive communities and matching supply to needs.

Supply alone will not fix Sydney's dysfunctional and unaffordable housing market. Arbitrary housing targets such as the Commission's proposed five year target of 46,550 new dwellings for the Central District will not produce cheaper housing. Sydney has had five years of near record housing growth since 2011 and prices have continued to skyrocket. In fact our city is less affordable now than ever before. The median cost of housing in Sydney increased by 2.5% in the month of February 2017 alone.

Housing targets needs to be backed up by enforceable provisions that require developers to provide genuinely affordable housing as well as inclusionary rezoning and powers that compel a significant portion of new developments to be

allocated as social and public housing.

We do acknowledge a small movement in support of genuinely affordable housing in the draft plan, but the proposal for 5-10% of housing yield to be affordable is both too low and too restrictive. It should be nearer 30% which would bring Sydney closer to the targets in comparable global cities such as New York and London. Further the requirement for affordable housing should apply to all major development sites not just those that have been upzoned.

The Commission has not specified what measures apart from these targets must be implemented to genuinely reduce the cost of housing in the district. Housing stress is a significant issue in the Central District, occurring when a household or individual spends 30% or more of their income on housing. Extreme housing stress occurs when this rises to 50% or more of a household or individual's income.

By way of example we compared the average cost of housing in Darlinghurst with the average weekly earnings of Australians, who are both full-time and/or casual/part-time.

	Median house price	Median house rent	Median unit price	Median unit rent
Darlinghurst	\$1,715,000	\$950	\$892,500	\$600

	Weekly earnings	Housing stress	Extreme housing stress
Full-time adult average	\$1,533.10	\$459.93	\$766.55
All employees average	\$1,164.60	\$349.38	\$582.30

These show that any household trying to live in Darlinghurst on the average wage will be in housing stress, many will be in extreme housing stress.

The extraordinary cost of housing in Darlinghurst and the Central District combined with the very restricted amount of social and affordable housing, greatly limits the ability of people on average weekly earnings, or any income level below that, to live in the area.

Given the Commission's focus on ensuring that the Central District creates links between the four



universities of the University of NSW, University of Sydney, University of Technology Sydney and the University of Notre Dame Australia, the issue of rental affordability is particularly pertinent for students and young people.

We are also concerned that the proposed Waterloo renewal project is contrary to the provision of additional social and public housing. The Commission has outlined that this renewal project could take up to 20 years to complete and it is not until the renewal is complete that tenants would have the opportunity to return to new dwellings.

This timeframe is unacceptable and the Commission must plan for a significant investment in affordable housing, over and above of any commitment to maintain existing public housing.

Delivering on Infrastructure must not be linked to ever higher housing prices

This draft plan, like each of the Commission's draft District Plans notes the historic failure of Sydney's development to be accompanied by adequate infrastructure. It identifies what many see as a free-loader problem. When significant new infrastructure is delivered to an area, local land values increase and to date none of this increase has been captured by local or state authorities to help defray the cost of the infrastructure investment.

To seek to address this problem the draft plan talks of the need to have some "value sharing" or "value capture" in the planning system. The asserted benefits of such a scheme are said to be to:

- *unlock new funding to make economically beneficial infrastructure more affordable*
- *spread the costs of new infrastructure more equitably among its beneficiaries*
- *improve projects by providing incentives for governments to plan and design infrastructure with wider land use benefits in mind.*

While there clearly is some benefit in exploring such measures to allow for increased infrastructure in the greater Sydney region, any overall scheme that is designed around a further increase in Sydney's land values as the means of paying for infrastructure is deeply problematic. Sydney housing prices are already crippling high. The idea that the main

planning authority in Sydney is proposing measures that will further increase land values to deliver infrastructure for what will, even at current prices, primarily be new development for a wealthy elite, is surely not the solution to the city's infrastructure problems.

A fairer way to fund infrastructure

What would be more acceptable would be a provision that allows a proportion of any increase in land value as a result of a rezoning decision to be captured for infrastructure payments. Where land is rezoned from low density residential to high density residential then the owner receives an enormous capital gain solely as a result of the planning decision.

This increase in value is created by society, not the owner, through the planning decision and therefore it is only appropriate that a fair share of this uplift is captured by the local and/or state government at that time. This form of value capture would do three main things:

1. It would be a fair method that allows society to recoup a fair proportion of the increased capital value that was created solely by society's planning decision
2. It is closely targeted to those properties that have received the benefit from a rezoning and is viewed by broader society as fair, and
3. It works to reduce land speculation and therefore housing prices by limiting the benefit land speculators receive by land banking and rezoning activities.

What is even more problematic in the draft plan is the absence of a viable mechanism to allow for value capture. As the draft plan notes:

"We will continue 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."

This is not an acceptable solution. It is flawed in that it relies on further increasing land values and so vague and uncertain in its application that it cannot be seen as anything like a reliable tool to deliver the much needed infrastructure in Sydney.



For these reasons we urge the Commission to redirect its attention from seeking value capture from land value increases caused by infrastructure delivery to value capture from land value increases created by rezoning and other financially beneficial planning decisions.

Making developers pay the real social cost of development

In addition to seeking value capture through new mechanisms the GSC and the District Plans should look to existing mechanisms to recover from developers the real social cost of increased development. The primary legislative mechanism that is currently used to make developers contribute to the social costs of development is s94 of the *Environmental Planning and Assessment Act*.

Following years of pressure from the development industry, local councils have been capped in the amounts they can seek from developers under s94. The current caps are \$30,000 per residential dwelling in greenfield areas and \$20,000 per residential dwelling in all other areas. These caps are both arbitrary and damaging to the development of Sydney. The current mechanism to seek modest variations on these caps through IPART is slow, bureaucratic and unreasonably constrained.

To give some idea of the bizarre complexity faced by councils in seeking a s94 variation from IPART we have extracted IPART's "Assessment process – flow chart" (see Annexure A).

Not only is the current s94 mechanism ridiculously complex and unreasonably limited in quantum, it is also unreasonably constrained. It limits councils to seeking contributions for facilities on the "essential works list." This list includes only the following:

- *land for open space (for example, parks and sporting facilities) including base level embellishment*
- *land for community services (for example, childcare centres and libraries)*
- *land and facilities for transport (for example, road works, traffic management and pedestrian and cyclist facilities), but not including carparking*
- *land and facilities for stormwater management, and*
- *the costs of plan preparation and administration*

One of the most notable gaps in this list is the acquisition of land and the undertaking of works for environmental purposes e.g., bushland regeneration or riparian corridors. These works are expressly excluded from the definition of essential works. Equally problematic is the inability of councils to recover funds for commuter parking at train stations or any other new transport infrastructure.

The Commission, whether through an amended draft plan or in its other advocacy work with the state government, should be publicly calling for the removal of artificial restrictions on s94 developer contributions. The basic premise should be that development pays for the social costs that it imposes on the community. This should not be controversial.

Protecting the coast

The Central District includes some of Sydney's most precious coastal areas, including the eastern suburbs beaches and Sydney harbour. While the Commission has identified coastal management as a key issue, it is remarkable that proper consideration has not been given to climate change mitigation plans. Internationally accepted sea level rises as a result of climate change will dramatically reduce the size of these beaches. Planning for this, including through modifying land for planned retreat, should be a part of this district plan.

Coastal erosion is a serious issue and it requires coordinated planning between state and local Governments. The Greater Sydney Commission could play a significant role in developing planning laws that set clear sea level rise guidelines and restrict inappropriate coastal development. Unfortunately this is not prioritised in the draft plan and seriously compromises the billions of dollars of coastal infrastructure.

Preventing inappropriate coastal development makes economic, environmental and social sense because it saves residents and council the cost of repairing, defending and rebuilding public and private infrastructure in the future. It protects our coast as a precious public asset. This should be prioritised in any formal plan.

Tree Canopy and Biodiversity



There is insufficient acknowledgement from the Commission that our cities must play a key role in maintaining and enhancing biodiversity. This benefits residents every bit as much as our native flora and fauna.

We know that Sydney has been sweltering over the past few summers and that with climate change extreme heat will become more common. It is therefore remarkable that the District Plan has no analysis of our city's tree canopy cover, let alone targets for increased tree cover.

Areas in the Central District such as Woollahra and parts of the Inner West have significantly greater urban tree cover than the rest of the District.

We know from studies including the comprehensive 2016 US EPA study on urban heat islands that increased tree canopy improves life expectancy, cleans the air, reduces energy use and greenhouse gas emissions, reduces road and footpath maintenance costs, reduces urban heat island effects and generally improves the outlook and liveability of our city.

The 2016 US EPA study found that tree canopy and green open space both significantly reduce urban temperatures. The benefits include:

- *Reduced energy use: Trees and vegetation that directly shade buildings decrease demand for air conditioning.*
- *Improved air quality and lower greenhouse gas emissions: By reducing energy demand, trees and vegetation decrease the production of associated air pollution and greenhouse gas emissions. They also remove air pollutants and store and sequester carbon dioxide.*
- *Enhanced stormwater management and water quality: Vegetation reduces runoff and improves water quality by absorbing and filtering rainwater.*
- *Reduced pavement maintenance: Tree shade can slow deterioration of street pavement, decreasing the amount of maintenance needed.*
- *Improved quality of life: Trees and vegetation provide aesthetic value, habitat for many species, and can reduce noise.*

The benefit from tree cover in reducing urban temperatures is unambiguous. As the US EPA report concludes:

Evapotranspiration, alone or in combination with shading, can help reduce peak summer air temperatures. Various studies have measured the following reductions:

- *Peak air temperatures in tree groves that are 9°F (5°C) cooler than over open terrain.*
- *Air temperatures over irrigated agricultural fields that are 6°F (3°C) cooler than air over bare ground.*
- *Suburban areas with mature trees that are 4 to 6°F (2 to 3°C) cooler than new suburbs without trees.*
- *Temperatures over grass sports fields that are 2 to 4°F (1 to 2°C) cooler than over bordering areas.*

A peer reviewed 2016 report on tree canopy in Toronto found that:

[H]aving 10 more trees in a city block, on average, improves health perception in ways comparable to an increase in annual personal income of \$10,000 and moving to a neighborhood with \$10,000 higher median income or being 7 years younger. We also find that having 11 more trees in a city block, on average, decreases cardio-metabolic conditions in ways comparable to an increase in annual personal income of \$20,000 and moving to a neighborhood with \$20,000 higher median income or being 1.4 years younger.

Urban tree canopy also provides critical habitat for native species and green corridors that link the many otherwise isolated reserves and parks throughout the city.

Specific targets to increase urban tree canopy should be part of the District plans. It is achievable to seek a 10% increase in tree canopy every five years with rolling annual targets being set and monitored by satellite observation. This should include city-wide guidelines for suitable plantings with a focus on the extent of tree cover, encouraging native flora and fauna and asset protection.

Strategic centres

<ilnformation from local groups to be inserted here on specific areas that have been identified for increased concentration of commercial and residential development, including where there is environmentally sensitive land, heritage protected land or Aboriginal culturally sensitive land>

