

Greens NSW

West District Plan submission

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

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 West District. For example there is no mention of increased bushfire risk or flooding risks. These and other climate change related impacts should be identified and prioritised for planning responses in 20 year planning process.

Air quality

There is no recognition that the air quality of the Sydney basin is determined by a complex system of air circulation which results in the western part of the region having significantly worse air quality (ozone and particle pollution) than the eastern part. This particular east- west divide is vitally important given that most of the growth in in the region will occur west of the M7, that a new 24/7 international airport will be the foundation of a third new Sydney city, and that there are few public transport proposals capable



of reducing car dependency in the west.

Although the draft District Plans make much of monitoring for carbon there is no recognition of air pollution being a potential limiting factor given the recognised health implications of poor air quality. These are 20 year plans and air quality is a vital concern for the planning of western Sydney.

Given that western Sydney already experiences significantly worse air quality than the eastern Sydney, the Greens urgently call on the Commission to consider the cumulative impacts of the types and scale of development in western Sydney to clearly set out the potential air quality implications for the growing population, noting that the population growth is predominantly young families.

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 8,400 new dwellings for the West 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 West District, occurring when a household or individual spends 30% or more of their income on housing.

By way of example we compared the average cost of housing in Penrith 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
Penrith	\$671,000	\$420	\$418,000	\$360

	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

Despite Penrith and the West District being vastly more affordable than other areas of Sydney, housing costs are still significant for employees on casual and/or part-time wages.

When even the most affordable of Sydney's areas are not affordable for all, it is evident that the need to fix Sydney's dysfunctional and unaffordable housing market is urgent.

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.

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.

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

We note that the areas of Penrith, St Mary's, Richmond, Windsor and Katoomba have been identified as areas to concentrate additional housing supply. This must be accompanied by increasing infrastructure to support local schools, hospitals and public transport and expanding the amount of green open space to meet increased resident numbers.

The Commission has quite rightly recognised that the West District includes areas of Sydney rich in environmental value, including the Greater

Blue Mountains World Heritage Area. We would be concerned at any proposal to downgrade the environmental protections of these areas in order to speed up development or meet housing targets.

Given the combined challenges of air quality, climate change, biodiversity, transport and other infrastructure the draft plan should make a clear statement calling for an end to further greenfield development in the district.

It warrants particular mention that there is little appreciation for integrated transport challenges in Western Sydney. Despite the Commission developing a '3 city' approach to the planning of Sydney, in which the third city is based on the proposed Badgery's Creek airport, there is no likelihood of a rail line to service the airport in the foreseeable future. This is unacceptable.

In the absence of a workable public transport solution or identifiable measures to reduce air pollution in Western Sydney the Commission should clearly state the obvious, that the proposed 2nd airport is not a viable option for Western Sydney.

<information 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>



