

## South West 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 go some way towards rectifying that. However, we have a number of substantial and ongoing concerns about the proposed district plans and unless these are remedied believe that these plans 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 to properly assess their impact
- Simplistic approaches to housing affordability with targets 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 across greater Sydney

The strategic objectives for the South West District include to: 'accommodate Sydney's third city centre', to 'facilitate urban growth and development' and 'reduce the cost and timeframes for development approvals'.

Given the South West District already experiences Sydney's worst air quality with frequent breaches of air quality standards and local biodiversity is already significantly under threat, this is a worrying priority. In this context, the plan to ensure that the District population grows to 1 million people in the next 20 years is not supportable.

A plan for this region must prioritise the urgent need for integrated transport planning in the area. The continued lack of planning for a rail link to the proposed airport at Badgery's Creek stands out.

Much of the growth specified in the district area relies on the Western Sydney Priority Growth Area which seeks to accelerate new development approvals and higher density rezonings. This does not include a viable strategy for reducing pressure on already congested local roads, classrooms, childcare facilities or hospitals.

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 South West district.

With such substantial shortcomings, it is our belief that major revisions must be undertaken before these plans can appropriately guide development across the South West 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 draft 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 South West District. For example there is no mention of increased frequency of extreme heat, increased bushfire risk or flooding risks, all of which will be major considerations in the area. These and other climate change related impacts should be identified and prioritised for planning responses in a 20 year planning process.

## Air quality

There is no recognition in the draft plan 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 (especially photochemical smog) than the eastern part. This particular east- west divide is vitally important given that much of the

growth in the region, including a second airport, a parkland city and a further 1 million people, is planned to occur west of the M7 and that there are few public transport proposals to reduce a growing number of totally car dependent people in the west.

The draft plan includes no recognition of air pollution being a potential limiting factor for growth in the District. It does not acknowledge the serious recognised health implications of poor air quality especially. This 20 year plan is seriously deficient in not addressing air quality is a vital issue to be considered.

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.

## Biodiversity and tree canopy

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.

Remnants of endangered and critically endangered Cumberland Plain Woodland as well as other threatened communities of flora and fauna are scattered across the District. The Commission's aspiration for the District to become a parkland city does not adequately acknowledge the importance of protecting the ecological values of threatened biodiversity. Biodiversity protection is not synonymous with landscape, tourism and recreational values.

The objectives for strategic conservation for the South West District include to 'facilitate urban growth and development' and 'reduce the cost and timeframes for development approvals'. This implies that biodiversity protection will have a lesser priority than ensuring that the District population grows to over 1 million people in the next 20 years.

Turning to tree canopy more generally, 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 district'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.*

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 would be broadly achievable to seek a 10% increase in tree canopy every five years for the more highly developed localities 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 the 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.

### **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 (31,450 in the next 5 years and 143,000 (minimum) in over the next 20 years. 5 year targets are allocated for each council but with little explanation as to how the numbers were arrived at. Without a clear rationale why should the community accept these targets and the pressures for fundamental planning changes associated?



The draft plan also 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.

The identification of the South West as the focal point of Sydney's third Western City focussed on the proposed second airport is the result of the finalisation in late 2016 of the City Deal between the Australian and NSW governments. Beyond identifying the airport as the potential driver of growth there is no clear information about its planning other than as a 24 hour operational airport and as an international and national gateway. Only generic statements are provided such as that: it will form part of a 'string of pearls' across western Sydney; it will provide export opportunities; it will drive tens of thousands of jobs growth and will influence land use patterns.

Without any more than general statements such as these it is very difficult to accept the proposed airport as the hub of Sydney's third 'Western City' as any more than wishful thinking. It is certainly not a specific planning proposal or a sufficient basis to drive development without further consultation.

There is little discussion of major developments such as the Greater Macarthur Priority Growth Area or the Wilton New Town Priority Growth Area - both of which will inevitably have major planning implications. The lack of specific information about infrastructure enhancements that will need to be provided gives no confidence that the SGC 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 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 31,450 new dwellings for the South 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 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 Liverpool 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
Liverpool	\$736,000	\$450	\$420,000	\$380

	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 Liverpool and the South 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.

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.

The draft states that in the South West District 5% of all households currently receive social housing and that this is expected to significantly increase. It also states that in recent years supply of social housing has suffered a net loss which is to be addressed by Communities Plus. Yet in setting out that Communities Plus will deliver up to 23,000 social housing dwellings, 500 affordable dwellings and up to 40,000 private dwellings. This provides

no confidence concerning the amount of housing assistance that will be available across Sydney never mind in the South West. More certainty about social housing must be provided.

### Infrastructure

The second airport and its associated transport infrastructure are the major foundation for the planning of the South West District. That it is proposed to rely on road based access rather than rail is entirely incongruous with the plan for the airport to be the focus of Sydney's third city centre.

In terms of health and education infrastructure despite the growth of over 143,000 over the next 20 years the plan envisages only fostering and promoting existing facilities in Liverpool and Campbelltown; supporting the growth of unspecified tertiary education opportunities and encouraging additional private hospital developments. This is hardly the investment in infrastructure which might be expected for Sydney's third city.

### 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, 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 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 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 mechanisms the Commission 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.

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.

### **Strategic centres**

We note that the areas of Liverpool, Campbelltown-Macarthur and Western Sydney Airport 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.

Much of the growth specified in the district area is predicated on the Western Sydney Priority Growth Area which seeks to accelerate new development approvals and higher density rezonings without a detailed solution for increased pressure on already congested local roads, classrooms, childcare facilities or hospitals.

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 South West district.

As mentioned, the draft plan shows 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. That there is no likelihood of a rail line to service the airport in the foreseeable future is unacceptable.

