Planning Institute of Australia (NSW Division)


The Planning Institute of Australia (PIA) is the peak body representing professionals involved in planning Australian cities, towns and regions. The Institute has around 4,500 members nationally and around 1,300 members in New South Wales. PIA NSW plays key roles in promoting and supporting the planning profession within NSW and advocating key planning and public policy issues.

This submission has been prepared on behalf of PIA NSW by Members of the Institute.

Introduction

PIA welcomes the opportunity to comment on the Metropolitan Strategy Review (MSR) – ‘Sydney Towards 2036’ Discussion Paper and supports the creation of an integrated planning and transport strategy for Sydney.

The Review offers an opportunity to also integrate a broader range of planning related matters within the single strategy including how social issues will be addressed, what economic levers are now necessary and how other physical infrastructure needs, not just transport, can be met.

The Institute considers the Metropolitan Strategy Review to be a preliminary discussion paper identifying and inviting comment on the planning related issues nominated under the paper’s 10 themes. We feel it falls short however of being a thorough evidence based review of the Metropolitan Strategy – City of Cities 2005. In the absence of such a proper review it is difficult to provide a thorough and constructive response to the MSR Discussion Paper.

PIA considers it appropriate for any review of a strategy to be informed by evidence acquired during its operation and as a result of the Department’s monitoring processes. This evidence should seek to identify what the strategy has achieved in addition to its shortcomings, and key areas in need of amendment and refinement. This approach would enable a clear understanding of Sydney’s current platform and therefore how we need to re-address the Metropolitan Strategy to comprehensively plan for Sydney’s future. The Metropolitan Strategy Review document does not however address any key performance indicators or where actions in the Metropolitan Strategy have not been undertaken or carried through or what must be a re-addressed in the revised Metropolitan Strategy.
A preliminary review of the 105 Metropolitan Strategy actions from A1.1 to G6.2 indicates that some progress appears to have been made on only 20% of the actions.

At the Department’s Metropolitan Strategy Review Key Stakeholder Forum held in April, a “straw poll” of a group of attendees elicited some key observations that related to the Metropolitan Strategy:

- The global financial crisis has had an impact and is still having an impact on development;
- Sydney Harbour and major waterways are cleaner;
- There is greater security for Sydney’s water supply with construction of the desalination plant (but at some cost);
- The Metropolitan Strategy projections were wrong;
- Public transport and traffic congestion continues to deteriorate;
- There is confusion over transport planning;
- Total housing construction numbers and the split between infill and green fields release housing did not meet targets;
- The urgency of responding to climate change has arisen;
- The World Liveability Ranking of Sydney has dropped;
- Investment is leaving NSW/Sydney for other States;
- There are some new examples of better urban design;
- There is no demonstrable improvement to hospital conditions;
- Employment growth is slow but trending upward;
- The First Home Owners Grant was very effective in assisting the property industry weather the downturn as well as provide opportunities for affordable housing;
- Affordability of housing has worsened;
- The sub regional strategies have not been adopted.

With uncertainty about the actual results, we therefore request that the Department provides a schedule of outcomes, the current status of and proposed changes to the original list of actions set out in the 2005 Metropolitan Strategy. This will provide the necessary information for a thorough review.

We understand from our discussions with the Department that the Metropolitan Strategy Review will be the only opportunity for public comment and discussion before the revised Metropolitan Strategy is published in September 2010. Regrettably, the Metropolitan Strategy Review lacks clarity as to how the Department will ensure there will be an effective and thorough review process and pathway. It also fails to establish a clear timetable for the process and when and how stakeholders will be offered the opportunity to engage on the actions delivered and new strategies to be included.

The Metropolitan Strategy Review requests that submissions address a series of questions under 10 central themes. PIA has responded to these questions, as appropriate, on the ‘Shape Your State’ website forum. This submission is intended as a more detailed response to the MSR discussion paper and covers a wider range of issues.

By way of a general response, the 10 themes are relevant but do not provide a sufficient framework for the Strategy or indeed the Review. For example, the themes fail to address the future strategies for improving the natural environment, protection of heritage or dealing with
social equity. These are themes that warrant specific attention in the Metropolitan Strategy for policy direction.

PIA considers that there is merit in focusing our submission on how the Metropolitan Strategy Review addresses the COAG National Objective and Criteria for Future Strategic Planning of Capital Cities.

The Institute considers that using the COAG criteria for the review of the Metropolitan Strategy is appropriate because:

1. It enables the Metropolitan Strategy to be aligned with the National criteria which can then allow comparison with other capital city regional strategies; and
2. It will enable the Metropolitan Strategy to be used as a proper basis for seeking funding from the Federal Government on actions to deliver on the Sydney Metropolitan Strategy.

The Institute does not believe that the 2005 Metropolitan Strategy – ‘City of Cities’ should be thrown out and replaced with a new strategy. However, some substantial additions and revisions are needed to make it current and provide the necessary updated guidance.

The following submission is framed around the Capital Cities criteria. The first section outlines the Planning Institute’s key observations on the review and recommendations for a way forward. The second section addresses the Capital Cities criteria as they relate to the Metropolitan Strategy.

Key Points

- The Metropolitan Strategy is one component of the framework of plans that proceed from the State Plan(with the State Infrastructure Strategy) to Regional Strategies across the State to Subregional Strategies and then to Local Environmental Plans and State Agency Plans. The Metropolitan Strategy Review should make explicit reference to how it is addressing the targets established by the NSW State Plan to ensure integration and collaboration across Government departments.

- The Metropolitan Strategy Review should be informed by an evidence based analysis of the performance of the current Metropolitan Strategy and how it should be amended to address future issues.

- The Metropolitan Strategy Review fails to substantiate the evidence base for its population projections, targets and dwelling occupancy assumptions.

- The Metropolitan Strategy Review fails to verify that a continuation of the 70/30 Brownfield / Greenfield approach would be appropriate in light of evidence of what has been achieved over the past 5 years.

- The bulk – 2/3rds - of Sydney’s residential development has been targeted for Western Sydney while the majority of transport improvement is targeted for inner Sydney, that is, it continues to support radial connections to Sydney CBD as opposed to supporting the “City of Cities” structure of the Metropolitan Strategy.

- Transport is not the only form of infrastructure that we need to plan for. We also need integrated strategies for other forms of infrastructure such as educational facilities, health, utilities, and open space. The MSR fails to identify / address these issues (e.g. Sydney City’s electricity distribution capacity has not been addressed and it is critical for reaching employment targets).

- The Metropolitan Strategy Review requires LGAs to undertake detailed planning and then provide infrastructure. This however creates a piecemeal, inefficient and uncoordinated
approach that can be significantly hindered as a result of a lack of funds and resources. The Institute’s position is that the infrastructure needs of metropolitan Sydney will not be achieved so long as Councils are unable to properly fund infrastructure due to lack of availability of funding, due in part to rate pegging. A key governance decision for the Metropolitan Strategy is to announce a new funding system for Councils that either links future rate increases to approved infrastructure programs for Local Councils or introduces a new funding mechanism for Councils such as infrastructure bonds which are used in the UK and US.

- The Metropolitan Strategy Review does not demonstrate an understanding of the commercial market and the social capacity of Sydney’s residents to afford new housing without significant improvements in liveability.
- The key to great cities is their liveability and quality of infrastructure. How is Sydney going to achieve this? The Metropolitan Strategy must now be framed to show how social services and social infrastructure necessary to cater for the housing and jobs growth will be provided by the State Government, by Councils or by the private sector.
- The Metropolitan Strategy Review seems to omit one vital element of the metropolitan region – ‘People’. It is important to remember that people, who comprise a changing demographic and cultural make up, need to live, work and socialise in our cities. Therefore we should ensure that the Metropolitan Strategy and planners, create a “place” for people, not just land uses, infrastructure and urban design. Good urban places are only a success if they meet the needs of the people that live, work and play there. The Metropolitan Strategy needs to provide a suite of tools that integrates the needs of these people. These tools need to have built in flexibility to continue to meet the changing needs of these people.
- The Transport Plan relies on projects that maximize existing transport capacity efficiencies and this is supported. However, the Metropolitan Strategy now needs to focus on new transport projects to plan for the future generations as well as future urban release areas. The Metropolitan Strategy does not need to provide the details of these projects but indicate that concepts such as a comprehensive City and suburban metro, use of light rail in appropriate corridors and identifying longer term corridors for heavy rail connections are part of the Metropolitan Strategy vision for Sydney. These are necessary to plan for growth beyond 2036, provide some guidance for development investment and allow for opportunities to be taken to implement the longer term plans when they arise.
- The Metropolitan Strategy Review appears to be inconsistent with respect to its geographic focus i.e. it includes the Central Coast in its population projections, however it fails to include matters for this area with respect to transport and infrastructure provision.
- The establishment of a coordinating Metropolitan Region Commission, independent of Government but reporting to Cabinet, is essential to ensure that the strategies are implemented by allocation of resources, monitoring of progress and negotiating between agencies. (The Commission set up for the Perth Region is one model for this body).

Criteria for Capital Cities Applied to the Metropolitan Strategy Review

In reviewing the Discussion paper, PIA has assessed:

a) Whether the Metropolitan Strategy addresses the key criteria for Capital Cities established by COAG, and

b) What needs to happen to improve the Metropolitan Strategy so that it does address the COAG criteria and delivers a better Metropolitan Strategy?
Criteria One:

Capital city strategic planning systems should:

1. be integrated: -
   a) across functions, including land-use and transport planning, economic and infrastructure development, environmental assessment and urban development, and
   b) across government agencies;

- The Metropolitan Strategy is not properly integrated as a primary performance management instrument across all relevant areas of State and local regional planning, for Treasury and for the Premier’s office. Without that integration the Metropolitan Strategy has not been able to deliver on its proposed actions and planned outcomes.

- The Department of Planning is constrained in its job. It is able to prepare well considered plans but has no control over implementation through Treasury and other agencies. Many agencies are starting to support and incorporate the Metropolitan Strategy in their programs but this is in the minority. The Metropolitan Strategy is at risk of failing in its proposed outcomes because of this lack of integration. For example- the North West and South West Growth Areas are not being delivered according to the performance targets owing to the inability of the government and private sector to address fragmented land ownership; there is a lack of integrated land use planning to deliver the infrastructure, facilities and services and proper transport planning has not occurred.

- Currently the NSW Government has planned that Sydney needs to provide about 25,000 dwellings every year. Of these, 18,000 dwellings are to be located in existing urban areas and 8000 in new suburbs to accommodate a growing population. Two years ago 15,000 dwellings were approved (medium and detached) and the figure was virtually the same last year. Two years ago 8700 construction certificates were issued for medium density development. Last year it was 8000 despite the target of 18,000.

- The Metropolitan Strategy Review fails to analyse what the built form would need to be to achieve the 80% target for dwellings in centres. It also fails to address the issue of whether this objective is achievable in light of the commercial realities of development (for example, is the expected form of development viable and desirable to the market in Sydney West; and then, how are the existing physical and economic constraints to achieving this form of development going to change to achieve this target? These questions are essential to a credible and achievable Metropolitan Strategy.

- It is positive that we are working towards a single integrated planning and transport strategy but we must also work towards integrating planning and other infrastructure strategies including utilities, recreation and community services. The current Metropolitan Strategy does not do this.

- The Metropolitan Strategy is a whole of Government endorsed document. There has been much discussion regarding how government seeks to better integrate its strategies and programs yet to date there has been little evidence that this is occurring. The Metropolitan Strategy must set out how the integration is to occur and how it is to be monitored.

- PIA supports the principle of a Sydney Metropolitan Development Authority but it must be based on an appropriate model with governance reform so that it acts as an agency coordinating authority and has appropriate land assembly powers to achieve change. Appropriate examples include the Greater London Authority and the London Development Authority. It should not have zoning powers and it should use existing approval regimes through the PAC, JRPPs or Local Councils. Its primary functions should be to develop planning proposals, prepare structure or precinct plans, have access to funding to acquire
land and achieve land amalgamation, apply needed new legislation that reduces thresholds for strata plan revocations, undertake studies and fund infrastructure, oversee and direct government agencies, and bring private sector interest together to deliver projects.

- Reference is made to the recent paper ‘Metropolitan Governance for the Australian City: the Case for Reform’, by Brendan Gleeson, Jago Dodson and Marcus Spiller.

**Recommended Metropolitan Strategy Action:**

1. **All relevant Ministers and Director Generals must be signatories to the MS as the agreed basis for agency work programs, Ministerial advice, the State Infrastructure Strategy, the State Budget and all agency forward plans.** A goal of the Premier should be that all Mayors of the Sydney Region similarly sign off on the document so that it becomes embedded in Local Strategic Planning under the Local Government Integrated Planning and Reporting framework.

2. The Metropolitan Strategy needs to be drafted so that it contains the commitment of all relevant government departments. This should then be reflected in the governance arrangements for implementation (Criteria 9 below)

3. Establish an independent Metropolitan Development Authority;

4. The Metropolitan Strategy is to be a single document containing the overarching goals and principles for strategies covering land use, social and physical infrastructure, environmental and heritage protection, sustainability and social equity for the Sydney Region. The Metropolitan Strategy must provide guidance as to how agencies are to resolve differences between competing objectives/principles in order to deliver on their outcomes. For example, a system for “scoring” projects according to a quadruple bottom line assessment that has been used in other jurisdictions could be used as a way of deciding between Metropolitan Strategy actions.

5. The Institute understands that over the last 5 years government agencies have been referring to the Metropolitan Strategy in their work programs. This must be built on by effective co-ordination across all appropriate levels of government. We recommend that a Metropolitan Strategy Oversight Committee of Cabinet consider all government projects to ensure that they are consistent with the Metropolitan Strategy.

**Criteria Two:**

1. Provide for a consistent hierarchy of future oriented and publicly available plans, including:-

   a) **long term (for example, 15-30 year) integrated strategic plans,**

   b) **medium term (for example, 5-15 year) prioritised infrastructure and land-use plans,** and

   c) **near term prioritised infrastructure project pipeline backed by appropriately detailed project plans;**

- The Metropolitan Strategy operates as part of a hierarchy of plans proceeding from the State Plan/Infrastructure Strategy, Metropolitan Strategy through Subregional Strategies then to Local Environmental Plans (LEPs) at the local level.

- The criteria again prescribe that the plans be integrated. This means not only within each hierarchical level but also vertically between plans. The Metropolitan Strategy needs to have clear linkages back up to the State Plan and serve as the guide for the subregional strategies which in turn must draw from the Metropolitan Strategy and inform LEPs.
The hierarchy of the timing needs to accord with the timing of the existing structures in place. For example, if Local Government Community Strategic Plans (required under the Local Government Act) and LEPs are reviewed every four years, then metropolitan strategic plans should seek to ensure timing of actions accord with such reviews to enable incorporation of plans, strategies and importantly, budgets.

The Institute understands that the draft subregional strategies are to be finalised once the Metropolitan Strategy is reviewed. This gives the opportunity for the subregional plans to be vertically integrated with the Metropolitan Strategy and to specify priorities for implementation as required by the Capital Cities criteria.

Examples where the integration and hierarchy have not been effective are:

a) Lack of a clear direction for the future siting of the Second Airport;

b) Medium Term projects such as the CBD Metro have been introduced then cancelled at a cost of $500 million plus to NSW taxpayers;

c) The Transport Blueprint has a 10 year funding programme whilst the Metropolitan Strategy is for the next 25 years;

d) The Community Strategic Plan uses a minimum time frame of 10 years but many local government authorities are using a 20 year timeframe, for example, Sustainable Sydney 2030.

Successful integration within the plan hierarchy opens opportunities to explore different State and private sector funding mechanisms for new infrastructure.

The different NSW Government Agencies do not have a co-ordinated approach to delivery. They all have different Policy plans and dates and fail to consult each other. The Federal Government Infrastructure Fund penalised NSW for this failing in the last funding allocation of projects.

**Recommended Metropolitan Strategy Actions:**

1. **The Metropolitan Strategy should be rewritten with direct references up to the State Plan;**

2. **The current planning hierarchy should be given proper recognition under a SEPP or other instrument requiring the Government, its agencies, Councils and consent authorities to give legislative standing to the directions in the State Plan, Metropolitan Strategy and subregional strategies.**

3. **The Metropolitan Strategy needs to specify priorities for action that can be qualified by economic conditions or changing circumstances but still provide a timetable for delivery.**

4. **The Metropolitan Strategy should specify medium and long term goals within the adopted priorities that can serve as a basis for agency project budgeting, capital investment, private sector project planning, according to available finance and for the general public to be informed about the way infrastructure, service provision and neighbourhood change will be managed over time.**

**Criteria Three:**

3. **Provide for state-significant economic infrastructure (both new and upgrade of existing) including:**

   a) **transport corridors,**

   b) **international gateways,**
c) intermodal connections,
d) major communications and utilities infrastructure, and
e) reservation of appropriate lands to support future expansion

- The single greatest infrastructure project that will determine the future direction of growth in the metropolitan area will be the decision for locating the second Sydney Airport. It will be the major catalyst for jobs growth, new industry, housing opportunity and transport infrastructure. It is also essential to reinforce Sydney’s global city status which is in danger of failing because of the medium term capacity projections for the existing airport. The State Government and Federal Government must make a commitment within the next 12 months for a new airport location. Airports are big catalysts for job generation and therefore should be directly linked to Western Sydney where the majority of Sydney’s growth is forecast. The Metropolitan Strategy cannot be reviewed and finalised without acknowledging an appropriate location for a second airport.

- The Metropolitan Strategy Review needs to identify and reserve land for major future infrastructure projects – i.e. new rail and bus corridors, sites for new utilities networks and other service infrastructure such as water and sewerage treatment and putrescible waste disposal.

- The Metropolitan Strategy must make bold steps toward delivering alternative sources of energy generation through a distributed grid model for non peak load supply (e.g. using large scale PV and cogeneration facilities) to supplement and reduce pressure on the primary peak load electricity grid. This requires intergovernmental and energy company cooperation, new funding options or subsidies for large scale alternative energy production (20-50 mega watt) and incentives for private property owners to make available sites or connections to support the new supplementary grid. Several Local Councils are already working on such systems.

- The movement of freight into, out of and within the Metropolitan region is a critical issue for the creation of new businesses and to support existing industries. The 2005 Metropolitan Strategy has not adequately resolved the movement of freight, including conflict with other road network users, distribution nodes, intermodal links and safety of dangerous goods travel through the city.

**Recommended Metropolitan Strategy Actions:**

3.1 The Integrated Metropolitan Strategy must set out the entire regional “hard” and “soft” infrastructure requirements (by services and corridors) over the next 36 years. The details do not have to be resolved but merely identified so that the subregional plans can address the details to fit the “jigsaw” together. For each infrastructure element: the funding source, priority, staging, beneficiaries, sustainability outcome and simple cost/benefit analysis needs to be identified and undertaken. This is the discipline needed for Metropolitan Infrastructure Planning;

3.2 The location of the second Sydney airport must be identified within 12 months as the basis for major new investment, jobs and housing as well as reinforcing the global importance of Sydney for business, tourism and immigration.

3.3 The Metropolitan Strategy must identify the intermodal connections for freight, especially making better use of rail services out of Chullora and nomination of key distribution nodes and passenger services by bus/ferry/rail/cycle/pedestrian/commuter parking interchanges (with targets for modes split) in each major centre and transport node;
3.4 The Metropolitan Strategy must commit to a metropolitan parking policy to regulate private vehicle movements generated by parking demand, particularly for journey to work and linked to the Centres Policy;

3.5 The Metropolitan Strategy should require all sub regional strategies to develop alternative local energy generation and distribution grids to supplement main power supplies;

3.6 An Industry Working Party be convened to advise on the current and future freight requirements for Sydney to be incorporated in the Metropolitan Strategy, identifying corridors, nodes, infrastructure and intercity linkages.

3.7 The Metropolitan Strategy should identify strategies for the high speed broadband coverage of Sydney Region, plan for the replacement of the main television towers in the Inner North Sub Region with fibre based digital technology and plan for the systematic underground bundling of all overhead electricity cables across Sydney.

3.8 The Metropolitan Strategy should develop a plan for a three pronged approach to waste disposal in Sydney involving tax and other subsidies for Alternative Waste Technology Facilities (such as the UR3R facility or Agrichar), marketing of recyclables overseas to new markets and selection of sustainable landfill sites using energy capture to serve Sydney beyond the life of the current landfill sites which are nearing capacity.

3.9 State significant economic infrastructure should also include education and health facilities.

Criteria Four:

4. address state-significant policy issues including: -
   a) population growth and demographic change,
   b) productivity and global competitiveness,
   c) climate change mitigation and adaptation,
   d) efficient development and use of existing and new infrastructure and other public assets,
   e) connectivity of people to jobs and businesses to markets,
   f) development of major urban corridors,
   g) social inclusion,
   h) health, liveability, and community wellbeing,
   i) housing affordability, and
   j) matters of regional environmental significance;

- PIA is concerned that the Metropolitan Strategy Review’s projections and figures have not been tested against all relevant criteria i.e. economic viability and social impact. A new model should be developed that examines the spatial, social, economic and environmental requirements and outcomes of different growth scenarios to test the projections. Such a model would then provide a clearer picture of the infrastructure demands in different subregions. The current Metropolitan Strategy does not provide this proper planning basis for this decision making.

- A key focus or objective of the Strategy should be on ‘resilience’, particularly in terms of enabling individuals and the community as a whole to be able to adapt to significant
changes, including climate change, population increases, urban infill and renewal and peak oil.

- The State Government should identify and develop through the Metropolitan Strategy the type of competitive edge that the Sydney Region needs to establish in comparison to other global cities e.g. tax incentives, superior transport connectedness, and land availability. The natural qualities of the Sydney region (and one off sporting events) are not enough for this global city to fulfil its future potential and affirm its global competitiveness. The competitive edge is essential for overseas investment, to focus job growth, build new businesses and, through multiplier effects, deliver social and other benefits to the region.

- The Metropolitan Strategy does not address the differential climate characteristics across the region. In particular, Western Sydney requires different responses to climate change than the inner city or Eastern Suburbs conditions. If Western Sydney is to be the focus of major new growth then the design of neighbourhoods, centres and facilities has different climate implications than other sub regions i.e. cooler winters and warmer summers. This will have an impact on strategies for affordability, utilities infrastructure, social services, climate change adaptation, infrastructure repair and maintenance, flooding and bushfire events and impacts of sea-level rise. The regional impacts of climate change have not been documented in the 2005 Metropolitan Strategy and this needs to be reflected in the Review.

- The Metropolitan Strategy Review does not assess infrastructure capacity. This evidence-based research is necessary for each category of infrastructure to plan for improvements and understand what spare capacity exists. The Metropolitan Strategy relied on advice from energy authorities that they could meet the energy needs of the region but experience has seen electricity blackouts and a shift from centralised energy distribution to a decentralised energy supply network involving multiple energy kiosk nodes increasing the cost to development, affecting the urban design of precincts and exposing the city to long term maintenance and replacement costs. This is not good enough for a global city.

- The Metropolitan Strategy Review does not discuss corridors as much as centres. There has been poor progress on corridor plans such as the Parramatta Road Master Plan and Taskforce. The future of major corridors needs a refreshed policy position through a coordination body that can resolve conflicts between higher density development on main roads, parking, access, site consolidation, urban improvement funding and health impacts.

- The Metropolitan Strategy Review is largely silent on matters of social equity and inclusion. Proposed directions to address this include planning for a growing, inclusive and diverse population; other social trends that will increasingly impact on Sydney’s population changes in the coming years including cultural diversity, more diverse household types, potential for more social isolation ad social exclusion.

- The Metropolitan Strategy Review does not address issues of liveability and healthy planning i.e. safer by design, child friendly and age friendly environments, design for healthy lifestyles, etc. It should acknowledge and address the economic cost (not just social cost) of not integrating planning for health in the design of our city.

- The progress on the provision of affordable housing has been poor. The SEPP (Affordable Rental Housing) has not been based on a good understanding of the economics of development in various sections of the metropolitan region and therefore its effectiveness will be undermined. The 10 year limit on the retention of the housing is a flawed approach to long term supply and the SEPP does not assist in targeting demand with supply where it is most needed and by housing groups (e.g. essential workers, sole parents, young families). The Metropolitan Strategy has no target for affordable housing. The Institute considers that
use of tax credit options, stamp duty subsidies and FSR bonus mechanisms should apply to all residential flat developments with a % provision of affordable housing to contribute to the supply. Similar systems are working in the US and Europe.

- The Metropolitan Strategy must adequately address the conflict between the need for housing growth and the need to secure land for agricultural purposes. The Sydney Basin currently provides a substantial quantity of the fresh food needs of the city though agriculture around the edges. There has been debate whether this is an appropriate use of the metropolitan fringe or whether security of that agricultural land is essential to the sustainability of our city and also to stop urban sprawl. Certainly the pressures will continue unless the Metropolitan Strategy determines the appropriate balance between food security and expanding the city footprint. Issues of appropriate areas, legislative zoning and other controls, distribution networks and options for compensation such as tradeable development rights should be examined.

- The Metropolitan Strategy Review fails to indicate provisions for planning beyond the next 30 years, that is, planning for post 2031. Where are we developing after this time; where are the projected new land release areas? PIA considers that we need to identify the new “Rouse Hill” for the 2030’s to start planning, reserving land and providing infrastructure now. We would propose identifying a new growth satellite town based on sustainability principles and linked to Western Sydney by a frequent, direct heavy rail service for a population of 50,000 at a location on the Sydney-Canberra Corridor or in the Illawarra Region. PIA is willing to work with the Department to explore possible siting options. For the purposes of the Metropolitan Strategy, the Review simply needs to indicate the concept of identifying and planning for the new satellite city by 2020.

- The Institute recognises that Sydney’s population will increase. There will be community resistance to the real and perceived consequences of that increase. The Institute sees little benefit in debating how to manage population growth through a national immigration policy or introducing measures to alter the demographic structure of the region. Positive sustainable growth can be achieved so long as the community is confident about the evidence-based planning for the city and that clear strategies are in place to address the foreseen issues. The Metropolitan Strategy is the tool to identify the issues, communicate how the real and perceived issues will be tackled and ensuring there is the Government commitment, governance and delivery systems to act.

- There is no commitment to protecting Western Sydney’s farmland for food and flowers production. There is a need for the Department to factually document the value of and need for Western Sydney’s market land; to undertake a science-based mapping exercise to determine which areas make up the prime market garden precincts; to enact a permanent protection mechanism for these areas, such as a SEPP; and to work out a package of incentives to manage land owners who had aspirations to sell their farmland for development.

Recommended Metropolitan Strategy Actions:

4.1 The Metropolitan Strategy Review should foreshadow that comprehensive infrastructure capacity studies are to be undertaken for all government agencies to establish the status of assets, spare capacity and programs to either expand capacity or better utilise spare capacity. This will feed into 5 and 10 year infrastructure plans and the State budget;

4.2 The Metropolitan Strategy should propose a review of planning mechanisms for affordable housing so that supply is based on a better understanding of development feasibility in each subregion, identification of the demand sub markets and housing types,
incentive mechanisms and minimum inclusionary requirements for all apartment projects for affordable housing;

4.3 The Metropolitan Strategy Review must determine a policy for the preservation of agricultural lands around the metropolitan edge with legislative measures put in place to secure the continuation of fresh food production for the Sydney region. This is necessary for the long term sustainability of the City. The policy should also explore means of promoting inner city food production within each sub region of the Sydney area including support for permaculture and productive use of flood plains or flood affected areas for new production.

4.4 The Metropolitan Strategy Review should refer to the Federal Government’s policies on social inclusion to include a similar approach in the revised Metropolitan Strategy.

4.5 The Metropolitan Strategy Review should foreshadow the intent to prepare a SEPP covering strategies for social inclusion and social equity in the design of neighbourhoods, housing, urban centres and accessibility.

4.6 The Metropolitan Strategy needs to foreshadow a process to identify longer term options housing and employment outside the Sydney Basin beyond 2036;

4.7 Accompanying the revised Metropolitan Strategy should be a series of public announcements setting out to the community what issues are being addressed, how they will be addressed over time and what the costs will be. This must not be a spin document but a plain English statement of the facts.

4.8 The Metropolitan Strategy should incorporate an indicator that measures the “societal” rate of return, not just commercial rate of return for major regional projects and Metropolitan Strategy actions. This would allow the community to be better informed about the net community benefit of the Metropolitan Strategy outcomes and not just the likely return to the development industry.

4.9 The Metropolitan Strategy must refresh the commitment to addressing the renewal of major road corridors such as Parramatta Rd, Victoria Rd, Pacific Highway and Princess Highway.

**Criteria Five:**

5. **Consider and strengthen the networks between capital cities and major regional centres, and other important domestic and international connections;**

- The inter- and intra-state transport connections serving the Metropolitan area are sub standard compared to many other global cities, even other capital cities.
- Australia needs to develop fast interstate rail connections for both passengers and freight that transform the economic geography of the country;
- The State Plan and Metropolitan Strategy have not resolved the long term solutions for fast regular intercity rail links particularly to and from Canberra, Newcastle and Wollongong which represent the long term major city influences for Sydney.

**Recommended Metropolitan Strategy Actions:**

5.1 The Metropolitan Strategy now needs to indicate the strategies to provide fast direct connections to the major adjoining cities of Newcastle, Wollongong and Canberra. These links should also take account of the location of a second Sydney airport;
5.2 The Metropolitan Strategy with the Transport Plan will settle major road and rail projects to 2036 (the Institute’s submission on the Transport Plan is provided under separate cover)

5.3 Of all of the issues to now be addressed by the Metropolitan Strategy, the location of the Second Sydney airport is the primary determinant of Sydney’s global and domestic interconnectedness. The site should be identified within 12 months of the Metropolitan Strategy Review to allow further planning at the subregional level.

5.4 The Metropolitan Strategy needs to clarify the infrastructure, services and linkages to secure the long term future of passenger shipping terminals for Sydney Harbour.

Criteria Six:

6. Provide for planned, sequenced and evidence-based land release and an appropriate balance of infill and greenfields development;

- The Metropolitan Strategy targets for infill and greenfields housing supply have not been met. Some of this could be attributed to the GFC however additional work must be done to ensure staging is feasible and matches demand with the provision of infrastructure, services and jobs. There is little confidence that the current delivery mechanisms will achieve the required growth in overall supply or the proportion of infill to urban release housing.

- There are probably about seven large development firms operating in the Sydney market. Some of these are capable, given the right environment, of producing 2,000 dwellings a year and some about 1000. This means that they could be expected to produce about 10,000 dwellings, again given optimum conditions. This leaves about 8,000 to be delivered by other large players and perhaps 4,000 by small developers. This still leaves housing supply woefully short leading to inevitable house price rises and lack of affordability.

- The Institute’s opinion on the proper planning of the new release area housing and infill development is that a single housing and land development coordinating agency needs to be responsible for land release, infrastructure provision, services, utilities, etc with the detail of construction left to Growth Area Commissions or sub regional housing authorities. At present the supply responsibilities and coordinating functions are ad hoc, primarily market driven and fragmented. The proposed independent Metropolitan Development Authority could fulfil this role.

- Guidelines for social impact assessment processes and social sustainability plans should be strengthened to ensure impacts on individuals, especially low income, aged or disabled members of a community are considered.

Recommended Metropolitan Strategy Actions:

6.1 The Metropolitan Strategy Review should recommend the establishment of the Metropolitan Development Authority responsible for:

i. coordinating the planned, sequenced and evidence-based land release for housing;

ii. determining the appropriate balance between infill and greenfields development through the sub regional strategies and LEPs;

iii. independently monitoring demand and progress on supply for reporting to Cabinet;

iv. determining necessary infrastructure, services, and utilities, and having the power to direct government agencies to deliver the required projects;
v. engaging cooperatively with Local Councils, and as appropriate ROCs, to resolve “log jams” in the delivery of infill projects;

vi. use of budgeted State funds, development levies and other funding sources to acquire land and finance infrastructure; and

vii. restoring Sydney’s reputation as a good place to do housing development, as the best liveable place in Australia and promoting more competition in the housing market.

Criteria Seven:

7. Clearly identify priorities for investment and policy effort by governments, and provide an effective framework for private sector investment and innovation;

- The Metropolitan Strategy needs to set the stage for implementing best practices developed elsewhere, including smart card ticketing systems, integrated planning and pricing of public transport, congestion pricing, transport informatics, alternative energy systems based on bio-fuels and renewable energy, and active transport corridors for cycling and walking to meet the challenge of city expansion. These elements not only improve the functioning of the region but also demonstrate to the world that Sydney is clever in meeting the challenges of growth and a global city. At present it doesn’t.

- Some immediate policy and investment priorities are the delivery of a much better and more integrated public transport network, fast trains linking regional centres, a second airport location and broadband rollout; second priorities include community based non acute health care facilities, roll out of the schools building projects and adopting plans and finance arrangements for improvement and expansion of hospitals;

- The current situation is characterised by lack of confidence in the ability of the State to deliver the necessary foundations for private investment and a lack of innovation in attracting and retaining new business. Sydney should build a competitive edge based on locally distributed renewable energy technology similar to that achieved in Woking, UK. In itself it will not change investment and development interest in the region but it provides a message to the world, Australia and to industry that we are able to apply clever technology to provide a cheaper, sustainable energy supply and better foundation for business and housing into the future.

- Several industry stakeholders, including the Property Council, The Urban Taskforce and the Planning Institute, have made earlier submissions to the Government on the need to reform the legislation governing strata titles and redevelopment. The Institute submits that the Metropolitan Strategy is the appropriate instrument to flag the Government’s intention to make legislative changes to facilitate the extinguishment of strata plans. The Strategy does not need to go into the details of how that change should occur. That should be left to a subsequent debate. Nevertheless, removing the impediment of strata plans to urban renewal is perhaps one of the keys to unlocking the development potential of areas requiring renewal, creating opportunities for new affordable housing, improving the public domain and safety of inner city areas and achieving more sustainable housing.

- The Metropolitan Strategy must establish priorities for investment and policy effort where the greatest potential for accommodating growth or consolidation investment will occur. This can focus the resources of the Metropolitan Development Authority on a more strategic approach to locational issues.
**Recommended Metropolitan Strategy Actions:**

7.1 The Metropolitan Strategy should list the priorities for investment and policy development for the next 5 years, including an improved public transport network, fast trains linking regional centres, a second airport location and broadband rollout.

7.2 The Metropolitan Strategy should adopt the development of locally distributed renewable energy through PV and cogeneration as a catalyst for new private sector investment and innovation across the metro region and create a competitive advantage through cheaper energy for small businesses and higher density housing.

7.3 The Metropolitan Strategy should indicate intent to amend the Strata Title legislation to reduce the threshold for extinguishing a strata plan to enable redevelopment to occur. This should apply to strata apartment blocks as well as commercial buildings where renewal is consistent with subregional plans;

7.4 Decision making, planning and delivery under the Metropolitan Strategy for the Metropolitan Area should be reoriented to see management for the entire mega city as well as the individual cities, precincts or territories that make up the region.

The City of Cities concept is still appropriate for the metropolis of this global city. A shift in perspective however, is also warranted to see spatially the whole of the conurbation where growth industries should best be positioned and where the type, industry sector and distribution of jobs need to be arranged. This should be one of the functions of an Authority for the whole of the metropolitan area that complements and coordinates infrastructure and investment across the Region taking into account and working with the individual development authorities for the Growth Centres, Redfern- Waterloo, Barangaroo, Olympic Park and other specific area authorities. For example, the greatest proportion of the 760,000 additional jobs required for the metropolitan region will not happen in Western Sydney in manufacturing industries but it can occur in retail/distribution employment if it is nurtured. The Canterbury/Bankstown area has high unemployment and so a Metropolitan Authority understanding the interdependencies of the mega city in a spatial way can direct investment in better transport across the region to new jobs in Western Sydney which is preferable to trying to create growth in jobs in that area.

Business creates jobs not population so the Metropolitan Strategy must focus on specific interventions for new business formation if it wants to meet the employment challenges to 2036.

**Criteria Eight:**

8. **Encourage world-class urban design and architecture**

- It is depressing to see the paucity of good examples of quality architecture and urban design in Sydney. Apart for the occasional unit development or small scale shopping complex there is little evidence to show that architecture and urban design in Sydney contribute positively to the urban fabric of our city.

- The introduction of SEPP 65 has resulted in improvements to individual building design in some instances and the use of Design Panels has raised the standard on some projects. However there is no consistent or rigorous approach to good design as is evident in the US, Europe, UK and even other Australian cities. The work by Landcom on PRECINX is a light in an otherwise bleak landscape.

- There is not a good experience with design competitions in Sydney to deliver outstanding outcomes. The Institute urges caution in advocating the use of design competitions in Sydney as a means of achieving outstanding design solutions.
The BASIX tool is an excellent instrument to assist property owners to improve the sustainability of their buildings. However BASIX now sets the hurdle too low for most housing projects and needs to cover other forms of development.

Recommended Metropolitan Strategy Actions:

8.1 The State Government, through the Metropolitan Strategy, establish a Sydney wide champion of good design similar to England’s Commission for Architecture and the Built Environment (CABE) or adopt a similar guide as the New Zealand Government’s Urban Design Toolkit (3rd Edition March 2009) to apply to place management across Sydney. Particular focus should be given to improving major centres and major corridors. The proposed Metropolitan Development Authority could incorporate a Place Design Unit to provide guidance on applying urban design principles to greenfields projects and inner city renewal projects.

8.2 The Metropolitan Strategy proposes a review of BASIX to raise the standards for sustainable design in housing. The Metropolitan Strategy needs also to adopt a single "green" rating scheme to apply to commercial, retail and industrial projects following consultation with property industry groups and sustainability experts.

Criteria Nine:

9. Provide effective implementation arrangements and supporting mechanisms, including:
   - a) clear accountabilities, timelines and appropriate performance measures,
   - b) coordination between all three levels of government, with opportunities for Commonwealth and Local Government input, and linked, streamlined and efficient approval;
   - c) evaluation and review cycles that support the need for balance between flexibility and certainty, including trigger points that identify the need for change in policy settings, and
   - d) appropriate consultation and engagement with external stakeholders, experts and the wider community

The Metropolitan Strategy is deficient in identifying meaningful performance targets. A new performance monitoring, reporting and accountability regime is needed that sets out the targets, protocols for data recording against targets, sanctions for inconsistency, strategy action monitoring and review timing as well as responsibilities for State Government agency CEO’s to be accountable against KPI’s.

There is no effective coordination between the three levels of government on critical State and regional projects within the Metropolitan Area.

There has been experience of State agencies promoting or advocating for projects that are outside the adopted Metropolitan Strategy. State projects or private sector developments should not be approved unless they conform with the State Plan and in turn the Metropolitan Strategy;

The Metropolitan Strategy review’s consultation and engagement process has been insufficient (please see comments above).
Recommended Metropolitan Strategy Actions:

9.1 The Metropolitan Strategy must adopt an action to put in place new governance arrangements for setting Metropolitan Strategy targets, monitoring, reporting, accountability and sanctions for delivery of the Metropolitan Strategy targets.

9.2 The Metropolitan Strategy must be adhered to whenever State agencies are arguing for funds or new projects. If the proposal is not in the Metropolitan Strategy then the strategy should be reviewed in terms of priorities, budget and staging of implementation. Similarly, approval bodies such as the PAC and JRPP must be bound to have legislative regard to the Metropolitan Strategy whenever consideration is given to a private development proposal. If a proposal is inconsistent with two of the Metropolitan Strategy goals or actions then the proposal must not proceed. This approach may be harsh and may not support targets for jobs or housing but any such inconsistent proposal undermines the Metropolitan Strategy, invariably prejudices delivery of other Metropolitan Strategy goals and removes confidence in the integrity of the Strategy as a whole.

Conclusions

The State Government has successfully established a planning framework for State, regional and sub regional planning.

This Review of the Metropolitan Strategy provides the opportunity to build on this achievement by taking bold initiatives for its implementation. To date the outcomes have not been substantive or realised in a way that would demonstrate a whole of government commitment or long term thinking.

The global financial crisis has had an impact at all levels of government but it also now allows us to take stock and anticipate new directions for sustainable growth, progress on social issues and to take firm action to protect the fortunate inheritance of our heritage and natural environment.

It would be regrettable if the Metropolitan Strategy Review were to lead to announcement of a new Metropolitan Strategy without the opportunity for key stakeholders to scrutinise and give input to a draft revised strategy. This is consistent with the Government’s commitment to fostering partnerships.

The Institute has used the COAG Capital Cities criteria as a methodology for responding to the Metropolitan Strategy Review. We would urge the Government to adopt the same criteria to test the success and new goals for the Metropolitan Strategy.

PIA has tried to be constructive in this submission but not holding back where criticism is justified. The Institute has made a series of strong recommendations to improve the Metropolitan Strategy and provide some new directions.

The Institute looks forward to engaging further with the Department of Planning on a revised Metropolitan Strategy.

Tony McNamara
President
Planning Institute of Australia