28 April 2017

The Director
Standing Committee on State Development
Parliament House
Macquarie Street
Sydney NSW 2000

statedevelopment@parliament.nsw.gov.au

Dear Sir/Madam

PIA (NSW) SUBMISSION TO THE STANDING COMMITTEE ON STATE DEVELOPMENT REVIEW OF REGIONAL PLANNING PROCESSES IN NSW

The Planning Institute of Australia NSW (PIA) supports the State Government’s move to investigate opportunities to stimulate development of regional areas via a review of Regional Planning Processes in NSW (The Review). There is a clear correlation between good regional planning and strong regional communities, with the Review providing the opportunity to strengthen these communities.

We appreciate the opportunity you provided to PIA in December 2016 regarding providing any feedback to Department of Planning on the recommendations of the funding.

PIA prepared a submission to the Parliamentary Inquiry into Regional Planning Processes in NSW on 11 March 2016. Further, supplementary information was requested and provided in regards to the notion of ‘open’ and ‘closed’ zonings, along with Governance and Implementation. PIA appreciate the opportunity to engage with the Standing Committee and the Parliamentary Inquiry.

PIA supports the initiatives developed by the Review, particularly:

1. Evidence based strategic planning.
2. Identification of metrics to gauge outcomes and publicly report findings.
3. Improved integration of community consultation into plans.
4. The use of ‘open zoning’ to allow flexibility in development.

PIA believes a number of items require further consideration including:
1. A separate regional planning agency and regional local environmental plan are not supported due to the potential for increased complexity.
2. Integration of the extensive work undertaken to date to inform existing regional strategies into future regional planning documents.
3. Integration of specialist industry knowledge into regional strategic planning.

The sections below provide brief comment on the Standing Committees 23 Recommendations.

**Recommendation 1**

PIA believe it is critical for the Minister’s position to be clearly articulated due to the linear influence through the planning system and lateral influence through other ministries that the Minister has.

Recognising regional differences is critical. Government led incentives should be informed by an understanding of the region’s competitive rather than simply comparative advantage. The concept of regional competitive advantage is particularly relevant in a globalised economy, where a shift away from comparative advantage (producing a specialised product cheaper) to competitive advantage (unique attributes, products and skills that favour one region) (Judy Stubbs and Associates, 2014) is critical, particularly in first world economies. Competitive advantage should be recognised and developed through the strategic planning framework.

**Recommendations 2, 3, 4 and 5**

PIA are generally supportive of recommendations 2, 3, 4 and 5. It is essential that strategic planning initiatives are well funded and coordinated. To assist with the integration of plans, an audit of the current regional planning documents is encouraged prior to the development of future plans and policies to identify performance, lessons learnt and how these can guide future policy.

Strategic plans are realised through statutory planning controls, with a clear connection between the two, is essential to allow implementation of strategy. Consequently, it is essential that the different levels of government develop interlinking plans.

PIA is a strong supporter of tailoring plans to specific communities and their needs. However, these plans need to be located within an easily recognisable structure and interlinking framework. There is concern that the adoption of a flexible approach at the local level has the potential for local plans to not reflect the wider planning hierarchy, with uncoordinated aims and objectives. This approach could result in a more complex and disparate planning system.

Best practice examples should be used to guide future strategy and governance. Examples include the planning of the Nowra/Bomaderry Urban Living Areas (ULAs), which has been informed by detailed strategic planning undertaken by Shoalhaven City Council. Council worked closely with wider government, utilities providers and landowners, to understand their
needs, resulting in the preparation of strategic plans that linked into the LEP, with a clear and effective implementation program.

**Recommendation 6**

PIA supports embedding consultation into regional plans to ensure that local opinion is fully considered and integrated. The Community Consultation Plans, as part of that identified in the recent draft planning reforms could assist in this process. The NSW RMS has been undertaking detailed community consultation programs on a number of large scale infrastructure projects, with community engagement undertaken at various points throughout the project to allow feedback to influence decision making. The model could be reviewed and considered as a best practice strategy to guide regional plan making consultation.

**Recommendation 7**

The establishment of a regional task force is a very positive step to bring rigour to strategic plans, with regional views integrated. The task force has the potential to understand the bigger picture from an expert policy development position.

**Recommendation 8**

The measurement of goals, with associated metrics to gauge success is essential to developing plans and continuously improving these plans. Plans should include set review periods of two and five years, with a program clearly identifying the actions to be taken to satisfy specific metrics. The evaluation of performance against these metrics should be clearly identified, with these steps illustrating a commitment to collaboration and positive implementation. The setting of defined numeric and chronological targets for items such as affordable housing would help incentivise action, provide greater certainty and therefore confidence, while holding identified parties to account.

**Recommendation 9**

PIA support the prioritisation of regional areas as dynamic, strong centres of growth, as a key tenant of State policy, whether this be as a Premier's Priority, or some similar scheme developed by the Premier at that point in time. It is key to raise the profile of planning in regional areas, as it is easy to focus on large highly visible projects in population centres around Metropolitan Sydney at the expense of myriad of regional actions required to stimulate these areas.

**Recommendation 10**

PIA is concerned that adding a further go to person or agency with the intent of expediting regional approvals will add further complexity. It could be that an agency hub, as identified in the planning reforms, could meet this same objective. Similarly, a rural flying squad is strongly supported, potentially as the same body discussed in Recommendation 7 to provide guidance.
to councils faced with large or complex applications that they are not familiar with. This body would help to facilitate the assessment process, identifying key considerations in the assessment process and potentially guidance via a pre-lodgement service to help shape applications before they formally arrive at Council. Early integration into the development assessment process would provide greater consistency in decision making, rather than the current approach, which results in the JRPP and IHAP being introduced at the determination point.

The addition of this level of expertise would help local government faced with large or complex applications that they are not adequately resourced to deal with. This situation can otherwise result in stagnation of the approval process, with the possibility of extensive and potentially unnecessary approvals requirements due to an overly conservative approach resulting from lack of expertise.

**Recommendations 11 and 12**

PIA supports the Department of Planning and Environment (the Department) review of SEPPs to help reduce and address inconsistencies between these documents. However, adding to, or modifying SEPP’s has the potential to result in greater complexity and a more varied assessment process that is harder for both applicants and the community to understand. SEPP’s currently have the potential for confusion due to their ad hoc integration with local planning policies and acts, to further complicate this interaction is not supported. Integrating some SEPPs into local environmental planning instruments may provide a more common way of addressing key issues for the regions.

**Recommendations 13, 14 and 15**

PIA believes that the Infrastructure SEPP plays an important role in facilitating essential infrastructure development across the State. Provisions to amend the SEPP to integrate more closely with other planning documents are supported.

The current Exempt and Complying provisions are complex, limiting their ability to streamline approvals for environmentally and socially benign development. The creation of an “inland code” as part of a wider review is supported to allow the Exempt and Complying provisions to be used more widely and to greater effect. Careful consideration of the extent of these provisions is required to ensure that development can be fast tracked, while still achieving positive planning outcomes.

The sensitive nature of the NSW Coast, along with the value placed on it by the community and tension between the natural and built environment suggests that a Coastal Code would be of benefit. The Coastal Code should be informed by sound community, agency and industry based consultation to ensure that the provisions achieve an appropriate balance of environmental conservation and enhancement while meeting the needs of current and future inhabitants. We note that the draft Coastal management SEPP has been exhibited, and
submissions are being reviewed. It is considered that this draft Code further complicates the system and can be streamlined.

**Recommendation 16**

PIA strongly opposes the creation of Regional Standard Instrument LEP templates. This approach would add complexity and hinder the potential for development across the State. The establishment of a separate Regional Standard Instrument would require regional councils to once again undertake the exhausting area wide LEP process, with many regional areas having only recently completed this process. This approach would require time and extensive resources to achieve a suboptimal outcome.

**Recommendation 17**

PIA strongly supports open zoning to allow increased flexibility within a clearly defined framework. An open zoning approach allows development to be assessed and determined on merit. PIA’s previous supplementary submission dated 20/01/2016 addressing the use of open rather than closed zoning provides a more detailed review of the approach to zoning.

**Recommendation 18**

A review of current rural industry is supported to ensure legislation adapts to changing technology. Regional Plans should have a strong evidence base, using government and community inputs, as well as those of industry. This body of knowledge would provide a platform for future regional planning. This review could be part of a wider review of legislative thresholds for assessment.

The development of partnerships between industry and government, rather than simply within government is important to respond to the challenges faced. Strategic planning can help to facilitate these partnerships, whether they be through a broad network, such as an advocacy group or via academic or industry partnerships.

**Recommendation 19**

PIA supports the balance proposed between environmental conservation and the retention of land for primary production.

**Recommendations 20, 21 and 22**

PIA supports the recommendations as they are all based on sound strategic planning, inclusive of stakeholder engagement. Due to the complexity and time associated with achieving sound and inclusive strategic planning appropriate resources will need to be allocated to councils to achieve these ends.

**Recommendation 23**
A Department led review of VPA best practice is recommended, as identified by PIA’s previous submission (*PIA Policy Paper: Voluntary Planning Agreements [VPAs]*) dated January 2017. Councils currently have individual policies relating to VPA’s, with the State led direction outdated and in need of review.

PIA is concerned that the potential for misuse of VPAs will negatively impact both the planning process and good planning practice. Furthermore, the potential ad hoc, rather than strategic nature of VPAs does not provide certainty for communities or developers. An updated direction or practice note identifying the principles of probity and practice for VPAs, prepared by the Department is required to provide a clear framework that offers certainty, while ensuring that the potential for misuse is reduced to achieve good planning outcomes.

Yours sincerely

Jenny Rudolph RPIA

NSW President