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Greater Sydney Commission
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Parramatta NSW 2150

Via email: engagement@gsc.nsw.gov.au

Greater Sydney Commission Place-based Infrastructure Compact

Thank you for the opportunity to provide feedback on the Place-based Infrastructure Compact (PIC). The Planning Institute of Australia (PIA) welcomes the PIC as an important step in providing a co-ordinated and place-based approach to the provision of infrastructure for our rapidly growing city.

Our submission is focussed on the PIC model. PIA has already supported the Greater Parramatta Olympic Park (GPOP) planning outcomes in our submissions on the GPOP Precinct and the Central District Plan. PIA notes and supports the modifications made via the compact to maintain the industrial and urban service values of land at Camelia consistent with ‘A City that Works’ (GSC 2018).

PIA supports the ‘compact’ approach

The PIC model is strongly supported by PIA and we look forward to the lessons learnt at Greater Parramatta Olympic Park (GPOP) informing collaboration among state agencies and councils in other strategic precincts identified for growth and renewal. PIA is particularly interested in elements of the PIC model being ‘scalable’ for smaller local renewal partnerships with councils.

The process behind the place-based infrastructure compact is supported because the model:

- starts from expression of place outcomes – tested amongst different growth scenarios;
- allocates accountability for achieving planning outcomes among the infrastructure providers that collectively activate a precinct;
- ties into prevailing state budget processes (and agency cluster capital asset management plans) – via a strategic business case
- bundles proposed works (rather than evaluating a succession of one-off projects that may individually fall below evaluation thresholds);
- provides an opportunity to integrate value capture as a component of the infrastructure funding mix.
Ultimately, the PIC model can improve community trust in land use and infrastructure planning by delivering the right infrastructure, at the right place and at the right time. It offers a better opportunity for aligning funding sources to the timing and scale of infrastructure to be delivered. By linking the delivery of infrastructure to the realisation of place outcomes, a compact opens the door for more accurately targeted use of value capture funding sources.

The insights from PIA’s *Infrastructure Funding and Delivery Position Statement* ([here](#)) have informed our submission. We are pleased to see the GPOP pilot of the PIC model extend our understanding the concept.

**The PIC model is to be commended for its ‘placed-based’ and ‘whole of government’ focus**

In June 2018, PIA and SSROC partnered in a *City for Us Summit* focussing on precinct renewal and liveability. The joint [communique](#) highlighted the need for a *Growth Infrastructure Compact* involving the state and local government partners along the lines of the PIC. It was intended that this mechanism introduce place-based accountabilities for the planning, funding and delivery of renewal precincts from district to neighbourhood scales.

PIA welcomes the direction of the PIC in engaging with agency partners across health, transport, electricity, education, water, cultural infrastructure, environment and fire and rescue. PIA also recommends that waste management infrastructure and affordable housing be given the same status in consultation and planning, given both are critical to the functioning of renewal precincts.

**Recommendation:**

- PICs consider the full range of infrastructure including: waste resource management, green infrastructure and affordable housing as a component of social infrastructure
- PICs recognise the circular economy and incorporate costs and benefits of infrastructure throughout the whole of their lifecycle

**A stronger partnership with councils is supported – PICs should be scaleable**

The PIC model promotes a partnership among government agencies. While Parramatta and Cumberland Councils provided “valuable local insights and expertise”, PIA would support the elevation of local government to partners alongside state agencies and utility providers. This would require an open engagement process on scenarios and place outcomes and the potential for participation in capital asset planning processes alongside State agencies. This would not only require goodwill in dealing with sensitive information but would also require capacity building in local government – especially if PICs are used for a wider range of council led urban renewal precincts as promoted by PIA.

The PIC process needs to become normalised across a range of precincts. One of the challenges will be the capabilities and resourcing required to bundle and appraise an integrated package of infrastructure and planning initiatives using a strategic business case. A model will need to be developed that enables more modest urban renewal precinct compacts to adequately justify their priority for infrastructure investment before INSW. A complex PIC process that can only be rolled out once every few years will not be widely used.
Recommendations to improve council partnerships in PICs:

- A scaleable model for PICs to be developed for a range of council led precinct renewal compacts
- A greater level of engagement and partnership with local government in future iterations should be undertaken to better link with the place management functions and community connections of local government
- Capacity building among PIC partners (including councils) to ensure that expectations for strategic business case involvement can be met
- Embed community in the collaboration component of the PIC model with more formalised community consultation methodologies, particularly at the scenario development phase
- Affordable housing, waste infrastructure and green infrastructure should be considered prominently in infrastructure planning

**PICs provide an opportunity to identify value capture funding opportunities**

The preparation of an integrated planning and infrastructure package provides the opportunity to match sequenced expenditure to more a more optimal funding mix. The place focus and predictability of uplift provides as opportunity to use Step 2 for the implementation of value capture funding measures.

Landowners who receive a windfall as a result of public land use and infrastructure investment decisions (made as part of Step 1) should contribute a share of that unearned gain with the community. The process of defining future land uses should be managed to reduce land speculation by ensuring the compact announces the funding mechanisms prior to any upzoning.

Recommendation:

- Value capture should be included in funding mix analysis as part of Step 2 of the PIC process.

**The PIC model needs ongoing champions in government – not only the GSC**

The GSC, in partnership with INSW, have developed a rigorous and innovative process in the PIC Model and the application of the *Co.Lens tool*. Ongoing support will depend on continued focus across government and the development of incentives for agency cooperation – specially to ensure engagement in strategic business case preparation.

Further, there are a number of ongoing tasks outlined in the PIC which will likely require dedicated resources - these include for example:

- Implementation of the PIC through statutory and non-statutory plans involving significant coordination across the GSC, Department of Planning, Industry and Environment and local government.
- Five yearly reviews of the PIC and utilisation of the *Co.Lens tool*.
- Measuring the success of the PIC in accordance with the ‘*Pulse of Greater Sydney*’.

These tasks would be required for the GPOP PIC and potentially other future compacts. This is a significant task that would require a clear set of responsibilities within government and dedicated
resources. Clarity is also required as to whether this proposal will only be implemented in Sydney or if it is to be delivered in rural and regional communities. PIA would support PIC’s being championed by appropriate entities in regional NSW.

Recommendations

- Ensure that the selection of candidate PICs is not arbitrary – but is a means of achieving priority regional strategic plan outcomes
- Develop a clear governance framework (and resourcing) for the implementation of the GPOP PIC Pilot and the ongoing delivery and monitoring of the model across Sydney.
- Identify champions of the PIC approach to assist in applying the approach to new candidate precincts
- Determine whether the PIC Model is only to be delivered in Sydney - or what entities would contribute to its roll out in centres such as Newcastle, Wollongong and other regional communities.

Conclusion

The GPOP pilot compact demonstrates strong progress in the development of means to integrate agency planning and infrastructure investment to achieve a precinct outcome.

PIA strongly supports the intention of the PIC to deliver a place-based and whole of government approach to infrastructure delivery in Greater Sydney - and beyond. PIA also supports refinement of the PIC approach so that it can be applied more readily for smaller precincts including those compacts led by councils.

There are refinements and clarifications to the PIC model that would further ensure its success, particularly in the areas of consultation, funding mix and governance. PIA looks to the process being strongly championed within government to ensure the potential of the PIC approach is achieved.

Thank you again for the opportunity to provide feedback on the PIC model and its pilot implementation in GPOP. If you would like to discuss any element of our submission further, please do not hesitate to contact me on 0400 953 025 or by email at John.Brockhoff@planning.org.au.

Yours sincerely

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