

## Central District Plan submission

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.

Strategic planning is seriously lacking in the planning system in NSW and these plans attempt to rectify that. However, we have a number of concerns about the draft district plans and unless these are remedied believe that they will be an incomplete and imbalanced set of tools for guiding planning across Greater Sydney.

### **Substantial concerns with the Central District plan include:**

- Climate change objectives are not backed up by any concrete planning or measurable outcomes meaning they will almost certainly not be achieved
- Only minimal consultation with Aboriginal communities, Aboriginal elders or traditional owners
- Failure to properly plan to protect and enhance green open space, and tree canopy within the area
- The lack of true independence and accountability of the Greater Sydney Commission (the Commission)
- The failure to consult appropriately with local councils in developing these plans
- Insufficient detail and specificity in plans, meaning it is harder for the public and stakeholders to properly assess their impact
- Simplistic approaches to housing affordability with targets of 5-10% of housing yield to be affordable being both too low and too restrictive
- Lack of enforcement mechanisms to actually require developers to deliver affordable housing
- Insufficient measures to protect our coast and maintain and enhance access to green open space

### **The Central District has a number of unique**

### **features that must be adequately considered.**

This includes the fact that many of the councils in the area covered by the plan have recently been subject to forced amalgamation, meaning there are no elected representatives in those areas currently able to provide input on these plans. This reduces the overall level of engagement with these plans.

The Central District also faces unique climate related issues, such as the potential for sea level rise to have significant implications for utilities such as the Sydney sewerage system and other exposed low-lying and coastal development, as well as the erosion of our beaches.

The Sydney CBD is the most important employment hub in NSW, but housing costs in 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.

In the Central District the Green Grid is proposed to enhance links to green space rich recreation opportunities. That the Green Grid map does not even include regionally significant reserves including Centennial Park, Malabar Headland, Sydney Park and Cooper Park is concerning. Including these green open spaces seems fundamental to a trustworthy scheme to link them.

With such substantial shortcomings, major revisions must be undertaken before this plan can appropriately guide development across the Central District.



David Shoebridge  
Greens MP and Planning Spokesperson

## Climate Change

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

The Greens support the objective of 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 Plan by contrast provides no clear interim targets or strategies to move toward the goal nor commitment to regular publicly-available and transparent monitoring. The Greens call for the Commission to put forward initiatives to transform the design of housing to minimize energy use and requirements to set clear objectives to increase renewable energy sources in all new dwelling proposals. A major overhaul of BASIX is also warranted. Whole of life greenhouse gas emissions ratings for new housing should be required as well as clear strategies to encourage adaptive reuse rather than demolition.

It is also concerning that no information is provided about the main climate related issues for the Central District. 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 exposed low-lying and coastal development and infrastructure. 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.

### Protecting the coast

The Central District includes some of Sydney's most precious coastal areas, including the eastern suburbs beaches, Sydney Harbour as well as important riverine environments such as the Parramatta and Cooks River foreshores. 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 projections of sea level rises as a result of climate change will dramatically erode these beaches and impact adjacent lowlying areas.

Planning for this, including through implementing strategies for planned retreat, should be a part of this plan. Coastal erosion is a serious issue and it requires coordinated planning between state and local Governments. The 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 the Plan.

### Open Space and the Green Grid

With the passage of the Crown Lands Management Act 2016 a large part of the Crown land estate will be transferred from the State government to councils. Any Crown land can be transferred provided the council agrees and there is no outstanding Aboriginal land claim over the land. At the point of transfer it will be protected from sale or private development because it will be classified as Community Land under the Local Government Act. However upon receipt there will be nothing to prevent the council from reclassifying it to Operational Land and subsequently selling, developing or leasing it.

The government has the power to make any transfer subject to 'reservations and exceptions'. The Greens believe that all public green open space that is Crown land should be required to be maintained as green open space.

In the Central District the Green Grid is proposed to enhance links to green space rich recreation

opportunities. That the Green Grid map does not even include regionally significant reserves including Centennial Park, Malabar Headland, Sydney Park and Cooper Park is concerning. Including the recreation opportunities seems fundamental to a trustworthy scheme to link them.

### **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 the city's tree canopy cover, let alone specific targets for increased tree cover

Studies including the comprehensive [2016 US EPA study on urban heat islands](#) demonstrate that increased tree canopy:

- *Moderates temperature, windspeeds and noise.*
- *Improves air quality and lower greenhouse gas emissions due to shade reducing the need for air conditioning, energy demand and the associated air pollution and greenhouse gas emissions. Trees also remove air pollutants and store and sequester carbon dioxide.*
- *Enhances stormwater quantity and water quality as vegetation reduces runoff and improves water quality by absorbing and filtering rainwater.*
- *Reduces pavement maintenance as shade can slow deterioration of street pavement, decreasing the amount of maintenance needed.*
- *Improves quality of life by providing aesthetic value, habitat for many species, and reducing noise.*
- *Improves life expectancy with studies showing beneficial cardio-metabolic rates in tree rich areas.*

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Specific targets, indicators and actions to increase urban tree canopy should be part of the District Plans. Although areas such as Woollahra and Leichhardt have relatively high tree density compared to other parts of the District, it would be broadly 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.

### **Concerns with the role of the Commission**

The Greens remain concerned that 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 prompting, 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.

It is noted that the draft plan expressly states that it is unable to guarantee a number of crucial infrastructure and whole of government decisions that are essential to the plans success. Some of the Commission's outcomes and priorities are not



government policy and may require a business plan. It would be helpful for a clear indication of which of the Commission's policies and priorities sit outside government policy, or are within policy but unfunded, so that some judgement may be made about the likelihood of their implementation.

### **Consultation with local councils**

The 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 District Plans, properly consult with their local communities and respond to the proposals  
Lack of specific proposals.

The draft plan and its supporting documentation include only general, non-specific statements. For example the targets to increase housing density mention numerical targets (46,550 in the next 5 years) and allocate targets for each council but with little explanation as to how the numbers were arrived at or how they will be achieved.

In another case, the information note states an objective to "plan to meet the demand for school facilities" with little specificity about where schools will be required or how they will be provided. This level of detail makes these aspects of the plans aspirational at best, and unaccountable and unachievable at worst.

There is also inadequate discussion of major developments such as the Bays Precinct - which

will inevitably have major implications. The lack of specific information about infrastructure enhancements needed provides no confidence that the Commission has the expertise or administrative power to ensure that the growth it is calling for is adequately serviced.

### **Including Aboriginal Communities**

The draft plan indicates minimal consultation with Aboriginal communities, Aboriginal elders or traditional owners.

The Greens believe that this is an unacceptable omission and that Aboriginal communities must be a central part of the Commission's consultation and planning process. The Commission could have used this as a unique opportunity to outline special measures to ensure that there are statutory measures that involve Aboriginal people in planning decisions.

### **Housing affordability**

The draft plan outlines four livability 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 six 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 and almost 10% in the first quarter of 2017. Housing targets need 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 any measures apart from these targets to genuinely reduce the cost of housing. 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 or below average weekly earnings, 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 will reduce the amount of 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. The Commission must plan for an investment in affordable housing in the short term and medium term that is over and above of any commitment to maintain existing public housing.

The provision of affordable housing could be significantly improved if councils were empowered to collect S.94F contributions under the Environmental Planning and Assessment Act for affordable housing via SEPP 70. Canada Bay for example has the lowest percentage of affordable housing in the Central District and has been seeking, unsuccessfully to date, to use this approach to remedy the shortfall.

**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 "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, a scheme that relies primarily on 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 or housing affordability problems.

We would however support value capture 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 making it only appropriate that a share of this uplift is captured by the local and/or state government. 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 a solution so much as a statement of intent. If value capture is to be successful it must include specific details about implementation including a timeframe for implementation. The alternative is a clear incentive to developers to increase speculative land-banking while the opportunity to make a windfall is still available.

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 value capture mechanisms, the Commission and the District Plans should look to existing mechanisms to recover from developers the real social cost of increased development. S.94 is the primary legislative mechanism to make developers contribute to the social costs of development.

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 Sydney's development. The current mechanism to seek modest variations on these caps through IPART is slow, bureaucratic and unreasonably constrained.

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 Greens would hope that the Commission would take active steps to advocate for bushland protection, riparian works and development of commuter car parking and 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.

### **Specific infrastructure comments**

The draft plan's Liveability Framework aims for better walking, cycling and public transport connections but these are woefully unfunded. This is partially because the WestConnex M4 East tunnel and ramps in the Central Sydney District is absorbing much available funding. There are also no detailed walking and cycling plans in the Central District Plan able to be directly implemented.

Better bus connections within the Central District

are important issues to councils. For example Canada Bay has called for better east to west connections in the form of a direct bus link between Drummoyne and Concord Hospital but this is not featured in the draft plan. Sydney buses have reportedly refused to consider this and it is the type of issue the Commission could usefully address.

Balancing residential growth with other land uses The Commission's central focus of increasing the availability of housing is not balanced with analysis of the amount and location of land needed to be retained for other uses. Across the Central District land previously zoned for industrial and business purposes is being lost in exchange for high density residential, with little regard for public open space or essential services like schools, hospitals and libraries.

In the Parramatta Road corridor for example large swathes of light industrial land supporting a wide range of businesses are being forced out by the shift to high density residential. Areas like Five Dock in Canada Bay are experiencing a significant reduction of land for light industrial and employment uses.

The risk is that housing development occurs at the expense of other necessary land uses, meaning people living in areas without access to jobs, important infrastructure or green open spaces.

### **Strategic centres**

In the Canada Bay Council area, Rhodes is shown as a Strategic Centre on some maps in Greater Parramatta and linked to the Olympic Peninsula area. In other places it's included in the Central District Plan. With the already huge increase in population, Rhodes infrastructure is already over capacity, especially for trains on the northern line and road access. There is severe overcrowding on public transport, with too few trains and buses operating on the network.

The draft plan emphasises economic activity within Sydney City. There is no mention of how economic opportunities will be realised in Rhodes Strategic Centre or other areas outside Sydney City, or how the job targets will be achieved.

