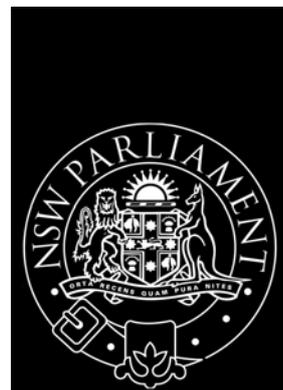


LEGISLATIVE ASSEMBLY



Standing Committee on Public Works
INQUIRY INTO INFRASTRUCTURE PROVISION IN COASTAL
GROWTH AREAS

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Chair's Foreword

Many metropolitan residents, particularly retirees and young families, have chosen to 'sea change' or shift to coastal areas, over the past decade. Coastal areas offer affordable and more relaxed lifestyles, so it is expected that the population increase along the coast will continue in the future.

The Public Work Committee's report provides a snapshot of critical infrastructure issues affecting coastal NSW including:

- the pressing demands for services needed by concentrated aged communities in coastal areas;
- the tension between preservation of environmental qualities of the coast and the desire for development;
- the lack of employment diversity for economic growth in coastal areas; and,
- infrastructure resourcing problems being faced by coastal councils.

The Committee sees that the management of 'seachange' and infrastructure pressures in coastal NSW can be achieved through clearer targets for coastal development, along with measurement of, and accountability for meeting those targets.

I believe that the continued scrutiny and revision of coastal Regional Strategies proposed in this report will improve the delivery of required infrastructure in coastal regions and ensure that each level of government is held accountable.

This inquiry was undertaken over 9 months and has involved substantial contributions from various peak bodies, State and Federal departments, Councils, community members and individuals. On behalf of the Committee I would like to thank all those who made submissions to the inquiry.

I would also like to thank our hosts at site visits undertaken in April and May 2005: for the visit to the Central Coast, Ms Marie Andrews MP, local council representatives from Wyong and Gosford Shire Council and the McCabe Conference centre; for the visit to the South Coast, Mr Matt Brown MP and representatives from Kiama Council; for the visit to the North Coast, Mr John Bartlett MP, and representatives of Port Stephens Council; and for the visit to Port Macquarie, Mr Robert Oakeshott MP and representatives from Hastings Council.



Mr Kevin Greene MP
Chair

Functions of the Committee

The Standing Committee on Public Works was originally established in New South Wales in 1887. Its operations were suspended in 1930.

It was re-established by Motion of the Legislative Assembly on 25 May 1995 with the following Terms of Reference:

That a Standing Committee on Public Works be appointed to inquire into and report from time to time, with the following Terms of Reference:

As an ongoing task the Committee is to examine and report on such existing and proposed capital works projects or matters relating to capital works projects in the public sector, including the environmental impact of such works, and whether alternative management practices offer lower incremental costs, as are referred to it by:

- the Minister for Public Works and Services;
- any Minister or by resolution of the Legislative Assembly, or
- by motion of the Committee.

The Terms of Reference were renewed on 3 June 1999 by the 52nd Parliament.

The Committee comprises seven members of the Legislative Assembly:

- Mr Kevin Greene MP, Chair
- Ms Marie Andrews MP, Vice Chair
- Ms Angela D'Amore MP
- Mr Peter Draper MP
- Mrs Karyn Paluzzano MP
- Mr Steven Pringle MP
- Mr Ian Slack-Smith MP

The Hon Paul Whelan, Minister for Police and Leader of the Government in the Legislative Assembly, expanded on the role envisaged for the Committee by the Parliament in a speech to the House on 25 May 1995:

The Committee may inquire into the capital works plans of State-owned corporations and joint ventures with the private sector. The Committee will seek to find savings in capital works programs whilst achieving a net reduction in environmental impacts by public sector developers.

The Committee's work is expected to provide incentives to the public sector to produce more robust cost-benefit analyses within the government budgetary process and to give more emphasis to least-cost planning approaches.

The Committee will be sufficiently resourced to enable it to conduct parallel inquiries into specific projects and capital works programs generally.... it will have sufficient resources to inquire into the capital works program of all government agencies whose capital works programs affect the coastal, environmental and transport sectors.

Functions of the Committee

The Standing Committee on Public Works absorbed the functions of the Standing Committee on the Environmental Impact of Capital Works, which had been established by the 50th Parliament.

In the Fifty-First Parliament, the Committee examined health, education, Olympics, waterways and transport infrastructure as well as urban and environmental planning issues. It also investigated the development and approval processes for capital works procurement across the public sector.

In the 52nd Parliament, the Committee tabled eleven reports:

- Report on Capital Works Procurement (Report No 52/1)
- The National Conference of Parliamentary Public Works and Environment Committees 1999, Hobart, Tasmania (Report No. 52/2)
- Inquiry into Infrastructure Delivery and Maintenance: Volume One - Report on Office Accommodation Management (Report No. 52/3)
- The National Conference of Parliamentary Public Works and Environment Committees 2000, Darwin, Northern Territory (Report No. 52/4)
- Follow –Up Inquiry Into the Lake Illawarra Authority Report & NSW School Facilities Report (Report No. 52/5)
- Inquiry into Infrastructure Delivery & Maintenance: Volume Two - Land Fleet Management (Report No. 52/6)
- Inquiry Into Sick Building Syndrome (Report No. 52/7)
- Inquiry into Government Energy Reduction Targets (Report No. 52/8)
- Inquiry into Infrastructure Delivery and Maintenance: Volume Three - Building Maintenance Management (Report No. 52/9)
- The National Conference of Parliamentary Public Works and Environment Committees 2002, Adelaide, South Australia (Report No. 52/10)
- Inquiry into Urban Water Infrastructure (Interim Report No.52/11)

In the 53rd Parliament, the Committee has tabled four reports to date:

- The National Conference of Parliamentary Public Works and Environment Committees 2003, Perth, Western Australia (Report No. 53/01)
- Inquiry into Energy Consumption in Residential Buildings (Report No. 53/02)
- The National Conference of Parliamentary Public Works and Environment Committees 2004, Melbourne, Victoria (Report No. 53/03)
- Inquiry into the Joint Use and Co-location of Public Buildings (Report No 53/04)

Executive Summary

Communities need infrastructure to function properly. The greatest need for infrastructure is generally linked to areas where population is concentrated or increasing.

Over the past decade there has been a significant growth of population in the coastal areas of NSW. This change has been titled the “seachange” and reflects a general trend of movement by aged and retired people but also family groups from metropolitan to coastal areas. Seachange is a national phenomenon, evident in every State, but New South Wales seachange is the most significant in Australia.

This inquiry recommends improvements to the NSW Government’s Regional Strategy framework being developed by the Department of Planning. The Committee believes that the NSW Government’s move to Regional Strategies has the potential to improve infrastructure planning and delivery in coastal areas. However the Committee sees that the current policy framework around the Strategies does not enforce compliance. Hence the Committee recommends a framework of ongoing scrutiny and reporting on the Strategies via the creation of a Coastal Cabinet Sub-Committee [Coastal CSC] and a Regional Report Card discipline. The Committee believes that the establishment of these adjuncts to the Regional Strategies gives greater certainty to communities to plan their lives and activities.

The Committee has observed that population growth in coastal areas is not uniform. There are different demographic groups in particular areas, such as concentrations of aged residents or young families. Communities will have different infrastructure requirements depending on these compositions. Generally, the arrival of metropolitan or urban “seachangers” to a coastal community brings with it a higher expectation of infrastructure and service levels. The issue for governments is to determine if these infrastructure expectations are reasonable and affordable for the general community. Another issue for governments is to manage the tensions between providing adequate infrastructure and retaining the natural environment and amenity of the coast.

This inquiry provides a snapshot of current concerns arising from population growth and highlights the ramifications for infrastructure provision. The Committee notes that it cannot be assumed that the current infrastructure is sufficient for the existing residents of coastal areas. The surge of new “seachange” residents has not induced a new problem but exacerbated the pre-existing problem of infrastructure deficiencies.

The overarching problem is that infrastructure demand or expectations are greater than the infrastructure provided. Moreover, under current planning and funding arrangements, the capacity to maintain, upgrade and add new infrastructure appears limited. While some particular problems with the provision of physical, human services, community and green infrastructure have been canvassed in this report, the Committee has not attempted to nominate particular infrastructure types or particular coastal areas that need attention. This is because the fundamental problem of inadequate auditing of coastal infrastructure is yet to be resolved.

Executive Summary

The Committee sees the key weaknesses in the current arrangements for coastal infrastructure management as:

- Gaps in the assessment of specific infrastructure needs and actual shortfall in infrastructure - discussed in Chapter 3;
- Lack of discrete infrastructure goals or measurement of their delivery. This is because of uncertainty about long term funding sources and the financial base of councils - described in Chapter 4;
- Too many plans and strategies and a lack of understanding of the hierarchy of plans. The planning of various elements of coastal infrastructure is fragmented and overly complex - described in Chapter 5; and,
- The absence of a NSW policy emphasis on coastal growth issues in comparison with other jurisdictions and best practice suggestions. These are detailed in Chapter 6 along with the Committee's recommendations.

New Coastal Management Policy Framework

The Committee sees that the management of seachange and infrastructure pressures in coastal NSW can be best achieved through clearer prescription of goals for coastal development and accountability for meeting those goals. Consequently the Committee proposes four key recommendations to establish a new Coastal Management Policy framework.

Firstly, the Committee recommends the linking of the new Regional Strategies, currently being prepared by the NSW Department of Planning, with the accountability mechanism of a Coastal Cabinet Sub-Committee (CSC). Furthermore, the Committee recommends public reporting by this Coastal CSC on the progress of targets in each regional plan through an annual Regional Report Card.

The Coastal CSC would consist of key infrastructure, financing and environmental Ministers, chaired by the Minister for Planning. The basis for the Coastal CSC is recognition of the unique service needs, infrastructure and environmental challenges created by the rising population in coastal areas in NSW.

The primary task of the CSC would be to consider reports on progress against Regional Strategies developed for the six key coastal areas in NSW. These reports would identify if key infrastructure projects were being delivered within the targeted timeframes. The reports would be published as Regional Report Cards. The Report Cards would include data on environmental, economic and community service indicators and be linked back to benchmarks set out in the Regional Strategies. The CSC would analyse results against the Strategies' targets and facilitate progress where required. Where needed, the CSC may recommend variations to the Strategies to accommodate changing circumstances.
(RECOMMENDATION 1)

Secondly, the Committee has examined concerns about previous regional planning approaches and looked at new planning approaches in other jurisdictions, in particular Queensland and Victoria. The Committee proposes that the Regional Strategies contain key components, which it believes will enhance the value of the strategies.
(RECOMMENDATION 2) These components include:

- Statement of long term vision and values for the coast and each coastal regional area;
- Identified infrastructure projects to be delivered in specific timeframes;
- Nominated and focused areas for coastal growth;
- Set benchmarks and targets for coastal amenity;
- Defined links between Regional Strategies and other strategies, agencies and planning tools;
- Alignment of coastal planning boundaries.

Thirdly, the Committee believes that Regional Strategies should aim to have each region self sufficient in terms of its economy and employment base. The Committee believes that generating local employment within regions will deliver environmental and social benefits and should be a long term goal for each regional strategy. **(RECOMMENDATION 3)**

The final element to the new policy framework is the creation of annual Regional Report Cards that are prepared by the CSC to report against goals set out in each Regional Strategy. The Report Card would have categories of indicators such as health services, environmental attributes and infrastructure condition. A score is given for each category. Over time the inclusion of new data and categories could be expanded upon. **(RECOMMENDATION 4)**

The Committee believes that the combination of monitoring by the Cabinet Sub Committee and public accountability imposed via the Regional Report Card will make the Regional Strategies a far more effective tool than previous Strategies. The continued scrutiny and revision imposed by this process will make it far less likely that the plans will diminish in currency or deviate from the State Government's priority.

Other recommendations

To complement this new policy framework the Committee has also made some specific recommendations (Recommendations 5-9).

The Committee believes that infrastructure auditing is critical. Without this first step, coordinated decision making at local, state and federal levels will continue to be stymied due to debates about measurement of infrastructure problems and hence priorities for infrastructure provision. A common audit of coastal infrastructure will enable a clear hierarchy of priorities to be established that can form the basis of projects to be put into the coastal Regional Strategies.

As noted in Chapter 3, the NSW Government has indicated that infrastructure audits are being conducted in coastal regions. The Committee considers that audits are the most critical task to underpin the entire planning framework and they must be resourced and fast-tracked to enable the other components of coastal planning to be successful. Furthermore, the audits by the Department should be reconciled with other infrastructure audit processes undertaken by key organisations. **(RECOMMENDATION 5)**

In Chapter 4, the Committee examines funding arrangements for infrastructure provision. The Committee sees that, without funding reform, there are likely to be councils facing continual shortfalls in revenues against their increasing infrastructure responsibilities.

The Committee notes the recently announced Local Government and Shires Association "Independent Inquiry into Financial Sustainability of Local Government". The Committee considers that a State Government explore funding issues, subsequent to the outcomes of the

Independent Inquiry, should be undertaken with particular emphasis on coastal growth areas. **(RECOMMENDATION 6)**

In Chapter 5 the Committee outlines the application of both the existing planning system and the reformed planning system to coastal infrastructure planning. The Chapter highlights the complexity of the existing system and the arguments for reform.

The Committee recognises that the planning reforms will result in a more efficient system for both State and Local Governments, industry and the general public. The Committee believes, however, that the interim arrangements are not satisfactory.

The Committee is of the view that greater resources need to be committed to the development of the Regional Strategies to expedite their completion and implementation. It is also of the view that the process of implementing the standard template for LEPs should be expedited with priority given to councils in high coastal growth areas. Where appropriate, the Planning Reform Funds should be increased to assist councils to meet the shorter timeframes than the current 5 year timeline. **(RECOMMENDATION 7)**

The Committee recognises that the recent amendments to developer contribution arrangements (under Section 94 of the EP&A Act) have resulted in greater flexibility and choice for local councils and developers. Contribution Plans under the new arrangements allow for the parties to agree on one of the following: the traditional arrangement, a voluntary agreement or a levy of a flat rate of 1%.

However the Committee is of the view that even greater flexibility should be available to councils with regard to Section 94 contributions. The Committee considers that to assist those rural and semi-rural coastal councils now experiencing rapid growth and consequent infrastructure pressures, the option of increasing Contribution Plan levies should be available. This is particularly the case where rates were capped on a low base, such as in some farming communities in the coastal zone. Accordingly, the Committee believes that these councils should be able to set the levies for Section 94 contributions at higher levels depending on relative need. **(RECOMMENDATION 8)**

The Committee notes that the planning reform process lacks transparency and this is particularly disadvantageous to members of the public who may wish or need to navigate the system. The Committee is of the view that information explaining the current arrangements and the planning reforms should be clearer. **(RECOMMENDATION 9)**

Recommendations

RECOMMENDATION 1 Coastal Cabinet Sub Committee (CSC) - The Committee recommends that the NSW Government establish a Coastal Cabinet Sub-Committee. The basis for the Cabinet Sub-Committee is recognition of the unique service and infrastructure needs and environmental challenges posed by the rising population in coastal areas of NSW. The Coastal Cabinet Sub-Committee would consist of key infrastructure and financing Ministers and the Minister for Local Government. The Coastal Sub-Committee would be chaired by the Minister for Planning. The primary tasks for the Sub Committee would be to consider progress against infrastructure targets set by coastal Regional Strategies. An annual Regional Report Card would be produced for each region that notes performance against targets and grades coastal regions according to key indicators of amenity.

RECOMMENDATION 2 Regional Strategies - The NSW Department of Planning is currently preparing coastal Regional Strategies. These Strategies are designed to canvass anticipated needs for services, infrastructure and the environment based on demographic change and other factors. On the basis of issues raised in this inquiry and to enable Regional Report Cards to be generated from the Strategies, the Committee recommends the following components be included in the Regional Strategies:

- Statement of long term vision and values for the coast and each coastal regional area;
- Identified infrastructure projects to be delivered in specific timeframes;
- Nominated and focused areas for coastal growth;
- Set benchmarks and targets for coastal amenity;
- Defined links between Regional Strategies and other strategies, agencies and planning tools;
- Alignment of coastal planning boundaries.

RECOMMENDATION 3 Sustainable Regional Economies - The Committee recommends that a long term goal for all coastal regions be self sufficiency in terms of its economic and employment base.

RECOMMENDATION 4 Regional Report Cards - The Committee recommends that the Cabinet Sub Committee release an annual Regional Report Card for each region based on the infrastructure projects and indicators noted in the specific Regional Strategy.

RECOMMENDATION 5 Infrastructure Audits – The Committee recommends that the NSW Government fast track and resource the completion of coastal infrastructure audits to a common, nationally agreed methodology. The results of the audits should be integrated into the formation of the Department of Planning’s Regional Strategies and be used to assist the ranking of priority infrastructure projects.

RECOMMENDATION 6 Review of local government funding – The Committee recommends that the NSW Government, led by the Department of Local Government, undertake a review of funding options faced by coastal councils including consideration of:

- debt attitudes and borrowing capacity for local government;
- the current impacts of rate pegging;
- the impact of pensioner rebates on rate revenue;
- the effectiveness of new development contribution reforms;
- options for new fees and charges; and
- impacts of increased local government responsibilities.

RECOMMENDATION 7 Resourcing of Strategies – The Committee recommends that the NSW Government fast tracks and resources the planning reforms by increasing the planning reform funds to ensure that Regional Strategies are operational sooner and standard LEPs generated in less than the current 5 year timeframe.

RECOMMENDATION 8 Section 94 contributions – The Committee recommends that Section 94 Contribution Plans' flat rate of 1% be variable to allow coastal growth councils, which can demonstrate they are experiencing higher than average growth to set levies of a higher rate. Such variations should require approval by the Minister for Local Government.

RECOMMENDATION 9 Public Information – The Committee recommends that the Department of Planning provide clear and transparent information on the current planning system in New South Wales and the impact of the planning reforms as they become operational.

Glossary

AAS	Area Assistance Scheme
ACF	Australian Conservation Foundation
ALGA	Australian Local Government Association
AMSA	Australian Marine Sciences Association
AWA	Australian Water Association
BCA	Business Council of Australia
CMAAs	Catchment Management Authorities
CPs	Contribution Plans
DCPs	Development Control Plans
DIPNR	Department of Infrastructure, Planning and Natural Resources (now called Department of Planning)
EPA	Environmental Protection Authority
EP&A Act	Environmental Protection and Assessment Act 1979
FAGs	Federal Assistance Grants
IPWEA	Institute of Public Works Engineering Australia Ltd
JBA	JBA Urban Planning Consultants
LEPs	Local Environmental Plans
LGAs	Local Government Areas
LGSA	Local Government and Shires Association
NCC	Nature Conservation Council
NRC	Natural Resources Commission
NRM	Natural Resource Management
NRADB	Northern Rivers Regional Development Board
PIA	Planning Institute Australia
PPP	Public/Private Partnership
REPs	Regional Environmental Plans
SEPP	State Environmental Planning Policy
SLAs	Statistical Local Areas
SRDB	State and Regional Development Boards
TAM	Total Asset Management
TEC	Total Environment Centre
UTS	University of Technology, Sydney

Chapter One - Introduction

Rationale for the Inquiry

- 1.1 There has been a significant growth of population in the coastal areas of NSW over the past decade. Over 85% of the NSW population resides within 50 km of the coast. Between 1996 and 2001 one quarter of Australia's total increase in population was concentrated within 3 km of the coast in the 'sun belt' regions of NSW and Queensland.¹
- 1.2 The population growth in coastal areas is caused by a number of factors, including the boom in capital city property prices causing the shift of people from major metropolitan areas in search of a better lifestyle and more affordable residential housing. This growth is expected to increase with an ongoing trend of ageing populations retiring in quiet coastal communities and increased numbers of young families searching for a lifestyle that is both relaxed and affordable. In addition, coastal communities experience seasonal population growth with the arrival of tourists during the holiday periods.
- 1.3 The coastal population growth and the increased residential and commercial development along the coast have placed significant demands on coastal communities. These include:
 - Basic infrastructure: roads, power, water and waste infrastructure;
 - Social/community services: aged care, education facilities, health, social and policing services;
 - Economic: creation of local jobs through increased economic planning and development;
 - Environmental: prevention of coastal erosion and pollution, and creation of sustainable coastal communities.
- 1.4 Governments are faced with addressing these challenges through planning and development on two fronts:
 - Responding to the needs of growing communities in coastal areas;
 - Directing and guiding growth into specific areas to ensure more sustainable coastal growth for the future.
- 1.5 When addressing the challenges of coastal development, there is a need for coordination of policies and planning strategies between local, state and Commonwealth governments. Flexibility in planning and management should also be adopted to ensure that the life cycle needs of growing communities are addressed.
- 1.6 The Committee sought comments about these issues as reflected in the inquiry terms of reference.

¹ ABS, Census Information – June 2001.

Inquiry Terms of Reference

- 1.7 The NSW Standing Committee on Public Works is to inquire and report on issues related to the provision of infrastructure to coastal growth areas in NSW (excluding the metropolitan coastal areas of Sydney, Newcastle and Wollongong).
- 1.8 In particular, the Committee will examine:
1. Key coastal population growth and urban consolidation trends in NSW;
 2. Short and long term needs of coastal communities for basic infrastructure (such as roads, power, water and sewerage) and human services infrastructure (such as hospitals, schools, aged care centres and sporting facilities);
 3. Coordination of commonwealth, state and local government strategies to deliver sustainable coastal growth and supporting infrastructure;
 4. Best practice methods to plan, manage and provide infrastructure to coastal growth areas; and
 5. Management of social, environmental and economic considerations associated with infrastructure provision in coastal growth areas.

Methodology

- 1.9 The Committee launched the inquiry by a resolution of the Committee on 23 February 2005 and called for submissions from relevant organisations and the public on 4 March 2005. The submission period closed on 31 May 2005 however the timeframe was extended to allow additional submissions. The Committee received almost 100 submissions from organisations and agencies in the government, non-government and private sectors, as well as from individuals in the community. (Appendix 1 – List of Submissions).
- 1.10 The Committee conducted three visits of inspection:
- Central Coast, Wyong and Gosford on 26 April 2005;
 - South Coast, Kiama on 10 May 2005; and
 - North Coast, Port Stephens and Port Macquarie on 17 May 2005 and 18 May 2005 respectively.
- 1.11 The Committee held public hearings on 29 July, 2 August, 3 August and 12 August 2005. (Appendix 2 – List of Hearings and Witnesses)

NSW Legislative Assembly Standing Committee on Public Works

- 1.12 The NSW Standing Committee on Public Works consists of seven members of the Legislative Assembly and was established with its current terms of reference in 1995.
- 1.13 The Committee's primary role is to inquire and report from time to time on existing and proposed capital works projects, or matters relating to capital works projects, in the public sector, including the environmental impacts of such works, and whether alternative management practices offer lower incremental costs, as are

referred to it by the Minister for Commerce, or any Minister, or by the resolution of the Legislative Assembly, or by motion of the committee.²

1.14 The NSW Parliament prescribed that the Committee may:

...inquire into the capital works plans of State-owned corporations and joint ventures with the private sector. The Committee will seek to find savings in capital works programs whilst achieving a net reduction in environmental impacts by public sector developers.

The Committee's work is expected to provide incentives to the public sector to produce more robust cost-benefit analyses within the government budgetary process and to give more emphasis to least-cost planning approaches.

The Committee will be sufficiently resourced to enable it to conduct parallel inquiries into specific projects and capital works programs generally... it will have sufficient resources to inquire into the capital works program of all government agencies whose capital works programs affect the coastal, environmental and transport sectors.³

1.15 The Committee's current functions also include those absorbed from the Standing Committee on the Environmental Impact of Capital Works, which was established in the 50th Parliament (1991-1994).

² Hon Paul Whelan, Minister for Police and Leader of the Government in the Legislative Assembly, expanded on the role envisaged for the Committee by the Parliament in a speech to the House on 25 May 1995.

³Ibid.

Chapter Two - Coastal Population Growth

Introduction

- 2.1 The inquiry terms of reference (Item 1) requested information on the scale of coastal population growth in New South Wales. This Chapter examines:
- the coastal population growth, in terms of the “seachange” phenomenon, and national, NSW and coastal regional statistics;
 - the different types of “seachangers” and existing coastal communities;
 - three case studies of coastal demographic change and infrastructure impacts; and
 - long term issues anticipated “after the seachange”.

What is the Seachange Phenomenon?

- 2.2 There are three population trends common across Australia:
- Population is growing over the long term;
 - Population is ageing and living longer; and
 - A large portion of the population is moving to the coast from urban or other areas.
- 2.3 The first two population trends are happening in many developed countries. The last trend of significant populations moving almost exclusively to coastal areas or “seachanging” seems to be a unique Australian phenomenon.
- 2.4 In other countries large groups of populations are moving as they age:
- ...but Australians are different to both the Americans and to the New Zealanders: we are singularly focused on the coast: there are simply no other places that compare with beach cities to attract the Australian people.⁴
- 2.5 National, NSW and coastal demographic data outlined below supports this view.

National Population Growth and Projections

- 2.6 Australia’s population growth has been predicted to rise from 19 million in 1999 to between 23 and 32 million by 2101 (depending on fertility and net migration assumptions). Proportionally the biggest growing states have been the Northern Territory, Queensland and Western Australia. However, NSW has the highest gross population increase followed closely by Queensland and Victoria.⁵
- 2.7 Over the previous 100 years the proportion of over 65 year olds went from 4 per cent to 12 per cent. If fertility rates continue to decline and as baby boomers age, over 65 year olds will grow from 12 per cent of the total population to 22 per cent of the

⁴ Population Growth Report 2005 Demographic Trends in Australia, New Zealand and the US, Bernard Salt.

⁵ ABS Australian Social Trends 2001 – Population Projections: Population projections for the 21st Century.

population by 2031.⁶ This ageing trend is international and is being experienced by other developed countries.

- 2.8 Data suggests that the population in every state is drifting towards the coastline. Since the 1960s people have moved from metropolitan areas to seaside areas. An analysis of Australia's population growth indicates that the growth rate for coastal local government areas (LGAs) is 60 per cent higher than the national average. It has been estimated that another one million people are planning to move to the coast around Australia in the next 10 to 15 years and largely, they will be baby boomers.⁷
- 2.9 Appendix 3, Table 1, shows total projected populations, by Statistical Local Areas (SLA) in non-metropolitan coastal regions of NSW, 2001 - 2031.

NSW Population Growth and Trends

- 2.10 Population growth and trends in NSW mirrors the national patterns of growth, ageing and movement to the coast. However, the population growth rate in NSW is even higher than the national average. Figures vary about the precise number of people living on the NSW coast. The Department of Planning, formerly the NSW Department of Infrastructure Planning and Natural Resources (DIPNR), suggest 1 in 10 or 700,000⁸ people in NSW live on the coast. The National Seachange Taskforce have calculated 1.6 million people are living on the NSW coast when the Central Coast, Illawarra and Hunter Regions are recognised as coastal areas.⁹
- 2.11 See Appendix 3, Table 2 for average annual growth rates by SLA in non-metropolitan coastal regions of NSW 2001 – 2031.
- 2.12 The NSW Department of Planning suggests that NSW coastal growth is outstripping Sydney's growth over the last 20 years:
- Over the past two decades many coastal areas of New South Wales have experienced considerable population growth. Between 1981 and 2004 non-metropolitan coastal regions absorbed 20% of the State's total population increase. The combined population of the non-metropolitan coastal regions grew by 72% from 410,000 to almost 710,000, compared with a 26% increase in Sydney's population during the same period.¹⁰
- 2.13 There is also population shift from rural inland areas to the coast. See Appendix 3, Table 4, which describes population of NSW regions in 2031 and population change from 2001-2031, for changes across the whole state.

Coastal Population Growth and Trends

- 2.14 It should be noted that "the NSW coast" in these comments, refers to the 20 local government areas (LGAs) that have coastal access in NSW excluding Newcastle, Sydney and Wollongong, which are considered metropolitan or urban areas.

⁶ ABS Australian Social Trends 2002 – Population composition: regional population ageing.

⁷ Transcript of Evidence, 3 August 2005, pp. 13 – 14.

⁸ Submission No. 99, NSW Government, p. 5 (For the purpose of this analysis, non-metropolitan coastal regions of NSW comprise the 20 local government areas that make up non-metropolitan coastal regions as defined by the Department of Planning. This area excludes Sydney, the Central Coast, Illawarra and Hunter Regions.

⁹ Transcript of Evidence, 3 August 2005, pp.13 – 14.

¹⁰ Submission No. 99, NSW Government, p. 5.

2.15 These LGAs consist of different types of communities with different characteristics, population composition and population growth drivers. The National Seachange Taskforce submission to the Committee presented a typology of coastal towns in NSW which are affected by seachange:

Table 1 – NSW seachange community typology¹¹

Coastal types	Description	NSW coastal LGAs
Coastal cities	Substantial urban conurbations beyond State capitals	Gosford Newcastle Wollongong
Coastal commuters	Suburbanised satellite communities in peri-metropolitan locations	Shellharbour# Wyong
Coastal getaways	Small to medium coastal towns within 3 hours drive of a capital city	Kiama Lake Macquarie# Port Stephens# Shoalhaven#
Coastal lifestyle destinations	Predominantly tourism and leisure communities	Ballina Bega Valley Byron Clarence Valley Coffs Harbour# Eurobodalla Great Lakes Greater Taree Hastings# Kempsey Nambucca Richmond Valley Tweed#
Coastal hamlets	Small, remote coastal communities often surrounded by protected natural areas	Bellingen

2.16 NSW has seven of the sixteen fastest growing SLAs in Australia: Lake Macquarie, Hastings, Tweed, Port Stephens, Shoalhaven, Shellharbour and Coffs Harbour.¹² As marked (#) in the above table, these top coastal growth areas span all of the different typologies of coastal communities. No particular community type is growing more quickly than the others. Instead the growth is spread across commuter, getaway and lifestyle destinations.

¹¹ Submission 48, National Seachange Taskforce, p. 16.

¹² Submission 74, Institute of Public Works Engineering Australia Ltd, p. 3.

Who are the Seachangers?

- 2.17 Population growth is not evenly spread along the NSW coast because there are different types of seachangers with different motivations. This influences the type of coastal communities that they choose to move to.
- 2.18 The Planning Research Centre at the University of Sydney suggested the following main categories of seachangers and the drivers that motivated them, in its report prepared for the National Seachange Taskforce.¹³ The Committee has categorised seachangers into four main groups based on this study and other submissions to the Committee:

Table 2 – Types of “Seachanger” residents

Seachanger type	Motivations for seachange
Retirees	Self funded baby boomer retirees who are pulled by the amenity and coastal lifestyle attributes. The bulk of Australian baby boomers are yet to retire, so this segment of seachangers is expected to rise continually over this decade. These seachangers are dispersed across most of the coastal community types.
Part-time/ Semi retired	Slightly younger group who might commute or work remotely. These are attracted to seachange areas with good communication technology and good transport to metropolitan areas. These seachangers are more likely to settle in coastal commuter areas or coastal getaways. They may also seek part time work locally and look for employment diversity in their coastal location.
Young working families	New residents of some of the highest coastal growth regions are actually much younger than the baby boomers. These groups are often seen as “pushed” from metropolitan areas to the coast by high housing and living costs. While the coastal areas do not necessarily provide the great variety of employment and higher incomes of the cities, the lower costs of living and lifestyle attributes attract people to these communities. These families are often concentrated in coastal areas within commuting distance of major cities with employment.
Low income/ income support	Income support recipients such as the unemployed, single parent households, disabled and aged pensioners are “pulled” to the coast from metropolitan areas due to housing affordability and cost of living factors. These residents may be attracted to a variety of coastal communities.

Existing Coastal Communities

- 2.19 These new seachange residents shown in Table 2 above, are joining with the pre-existing residents of coastal communities in NSW. Historically the profile of coastal communities has been a mix of aged, low income, and the transient populations associated with tourism.

Aged populations

- 2.20 Many coastal communities already have a significant portion of the aged population. On average people over 65 make up around 13 per cent of the current population across NSW but in some coastal communities that figure is as high as 25 per cent¹⁴.

¹³ Meeting the sea change challenge: Sea change communities in coastal Australia – Report for the National Sea Change Taskforce, 31 March 2005 by The University of Sydney, Faculty of Architecture.

¹⁴ Meeting the sea change challenge: Sea change communities in coastal Australia – Report for the National Sea Change Taskforce 31 March 2005 by The University of Sydney, Faculty of Architecture, p. 3.

The coastal LGAs with the highest percentage of people over 65 are: Bega Valley (17.8 per cent), Ballina (19.1 per cent), Shoalhaven (19.6 per cent), Nambucca (21.3 per cent), Tweed (21.7 per cent), Eurobodalla (22.2 per cent), Hastings (22.2 per cent) and the Great Lakes (25.6 per cent). These current figures do not reflect the large number of retirees that are also expected to move to those communities in the next decade.

- 2.21 Naturally the median age is rising in these communities and they also experience the highest elderly dependence ratio. The elderly dependence ratio is the ratio of the elderly population to the working age population.¹⁵

Low income populations

- 2.22 Coastal communities tend to have greater numbers of low-income households, higher unemployment rates than metropolitan areas and higher concentrations of income populations dependent on Government assisted income.¹⁶

Transient and tourist populations

- 2.23 Tourism in some areas creates dramatic changes to the profiles and nature of coastal communities. For example, Byron Shire has a population of approximately 30,000, with annual tourist visitation in the order of 1.75 million visitors per annum.¹⁷ In Shoalhaven the resident population of 90,000 increases to more than 320,000 at the peak of summer holidays.¹⁸ In high tourist areas the economy and employment opportunities for permanent residents are highly skewed to tourist employment which means jobs are often part time and subject to seasonal fluctuations.

Loss of young adults

- 2.24 While coastal populations are growing there is one segment of the population, which is falling in these areas. As observed in the NSW Government Submission:

...a consistent pattern across most coastal areas has been the ongoing net migration loss of young adults aged 15 to 24 years....They appear to be heading to main regional urban centres on the coast or the larger metropolises of Sydney and Brisbane.¹⁹

- 2.25 See Appendix 3, Table 3, key statistics by SLA in non-metropolitan coastal regions of NSW 2001 – 2031 for further information on age statistics, sex ratios and dependency ratios.

Three Case Studies of Coastal Communities

- 2.26 The merge of existing coastal communities with new seachange residents is played out differently in each coastal community. A description of the changes and impacts on infrastructure provision in Coffs Harbour, Wyong and Harrington are highlighted as case studies:

¹⁵ Meeting the sea change challenge: Sea change communities in coastal Australia – Report for the National Sea Change Taskforce 31 March 2005 by The University of Sydney, Faculty of Architecture, p. 3.

¹⁶ Transcript of Evidence, 12 August 2005, p. 25.

¹⁷ Submission No. 33, Byron Shire Council, p. 1.

¹⁸ Submission NO. 48, National Seachange Taskforce, p. 17.

¹⁹ Submission No. 99, NSW Government, p. 5.

Case Study 1: Coffs Harbour – A coastal getaway²⁰

Between 2004 and 2022 the population of Coffs Harbour is projected to increase in size, from its current 65,097 to around 76,155 (17 per cent). It is typical of many coastal growth areas as its youth population is projected to decline, while its working age population will grow slightly (mainly at the older ages) and the elderly population will grow substantially.

The proportion of the population aged over 65 years is currently 16.2 per cent of the population and it is expected it will grow to 25.4 per cent of the population by 2022.

In common with other coastal growth areas, as its population ages it will have more people leaving the workforce than entering it. This will lead to a decline in economic activity as greater demands are being made on the Council for increased human services infrastructure and services.

As with other coastal growth LGAs, Coffs Harbour will have difficulty in overcoming the backlog in the development of new infrastructure and in maintaining the existing infrastructure at acceptable standards.

This difficulty will be greatly compounded by the fall in revenue resulting from the increase in pensioner rebates claimed by the ageing population.

Case Study 2: Wyong – A Coastal Commuter²¹

Wyong Shire is typical of the coastal growth areas whose population is bulging at both ends of the age spectrum, that is, the over 65s and 0 to 14 years. It is one of the fastest growing areas in Australia and is typical of the coastal commuter communities that are within 1.5 hours of a capital city.

Between 1996 and 2001, growth was 2.4 per cent compared with 1.1 per cent for New South Wales over the same period. The proportion of children is currently 22.7 per cent while the proportion of those 65 years and above is 17.6 per cent. This compares with the State averages of 20.7 per cent and 13.1 per cent.

These age groups typically place the greatest strain on human services infrastructure.

Wyong offers affordable housing, good life style and environment to young families. In addition, its position in the Sydney/Newcastle rail corridor and the improvement in rail transport over the last 30 years have made Wyong an accessible commuter destination. However, families are moving away from their extended family support and this in turn places greater strain on the government support services.

The Local and State government are struggling to meet the demands being placed on them, with the provision of both soft and hard infrastructure lagging behind demand.

²⁰ Transcript of Evidence, 2 August 2005, pp. 2 – 3.

²¹ Submission No. 70, Wyong Shire Council, p. 3.

For example, local primary schools and community service programs are at, or above capacity.

As with other coastal growth areas, the rapidly increasing population is increasingly impacting on the Shire's vegetation, waterways and eco systems. Moreover, the rapid development is causing the degradation of coastal habitats and coastal plains and the decline in water quality and biodiversity.

Wyang Shire Council is planning to meet the increased demand for community, health, education services and recreation facilities services. However, even given the demonstrable need for a significant increase in infrastructure, the demands are compounded by the higher than average proportion of younger families. This demographic has higher expectations for infrastructure and service provisions.²²

Professor Blakely explained these infrastructure pressures in hearings as follows:

Professor BLAKELY: In places like Gosford and Wyong, we have two pressures. One pressure is a heavy commute and the other pressure is the jobs development there so that people are not commuting now. But we have two other things going on there. We have populations that are both older and younger. We may have an interesting crisis here because the younger populations will start having children. Some of them are going there with their young children. They are young couples and they are making the commutes. But in the not too distant future, we will have a school crisis and a hospital crisis—the older for the hospitals and the younger for the schools.²³

Case Study 3: Harrington – A Coastal Hamlet

Harrington is a small coastal community in Greater Taree. Harrington's current population is around 2000 residents. This will increase by approximately 5000 upon completion of the new Harrington Waters housing estate.²⁴

It is typical of many coastal growth areas where the construction of a new estate significantly increases the town's population. The difficulty that a town experiences in this situation is that already existing infrastructure problems are heightened by the sudden influx of people.²⁵

The community is currently experiencing difficulties due to deficiencies with existing infrastructure. The main road into Harrington is experiencing over use and congestion due to trucks delivering supplies to the new estate and is need of repair. This increase in traffic and congestion will only continue when the new estate is completed and the new residents will use the road daily.²⁶

Medical and dental services are already deficient. Increasing demand from new residents will lead to further delays and unavailability of services. The nearest

²² Submission No. 79, Planning Institute of Australia, NSW division, p. 1.

²³ Transcript of Evidence, 29 July 2005, p. 17.

²⁴ Submission No. 1, Mr Joseph Richards, p. 1.

²⁵ Submission No. 13, Coopernook/Harrington Actions Group, p. 2.

²⁶ Submission No. 8, Mrs Margaret Ward, p. 1.

medical, dental and hospital facilities are 34 kilometres away in Taree and the wait for ambulance services can be significant and life threatening.

More than fifty percent of the population is fifty years and over, the lack of medical facilities in the immediate vicinity of Harrington makes it difficult for elderly residents to obtain medical support. Residents depend on private vehicle use, as public transport is not readily available or frequent.²⁷

There are no Resident Police Officers in Harrington, with the nearest 24-hour police station also located in Taree, which could create problems after the new estate is completed and the population has increased.²⁸

With the dramatic increase in population by 5000 infrastructure deficiencies need to be addressed.

- 2.27 As can be seen in the above case studies, different types of communities have different infrastructure needs and expectations. This creates a challenge to Governments and Councils to create a coastal management policy and systems that tailor infrastructure solutions to suit particular needs.

After the Seachange

The Third Move

- 2.28 The seachange retirement trend reflects an expectation of longevity and health by the baby boomers. While increasing longevity is supported by data, high dependency and high illness rates are also anticipated for the ageing population. For example whilst age specific rates for Alzheimer's are projected to remain stable, as a result of an ageing population, the overall number of people with Alzheimer's will increase.²⁹
- 2.29 Eventually healthy baby boomers will become frail and elderly. Provision needs to be made for baby boomers as they get older. A significant factor in the provision of aged care is the number of people over 80, as the use of formal aged care services increases rapidly for men and women above this age. The proportion of 80 year olds is expected to nearly treble from 3.3% of the population in 2002-03 to 9.1% in 2044-45. This increasingly aged population will drive demand for more aged care facilities.³⁰
- 2.30 A major concern is that support and health facilities in seachange areas will not keep up with this demand and many elderly will be required to relocate to metropolitan areas to be close to intensive healthcare services and family support.

Mr STOKES (National Seachange Taskforce): there does come a time when people who retired in their sixties and were feeling pretty healthy reach their seventies and eighties and all of a sudden are not healthy. The experience on the Gold Coast has

²⁷ Great Taree Council website <http://www.gtcc.nsw.gov.au/webcomm/>, accessed 20 October 2005.

²⁸ Submission No. 1, Mr Joseph Richards, p. 1.

²⁹ Economic Implications of an Ageing Australia, Productivity Commission Research Report 24 March 2005, Australian Productivity Commission, p. 160.

³⁰ Economic Implications of an Ageing Australia, Productivity Commission Research Report 24 March 2005, Australian Productivity Commission, p. 176.

been that many people who retired in their mid-sixties have subsequently moved back to where they came from to access ongoing health care³¹.

- 2.31 Retiree representative group, COTA National Senior Partnership,³² has called for education programs to be developed for retirees contemplating seachange to modify their expectations and realize that there may be further relocations needed in their later years.
- 2.32 This “third move” by aging populations will in time see a further change in the composition and needs of coastal communities.
- 2.33 In his submission on Planning for an Ageing Hastings, by Hasting Councillor Cameron Price, some key issues for long term aging are noted:

If people are going to live for decades on savings or investments in order to have a higher quality of life afforded by the pension, then long term financial planning will be critical...Part of the solution is for people to stay in the workforce longer. People at the traditional retirement age are healthier than ever, and still have a valuable contribution to make. If people are going to maintain the lifestyle they expect, indeed they may need to continue working longer to afford it. The key here is for [local] businesses to recognise the value of experienced workers.³³

- 2.34 A further issue is the long term impacts of the seachange, that is how the coast will look and be populated after the baby boomer bulge.

Professor BLAKELY (Sydney Uni): There are three groups we have to think of here with respect to demography. The first is the baby boomers and then the baby boomer echo, the baby boomers’ children. But the group after that is going to be very small. Unless we have a huge amount of immigration we will actually see population fall in about 40 to 50 years. We should plan for something that is not going to happen. We have enough zoned land now to accommodate all the population we are going to have for the next 30 to 50 years, now. We just have to use it better than we have in the past. It would not be intelligent for us to make assumptions about population profiles and the like in assuming that these coastal communities are going to be under the same pressure 50 years from now as they are today. People will tend to live near work if that opportunity is provided to them. If they have a good metropolitan plan then more of those young people of working age will live in good communities in the western suburbs and elsewhere where they would prefer to live closer to where they work.³⁴

Conclusions

- 2.35 This Chapter has highlighted the key demographic composition of coastal NSW today and its expected composition in the future. To summarise:
- Coastal NSW is projected to have not just the highest overall population growth rates but much of this growth will be as a result of migration of older people. Most significantly the population aged over 65 is projected to grow substantially

³¹ Transcript of Evidence, 3 August 2005, p. 19.

³² Transcript of Evidence, 3 August 2005, p. 27.

³³ Submission No 19, Councillor Cameron Price, pp. 10-11.

³⁴ Transcript of Evidence, 29 July 2005, p. 21.

from 2001-2031. Also, the loss of young adults from coastal New South Wales to large cities is set to continue.³⁵

- Larger coastal communities within commuting distance (1.5 hours of the nearest capital city such as Gosford and Wyong) tend to have the youngest populations. The number of people aged 25-34 is declining in most of the smaller, more remote communities such as Nambucca, Hastings, Bega Valley and Greater Taree. Lack of employment and educational opportunities appear to be factors motivating the exodus of young people from these communities.³⁶
- Increasingly, other groups such as young families and low income earners are making the shift to the coast. The greater amenity and life-style choices are attracting a broader range of socio-economic groups.³⁷
- Due to a variety of environmental and socio-economic reasons, coastal growth areas attract heavy seasonal and weekend visitation by tourists and holiday makers.
- There are particular concentrations of certain demographic groups such as the aged on the coast. These groups require a particular profile of infrastructure needs.

2.36 The following Chapter 3 will examine how these demographics and particular communities are impacting on infrastructure provision.

³⁵ Submission No. 99, NSW Government, p. 5.

³⁶ ABS Australian Social Trends 2001: Population – Population Projections for the 21st century.

³⁷ Submission No. 96, Local Government and Shires Association, p. 13.

Chapter Three - Coastal Infrastructure Issues

Introduction

- 3.1 The rapid increase in coastal populations, due to the seachange phenomenon, leads to coastal development. These new coastal populations put pressure on existing infrastructure, along with demanding new infrastructure.
- 3.2 The Committee sought views on the issues and specific impacts of coastal population growth on infrastructure in the short and long term (see Inquiry Terms of Reference Item 2). The issues raised in submissions are outlined in this chapter and categorised into five main groups:
 - General infrastructure issues;
 - Physical infrastructure;
 - Human services infrastructure;
 - Community infrastructure; and
 - Green infrastructure.
- 3.3 The provision of infrastructure is often via a combination of approvals and funding by multiple agencies and levels of government. This chapter does not examine these mechanisms in detail. Chapter 4 and Chapter 5 outline in more detail the infrastructure funding and planning processes.

General Infrastructure Issues

Coastal infrastructure demands and community expectations.

- 3.4 Communities need infrastructure to function properly. This is the case whether in an urban setting or regional area. As would be expected, the demand for infrastructure is greatest in the NSW coastal population growth areas noted in Chapter 2.
- 3.5 Initially, sea changers are attracted to coastal communities by natural assets such as beaches, rural landscapes and green spaces. Then development begins to occur to accommodate growing populations with increased housing stock, commercial centres, roads and service facilities.
- 3.6 These improved facilities attract more people, sparking demand for further increases in infrastructure. A key concern for coastal communities is the constant community expectation of increased provision of infrastructure. As Bega Valley Shire Council describes in its submission:

In coastal areas where growth is driven by an exodus from large metropolitan centres a significant elevation of community expectations follows. From the towns and villages Council is constantly bombarded with calls for improved roads, footpaths, kerb and gutter, cultural facilities, heated swimming pools, better libraries, parks and recreational areas. ...In the rural areas the winding gravel road to an idyllic bush retreat for weekends away soon becomes the bane of that same person's existence as a

new resident. Potholed and corrugated to shake vehicles apart, dust to invade every nook and cranny, and soon the calls on Council to 'fix up the road' begin.³⁸

3.7 Similarly, the composition of the population shapes the demand for certain infrastructure. As noted in Chapter 2, the aged are a growing sector in coastal communities. The infrastructure expectations for this population group are highly focused on health services and public transport. This contrasts with other population groups such as young families, who might place higher importance on employment and education related infrastructure. Further information on this issue is provided in this Chapter in the Human Services Infrastructure section.

3.8 A final point is the link between "soft" services provision and "hard" infrastructure demand for certain population groups. As noted by the COTA National Seniors Partnership in the context of ageing populations requirements:

Inadequate provision of services that promote healthy ageing and the capacity for seniors to remain in their own homes can contribute to increased pressure on infrastructure such as hospitals and nursing homes. Inadequate provision of public transport can impact upon the reliance on private transport and in turn on the need for roads and the location of service infrastructure.³⁹

3.9 As can be seen communities will have a different set of infrastructure demands depending on their composition. The move of metropolitan or urban "seachangers" to a coastal community brings with it a higher expectation of infrastructure and service levels generally. The issue for governments is to determine if these expectations are reasonable and affordable for the general community.

Environmental Issues and Infrastructure

3.10 As noted in Chapter 2 there are different kinds of coastal communities from hamlets to commuter cities so not all infrastructure needs are the same.

Infrastructure needs must be considered in relation to the regional context; desired settlement trends; environmental capacity; and the ability for council to meet ongoing maintenance and service costs.⁴⁰

3.11 There is a concern about the loss of coastal amenity through the degradation of the environment associated with increased populations. The infrastructure provided or upgraded to meet the growing needs of the community can impinge on the natural environment, placing it at risk of significant and irreversible degradation.

3.12 The NSW Government, in its submission, recognised this issue as:

...the growing dichotomy between the demands of (coastal growth) communities to maintain and protect their natural environment and way of life, and their concurrent needs and expectations for services, infrastructure and economic activity, particularly tourism.⁴¹

3.13 In some extreme instances the 'seachangers' can irreversibly transform the character of communities they are attracted to - as explained by the National Seachange Taskforce:

³⁸ Submission No. 46, Bega Valley Shire Council, p. 2.

³⁹ Submission No. 42, COTA National Seniors Partnership, p. 1.

⁴⁰ Submission No. 83, University of Sydney, covering letter, p. 4.

⁴¹ Submission No. 99, NSW Government, p. 12.

...in the United States “sea changers’ from California have been descending on small coastal townships in Oregon in such numbers they have obliterated the original character of the community that attracted them...the loss of community identity and character is an insidious process, lasting for years as long term resident and even seachangers complain that “the place isn’t what is used to be”.⁴²

- 3.14 Some submissions such as the Nature Conservation Council and the Total Environment Centre,⁴³ argue that development and infrastructure provision should be capped in coastal areas to preserve the environment. As suggested by The Coastwatchers Association:

Development should be limited to the existing capacity of infrastructure such as roads, hospitals, schools, water supplies and sewerage systems. It has always been the other way around in the past with decades when the community and the environment has to suffer while infrastructure tries to catch up.⁴⁴

- 3.15 A number of submissions proposed that the ceiling for sustainable development in each community be established before further development takes place:

Strategies should be based on the environmental carrying capacity of each region of the coast. Many of the necessary studies have been done or are underway. These have to be the basis of planning... in the past planning efforts have been undermined by concessions to developers and unsuitable re-zoning.⁴⁵

- 3.16 Sustainable development, which is discussed further in this Chapter at 3.209, is an issue of paramount importance. As forewarned by Eurobodalla Greens:

Development of coastal zones without long term infrastructure planning and investment will surely result in environmental degradation. Without consideration for environmental impacts in coastal communities we will destroy the very thing that influenced our decision to settle in the region, our local natural heritage.⁴⁶

- 3.17 The Committee sees sustainable development as a fundamental issue in developing coastal development policy. The challenge for governments is to manage the tensions between providing adequate infrastructure and retaining the natural environment and amenity of the coast.

Economic Issues and Infrastructure

- 3.18 A concern raised in submissions was the lack of economic and employment diversity in coastal communities. The National Seachange Taskforce submits that unemployment rates in seachange areas are higher than metropolitan areas and youth unemployment is particularly high in coastal growth areas.⁴⁷ Furthermore, the University of Sydney’s seachange analysis states that new industries in coastal areas “tend to be characterised by lower wages and part time and seasonal employment patterns”.⁴⁸ In some cases the growth in tourism has squeezed out historical industries like fishing and forestry, which had provided alternative employment bases.

⁴² Submission No. 48, National Seachange Taskforce, p. 36.

⁴³ Submission No.84 Nature Conservation Council of NSW and Total Environment Centre, p. 1.

⁴⁴ Submission No. 9, The Coastwatchers Association Inc, Eurobodalla, p. 3.

⁴⁵ Submission No. 9, The Coastwatchers Association Inc, Eurobodalla, p. 3.

⁴⁶ Submission No. 44, Eurobodalla Greens, p. 7.

⁴⁷ Submission No. 48, National Seachange Taskforce, p. 37.

⁴⁸ Submission No. 83, University of Sydney, Faculty of Architecture, p. 3.

- 3.19 Fears have been raised that tourism focused communities are highly vulnerable to economic stagnation if there is a tourism downturn. Such tourist orientated towns serve to limit the employment opportunities for the permanent residents and long term economic growth. The submission from the Mid North Coast Regional Development Board outlines the concerns about tourism based employment:

The trend toward an increasing prevalence of part time jobs reduces the employment security of the workforce who are not 'asset rich'. Compared with people in permanent full time positions, those in part time and casual employment often find it more difficult to obtain loan funds to purchase housing and other major assets.... If Mid North Coast residents continue to have lower incomes they will have less capacity to spend money on goods and services. This could lead to lower business growth in the region than in other areas.⁴⁹

- 3.20 Consequently there is now a strong call from smaller coastal communities (particularly those outside coastal commuter areas) for assistance to broaden their economic base. Part of facilitating economic diversity is providing industry friendly infrastructure such as telecommunications, transport and freight facilities, and skilled local workforces. For example Shoalhaven City Council sets out the following economic objectives and "seed" infrastructure necessary in its Economic Development Strategy:

[We] need to continue to foster Shoalhaven's economic competitive capability including: fostering an appropriate diversity of primary, secondary and tertiary industry related businesses; improving physical access to major markets; quality of infrastructure- particularly with respect to employment lands and information technology and communication (ITC) connectivity; and diverse and capable workforce.⁵⁰

- 3.21 Despite these concerns, tourism is a major economic driver for many coastal communities and is welcomed. The challenge is to successfully manage the extreme burden placed on infrastructure by peaking seasonal tourism. The National Seachange Taskforce outlines the key tourism concerns and impacts:

Local Communities are struggling to cope with this rapid growth in demand associated with tourism. Tourism brings an economic benefit to local commercial operators and helps to generate employment opportunities. But while visitors generate revenue for accommodation, meals and local retail outlets they do not contribute to the cost of public infrastructure they use, such as roads, water, sewerage treatment, collection of waste and recreation facilities. The burden of expanding the capacity of this infrastructure to meet the increasing demands of tourism inevitably falls on local ratepayers who are each being forced to cover the costs of providing services for hundreds of tourists.⁵¹

- 3.22 There are strong indications that the provision of adequate infrastructure is linked with productivity growth and economic prosperity. This link has been observed in Australia and comparable countries.⁵² It should be recognised that improving infrastructure is not only desirable in terms of meeting community demands, but can be a catalyst for future economic growth.

⁴⁹ Submission No. 2, Mid North Coast Regional Development Board, p. 4.

⁵⁰ Submission No. 30, Shoalhaven City Council, Appendix 3, Shoalhaven Economic Development Strategy, p. 12.

⁵¹ Submission No. 48, National Seachange Taskforce, p. 17.

⁵² The Allen Consulting Group: Funding Urban Public Infrastructure, August 2003, p. vii.

- 3.23 The Committee feels that strategies developed to respond to seachange need to be aware of the environmental and economic development tensions in infrastructure provision. The Committee examines some suggested ideas to remedy and manage these issues in the later Chapters.

Infrastructure Backlog

- 3.24 Inevitably, as the provision of infrastructure is costly and requires careful planning and consultation, there is a time lag between the community's demands and infrastructure delivery. All the coastal councils who made submissions to the inquiry said they faced continued pressure to upgrade and provide new infrastructure in addition to dealing with a serious backlog of maintenance of existing infrastructure.
- 3.25 The description of the magnitude of the problem was provided by the Institute of Public Works Engineering (IPWEA):

Mr LITTLE (IPWEA): ...Local government is unable to fund its existing infrastructure to an acceptable standard. Provision of new infrastructure, coupled with the continued imposition of rates pegging, will result in an ever-increasing gap between the level of maintenance provided and the minimum acceptable condition for those assets. The total replacement value of local and regional roads in New South Wales is approximately \$13.2 billion. The survey that supports IPWEA's statement indicates that the value of road assets in the coastal growth areas is about \$4.1 billion. This is a summation of the information that is contained in those supporting schedules. The value of roads, footpaths, drainage and parking that was reported by the councils that responded was about \$3 billion. Extrapolating that to cover the full number of 21 councils, the asset value is \$5.17 billion. The maintenance shortfall annually is \$73 million on roads, footpaths and drainage. Those councils report a capital backlog of \$602 million.

Add to that water supply and sewerage, the value reported was \$1.8 billion. The water and sewerage asset value is \$5.5 billion and the capital backlog reported is \$816 million. The total of all assets is \$4.86 billion extrapolated to \$10.6 billion worth of assets maintained by those 21 councils. The maintenance shortfall is \$73 million per annum. The capital backlog is \$1.4 billion. That is without providing any new infrastructure. That is an existing problem that is not being addressed. An increasing demand for existing infrastructure will hasten its deterioration and increase the amount of funding required to bring it to a satisfactory condition. The provision of new infrastructure must be costed on a whole-of-life costing basis. Decisions on how maintenance is to be funded need to be made before capital is committed to asset acquisition. If the community cannot afford to meet the cost of assets over their full life then the asset should not be purchased.⁵³

- 3.26 As revealed in these IPWEA comments, the problem is not only about lack of capacity to match future needs but failures in maintenance of existing infrastructure as well. For example, Gosford Council in their assessment of infrastructure issues identified the following concerns:
- For existing infrastructure, there has been inadequate levels of renewal and maintenance funding to maintain service level standards or achieve best lifecycle cost outcomes.

⁵³ Transcript of Evidence, 29 July 2005, p. 7.

Coastal Infrastructure Issues

- Higher costs of maintaining infrastructure have been experienced due to changes in public liability exposures and today's higher environmental performance standards. There is lack of integration and coordination across government agencies in the delivery of infrastructure.
- Although plans are available for most infrastructure sectors they are generally incomplete (do not cover a full range of needs), do not necessarily have the same basis (population forecasts and planning horizon) and are not often regularly updated to account for changes.⁵⁴

3.27 These concerns followed Gosford Council's participation in the Central Coast Infrastructure Assessment. This Assessment was commissioned by the NSW Department of Planning (then DIPNR) in 2002 to identify and measure infrastructure needs across councils in the Central Coast region. The assessment was funded because the councils could not afford an individual study of their needs. It was also important to have a common study so that needs were assessed using a standard methodology and could then be aggregated.

3.28 Councils are aware of their infrastructure shortfalls in a general sense but funds to commission an assessment to specifically plan and respond to infrastructure problems are not always available. As noted by the National Seachange Taskforce:

One of the most urgent needs is for funding to assist coastal councils to undertake the initial preparatory work to scope, research, develop or initiate pilot projects to address priority [infrastructure] funding areas.⁵⁵

3.29 If councils cannot articulate and measure their infrastructure problems then it is very difficult for the State to aggregate and plan to address problems efficiently and effectively across regions. As noted by the Planning Institute of Australia in their submission:

One approach to facilitate better planning outcomes for the future is the auditing and mapping of current infrastructure to allow for a better understanding of the range of thresholds for infrastructure assessment and planning in coastal areas.⁵⁶

3.30 The Seachange Taskforce goes on to recommend to the Committee that:

The NSW Government initiate a process of conducting detailed scoping and assessment of infrastructure gaps for coastal areas throughout the State and provides the necessary funding to enable coastal councils to prepare such detailed assessments.⁵⁷

3.31 The NSW Government has flagged that the Department of Planning has infrastructure audits underway for the Far North Coast, the South Coast and the Illawarra⁵⁸. However there has been concern raised about the audit process. This is discussed in more detail in Chapter 6. Further details of backlogs and problems with specific infrastructure are outlined in this Chapter.

⁵⁴ Submission No. 32, Gosford City Council, pp. 8-9.

⁵⁵ Submission No. 48, National Seachange Taskforce, p. 31.

⁵⁶ Submission No. 71, Planning Institute of Australia NSW, p. 3.

⁵⁷ Submission No. 48, National Seachange Taskforce, p. 32.

⁵⁸ Transcript of Evidence, 12 August, p.18

Physical Infrastructure

3.32 A majority of submissions to the inquiry have raised major concerns about the adequacy of local physical infrastructure to cope with increased coastal populations. Physical infrastructure includes: roads; public transport; cycleways; rail and airports; water and sewerage; waste management; and energy and communications infrastructure. Some key concerns for these particular items are highlighted in the next section.

Road Infrastructure

3.33 Road provision and maintenance is a critical concern for coastal communities and was raised in the majority of submissions from councils and individuals. Local roads, arterial or connecting roads, and highways are all seen as important to coastal communities.

3.34 Local roads and associated footpaths, road lighting, signage, bridges, drainage works etc are generally the responsibility of local councils. The majority of new seachangers to coastal communities use private car transport so road usage and traffic congestion is increasing in coastal areas. Local roads are also subject to high usage in tourist periods.⁵⁹

3.35 As road based traffic increases, coastal towns and shopping centres are experiencing “gridlock” particularly in peak holiday periods. Coastal growth councils are struggling to keep up with the increased need for the supplementary road infrastructure such as, car parks and footpaths. Extra roads also mean that the demand for ancillary services, such as street sweeping and cleaning, is increased.⁶⁰

3.36 The Institute of Public Works Engineers Australia (IPWEA) noted in their submission that footpaths and access on local roads are particularly of concern for councils with high elderly populations. Councils may be liable if elderly residents are injured on deteriorated footpaths.⁶¹

3.37 The Australian Local Government Association (AGLA) highlighted the constant concerns about local roads in its submission:

The cost of [local road] maintenance is immense and is met from rates and funding from state and commonwealth governments. Over the years the amount of funding available has not kept pace with the costs of maintaining local roads to acceptable standards. This is particularly the case in coastal areas. Much of the local road infrastructure is now reaching the end of its economic life and local government alone cannot meet its replacement cost.⁶²

3.38 The significant usage of local and connecting roads as access into coastal communities needs to be addressed:

The ever increasing road freight task [of supplying growing communities] is placing an enormous burden on local roads, both in the dense and heavily urban areas and

⁵⁹ Submission No. 33, Byron Shire Council, p. 2.

⁶⁰ Submission No. 74, Institute of Public Works Engineering, p. 11 and 18.

⁶¹ Submission No. 74, Institute of Public Works Engineering, p. 18.

⁶² Submission No. 75, Australia Local Government and Shires Association, p. 3.

also on smaller rural and regional roads where rail branch lines closures have forced heavy vehicles onto the local road network.⁶³

- 3.39 Connecting main roads and highways are predominantly the responsibility of the State and Federal Governments. The need for upgrades on the Pacific and Princes Highways along the NSW coast was specifically raised in several submissions. The sentiment of submissions for the South Coast are illustrated by the Eurobodalla Greens submission:

Given the fact that the railway line ends in Bombaderry, the economy of the whole south coast of NSW relies on the Princes Highway as its major transport artery. In the short term the Princes Highway needs urgent attention and the current situation whereby the State and Federal Governments bicker over who is responsible for the cost of maintaining it is unacceptable. The long-term cost to the economy and community are currently being ignored or understated.⁶⁴

- 3.40 Strong statements were also submitted by the President of the Northern Rivers Regional Organisation of Councils in his address to the Pacific Highway Summit in July 2005:

Twenty five years is the current estimate for making the Pacific Highway dual carriageway. That is simply too long. Even fifteen years is too long. Our communities want action now- we want a safer Pacific highway within 10 years. That's what our communities are saying...The Pacific Highway is a real problem for governments and it needs fixing. It is already a symbol of neglect. It is a daily living example of danger.⁶⁵

- 3.41 Submissions raised various concerns about the adequacy of all coastal roads and their role in coastal community growth. In particular the ramifications of improving poor or congested roads was raised including the noise, pollution and safety concerns for residents. Some raised the irony that an outcome of improving roads in coastal areas was to encourage more road users.
- 3.42 The Nature Conservation Council of NSW cautioned that the provision of more road infrastructure should not be at the expense of competing needs, such as high quality remnant habitat. For example the tar sealing of a road may facilitate future development in an environmentally sensitive area.⁶⁶
- 3.43 A further problem was contradictory aims of the various levels of government relating to road use. For example the IPWEA highlighted the mismatch of Tourism NSW's promotion of motoring holidays to destinations, such as Byron Bay, where the local council is struggling to cope with traffic and parking issues.⁶⁷
- 3.44 The Commonwealth Department of Transport and Regional Services' submission to the inquiry highlighted "Auslink" - a new integrated transport policy, which will provide greater funding for Federal roads and rail links. The RTA submission outlines its regional road and coastal highway upgrading programs and notes its ongoing monitoring of road works priority is in consultation with local councils and the Department of Planning. The Commonwealth Government provides specific grants for local roads as part of its financial assistance to councils. Other general-purpose grants

⁶³ Submission No. 96, NSW Local Government and Shires Association, p. 17.

⁶⁴ Submission No. 44, Eurobodalla Greens, p. 3.

⁶⁵ Submission No. 88, Noroc – Pacific Highway Summit, Councillor Ernie Bennett President, p. 7.

⁶⁶ Submission No. 84, Nature Conservation Council of NSW, p. 2.

⁶⁷ Submission No. 74, Institute of Public Works Engineering Australia, p. 11.

are also provided by the Commonwealth to local government, which if necessary, councils can also use for roads.

- 3.45 The problem raised in submissions was the lack of funds available to build and maintain any of these national, regional or local roads irrespective of their classification. However the Commonwealth's "Hawker" inquiry highlighted roads classification as a particular example of how the cost shifting is being put onto local government:

There has also been some evidence received pointing to State governments reclassification roads from their status as State controlled roads to a lesser status, resulting in a lessening of the state government's burden towards upkeep, maintenance and care of roads. In other words, costs have been directly transferred to local government⁶⁸

- 3.46 This supposed shifting of roads responsibility via reclassification is concerning given the LGSA estimates that local government is already directly responsible for 85 per cent of the NSW road network⁶⁹.

Public Transport and the Coordination of Transport Options

- 3.47 A number of submissions to this inquiry mentioned public transport as an issue when considering coastal growth areas. Concerns included lack of adequate public transport and community transport. These were all seen as inadequate in the face of continued population growth.

- 3.48 The establishment of public transport is a more complex issue than one of acquiring vehicles, as it has an impact on other infrastructure requirements. The creation of new public transport can necessitate road upgrades, street and traffic light installation and bus shelters and signage. Combined, these things add up to a huge budgetary requirement for local government.

- 3.49 Submissions argued that coastal areas are typically planned with private vehicle access in mind and for the most part have very limited public transport facilities. For example Gosford is described in one submission as car focused because:

The city design, roads linkages and layout is oriented heavily towards private vehicle use. There is little existing infrastructure for an extensive bus network to supply existing rails services...⁷⁰

- 3.50 With the seachange population growth that has occurred in the last few years, public transport is being demanded. Without effective public transport, coastal growth populations are forced to rely on car transport perpetuating poor patronage public transport services as explained in the submission from North Coast Areas Assistance Scheme:

...public transport is currently not being utilised by the community because operators are not subsidised in the same way as city services. This, then, results in fewer

⁶⁸ *Rates and Taxes: A Fair Share for Responsible Local Government*, House of Representatives Standing Committee on Economics, Finance and Public Administration 2003, p59.

⁶⁹ Submission No. 96, NSW Local Government and Shires Association, p.16.

⁷⁰ Submission No. 40, Australian Consultants for the Environment, p. 1.

options for public transport, more people utilising private vehicles, which in turn reduces the viability of existing services.⁷¹

- 3.51 Furthermore, the planning of new suburbs tends to bring public transport online quite late in the process and so perpetuating private car usage:

It is difficult to encourage public transport usage in the new residential areas because by the time it is economically viable to run a bus service, people have established the 'habit' of using private transport.⁷²

- 3.52 A further issue to recognise is that improvements in road infrastructure necessarily lead to an increase in the use of private cars. It was noted that in the north coast, in particular, improvements to the Pacific Highway and a decline in public transport services has resulted in a significant increase in car based transport.⁷³ Similarly, with improvements in road access, Lake Macquarie Council notes there has been a marked decline in use of public transport in the area in the last 20 years (7 per cent in 1981 to 2 per cent in 2001).⁷⁴

- 3.53 The dispersion of communities in coastal regions also adds cost and complications to public transport provision compared with its provision in dense urban areas. For example, the disparity of density and distance between communities complicates achieving reliable and frequent services to schools and educational centres, shopping centres and medical facilities. Dependable school services are essential, as children in rural areas are required to travel much further to school than their urban counterparts. An example of the difficulties in meeting the transport needs of a diverse population across a widely dispersed area was given to the Committee.

Ms LUCKIE (NRRDB): We have a very dispersed settlement pattern. As I said, about 60 per cent of the population is scattered around through villages and the rest are in major urban centres. Our region covers some 20,000 square kilometres and there is very limited public transport. We do not have the critical mass to provide a large driver for public transport. We recently lost our passenger transport rail system through the northern parts of the region. I referred previously to a Public Transport Development Project under the auspices of the Northern Rivers Social Development Council. From memory, that is the longest running public transport development project in the State. It has been running for some 10 years. That has undertaken and trials a number of initiatives. One involved getting Aboriginal people in remote communities licences to act as drivers. A program is being trialed at the moment for a late night bus in the Lismore central business district. Lismore is one of our larger towns. Really, the main public transport is the school bus system. It is extremely cost prohibitive and it does not necessarily fit in with people trying to access work. We have a major TAFE facility at Wollongbar that has very limited access. Do you want me to tell you more of the problems to do with public transport? It is probably one of our biggest challenges.⁷⁵

- 3.54 Submissions to the inquiry argue that the need for public transport is heightened, given that the two main groups moving to these areas are retirees and young families. For retirees, the alternative forms of transport become more critical as they become too infirm to drive. It is further recognised that accessible transport options are vital to the social well being of ageing populations.

⁷¹ Submission No. 65, North Coast Area Assistance Scheme, p. 2.

⁷² Submission No. 79, Wyong Shire Council, p. 6.

⁷³ Submission No. 74, Institute of Public Works Engineers, p. 7.

⁷⁴ Submission No. 55, Lake Macquarie City Council, p. 3.

⁷⁵ Transcript of Evidence, 29 July 2005, pp. 30-31.

Limited transport options can lead to isolation of older persons and a consequent deterioration in both physical and mental health.⁷⁶

3.55 For families with young children access to health care facilities, childcare and schools is an issue if there is no private vehicle access within the household. Social isolation and limits on access to schools and employment centres have been raised as consequences of limited public transport and a lack of coordinated transport.

Many of the new subdivisions in the area have been developed away from shopping centres and facilities. There is no bus to service new residents coming in the coming into the area. Travel to and from shopping centres, medical services and schools require travel by motor vehicles. It is more practicable for residents to have 2 (or more) vehicles, which puts further strain on existing roads. For those families with one vehicle, the family person left at home can be isolated due to lack of public transport making any community facilities inaccessible.⁷⁷

3.56 The Review of Bus Services in New South Wales Final Report was released in February 2005. The review identified a number of constraints that have hindered the improvement of transport services in rural and regional areas, including:

- the current lack of a co-ordinated approach to service planning and funding has seriously hampered the ability to provide and plan for transport services within regional and rural areas.
- the service models that are currently used do not reflect the needs of potential transport users in rural and regional areas.
- the existing contracts between service providers focus on school transport as opposed to developing services that are beneficial for the whole community.
- service providers are accredited by mode-therefore cannot develop a range of diverse transport options that could better service a rural or regional community.⁷⁸

3.57 The report also proposed a whole-of-government approach to address these issues. The Government has introduced a number of changes since the publication of the report. One of the major changes the introduction of strategic corridors. These will be created based on the level of patronage and need for such infrastructure and will link areas such as Sydney, Wollongong, Newcastle and the Central Coast with fast, frequent, direct and convenient links to regional centres.

3.58 The report also highlighted the fact that although the Government subsidises the transport that is provided, such as school buses, it has very little say over how they can be used due to lack of ownership. The Government provides approximately \$230 million in non-metropolitan NSW for private companies to provide school buses.

3.59 Private bus operators provide transport services outside of the Sydney metropolitan area through commercial contracts between their companies and the Ministry for Transport. School buses are funded through “non-commercial” contracts between private bus companies and the Ministry to provide transport in non-metropolitan areas where there is no regular bus service.

⁷⁶ NSW Submission to Productivity Commission, p. 38.

⁷⁷ Submission No. 31, St George's Basin Community Forum, p. 2.

⁷⁸ Review of Bus Services in NSW: Final Report, Ministry for Transport, February 2004, p. 39.

- 3.60 Local councils are endeavouring to meet the challenge of planning for the right mix of transport modes, including heavy rail, light rail, bus, car, as well as walking and cycling. The aim is to ensure passengers have an appropriate range of choices to allow for the most efficient mode of transport for the trip proposed.⁷⁹
- 3.61 The LGSA emphasised the key role of local government in assessing coastal transport needs and its links with effective and farsighted land use planning. Providing for the transport infrastructure and service needs of such broad demographic groups requires a good balance of transport solutions, which need to be taken account of in the planning stages of new land release areas.⁸⁰
- 3.62 For towns with a rail line, the difficulty is often in the lack of transport that is available to and from the station. This has the effect of less people utilising the train system and therefore, eventually, less services being provided. As the bus services in these areas are run privately there is no co-ordination with the public train service for a reliable and cohesive service that works together.
- 3.63 Something as simple as bus timetables are often not readily available to passengers as there are no “shop-front” places for people to seek information about services.⁸¹ Most timetables are obtained from the bus driver while travelling and often the buses do not have enough timetables to give to passengers. These timetables are available on the internet or by phoning most private bus companies, but this is a more difficult option for elderly passengers and means a traveller must plan their day ahead in order to travel anywhere.
- 3.64 The Committee acknowledges that transport solutions in coastal areas have to grapple with all these factors.

Cycleway Infrastructure

- 3.65 A number of submissions mentioned the use of bicycles as an alternative to public and private transport options. In March 2003 the Department of Infrastructure, Planning and Natural Resources announced funding for the NSW Coastline Cycleway Project. The project pledged \$6 million over four years to be allocated to councils for the provision of cycleways. Councils have shown enthusiasm in the project, applying for more funds than Department of Planning has allocated for the 2004/2005 period.⁸²
- 3.66 The construction of cycleways also has the added benefit of attracting tourists to coastal communities as it provides a quick and cost effective way for tourists to travel between towns. The upgrading of cycleways can also provide another form of transport for people commuting to work. Utilising cycleways to travel to and from work is a popular mode of transport in metropolitan areas, as commuters can avoid heavy traffic and unreliable public transport. As one submission states:

I relocated to Coffs Harbour in 2000 from Sydney. I find one of the greatest disadvantages in living in this region is the lack of transport infrastructure and having to rely solely on the motorcar to get around with reasonable efficiency and safety. In

⁷⁹ Submission No. 96, NSW Local Government and Shires Association, p. 18.

⁸⁰ Submission No. 96, NSW Local Government and Shires Association, p. 17.

⁸¹ Submission No. 40, Australian Consultants for the Environment, pp. 3-4.

⁸² Submission No. 81, Bicycle New South Wales Inc, p. 2.

Sydney I used to be able to utilise my bicycle far more often to commute, shop and travel to work, as I had the option to plan my journey via low stress routes, there were always many options to keep away from danger points. Up here... there is only one option, the Pacific Highway.⁸³

- 3.67 A number of submissions also mentioned the added health benefits of facilities that encourage exercise. For example reduced obesity in the community can lessen health care costs.⁸⁴ It is seen as beneficial for governments to invest in adequate cycleways for these long-term effects.

The provision of cycleway/walkways in developing areas is a sound investment in improving future community health and fitness in accord with existing commonwealth and state health initiatives.⁸⁵

- 3.68 Another benefit from creating cycleways and walkways is the protection it provides to the natural environment. Due to the tourist potential of cycleways, they are often constructed along coastal areas, creating untouchable green belts. As one of the submissions states:

Good low impact accessibility for walkers, cyclists, disabled people can easily justify preserving a green coastal zone free from built development.⁸⁶

- 3.69 Although the integration of cycleways into infrastructure planning will not solve all of the transport needs of a coastal community, it can alleviate some of the burden of public and private transport. Providing a number of well-connected and safe cycleways can allow people to travel between towns with relative ease and freedom. It is also an option for children on weekends when the main form of transportation for them, school buses, are not running and they are dependent on their parents for transportation. Adequate and safe cycleways could also be constructed to other educational facilities allowing students access to these centres during non-peak times, holidays and weekends, when transport is less frequent or non-existent.

Railway and Airport Infrastructure

- 3.70 Some submissions strongly emphasised the need to improve rail transport particularly in the far northern and southern coastal regions.

Efficient rail services contribute to the strength of the regional economy and offer a valuable alternative public transport option for communities. Efficient passenger and freight rail services should be supported.⁸⁷

- 3.71 Advocates of rail transport, such as the Northern Rivers Trains for the Future, cite environmental and tourism benefits from revitalisation of rail services. In addition, it is argued that rail can alleviate road transport pressures, reducing congestion and road accidents. Given the high profile of ageing in coastal communities, public transport demands may be effectively met with inclusion of public rail transport:

Regional populations include high levels of older people as well as people on pensions and low incomes who require access to human services that are often

⁸³ Submission No. 12, Mockridge Coffs Harbour Bicycle Users Group, p. 1.

⁸⁴ Submission No. 12, Mockridge Coffs Harbour Bicycle Users Group, p. 1.

⁸⁵ Submission No. 81, Bicycle NSW Inc, p. 3.

⁸⁶ Submission No. 6, Mr Ken Phelan, p. 2.

⁸⁷ Submission No. 54, Mr Creamer, p. 1.

delivered in regional centres (such as Lismore) located some distance away and increasingly in South East Queensland for medical services.⁸⁸

3.72 It was suggested to the Committee that interstate cooperation and the need for funding from the Commonwealth Government should be pursued for important strategic rail corridors.

3.73 The Committee also heard that the access that airports provide to some of the larger coastal areas may enhance economic development.

Professor BLAKELY (Sydney Uni): ...we do not have easy access for many of our coastal communities to other parts of the country. Employers do not want to go there because they cannot get easy access to other capital cities from there... Airports are a big deal, a really big deal. [Without them] you cannot encourage private employers. Government does not generate very many jobs...A government job might generate one other job, but a private job generally generates three.⁸⁹

3.74 The General Manager of Coffs Harbour City Council reinforced this view:

Mr FERGUSON (Coffs Harbour Council): We have had a strong improvement in government services in the area through having available greater airport access and office accommodation and the fact that the city is becoming a very liveable place to be. It is getting that critical mass. To change socio-economics you need to have those key liveable city values. In addition, one of the key issues is access and good transport. The third key issue is communication.⁹⁰

3.75 Port Stephens Council details that even though the airport provides an effective means of travel, transport to and from the airport is difficult. The traffic that private vehicles, taxis, buses and hire cars cause creates congestion and parking problems:

There are no alternative public transport options available to the airport. For the nearest largest population areas of Newcastle and Lake Macquarie, residents needing to travel to and from Newcastle Airport have no direct transport options other than private vehicles. With the expansion of airport activity, both passenger and freight, the need for alternative transport such as rail must be a consideration in planning and infrastructure investment.⁹¹

Water and Sewerage

3.76 A number of submissions identified the provision of adequate water and sewerage infrastructure as an important issue facing coastal communities.

Inadequate water supply is one of the primary issues facing all coastal communities, as even large towns struggle during times of drought to cope with water supply demand.⁹²

3.77 Outside the main metropolitan areas, councils are usually the authority responsible for water and sewerage services. Traditionally water and sewerage subsidies have been provided by the NSW Government to assist funding significant capital works. Councils highlight that the subsidy rates provided by the State government are in decline and will be completely phased out by the 2011-2012 financial year.

⁸⁸ Submission No. 57, Northern Rivers Trains for the Future, p. 5.

⁸⁹ Transcript of Evidence, 29 July 2005, p. 21.

⁹⁰ Transcript of Evidence, 2 August 2005, p. 4.

⁹¹ Submission No. 76, Port Stephens Council, p. 5.

⁹² Submission No. 41, Royal Australian Institute of Architects NSW, p. 3.

3.78 Unlike council rates, water and sewerage rates are not capped and can be increase to match rising costs. However, Councils such as Bega Valley Council argue that:

Ongoing tightening of natural resources and environmental legislation, cost shifting and other factors may ultimately mean that even with best practice management of our business that the cost to the community ultimately becomes unsustainable.⁹³

3.79 Many growing coastal areas are facing expanding water demands caused by new residents and tourists - these increases in demand are exacerbated by drought or rainfall reductions. Affected councils are looking at managing existing supplies through extra dam capacity and water conservation/recycling measures. The Australian Conservation Foundation argues for a combined approach of reforms:

Mr WIGGAN (ACF):...100 per cent on-site water collection of rainfall and reuse of grey water will reduce the impact on water reserves. Localised sewerage plants will also reduce the need for huge volumes of water to move [sewage into] ocean outfalls.⁹⁴

3.80 The Gosford City Council, who manage water and wastewater services to over 300,000 residents, outlined their concerns to the Committee. The Council argued that long-term drought conditions had resulted in a significant decline in the town water supplies on the Central Coast. The Council is undertaking a range of water management measures and preparing contingencies in the event that drought continues.

3.81 Some of the contingencies being put in place include: investigating ground water supplies; reducing daily consumption though water saving initiatives; replacing total demand with recycled wastewater; and dam to dam connections. Even with these actions the Central Coast councils of Wyong and Gosford estimate over the next five years capital expenditure on drought contingency measures will be between \$40 and \$110 million, depending on rainfall and the extent of supplementary water required. The key issue is the burden this places on ratepayers and the funding and assistance required across levels of government to deal with these large council expenditures.⁹⁵

3.82 Also some smaller villages are facing the decision to move from tank water to reticulated water and sewerage systems. There are various issues to consider in the transition to new systems including: costs; impacts on environment; community acceptance; and the encouragement of population growth. As revealed by the comments of the Eurobodalla Coastwatchers Association, it cannot necessarily be assumed that communities wish to change systems:

There are still some villages/hamlets along the coast that do not have town water or reticulated sewerage. South Durras is an example in our shire. The people want to remain self reliant. They know the value of water and conserve it. Their tank water supplies were better quality and more reliable during the drought than the town supply elsewhere. The on-site sewerage treatment systems are working and are inspected by councils. South Durras residents do not want town water or sewerage, partly because it will allow increased density in the village and destroy the character of the place. The only problems arise in the holiday seasons when caravan parks and Murramarang Resort are fully occupied.⁹⁶

⁹³ Submission No. 46, Bega Valley Shire Council, p. 4.

⁹⁴ Transcript of Evidence, 3 August 2005, p. 7.

⁹⁵ Submission No. 32, Gosford City Council pp. 11 – 16.

⁹⁶ Submission No. 9, The Coastwatchers Association Eurobodalla, p. 2.

3.83 A further dimension to water consumption is the lower occupancy rates of houses. More people are living alone or in smaller family groups. The impact on water infrastructure is explained by the Australian Water Association:

...the [population] shift towards denser coastal urban areas is a problem, as that leads to more dwelling units but no increase in population. This results in greater water consumption and increase sewerage discharges but without a larger population base.⁹⁷

3.84 The AGLA explained in its submission to the Committee that councils were faced with a community expectation of upgrading water and sewerage services. These upgraded facilities often came at a cost beyond what councils could afford.⁹⁸ For example, Shoalhaven City Council said supplying reticulated sewerage to some of its remote villages was prohibitive at up to \$30,000 per lot.⁹⁹

3.85 Many submissions expressed concern about planning for adequate water and sewerage services, which are severely impacted by tourism and seasonal influxes of visitors.¹⁰⁰

Mr TEGART (Eurobodalla Council):In those peak periods the road infrastructure will go to gridlock, the water and sewerage structure will fail and we will have surcharges that create environmental problems. The irony in that is that other State government [agencies] will then hit local government for that failure—I mean particularly the surcharges in waterways and so forth from designed to fail, if you like, sewerage infrastructure. On that note, the State Government has already flagged its intent to close down or scale back its country water, town country water subsidy scheme. Councils for many years have relied on at least half of all the cost of water and sewerage infrastructure to come from State Government.¹⁰¹

3.86 Submissions argue that the failure to provide adequate water and sewerage infrastructure is having negative flow-on environmental effects. The Total Environment Centre cite the sewerage treatment plant at Evans Head as an example of a sewerage plant that is severely overloaded and is polluting nearby waterways.¹⁰²

3.87 Problems with storm water discharge were also cited. The Royal Institute of Architects stated that:

Stormwater in Lennox Head, Byron Bay and Ballina and other coastal communities often discharges directly onto swimming beaches. The causes pollution from grass clippings, paper, plastic, bottle caps, as well as causing problems for swimmers with algal blooms, eye irritations and other health problems.¹⁰³

3.88 Callala Bay Progress Association also poses the question about population pressures on stormwater management:

Can we continue to expand as a community whilst we continue to flush stormwater and its associated rubbish unto the pristine waters of Jervis Bay?¹⁰⁴

⁹⁷ Submission No. 90, Australian Water Association, p. 1.

⁹⁸ Submission No. 75, Australian Local Government Association, p. 4.

⁹⁹ Submission No. 30, Shoalhaven City Council, p. 7.

¹⁰⁰ Submission No. 96, NSW Local Government and Shires Association, p. 18.

¹⁰¹ Transcript of Evidence, 29 July 2005, p. 11.

¹⁰² Submission No. 84, Nature Conservation Council and Total Environment Council, p. 2.

¹⁰³ Submission No. 41, The Royal Australian Institute of Architects NSW, p. 3.

¹⁰⁴ Submission No. 17, Callala Bay Progress Association Inc, p. 2.

- 3.89 Further to this, Eurobodalla Greens argues that coastal water management is not very progressive:
- Australia is the only developed nation that still has ocean out falls to deal with sewerage wastes even though sewerage treatment technology exists to completely recycle human effluent into water clean enough for most household uses and topsoil.¹⁰⁵
- 3.90 Some coastal council's are using innovative practices to address issues around water and sewerage provision. For example, Eurobodalla Council has been developing strategies that support urban populations. These include the Integrated Water Cycle Management Strategy (IWCMS) and Waste Minimisation Strategy. These strategies are designed to manage the urban and ecological footprints by reducing the draw on natural resources and waste generated by urban activity. As from 2004/05, the Council is planning to achieve this by combining the current functions of the water and sewerage funds into a 'Water Cycle Fund'.¹⁰⁶
- 3.91 The Water Cycle Fund will be financed from access fees, usage charges, discharge fees (sewer), excess load (trade waste) fees, sewerage charges and development contributions required by best practice pricing, in addition to grants, investments returns, and other capital financing (such as loans and reserves).
- 3.92 The Committee examined another innovative solution to water management on its inspection visit to the South Coast in May 2005. The Gerroa Sewage Treatment Plant is an example of a tailored sustainable response for a small community's needs. The Plant, designed by Veolia Water, is scaled to meet the needs of the hamlet of Gerroa and surrounds and is the most advanced sewage treatment plant in the world. The system is designed to reuse up to 80 per cent of treated effluent, which is then pumped and reused for pasture irrigation.¹⁰⁷
- 3.93 A number of submissions expressed concern about fluoridation of water supplies.¹⁰⁸ Fluoridation is an option for coastal communities moving to, or upgrading, their reticulated water supplies. Fluoride treatment infrastructure represents a very minor expenditure in the development of total reticulated water system. The concerns in submissions focused on the impacts of fluoridisation on human health. The evaluation of such health impacts is outside the Committee's expertise and the terms of reference to this inquiry. This report draws no conclusions on this issue.
- 3.94 Overall submissions agreed that adequacy of water and sewerage provision is a critical concern for long-term viability of coastal communities.

Waste Management

- 3.95 A number of submissions considered waste and recycling. The issue of waste management will become an increasing concern as population grows in coastal areas.
- 3.96 Councils are generally responsible for waste collection and recycling arrangements. Many coastal Councils have limited landfill capacity to cater for the solid waste

¹⁰⁵ Submission No. 44 Eurobodalla Greens, p. 3.

¹⁰⁶ Submission No. 45, Eurobodalla Council, pp. 7 - 8.

¹⁰⁷ Further information on the plant can be obtained at www.veoliawater.com.au/Gerringong.asp.

¹⁰⁸ Submission No's 10, 11, 16, 24, 25, 59, 67, 86, 87, 89, 91 and 98.

generated by the current population and for future population growth. Some Councils are also dramatically affected by tourism waste.¹⁰⁹

3.97 Councils are levied per tonne of waste into landfill by the State government as an incentive for recycling programs. However many coastal communities have no access to recycling services or transport costs to access services is prohibitive. This leaves Councils no alternative but continued landfill usage in increasingly built up coastal areas.

3.98 Some Councils have argued for the return of waste levy funds from State government to support initiatives for waste processing and recycling.¹¹⁰

3.99 Port Stephens Council suggests that the Inquiry into Infrastructure in Coastal Growth Areas give serious attention to the full use of the NSW Waste Disposal Levy to assist Councils to:

- Rehabilitate old landfill sites
- Adopt local site-specific vs. generic alternative waste technologies over landfill
- Site new landfill facilities to accommodate safe disposal of residual waste streams not catered for by alternative waste technologies
- Fund Councils that adopt comprehensive resource recovery strategies to encourage a move away from land filling as well as promotion of industry life cycle management.
- Actively encourage regional solutions and resource sharing to address common solid waste issues
- Develop innovative design principles for high-density dwelling areas to ensure that waste and recycling collection systems continue to provide a service that is convenient, clean, quick, safe and quiet.¹¹¹

3.100 The LGSA has recommended a regional approach to better waste management.¹¹² This is reinforced by what the Committee heard about waste strategies such as Coffs Harbour City Council who will save \$12 million over 20 years on a waste management initiative that joins together three council areas.¹¹³

Energy and Communication Infrastructure

3.101 The energy infrastructure concerns in coastal areas are generally a reflection of energy concerns across NSW. For example concerns about the use of fossil fuel reliant energy and increasing domestic power consumption, (exacerbated by poor housing design and air conditioner use,) were all raised in various submissions.

3.102 Renewable energy supply options for coastal areas are limited. Even some quite substantial coastal communities, such as Coffs Harbour, have neither solar power or natural gas power supplies available or under development.¹¹⁴ Most suggestions made in submissions advocate the use of a mixture of different energy options:

¹⁰⁹ Submission No. 96, NSW Local Government and Shires Association, p. 20.

¹¹⁰ Submission No. 32, Gosford City Council, p. 17.

¹¹¹ Submission No. 76, Port Stephens Council, p. 15.

¹¹² Submission No. 96, NSW Local Government and Shires Association, p. 28.

¹¹³ Transcript of Evidence, 2 August 2005, p. 6.

¹¹⁴ Submission No. 80, Coffs Harbour City Council, p. 31.

It is unlikely that any single generation system will be able to provide us with a magic bullet with which to combat greenhouse emissions and the resultant climate change.¹¹⁵

3.103 One of the more innovative suggestions for long-term power sustainability, ideally suited to the coast, is tidal power. The Australian Conservation Foundation (ACF) highlighted some tidal power initiatives being undertaken in the Northern Territory and Western Australia. While still not currently producing economically viable volumes of energy, the ACF argued that for supplementary power, tidal power should be examined along with other renewable energy sources.¹¹⁶

3.104 The high energy consumption in new housing developments was raised as a problem in various submissions:

Solar power certainly has the capacity to contribute to a significant reduction in Greenhouse emissions, however for solar to be economically viable we must first redesign the building codes, specifically in relation to subdivisions and how buildings connect to the grid.¹¹⁷

3.105 The ACF suggested that development applications include the measurement of the development's ecological footprint. This is in addition to the BASIX sustainability energy and water building requirements for new developments, that were recently introduced by the NSW Government:

Mr ELLIS (ACF):The whole provision of ecological footprints should be put into development applications [DAs] as a basic requirement. We have a problem. As each development goes in, it is rated on the BASIX of its energy solutions. It also should be putting down the extent of the footprint of major developments. Obviously you are not talking about next-door neighbour renovations. We are talking about 10-storey buildings that have been promoted. It should be a requirement. We are talking about power in relation to heating and cooling as well as the use and closeness of public transport and open space. All these things factor into the ecological footprint and should be inducted into the development application process as well.

Developers would say that that we are just constraining them once again, but if we are after good energy ratings, we will not just say that we will put a big building here that will be overshadowed. To cover our BASIX, we need double-glazed windows and extra insulation. We are talking about natural, passive solar design and insulation to stop all those things from happening so that it is cool in summer and warm in winter and is not giving an artificial level for the BASIX.

Ms D'AMORE MP: You do not think that is happening now with our new estates that are being developed?

Mr ELLIS (ACF): No. It is, to a limited degree, but as I say, if you have a rating of 10, you can manufacture those ratings out by having insulation and double-glazed windows and other things which then puts a load on more airconditioning and more heating requirements. That in turn takes on energy constraints associated with greenhouse gas emissions. I am hopeful, but I do not think it is really happening at the moment. It is a start, but basically it just needs to go further.¹¹⁸

¹¹⁵ Submission No. 44, Eurobodalla Greens, p. 5.

¹¹⁶ Submission No. 47, Australian Conservation Foundation, pp. 3-6.

¹¹⁷ Submission No. 44, Eurobodalla Greens, p. 5.

¹¹⁸ Transcript of Evidence, 3 August 2005, p. 9.

3.106 The Committee also noted that the elderly population were more likely to have high energy demands for such items as air-conditioning, which would add more pressures to energy peaks in rising climates. This in turn could trigger power shortages with dire impacts on elderly:

Professor BLAKELY (Sydney Uni):...You might have days of sunlight that reach 12, 14, 16 hours with higher temperatures. That is what killed the people in Paris. It was not the heat, it was the continuous heat. That continuous heat may come with very low or no sea breezes. If it comes with no or low sea breezes, people will keep their airconditioners on and they will shut down.¹¹⁹

3.107 Improving telecommunications is also seen as an important element for coastal areas as noted in the NSW Government submission to the inquiry:

Telecommunications is a vital area of infrastructure relevant to the future economic and social well-being of coastal growth areas. ... Future ease of telecommuting, more older people seeking internet access, as well as educational needs, will all place growing demands on telecommunications systems.¹²⁰

3.108 There are considerable telecommunications deficiencies in some NSW coastal areas as discussed in the submission from Shoalhaven Council:

Mobile telephone coverage is poor in certain topographical areas of Shoalhaven. Although all service providers are attempting to eliminate uncovered areas, the problems associated with the current coverage cannot be understated, especially in the construction industry and growing home based business sector.

The provision of broadband internet services are limited by the physical infrastructure radiating from equipped exchanged. Most home based businesses are beyond this range and as a result have had to resort to the more expensive satellite connection, or continue to rely on existing problematic telephone based services.¹²¹

3.109 While some communities are seeking improved access to telecommunications, there are still some concerns:

There is becoming an overabundance of phone towers required by the telecommunication companies and these towers are being proposed for residential areas. As there are know health risks to person living around these towers we would like to see that government allocates safe areas ... and that the towers providers share the towers rather than spoil the landscape with many of these facilities.¹²²

3.110 Nevertheless the merit of superior telecommunications to the economic development coastal communities is well recognised. As explained by Coffs Harbour Council:

Mr FERGUSON (Coffs Harbour Council): ...One of the things the council has done is not only broadband communications but also optical fibre. Council is starting to get engaged in trying to promote better communication links within the community...In conjunction with our reclaimed water strategy we have put optical fibre conduit in our sewerage mains and our reclaimed water mains. We are looking at developing a policy to have within new release subdivision areas smart suburbs that have optical fibre

¹¹⁹ Transcript of Evidence, 29 July 2005, p. 19.

¹²⁰ Submission No. 99, NSW Government, p. 15.

¹²¹ Submission No. 30, Shoalhaven City Council, p. 8.

¹²² Submission No. 35, Central Coast Community Environment Network Inc, p. 2.

conduit linked as part of subdivision development policy so that the local council becomes an active player in the provision of telecommunication infrastructure.¹²³

3.111 The remote working benefits from improved communications was further discussed by the Coffs Harbour Council:

Mr FERGUSON (Coffs Harbour Council): ...Ultimately, the communities in those [coastal] areas have not got the metropolitan services but they want to be able to have high level cable television, security and electronic games...as well as high level communication with other people around the world, in Sydney or wherever. We are witnessing a bit of a sea change of those types of people starting to come to the city. For example, the person who works a day in Sydney and flies to Coffs Harbour to work for three or four days; or the person who works two days in the city; or the person who works for a couple of weeks and has a couple of weeks in Coffs Harbour. There are numerous examples of personalities and others who are starting to generate that.¹²⁴

Human Services Infrastructure

Health Infrastructure

3.112 The adequacy of health care infrastructure and services in coastal areas was frequently raised in submissions to the inquiry. The health and aged care needs of the elderly population in coastal areas was of particular concern. As stated in Chapter 2, the population in coastal growth areas is ageing faster than the national average. Currently, the Mid North Coast Region is the region with the largest proportion, 30 percent, of its population over 55 years. By 2021, it is projected to have the oldest population in Australia with 47% of residents over 55 years.¹²⁵ Empirical data indicates that older people use hospitals in New South Wales four times more often than younger people.¹²⁶

3.113 The responsibility for health care provision is combined across government:

- Hospital, acute care and mental health facilities are principally the State Government responsibility, but funding is shared between the State and Federal Governments, with payment via Commonwealth/State Health agreements.
- The home and community care (HACC) program is a joint Commonwealth/State program that provides basic support services to frail older people, people with a disability, and to assist people to remain in their homes and prevent premature movement into residential care.
- Nursing homes and hostels are generally licensed and part funded by the Federal Government with ongoing regulation by the State Government. Planning provisions for aged suitable accommodation also guided by 2004 “Seniors Living” State Environmental Planning Policy.
- Childcare centres are licensed by the Federal Government and can be provided by the private sector or local government.

¹²³ Transcript of Evidence, 2 August 2005, p. 4.

¹²⁴ Transcript of Evidence, 2 August 2005, p. 4.

¹²⁵ Submission No. 2b, Mid North Coast Regional Development Board, p. 1.

¹²⁶ NSW Government Submission to the Productivity Commission Research Study into Economic Implications of an Aging Australia, November 2004, p. 31.

- Medical professionals such as GPs and nurses are trained in tertiary and hospital systems but registered by their respective State Governments.
- Medicare services and pharmaceutical benefits are regulated by the Federal Government. The Federal Government also issues Medicare provider numbers to GPs.
- Local government provides some community health facilities and ancillary services like community transport. Kiama Council is an exception because it operates a council owned nursing home.¹²⁷

3.114 Community healthcare and local medical services are much more limited in coastal areas. Councils are not providers of substantial health care facilities, however, they take an active role in monitoring and advocating for services:

The Clarence Valley area has critical shortages in community based health centres, sexual assault services, women's health centres, palliative care facilities and child and family health centres. Council only provides Baby Health Centres.¹²⁸

3.115 A useful example of the health care situation for coastal communities and their surrounds was offered by Callala Bay residents near Nowra on the South Coast:

In Nowra (25km away) we have one public and one private hospital. In the public hospital there is a 2+ year wait for some elective surgery procedures. Accident and Emergency despite a major upgrade recently has ridiculously long (up to 5+ hours) wait times. There is clear evidence that more hospital beds need to be opened to alleviate the backlog of patients clogging up Accident and Emergency whilst waiting for beds. A bulk billing clinic attached to the hospital is also needed that could deal with less urgent cases thus freeing up more specialized care. The local doctors surgery does not bulk bill and the nearest bulk billing doctor is some 15 Km away. Considering that there is no public transport between Callala Bay and Culburra....it is becoming harder and harder for low income citizens to access low cost health care within their local community.¹²⁹

3.116 There are difficulties for seachangers in accessing healthcare, as it is noted that in some coastal areas incoming residents are having great difficulty in finding a local doctor, as the doctors are not accepting new patients.¹³⁰ On the North Coast, the effect of a shortage of general practitioners combined with an increasingly aged community, was highlighted by Coffs Harbour Council representatives:

Mr FERGUSON (Coffs Harbour Council): We have an ageing community and the over 65 and over 85 year olds will double in the next 20 years. There are only 55 general practitioners within our local area, and that is a significant problem for those new people who come to the city because many of the general practitioners have closed their books. In doing that, those people do not have access to medical services unless they go on longer waiting routines or use the public hospital system.¹³¹

3.117 Some submissions have suggested more collocated and innovative provisions of local GP care such as multi use facilities and mobile clinics:

¹²⁷ Submission No.60, Kiama Municipal Council, p. 5.

¹²⁸ Submission No. 63, Clarence Valley Council, p. 6.

¹²⁹ Submission No. 17, Callala Bay Progress Association, p. 3.

¹³⁰ Submission No. 31, St Georges Basin, p. 3 and Submission No. 37, Morriset CPSA, p. 1.

¹³¹ Transcripts of Evidence, 2 August 2005, p. 2.

Professor BLAKELY (Sydney Uni): ... But with health care, we need to use our existing infrastructure much better than we have in the past. For example, I do not think we should any longer build a school that does not have an amenity package on the school grounds, which would include health, libraries, and all of that. Having these facilities as separate facilities is costly and wasteful, and it causes additional trips. In other words, when the school is not in session after 3 o'clock, it should be serving senior citizens with a health facility... both private players and non-profit players can be involved in all this. A lot of the facilities that seniors need could come up in a small panel van. The doctor and the nurse could come up in a panel van and provide that facility, and have the proper rooms and so forth, and take care of people. One day a week they are there, and on Thursday they are in another location, and so on. You do not need to replicate a surgery in every place.¹³²

3.118 Eurobodalla Shire Council has proposed developing its own facility to overcome current problems with health service delivery:

In the absence of State government commitment to provide an upgraded health service and transport system in the Shire, Council is exploring the opportunity to use its land and facilitate a [Public Private Partnership] PPP or other venture to provide an acute in-patient care health facility as an anchor to support other co-located "feeder" developments such as specialist rooms, rehabilitation centres, three-stage aged care facility, indoor aquatic and the like.¹³³

3.119 Hospitals are a critical facility for coastal communities that have high concentrations of older people. The NSW Government submission to the Productivity Commission's Inquiry on Ageing, noted that costs will increase for public hospitals, which tend to provide the more costly treatments for chronic aging conditions such as diabetes, dementia, dialysis and rehabilitation.¹³⁴

3.120 According to the NSW Government submission to the Productivity Commission, health costs are expected to continue to rise for several reasons:

- the need for more staff training and the chronicity and complexity of health conditions of the ageing population;
- public hospitals tending to bear the burden of treatment which was more complex and costly;
- growth in non-inpatient care and especially community support for the aged; increased spending on equipment for a growing number of people with disabilities to prevent avoidable admissions to (expensive) acute care services; and
- a shift of expenses from treatment to prevention and maintenance.¹³⁵

3.121 Pressure on coastal hospitals is heightened in low socio-economic areas where people tend to use emergency departments rather than GPs. There is a further burden on

¹³² Transcript of Evidence, 29 July 2005, p. 33.

¹³³ Submission No. 45, Eurobodalla Shire Council, p. 4.

¹³⁴ NSW Submission to Productivity Commission Inquiry, Research Study into the Economic Impacts of Ageing, November 2004, p. 31.

¹³⁵ NSW Submission to Productivity Commission Inquiry, Research Study into the Economic Impacts of Ageing, November 2004, p. 29.

hospitals in coastal areas due to dramatic surges in tourist populations and holiday accidents.¹³⁶

3.122 The NSW Minister for Health provided the Committee with a submission outlining the current practices for state health services provision. The submission notes that:

NSW Health is establishing integrated primary care sites across NSW including coastal areas to provide multi disciplinary care through teams of GP's, community health and allied health to target clients such as people with chronic and complex conditions and older people.¹³⁷

3.123 Furthermore, NSW Health explains its Resource Distribution Formula, which is a population/needs based funding model designed to guide recurrent resource allocation between area health services. This formula, which excludes capital funding, is supposed to allocate more resources to those areas that have higher health needs. NSW Health notes that over the last decade coastal area health services have received a progressively larger share of resources, to enable then to develop services to meet the health needs of this increased population.¹³⁸

3.124 In an attempt to alleviate the impact of an ageing population on the health system, NSW Health is moving towards a preventative model:

Dr MATTHEWS (NSW Health):...In enhancing primary health care or health promotion we need to enhance the concept of healthy ageing. We want to reduce the demand on acute beds. Many acute bed admissions of older people are actually avoidable admissions because of a lack of co-ordination and primary care in the community. Again, primary care is a split responsibility between the State and the Commonwealth. My analogy is that you should imagine a zipper, which is apart at the top in primary care and apart at the bottom in aged care and rehabilitation. The only place that that zipper comes together is in the acute care centre, which is the only bit that belongs totally to one party, which is us.¹³⁹

3.125 A further concern is the health workforce shortage - coastal areas have difficulty in attracting sufficient numbers of health care workers, especially nurses.¹⁴⁰ The Department of Health notes that the health workforce is ageing and that this is a substantial problem for long-term provision of health services across the state.¹⁴¹

3.126 The provision of residential care and nursing home facilities were repeatedly raised in submissions to the Committee. Management of elderly people waiting in hospitals for available nursing home positions was discussed at length at hearings:

Ms D'AMORE MP: Noting the relationship between the Commonwealth and the State, there is a current deficit in Commonwealth funding for hospital beds and median nursing home beds. We have an ageing population in our coastal areas so we need more nursing home beds. In the absence of the Federal Government providing more of those beds and more funding, how will New South Wales cope with additional ageing populations in its coastal areas and a lack of nursing home beds?

¹³⁶ Transcript of Evidence, 2 August 2005, p. 2 and 3 August 2005, p. 21.

¹³⁷ Submission No. 72, Minister for Health, p. 4.

¹³⁸ Submission No. 72, Minister for Health, p. 4.

¹³⁹ Transcript of Evidence, 3 August 2005, p. 22.

¹⁴⁰ Submission No. 48, National Seachange Taskforce, p. 29.

¹⁴¹ Transcript of Evidence, 3 August 2005, p. 21.

Dr MATTHEWS (NSW Health): That is a very complex question. ...The levels or packages of care range from very expensive facility based accommodation for people with challenging behaviours to a nursing home, to a hostel and to community packages of care. Because a big part of our remit is those community packages we have introduced a series of measures around things called compacts, which are packages of community care. New South Wales really led the strategy that introduced transition care beds, which is a six-week package between acute care and the community. That is now funded 50 per cent by the Commonwealth and 50 per cent by the State. By the end of this three-year cycle we will have our population-based share of those transition care beds. Already they are showing very good results, in that many people who were assessed as needing nursing home accommodation are going through transition care, getting appropriate rehabilitation, and returning to some community based package of care. In my view that is a win-win-win situation.¹⁴²

3.127 Despite these positive initiatives, further progress needs to be made to improve the allocation of aged health services. Age care demand is rising as noted by Gosford City Council:

Recent figures from the Aged Care Assessment Team (a function of Central Coast Health) suggest that a shortfall of over 500 operational residential aged care places currently exist.... A key feature of the older population in Gosford is that the area has higher numbers of "old-old" people with multiple health complaints requiring a mix of responses in terms of home care accommodation and transport... the Central Coast ranks highest in people requiring community care, low level residential care and high level residential care.¹⁴³

3.128 A further problem is that there is already a shortfall in aged facilities, as noted by Coffs Harbour Council:

Nursing home beds (high band): At the current planning ratio of 40 beds per 1000 population over 70, Coffs Harbour should have 277 high band beds. It has 235 and not all of these are operational. Accommodation standards vary from barely adequate to overly generous.

Hostel beds low band (Low band): The ratio here is 50:100. This yields a desirable number of 346. The actual number 272. The standard is more uniform.

Respite care: There is huge, largely unmet, demand for respite care both in the patients own home and institutions.¹⁴⁴

3.129 Providing local aged care facilities is essential to the wellbeing of the elderly person and their family, as exemplified by Shoalhaven City Council:

The Nursing Home access issues and severe Hostel shortage exacerbated the physical and psychosocial deterioration of the elderly and their carers. Placing locals out of town is highly problematic as it makes visiting very difficult for ageing partners, and increases stress and social isolation for client and family, and accelerates overall deterioration. It also places a severe strain on acute and non-acute hospitals that will often keep older people who cannot be placed locally for compassionate reasons.¹⁴⁵

¹⁴² Transcript of Evidence, 30 August 2005, p. 22.

¹⁴³ Submission No. 32, Gosford City Council, p. 22.

¹⁴⁴ Submission No. 80, Coffs Harbour City Council, p. 30.

¹⁴⁵ Submission No. 30, Shoalhaven City Council, p. 20.

3.130 NSW Health was given the opportunity to respond to these criticisms at hearings. The Committee noted a new planning process, which will attempt to address these pressing needs:

Dr MATTHEWS (NSW Health): the futures planning process,... We are about four months into that. That is one of the responsibilities of my division. We held a forum on Monday before last at Darling Harbour [25 July 2005] with about 300 people from the health system, local government, private providers, from the health insurance industry, everyone connected in the broadest sense to the provision of health care, to contribute to looking at the values and operating principles around the way that we are going to be doing business in 20 years so that we can develop a futures plan. And a big part of that is a shift from a focus on an acute system to the focus on being well as opposed to what you do when you are sick, and staying well and having self-care, home care and community care, a far bigger part and more effective part of what we do than what we do now. Otherwise, if we do not, the demands of the acute system will send us all broke. This is not a problem that is unique to New South Wales, it is a worldwide problem that everyone is grappling with.¹⁴⁶

3.131 The Department also highlighted its multipurpose services which are being developed in partnership with the Commonwealth. These centres are intended to bring all the health services such as the ambulance station, the primary care centre, the hostel the nursing home and other facilities together in small towns¹⁴⁷

Police Services

3.132 The adequacy of policing in coastal areas was raised in several submissions. The Minister for Police made a submission to the Committee and Acting Deputy Commissioner of the NSW Police, Mr Collins, attended hearings on 3 August 2005 to discuss policing matters.

3.133 The Committee asked about crime levels in coastal areas and whether they were increasing with population growth. The NSW Police advised that crime rates were not necessarily correlated directly to growth but were affected by demographic factors. For example, areas with high elderly populations tended to have lower crime rates since older people were less likely to be victims of serious or violent crimes.

3.134 The Committee heard that crime rates tended to be higher in coastal areas with more mixed aged and income distributions. This was because younger people, aged between 18 and 24, were statistically more likely to be the perpetrators of crime but also the victims. In terms of types of crimes, the Acting Deputy Commissioner, Mr Collins, noted that:

Mr COLLINS (NSW Police): If you look at the same age group [18 to 24 year olds] that are migrating to the coastal areas, both north and south, you find that the incidence of domestic violence will likely increase by 25 to 30 per cent. People in the 30 to 45-year-old age group are the biggest contributors to domestic violence. Domestic violence makes up 38 per cent of all the assaults that take place in the community, and 42 per cent of those are alcohol related.¹⁴⁸

¹⁴⁶ Transcript of Evidence, 3 August 2005, p. 25.

¹⁴⁷ Transcript of Evidence, 3 August 2005, p. 22.

¹⁴⁸ Transcript of Evidence, 3 August 2005, p. 36.

- 3.135 In terms of perception of crime and hence public demand for a police presence, the story is very different. It is the older generation who have a greater fear, and awareness of crime and who, therefore, have higher expectations of service. Also the NSW Police representatives noted that those crimes of concern for older people were generally petty crime, for example, noisy cars, public nuisance and graffiti.
- 3.136 Crime rates in coastal areas were higher in peak tourism periods. The crimes committed were usually associated with theft and nuisance issues. Some new systems, such as lockers for people's valuables to reduce risks of petty theft, were being implemented in tourism areas.
- 3.137 Pressures on police resources and staffing were obviously raised in peak tourism periods but the Committee also heard that the diversion of police resources to manage mental health and emergency matters was an issue in coastal areas:
- Mr COLLINS (NSW Police):** ...Obviously, there are issues in rural and coastal communities about the transportation of mental patients...We are currently negotiating with the senior officers group through the Cabinet Office to try to reduce the amount of time that police spend in hospital triage and general hospital waiting for someone to be assessed. They can wait there for hours. Part of the discussion is that this is not good enough because it may be the only car we have available in a particular town and we cannot have it sitting at a hospital for a period of time.
- A lot of work has been done on those issues. We are pleased with a trial by the Centre for Mental Health on the mid North Coast that has been very successful and has reduced dramatically the amount of time police have to wait at a hospital. There is the notion from health services generally that more of these trials will be implemented over the next 12 months in this financial year, which will allow police to bypass the general hospital setting and reduce hospital transfers. There is a tendency to ask for a cop, to tick the box and ask for a cop because they feel safer if a police officer is there.¹⁴⁹
- 3.138 Another concern raised is that the police per capita ratio in coastal areas is lower than other areas and this leads to longer police response times to events. It is perceived that response times are further delayed due to dispersed settlement patterns and road conditions.¹⁵⁰ The NSW Police representatives noted that the limited police numbers means that ratios are not necessarily set for areas or populations. Furthermore allocation of officers also has to be based on needs and crime incidences not a simple fixed ratio.
- 3.139 The Minister for Police noted in his submission, that Police Strategic Planning forums being conducted in coastal areas were leading the way in addressing some emerging policing needs.¹⁵¹ These plans were highlighting key issues like accessibility and coordination of police facilities. For example, police facilities should be accessible by public transport and therefore accessible by disabled and disadvantaged people. Also, co-location of police stations with courts and other government facilities and utilising interagency cooperation in the provision of services.¹⁵²

¹⁴⁹ Transcript of Evidence, 3 August 2005, p. 37.

¹⁵⁰ Submission No. 55, Lake Macquarie Council, p. 8.

¹⁵¹ Submission No. 64, NSW Minister for Police, p. 1.

¹⁵² Transcript of Evidence, 3 August 2005, p. 38.

3.140 The Committee sees that policing is not a primary issue compared with other infrastructure and service concerns in coastal areas.

Education

3.141 As noted in Chapter 2, a significant part of the seachange population is young families and hence the demand for primary, secondary and tertiary education is increasing.

3.142 The Committee examined primary and secondary education provided by the NSW Government. In hearings, the representatives from the Department of Education expressed a strong commitment to meeting the demand for schools in coastal growth areas. The Department's submission highlighted that over the past ten years, six primary schools and four high schools have been established. The combined total of students enrolled is almost 5000.¹⁵³

3.143 The Department noted a projected fall in the young adult population generally:

Mr WHITE (Dept. of Education): You can see from this uneven distribution that we are getting a lot of people coming into the area with children, particularly high school students or higher primary school age students, but those who will generate further students have not increased in number. In fact, they represent a net loss from the mid North Coast. The same trends are reflected across the coast.¹⁵⁴

3.144 In addition to this fall in number of younger adults there is also a distinct exodus of 15 to 24 year olds from coastal communities as noted at Chapter 2, Section 2.24. Various submissions, such as Shoalhaven City Council, argue that a lack of tertiary education opportunities in coastal areas had lead to adults leaving coastal communities¹⁵⁵. Education, employment opportunities and economic development are integrated issues for coastal communities as noted by Wyong Shire Council:

A necessary prerequisite for increasing local employment opportunities is an educated community...Low levels of education have resulted in residents tending to be employed in occupations with higher than average unemployment rates and lower income levels.¹⁵⁶

3.145 Some innovative approaches were highlighted to the Committee including combining educational facilities that are designed to provide local vocational opportunities. The Committee heard about a combined TAFE/university campus located in Coffs Harbour combining state and federal operations. This campus is a tripartite approach between State and Federal governments and Council. It combines Southern Cross University, NSW TAFE and a senior secondary college. The campus is the first of its kind in Australia and the Committee discussed its merits:

Mr GREENE MP (Chair): Obviously you have just come to a point that was mentioned earlier as well, that 18 to 25 age group, the decrease in the numbers. I would say there is a decrease because of lack of job opportunities but also a lack of tertiary education opportunities. It seems to me you have tried to address that in your Coffs Harbour facilities there. Do you see that as something that could be pursued in the future so as to provide extended tertiary opportunities?

¹⁵³ Submission No. 23, NSW Minister for Education, p. 1.

¹⁵⁴ Transcript of Evidence, 12 August 2005, p. 2.

¹⁵⁵ Submission No. 30, Shoalhaven City Council, p. 14.

¹⁵⁶ Submission No. 79, Wyong Shire Council, p. 11.

Mr CUSH (Dept. of Education): I think the Coffs Harbour education campus has been a particularly successful example of blending a range of levels of educational provision in a regional setting. I think it probably could be seen as a benchmark for other types of provision. But you have asked about CHEC -the Coffs Harbour education campus. Currently, there is no sectoral boundary between the high school, the senior college, the TAFE provision and the university, and they share all the facilities, but they maintain their own integrity for the provision of educational services and educational programs. We have maximum enrolment in the senior college at the moment—over 480 students—and the TAFE target for enrolments is being achieved or exceeded.

My understanding of Southern Cross University enrolments, this year it had a 25 per cent increase in enrolments compared to last year. So, we see that as an indication that this trend is continuing and the facility is being seen as successful. We are very proud of it and see it as providing national leadership in cross-sectoral education and training. I think all the indications are there that it and can and is being seen as a benchmark.¹⁵⁷

- 3.146 At a primary and secondary level however, several submissions from individuals raised concerns about overcrowding of schools and long-term use of demountable classrooms rather than the construction of permanent buildings.¹⁵⁸ Also some councils, such as Tweed Shire, had concerns about the lack of coordination with the Department in timely planning and building education facilities to meet demands:

Matters of particular concern are planning for location/sizing of State schools... Council in the past set aside sites for public schools in new urban release areas, but this has been met with either lack of commitment or disinterest by the Education Department who seem to prefer to plan reactively after the population has already been established with large increases in cost.¹⁵⁹

- 3.147 Similarly Port Stephens Council highlighted its attempts to innovatively plan schools in cooperation with the NSW Department of Education and the problems that arose:

When Tomaree High School was initially proposed, a working party was created with a view to doing a land swap between Council and the Department of Education. This was unsuccessful due to bureaucratic difficulties. The result is a school on an impractical puzzle of land...At present, many bureaucracies perceive themselves as either customers rather than suppliers to local government or worse, as having no responsibility at all to local representation on behalf of the affected community.¹⁶⁰

- 3.148 A further criticism raised is inequities in the provision of schools across regions which was noted by the Member for Port Macquarie in a speech to the Legislative Assembly:

Mr OAKSHOTT MP :I have a good example in my electorate of Port Macquarie, where one high-growth area needs a new primary school. The Department of Education and Training uses a benchmark of 400 students for the provision of a new school. Currently about 300 students get on a bus from a particular area every day. Yet, in comparison, more than 75 per cent of primary schools throughout New South Wales have fewer than 200 students. Once again we are arguing the case for equity, but we have a Government that will not make the hard decision to close some schools—and I acknowledge that it is a hard decision—to provide equity in high-growth areas, such

¹⁵⁷ Transcript of Evidence, 12 August 2005, pp. 5-6.

¹⁵⁸ Submission No. 9, Mr Armstrong, p. 3.

¹⁵⁹ Submission No. 29, Tweed Shire Council, p. 3.

¹⁶⁰ Submission No. 74, Port Stephens Council, p. 14.

as the Port Macquarie electorate. So we suffer. In anyone's language, that is inequitable because the Government is not willing to make those decisions.¹⁶¹

3.149 The Department of Education noted its systems for facilitating planning and coordination with Councils and the Department of Planning when building schools. While these appear to be functioning, the perception of coordination and success within certain coastal areas is varied.

3.150 A final issue raised was the education opportunities for other people in coastal communities, in particular, further education for adults and retirees and specialised education for older people.

3.151 The National Seniors Partnership (COTA) argued that, with the prospect of diminishing retirement earnings, some retirees might wish to re-train and re-enter the workforce in coastal areas. Therefore, in addition to the mature age employment opportunities needed in these circumstances, vocational education is also required.¹⁶²

3.152 The Hasting Councils submission to the inquiry included comments from their "Plan for Ageing". In this plan it was noted that:

With time and a need for stimulation, older people will have an interest in both tertiary and general interest courses. Seniors will also be a valuable source of tutors and trainers.¹⁶³

3.153 On the basis of these comments, it can be argued that the provision of community colleges and vocational training is not only needed to retain young adults within coastal communities but is needed across the whole community. The Education Department advised the Committee that school facilities are a critical resource for community learning:

Mr PRINGLE MP: Following up on that, community colleges, of course, lifelong learning, very important, older demographics which we have seen, as well as other demographic changes. How are you working with community colleges to encourage lifelong learning?

Mr CUSH (Dept. of Education): The community colleges are private providers and they normally provide facilities and training in employment-related courses but also special interest courses. They work essentially with the TAFE sector, and there appears to be adequate capacity for current demands. We maintain close relationships with them and at this stage there is sufficient capacity so we have no plans to expand those facilities to cater for those community colleges in the future.

Mr PEACE (Det of Education): A number of community colleges utilise our school facilities after hours. I attend an after-hours course in the community college where I live. So they utilise after-hours use of school facilities to provide lessons.

Mr PRINGLE MP: To follow on the chair's comments, you are designing in the ability to use them as community colleges as they are being done?

Mr CUSH (Dept. of Education): As recognition that our school facilities and our schools are seen as the community hub and people gravitate to the schools. One thing that needs to be kept in mind is that the schools do not operate from nine until three. As the Committee would be aware, a lot of schools operate from very early in the morning, before school care, after school care, and have functions at the premises of

¹⁶¹ NSW Legislative Assembly Hansard, 6 April 2005, p. 70.

¹⁶² Submission No. 42, COTA, p. 2.

¹⁶³ Submission No. 19, Cr L.P. Rice, Hasting Councils "Planning for an Ageing Hastings", p. 13.

an evening. When we work with community groups and community colleges we take into account the ability also to service the needs of the school.¹⁶⁴

- 3.154 The Committee noted that the adaptable buildings and flexible management regimes are an ideal solution to the mixed education and community facilities required by the aged and young in coastal areas.

Mr TEGART (Eurobodalla Council): The example given before, of course, has been converting an old school to an adult learning place and adult education. Our council took an investment, in fact, of engaging with local universities to build an integrated university access, library and TAFE centre designed in a way that it will be modular so it will be expanded in the next 10 or 20 years at the cost of those particular partners as that population grows. As we continue to invest in helping people age successfully by helping them to be educated, in that we would expect that education would be returned to the local community through volunteerism and, in fact, helping our youth in terms of passing on skills on to future generations.¹⁶⁵

- 3.155 The Committee's previous inquiry into Joint Use and Co- location of Public Buildings, tabled in December 2004, highlighted the advantages of such approaches in detail (see Appendix 4 for Recommendations for Joint Use Report).

Community Infrastructure

Affordable Housing, Public Housing and Residential Parks

- 3.156 One of the "drivers" of the seachange is the relative affordability of housing in coastal growth areas compared to major metropolitan areas. However, submissions to the inquiry point out that the need to plan for and provide for continued affordable or low-income housing in coastal areas is important. Many councils state that the current supply of affordable housing is inadequate.¹⁶⁶

- 3.157 Affordable housing demand is linked to the demographic makeup of the community. Different age and family groups require different types of housing. With the increase of single parent families and elderly people living alone, smaller housing and medium density housing is being demanded in coastal areas. The submission from the National Seniors Partnership (COTA) argued that:

... there needs to be an adequate stock of public/ community housing to meet the needs of seniors and enables seniors on the full age pension in private rental accommodation to access good quality community and public housing.¹⁶⁷

- 3.158 Byron Shire Council argues that growing coastal tourism is also crowding out affordable housing:

In a high demand tourist environment, tax policies provide incentives to convert residences to holiday investment properties, at the expense of housing availability and affordability to local residents.¹⁶⁸

¹⁶⁴ Transcript of Evidence, 12 August 2005, p. 5.

¹⁶⁵ Transcript of Evidence, 29 August 2005, p. 12.

¹⁶⁶ Submission No's 30, 32, 44 and 65.

¹⁶⁷ Submission No. 42, COTA National Seniors Partnership, p. 4.

¹⁶⁸ Submission No. 33, Byron Shire Council, Supplementary Submission, p. 4.

3.159 Affordable housing is delivered via several mechanisms:

- Through the provision of public housing by the State Government co-funded by the Federal Government;
- Through the provision of rental assistance by the State/ Federal Governments to low income groups which relies on the availability of rental properties; and
- Through planning, zoning and development approval requirements implemented by Councils or through State Environmental Planning Policies.

3.160 The NSW Department of Housing provides public housing in NSW. The Department's current focus is the retrofitting and refurbishment of existing stock to match the changing demographic needs of tenants. This means the conversion of larger dwellings to single person dwellings and to housing suitable for those with disabilities. The traditional development of new public housing stock is being re-examined by the Department of Housing in favour of affordable housing initiatives in cooperation with local government, the private sector and community housing providers¹⁶⁹.

3.161 The Commonwealth government contributes funds for the provision and maintenance of public housing through the Commonwealth-State Housing Agreement (CSHA). The NSW Government submission notes that the value of the Commonwealth's contribution has been declining. The Commonwealth also provides Rent Assistance to low-income families in private rental housing and funds for crisis accommodation assistance.

3.162 In terms of coastal areas, public housing is not extensive outside the larger coastal cities and, under current arrangements, there is unlikely to be increased public housing provided in coastal growth areas. This shifts the burden onto affordable housing through private sector provision and rental assistance mechanisms.

3.163 The planning and zoning of affordable housing is a mix of state and local government responsibility. In recognition of greater demand for aged suitable housing, the State Government has a State Environmental Planning Policy – Seniors Living 2004, which set out particular standards for housing suitable for people over 55 or people with a disability¹⁷⁰. The effect of the SEPP is to enable councils to zone areas for special uses.

3.164 The State Government also has a State Environmental Planning Policy (SEPP) on affordable housing (No.70 Affordable Housing (Revised Scheme)) however it only applies to the greater metropolitan area. This SEPP allows those particular metropolitan councils to define a "need for affordable housing" and hence can encourage affordable housing development.

3.165 In the absence of SEPP 70 applying to coastal and rural councils, these councils now take the lead role in planning affordable housing. Many councils have developed their own affordable housing plans and strategies. This is encouraged by the Department of Housing who argue that Councils can influence housing supply. The Affordable Housing Strategy of Gosford City Council, for example, aims to specify the supply of

¹⁶⁹ For further details see *Affordable Housing in NSW :Past to Present*, NSW Parliamentary Library Research Service, Briefing Paper 14/05.

¹⁷⁰ SEPP Seniors Living 2004, was preceded by SEPP 5 – Housing for Older People or People with Disability established in 1998.

housing through its DA conditions, which can include defining the cost, type, location and amenity features of the housing that is developed.

- 3.166 Local government can encourage affordable housing via special Section 94 conditions of consent. Section 94F(5) of the EP&A Act notes that *nothing in this section prevents the imposition on a development consent of other conditions relating to the provision, maintenance or retention of affordable housing*. In effect the local councils could use this Section to reject some developments in favour of other developments, which provide affordable housing. However there is considerable debate about the enforceability and interpretation of using this consent power in this manner. Without the power of SEPP 70 the Council cannot definitively declare an area as having a need for affordable housing with any legislative force.¹⁷¹
- 3.167 The provision of rent assistance for low-income tenants in the private sector depends on the availability of rental properties. Therefore the promotion by Councils of certain types of investment property developments on the coast can be another tool to provide affordable housing.
- 3.168 Low-income housing also includes hostels and community housing which are enabled through council zoning and provided by non-government providers such as church groups or housing corporations.
- 3.169 Residential, caravan or mobile home parks are also another form of low-income housing. The arrangement in these parks is that the people own the residence and rent the land from the park owner. A recent concern for Councils is the increased pressure on park owners to redevelop these sites in light of coastal growth. This obviously impacts on long term residents in parks who may be forced to move to new locations. Councils are generally responsible for rezoning applications for residential parks and need to balance the rights of the park owners to manage (and sell) their property if they wish, and the council's responsibility to provide low-income housing to the community through residential park zoning.¹⁷²
- 3.170 Overall there is considerable concern that the responsibility for affordable housing has been shifted onto local government when the tools available and the pressures of development in coastal areas are not favourable to providing affordable housing.
- 3.171 Affordable housing was one of the issues discussed by the Committee at hearings. In particular, the Committee noted some innovations described by Professor Ed Blakely, which could address these concerns. These include:
- tax breaks on developments provided by State and Federal government;
 - non profit ownership of housing by local government;
 - developments by development corporations which are linked to firms fulfilling community service obligations.
- 3.172 Professor Blakely, of Sydney University, argued that innovative investment schemes should be investigated. He highlighted a scheme that not only provides for the

¹⁷¹ Enhancing the role of Local Government In Affordable Housing: Options for Improving our Planning System, Affordable Housing Network NSW, December 2004, release by Shelter NSW.

¹⁷² Submission No. 32, Gosford City Council, p. 20.

immediate affordable housing need, but also helps individuals build savings and move into the housing market. The excerpt below explains this idea and its merits:

Professor BLAKELY (Sydney Uni): What I am thinking here is that—and this must be on a regional level—in their plans council should be submitting affordable housing targets.... In some areas you would have the villa-style houses and so forth, which maintain their affordability simply by virtue of the kind of housing they are. The other thing you would do is introduce some units—I am not talking about social housing here, but about affordable, achievable housing—in which there would be a capacity to have some form of joint equity. Here, I do not think we have really gone to the banks and others with the proposal that, say, a development corporation would hold title to 30, 40 or 50 per cent of the unit and the owner holds title to the rest of the unit, and the bank makes a loan to the corporation, not to the person who is in the unit. When the unit is transferred, it is transferred to a person who qualifies. I think the banks would be in that if we went to them. It would lower their risk. The State would put in a small amount of money, a couple of million dollars, as a reserve fund. We did this in California. When I called up the first bank, the fellow said, "Okay. I want to be the only one." By the time I hung up the phone, it was ringing: other people wanted to be in it.If you talk to the people in the UDIA, they have a lot of ideas: stamp duties, spreading a lot of the cost over 10 or 15 years, and so on. Many local councils, such as Waverley, as you mentioned, are very smart. This has to be local. People know people locally, they understand the local scene, the local banker, and so forth. It can be a statewide scheme, but it has to be administered locally by local people. They might have land they can bring to the table. There might be an old sportsground which they can bring in at a certain cost, and affordability can be done on that with the developer, along with these other schemes. But affordability must be continuing; it cannot be one-off.¹⁷³

Community Facilities

3.173 Community facilities includes parks; playgrounds; sports fields; community halls; libraries; art galleries; museums and other facilities generally provided by councils. Councils may be responsible for literally hundreds of facilities. For example, Lake Macquarie Councils estimates it has over 700 facilities and Gosford City Council says it has over 250 facilities.¹⁷⁴

3.174 Councils have sometimes found themselves with under-utilised public facilities. Coastal councils that cover substantial distances with a number of towns, have evolved to have duplicate services such as libraries, swimming pools, parks and sports grounds. Such councils are now facing difficulties maintaining and funding these facilities in the long term despite rising populations.¹⁷⁵

3.175 One suggestion for provision of community infrastructure in coastal areas is the greater utilisation of multipurpose facilities for example:

Professor BLAKELY (Sydney Uni):I do not think we should any longer build a school that does not have an amenity package on the school grounds, which would include health, libraries, and all of that. Having these facilities as separate facilities is costly and wasteful, and it causes additional trips. In other words, when the school is not in session after 3 o'clock, it should be serving senior citizens with a health facility.

¹⁷³ Transcript of Evidence, 29 July 2005, p. 23.

¹⁷⁴ Submission No. 55 Lake Macquarie Council, p. 6, Submission No 32, Gosford Shire Council, p. 39.

¹⁷⁵ Submission No. 46, Bega Shire Council, p. 5.

I am simply amazed to see closed schools at 3.30 or 4 o'clock. You must be very rich. Most other countries cannot afford that. I am referring to senior facilities, sporting facilities and halls. The YMCAs have to buy separate facilities. Why can they not simply lease those facilities? It would be a great return to the other departments.

Mr GREENE MP (Chair): Earlier we had discussion about the run-down nature of community halls and the inability to fund improvements to them.

Professor BLAKELY (Sydney Uni): Yes. We cannot fund a community hall, and one is closed down the road, and we are conducting a health facility in a gym. When Fitness First [a gym business] came to the neighbourhood, I would say, "We have a place for you. Don't build something; we have one."¹⁷⁶

3.176 The Committee in its last report, extensively examined the idea of joint use and multipurpose community infrastructure. The NSW Government is examining the Committee's recommendations for increased development of joint use or multipurpose facilities.¹⁷⁷ (See Appendix 4 List of Recommendations from Joint Use Report). The Committee sees the relevance for these reforms to provide cost effective community facilities in coastal areas.

3.177 An associated issue is the decline of volunteers to support councils to provide community services. As noted by Gosford City Council in its submission:

Council relies on the work of voluntary community organisations to manage most of the community facilities it owns. Changing work patterns, the large number of commuter population, social structures and pressure on people's time, contribute to a declining number of people available to take up these community management roles.¹⁷⁸

3.178 The use of volunteers is more limited because councils are now obliged to take out public liability insurance for volunteers for certain council related activities. The example of a council hall working bee was raised in hearings to illustrate the problem:

Mr LITTLE (IPWEA): We were specifically referring there to volunteerism. As Kevin would know, we used to rely heavily on the sporting clubs and other organisations to do a lot of that work.

Mrs PALUZZANO MP: Still do.

Mr LITTLE (IPWEA): There are councils in this State through insurance requirements that are having to pull away from that, and that is putting the burden directly back onto the ratepayer, or in some cases—and we have nominated some cases—the working bee can no longer repair the public hall so it is closed. How can State Government help that, short of a State Government insurance scheme that assists the council to cover the risk of its volunteers—and that may be something that could be discussed with the insurance community? I think the expectation of the risk far outweighs the reality.¹⁷⁹

3.179 Some submissions argue that the retired coastal population would provide a good source of volunteers. This would be of benefit to those retirees to counter poor health and social isolation concerns in later life. At the same time the increased assistance

¹⁷⁶ Transcript of Evidence, 29 August 2005, p. 24.

¹⁷⁷ NSW Parliament Public Works Committee, Inquiry into Joint Use and Co-location of Public Buildings, Report 53/04 December 2004

¹⁷⁸ Submission No. 32, Gosford City Council, p. 21.

¹⁷⁹ Transcript of Evidence, 29 August 2005, p. 7.

needed by the very elderly would increase the demand for volunteers in coastal areas.¹⁸⁰

3.180 A further issue was the suitability of many existing community facilities for an ageing population. Older facilities may not have disability access, which limits their use and leaves Council open to possible legal action. Disability retrofitting adds substantial costs to councils' maintenance of community facilities. Lake Macquarie Council argues that:

Any increase in older people retiring to the areas will exacerbate current service provision and infrastructure issues associated with the existing aging population...and place significant strain on Council's resources...Further more such as population creates a need for qualitatively different library and cultural facilities (collections technologies and programs). There will be a need to increase accessible active recreation space that promotes active aging, and quality passive recreation space that creatively deals with potential conflicts between users (for example young people and older people).¹⁸¹

3.181 An interesting proposal to solve the diminishment or deterioration of community facilities was to include these as part of a development contribution agreement as noted by Eurobodalla Council:

Mr TEGART (Eurobodalla Council): The legislation, I think, also permits an opportunity to not only provide hard but soft infrastructure. Perhaps we need to take stock of—we have enough buildings—those buildings that could perhaps be recycled between State and local governments. Therefore, we need to make investment through developer contributions and schemes into soft services such as youth services, ageing services and those things which move people around successfully and safely through and into communities.¹⁸²

3.182 An additional set of community facilities unique to coastal areas is the provision of surf life saving clubs and boat and marina facilities. Coastal councils often have significant jetties, ramps etc which they must maintain. Gosford Council argues that:

Not only are additional public facilities required along coastline areas to cater for increased visitor demands and predominantly local recreation needs, the condition of these facilities often deteriorates at a faster rate due to a more corrosive marine environment of salt air and water.¹⁸³

Community Transport

3.183 Community facilities are particularly important in coastal communities where socio-economic disadvantage is high. The provision of community transport, which integrates and enables access to community facilities and other services, is also important.

3.184 Local and community transport programs are another alternative to public transport in non-metropolitan areas. The purpose of community transport is to provide an alternate means of transportation for members of the community with special needs.¹⁸⁴

¹⁸⁰ Submission No. 75, Local Government and Shires Association, p. 5.

¹⁸¹ Submission No. 55, Lake Macquarie Council, p. 5.

¹⁸² Transcript of Evidence, 29 August 2005, p. 12.

¹⁸³ Submission No. 32, Gosford City Council, p. 17.

¹⁸⁴ NSW Ministry for Transport, Local and Community Transport Programs, www.transport.nsw.gov.au, sourced on 1 October 2005.

Community transport is utilised by those that are unable to use public transport or in areas where public transport is not available. Passengers are taken to medical facilities, shopping, social services and educational centres.

3.185 As the LGSA submission states:

Transport enables older people to access services and community activities. Many coastal areas do not have sufficient public transport to provide an adequate service to the aged. Ageing populations will increase the demand for community-based transport. As a result, transport options will need to meet the diverse needs of older people.¹⁸⁵

3.186 The Ministry of Transport has administrative responsibility for three community transport programs, allocating \$27 million to 134 organisations during 2004-2005.¹⁸⁶ Under the Home and Community Care Community (HACC) Transport Program, funds are allocated to local government, community, religious and charitable organisations to provide services. These are generally services for aged people or people with disabilities and their carers.

3.187 An alternate program is the NSW Community Transport Program, which provides transport to those who have limited access to transport services due to limited physical, social or geographic reasons. This program works by increasing the usage of already existing transport options so that they are available to the target group identified.

3.188 The Area Assistance Scheme (AAS) is administered by the now Department of Planning and facilitates and supports community development. The AAS targets areas that are experiencing rapid urban growth and economic change. The scheme provides funds to local community organisations to facilitate and improve local infrastructure. The scheme provides funds for other community infrastructure projects such as skills training and counselling as well as funding for transport programs.

3.189 The Ministry of Transport is consulted when organisations seek funding for transport projects. If the application is successful, an evaluation of the project is undertaken after 2 years. If the project has proven successful, the project will be transferred to the Ministry of Transport.

Green Infrastructure

3.190 Green Infrastructure is the term used in this inquiry to describe the coastal environment attributes such as: beaches; bushlands; parklands; wetlands; estuaries; green spaces; and rural landscapes.

3.191 Submissions to the inquiry outlined various environmental concerns. Significant comments were raised about general issues such as: the values given to the coast as a scenic landscape; concerns about sustainability and climate change; and, the capacity of the coast to absorb urban development generated by coastal population growth and its impacts.

¹⁸⁵ Submission No. 75, NSW Local Government and Shires Association, p. 5.

¹⁸⁶ NSW Ministry for Transport, Local and Community Transport Programs, www.transport.nsw.gov.au, sourced on 1 October 2005.

3.192 This section outlines environmental issues associated with the consideration of green infrastructure:

- coastline values and vision;
- sustainability, carrying capacity issues and climate change; and
- environmental concerns including: urban growth; erosion and salinity; and damage to native and marine habitats.

Coastline Values and Vision

3.193 Several submissions argued that a key step in the development of coastal infrastructure policy is the recognition of the importance of the coastal environment and its attributes.

To grasp the interactions inherent in processes of coastal population/ urban growth and plan for their management requires a philosophical stance that the coast is part of 'nature's bounty' and as such belongs to all Australians for whom it is a big part of their self-image and of the Australian identity overseas.¹⁸⁷

3.194 As noted at Chapter 3, Sections 3.10 to 3.17, submissions highlighted the ongoing tension between providing infrastructure for growing coastal populations, and retaining the character of coastal areas. Bega Council argues that the irony of the seachange phenomenon is that the coastal identity that attracts people to the area is compromised by their arrival. Nevertheless there is a need to define some coastal values to guide future decision making:

A particular challenge that accompanies 'sea change' phenomenon is the question of protection and preservation of the values that attracted those people to an area in the first place. 'Paradise lost' is a phrase commonly used to describe many areas on the central and northern coastal areas of NSW as well as southern and central Queensland.

Any strategy that is implemented to address increased demand from increased numbers must be able to demonstrate how the places 'inherent values' are to be retained. We cannot knowingly let that value be diminished as part of our desire to meet a need that is either planned for or happens because of the unrelenting process of incremental creep.

A solution may be in our collective acceptance of a broader 'whole of government' approach that signs off on accepted values and then legislates and resources their provision. A bit like believing that our national estate parks system is managed by NPWS to look after our flora and fauna forever and we can rest easy at night. Or, we can do it ourselves. In other words we accept we cannot turn back the recent sea changers or those that are on their way. But what we can and are obliged to do is identify 'values' that cannot be eroded.¹⁸⁸

3.195 Government has some policies that reflect and attempt to protect certain values or coastal identity. For example, the NSW Government's 1997 Coastal Policy declared all beaches crown land and effectively does not allow for any exclusive waterfront properties to be created. New developments in NSW cannot have private beaches and must provide public access. In a sense this reflects the 'public ownership' philosophy of the beach and coastline.

¹⁸⁷ Submission No. 6, Ken Phelan, p. 2.

¹⁸⁸ Submission No. 46, Bega Valley Shire Council, p. 3.

- 3.196 Furthermore the NSW government has a policy banning high-rise ribbon developments, through the use of State Environmental Planning Policy 71, which reviews the height of developments adjacent to the coast. There is also a ban on canal estates in NSW, prohibited under State Environmental Planning Policy 50. Such policies reflect a State Government policy stance that the NSW coastline should not be turned into another Gold Coast. (For further information on planning policies see Chapter 5.)
- 3.197 However, through other planning mechanisms operated by State and Local Government, incremental changes to coastal communities are made which have a cumulative effect and can alter the coasts visual character and amenity.
- 3.198 The Victorian Government's Coastal Spaces Project (discussed in detail in Chapter 6) attempts to explore the issue of coastal identity and to define the particular coastal areas. The Victorian Government's Coastal Strategy outlines an overall vision for the coastline which is underpinned by the sustainability principles and includes:
- encouraging development within established settlements;
 - retaining non-urban landscapes between settlements; and
 - promotion of public use of coastal areas.
- 3.199 The Victorian Coastal Spaces project is mapping coastal issues against this criteria. This will form the basis for changes in land management and planning legislation which are intended to redress concerns and redirect development and growth in more desirable ways. As an example the report categorises "Hotspots" of concern that include:
- areas subject to intense development pressures;
 - inappropriate subdivisions, including old and inappropriate subdivisions;
 - non-urban areas subject to pressure for urban rezoning;
 - recreational developments, which are predominantly residential in nature and located outside town boundaries;
 - existing development areas with poor environmental performance, for example lack of services and pollution; and
 - initiatives that set a precedent or contribute to cumulative impacts.¹⁸⁹
- 3.200 Several submissions have suggested that a revised NSW vision is needed that could pull together the environmental and cultural values of the coastline.¹⁹⁰ Mr Ken Phelan, a town planner, put forward the concept of an image for the coast:

Mr PRINGLE MP: We were just discussing the idea of yours about getting an icon, such as the Great Ocean Road and those sorts of things, for coastal areas. Can you expand on that a little bit further in the New South Wales context?

Mr PHELAN (Planner): ... I think the coastal zone is already iconic within the Australian psyche and within Australia's identity overseas, and so there would need to be a very careful management of interface which people would regard as the coast. I

¹⁸⁹ Submission No. 95, Victorian Coastal Council, Coastal Spaces Inception Report, Department of Sustainability and the Environment, p. 18.

¹⁹⁰ Submission No's 6, 32 and 58.

realise that you are looking at a symbol that is broader than an interface between saltwater and freshwater.

I guess there are several themes that are already emerging in the coastal zone which might help to point the direction in that regard. One is the significant north-south shareway or coastal cycleway—it is being called the cycleway—that is being developed. It seems that is dogged by a lack of resources and the lack of co-ordination. Clearly it involves the co-ordination of the efforts of a variety of councils, probably regional tourist bodies and others, government agencies such as the National Parks and Wildlife Service and other stakeholders in the coastal zone. Given the popularity of the shareways—I prefer that term because it is more inclusive than cycleway—in places such as Beechworth in Victoria and the Yarra track near Melbourne, it may be that the coastal zone in New South Wales needs some sort of linear backbone theme, tourist channel or tourist route, which offers a new experience or offers a somewhat different experience and which may also contribute to local active transport as well.¹⁹¹

3.201 The need for environmental and cultural themes for particular regions was also suggested. Coastal areas could be distinguished by certain activities or events, not necessarily tied to the coastal environment:

Professor BLAKELY (Sydney Uni): Let me give you a good example. Ashland Oregon is a small community of about 10,000. It is the Shakespeare capital of the United States. They have a Shakespeare program there. They bring kids from all over the world to study Shakespeare and so forth. They bring them during the season when they want them to fill the motels when people are not holidaying there. They have been able to preserve a lot of good space on the Shakespeare thing. So, not everything that is old is preserved there. We have a lot of old look-alikes. A community should preserve things that make a difference and not look like the next place.¹⁹²

3.202 A final suggestion was, for awards,¹⁹³ to champion the individuality of particular towns:

Professor BLAKELY (Sydney Uni): I hope we could bring out a sea change community annual awards program for the communities that are doing the best to maintain quality of life, amenity value and good planning, et cetera. I participated in such a plan in the midwest of the United States called the Governor's Awards. The Governors, or the Premiers in your terms, would go to these places and give the award. You can imagine what people did to get those awards. They keep that sign up for a full year and they got a little bit of money—I think it was something like \$25,000—but to get it they must have spent \$100,000 in person hours and so forth and feeling the pride and things like this. Small things make a big difference in many communities.¹⁹³

3.203 Accompanying the vision for coastal settlements was the idea of preservation of green spaces between settlements. 'Green space' is a term used to describe coastal scenery, natural habitat, and farmlands. The idea of attempting to value coastal scenery as a 'Green space' asset was suggested to the Committee. It was argued that the setting aside of such green space should be a first step in planning for growth not the last:

Mr PHELAN (Planner): In the case of the coastal zone and certainly the land coast interface there is a tendency for each to the planned as SLOAP, perhaps. SLOAP is a

¹⁹¹ Transcript of Evidence, 3 August 2003, p. 31.

¹⁹² Transcript of Evidence, 29 July 2005, p. 19.

¹⁹³ Transcript of Evidence, 29 July 2005, p. 19.

term meaning, "space left over after planning"... In other words, this SLOAP approach means that certain land is not developed or is not planned with a positive view of its attributes; it tends to be those attributes that are left over after development has taken its requirements.¹⁹⁴

3.204 Submissions noted that development pressures were being put on green spaces, particularly on rural land adjacent to growing town centres.

The coastal valleys have for centuries been food baskets. The loss of this prime agricultural land to urban residential development ought to be alarming. If the notion of infrastructure' is to have a future oriented perspective, then it would seem appropriate that prime agricultural land is identified, marked and labelled as a form of infrastructure for the explicit purpose of protecting its soil and food potential.¹⁹⁵

3.205 The Committee was made aware that there were particular NSW zoning controls that had recently been strengthened to preserve rural landscapes. A Section 117 Direction, under the Environmental Planning & Assessment Act (E P & A Act) had identified areas of state and regional significance in terms of farmland. (Further information is available in Chapter 5). However these preserved rural areas tend to be large tracts of interconnected land and not small areas adjacent to coastal towns.

3.206 While many submissions argued that development controls should include the quarantining of land to preserve scenic diversity as per Direction 117, the fairness of this control on rural landowners was questioned. The concern was that farmers may be forced keep their farms when they may not be economically viable. Long-term farm viability near the coast was discussed with the Committee. For example, a representative of the Northern Rivers Regional Development Board noted that in areas where farming was less profitable, initiatives such as farmers markets were being established to develop a local return to farmers for their produce.¹⁹⁶

3.207 The extended benefits of local farming and local consumption were argued in another submission:

...with food being largely consumed near where it is produced, a community's dependence on long distance supply chains of food diminishes greatly. The large number of trucks delivering food to local shopping centres will also shrink. ...the recycling of local money in the local economy will create many more jobs.¹⁹⁷

3.208 The expansion of farmland protection zones was also being examined in other seachange jurisdictions as discussed by the representatives from the Victorian government:

Mr PRINGLE MP: The concept we are grappling with at the moment is the idea of unviable agriculture in certain spots but allowing some other activity there—keep the agriculture but also have another activity that allows for the owners to make a dollar and stay on the land....

Mr GINIVAN (Victoria): What Victoria has done as part of the reform of rural zones is to create a thing called the rural activity zone, which is a fairly flexible rural zone. It is designed to provide for a whole range of activities—commercial activities, tourism activities, and so forth—to occur in rural areas. The intention of that is to deal with

¹⁹⁴ Transcript of Evidence, 3 August 2005, p. 30.

¹⁹⁵ Submission No. 58, Patricia Warren, p. 5.

¹⁹⁶ Transcript of Evidence, 29 July 2005, p. 31.

¹⁹⁷ Submission No. 22, Mr Rick Pratchett, p. 2.

exactly that sort of situation where you are looking at a focus of other rural activity. The primary intent of those reforms is to ensure that the serious farming land areas or agricultural land areas are in a rural zone, which is primarily about finding a rural use and on a discreet basis supplying a rural activity zone which is more flexible in what it allows. As I also said, those zones are yet to be applied and some interesting debate is going on across rural municipalities in Victoria about when they might get around to doing that and where and how.¹⁹⁸

3.209 The Committee notes that developing values and visions for the coast is a multilayered process. There are options for common themes across the whole coast but there is also value in recognising the individuality of coastal communities and the green landscapes that surrounds them. A process of setting a vision and identifying past mistakes can help establish the right planning tools and development goals for coastal areas. The NSW Government proposals for coastal planning reform, presented to the Committee and outlined in detail in Chapter 5, does not include undertaking this kind of process for the coast as a whole.

Sustainability

3.210 Sustainable development was nominated by a number of councils and other submissions as a major concern:

Sustainable management of natural resources is the key to securing and maintaining the economic success of NSW, but this requires a detailed understanding of complex natural systems, finding innovative solutions, and integrating the latest scientific knowledge into Government Policy.¹⁹⁹

3.211 Sustainability is not a specific or scientifically defined term but is interpreted in various contexts as noted in two recent Parliamentary inquiries.²⁰⁰ Generally sustainability is a term used to incorporate several principles of conservation of biodiversity, renewable resource use, and equitable access to the environment by current and future generations.²⁰¹

3.212 Some submissions to this inquiry suggested that sustainable development of coastal areas should be measured against a carrying capacity limit or ecological footprint. As such the development and infrastructure would be capped and settlement size limited depending on the natural resources of the particular region:

Professor BLAKELY (Sydney Uni): We need to do very strong advanced ecological plans... and then we can scale that. I think there is enough expertise in DIPNR and the universities to run models on what the settlement scale can be. The footprint issue is: How many people live there, as well as how many dwellings are there, how much is paid, and so forth. We can model that and say, this is what we can put in this particular area, and then scale that down as to over what time and so on. It can be done.²⁰²

¹⁹⁸ Transcript of Evidence, 29 July 2005, p. 37.

¹⁹⁹ Submission No. 73, University of Technology Sydney, p. 2.

²⁰⁰ *Inquiry into Sustainable Communities*, Environment and Natural Resource Committee, Victorian Parliament, June 2005 and *Sustainable Cities*, House of Representatives Standing Committee on Environment and Heritage, Commonwealth Parliament, August 2005.

²⁰¹ *Inquiry into Sustainable Communities*, Environment and Natural Resource Committee, Victorian Parliament, June 2005 and *Sustainable Cities*, House of Representatives Standing Committee on Environment and Heritage, Commonwealth Parliament, August 2005, p. 13.

²⁰² Transcript of Evidence, 29 July 2005, p. 24.

3.213 A similar view was expressed by a representative from the Australian Conservation Foundation:

Mr WIGGIN (ACF): ... If there is to be an increase in population, there should be no more land released until population-carrying capacity has been assessed by the State Government and local government.²⁰³

3.214 Assessment of the sustainability, ecological footprint or carrying capacity of an area is a complex process. There are various agencies, such as the NSW Department of Land and Water Conservation and the Environment Protection Authority, and specialist projects, such as the Comprehensive Coastal Assessment by the Department of Planning, which are examining environmental issues in coastal areas (see Chapter 5). However despite these organisations and activities, concerns are raised about how much they assist and are recognised in daily planning and infrastructure decisions.

3.215 Councils argued that it is difficult to establish viable targets for sustainable growth because sustainability is not discretely defined and therefore difficult to measure. It was recommended that benchmarks be determined and set by governments and used to measure sustainability:

Mr PHELAN (Planner): I would point to the importance of baseline information first of all, then benchmark information—what are appropriate benchmarks against which impacts within the coastal zone may be measured, and benchmarks will be somewhat negotiated and signed off by the community, I guess, in an informed process—and then there should be monitoring systems by which those impacts are monitored against the benchmarks and reviewed. But hopefully there is some understanding then about the interventions that might be needed when exceptions are occurring outside those agreed parameters within the benchmarks. Basically a feedback control mechanism is important in all coastal processes.²⁰⁴

3.216 Along with the setting of benchmarks for sustainability as argued by Mr Phelan, it was further suggested that sustainability measures or “coastal standards” should be assessed and evaluated when planning growth and the need for infrastructure:

Mr PHELAN (Planner): There seems to be a need for coastal standards for access and for environmental quality, that is, in a ‘common’; noise, water, light amenity and biodiversity. There seems to be a need for local environmental plans or planning instruments of whatever sort to be based on scientific and a knowledge of the processes, the impacts, and of controlling and monitoring within the coastal zone. Then perhaps of greater interest for this Committee with its terms of reference are the mechanisms within the coastal zone for cost recovery for these things, and also cost recovery and funding allocations for the achievement of timely and appropriate infrastructure within the coastal zone.²⁰⁵

3.217 The Committee is aware that measurements systems and benchmarks relating to sustainability are reported on in NSW through the Environmental Protection Authorities “State of the Environment Reports”. However these reports tend not to provide regional data reports, which are linked back to regional planning or publicly scrutinised.

²⁰³ Transcript of Evidence, 3 August 2005, p. 8.

²⁰⁴ Transcript of Evidence, 3 August 2005, p. 33.

²⁰⁵ Transcript of Evidence, 3 August 2005, p. 30.

3.218 Another factor raised in the coastal sustainability discussions had by the Committee was the impacts of global warming or climate change on coastal temperatures and geography. As noted from the evidence in submissions:

Strategic planning of coastal areas must consider the potential impacts of climate change. This includes the possible rise in sea levels that will have implications for infrastructure provision and coastal erosion in these areas.²⁰⁶

3.219 The submission from the NSW Government noted their awareness of climate change and the need to accommodate it in future planning processes:

Mr GREENE MP (Chair): What proportion of the coast would you say was under that sort of threat? What are the major risks? Are they risks to the environment? Are they risks to homes? What are the risks imposed by those climate changes?

Professor THOM (Dept Planning): I can name the locations probably easier than give proportions.... We know, for example, places like Byron Bay where the housing is under threat as a result of properties being built very close to the foreshore. In 1997 one of the clear points that was made in the Coastal Policy was to state unequivocally that any new development in areas that had not already had development rights on fore-dunes and frontal dunes along the open ocean coast be prohibited. ... You have locations like Collaroy-Narrabeen where again you have properties that were allowed to develop in the past on those foredunes. The fore-dunes are there to be the buffer against storms and/or rising sea level. Where we have allowed property development to occur we have problems...

That is just one side of the coin. The other side of the coin, which is from a property perspective that is very worrying, are the low-lying properties around our coastal lakes and estuaries but particularly our coastal lakes. Again we have allowed over many, many decades property subdivision to occur around the shores of our coastal lakes. Even now when lake levels build up and wind blows from a particular direction—for example, on Lake Illawarra when it blows from the south very strongly, we know that properties at the north end of the lake, water starts to get into their yards, into their garages, into any of their low-lying structures. You raise sea level over the next several decades by 20, 30 centimetres, as is possible—again it is within the range of projections, it is a probabilistic thing, it is not a definite thing, as to what will happen—you will start to have more and more of these properties being affected by inundation and wave action when you get winds blowing on these lakes from a particular direction. That, to me, is very scary because we know we have hundreds, if not thousands, of properties which could be affected.²⁰⁷

3.220 The Committee sees that incorporation of sustainability concerns and climate change, in the planning of coastal development is vital to the future best practice planning of coastal growth areas.

Urban Development Impacts

3.221 Various submissions outlined the negative environmental impacts of coastal growth, particularly due to urban development. The crowding out of native habitat by urban development was raised as a particular concern:

²⁰⁶ Submission No. 84, Total Environment Centre and Nature Conservation Council, p. 3.

²⁰⁷ Transcript of Evidence, 12 August 2005, p. 22.

Huge homes together with smaller lot sizes has meant that villages are losing their natural settings and most native wildlife is completely displaced from urban areas. There is no room for trees.²⁰⁸

- 3.222 The impact of large tracts of housing on the environment was also explained in the submission from the Total Environment Centre (TEC). The TEC argued that the concentration of large houses induces higher temperatures and affects local climates. Urban development often results in an increase in hard surfaces in built up areas. The TEC argued this leads to increases in urban water runoff that contaminates nearby waterways.²⁰⁹
- 3.223 Waterway contamination issues are reinforced by the submission from the Institute of Water and Environmental Resource Management (University of Technology, Sydney). The UTS submission highlights various concerns about increased salinity that is threatening endangered species and their habitats. This threat is aggravated by forestry plantations and chemical and sewerage pollution in streams and groundwater.²¹⁰
- 3.224 The Australian Marine Sciences Association notes that NSW has the highest proportion of unhealthy estuaries and coastal lakes. There has been an enormous loss of estuarine riparian habitat along the NSW coast due to entrance works and rock lining of estuaries. The Association explained that construction of roads and bridges had the potential for significant damage, including constriction of habitat and draining wetlands. The Association argues for greater assessment by the RTA and councils before constructing roadworks to avoid filling estuaries.²¹¹
- 3.225 The AGLA raised the degradation of sand dunes and beaches through increased use and problems caused by invasive species.²¹² The IPWEA and the Shoalhaven Council both raised some concerns about the adequacy of councils to deal with flood mitigation and coastal hazards (ie storms, king tides). There was also continuing concerns about bushfire hazard reduction.²¹³
- 3.226 Coastal councils recognised that development adds additional pressure to the environment. New infrastructure often causes degradation so that supplementary infrastructure can be demanded to mitigate these effects. For example, new road infrastructure now has to be supplemented with recreational and wildlife corridors and specialist stormwater solutions to limit downstream runoff contamination into waterways.²¹⁴
- 3.227 Coffs Harbour Council noted the problems with connecting developments to these long term requirements:

It is widely recognised that retrofitting infrastructure to ensure the upkeep of the coastal environment is costly business to local government and communities. While it

²⁰⁸ Submission No. 9, The Coastwatchers Association, p. 1.

²⁰⁹ Submission No. 84, Nature Conservation Council of NSW and Total Environment Centre, pp. 1-2.

²¹⁰ Submission No. 73, Institute of Water and Environmental Resource Management, University of Technology Sydney, pp. 9-10.

²¹¹ Submission No. 53, Australian Marine Sciences Association, NSW Branch, p. 4.

²¹² Submission No. 75, Australian Local Government and Shires Association, p. 4.

²¹³ Submission No. 74, The Institute of Public Works Engineering Australia, p. 10, Submission No.30, Shoalhaven City Council, p. 14.

²¹⁴ Submission No. 35, Central Coast Community Environment Network Inc, p. 3.

is recognised the developers provide some contribution to the coasts for mitigation of urban impacts such as stormwater management, development approvals are often made without examining the cumulative impacts within a catchment. Such temporal and special fragmented decision making holds little accountability for quality or quantity impacts on the receiving environment down stream.²¹⁵

3.228 Solutions to lessen the environmental impacts of urban growth need consideration. Care must be taken not to prescribe fixed solutions, such as requiring only infill developments in existing areas, as these may also have adverse environmental affects. For example replacing urban sprawl with high density multi-storey buildings is not automatically going to reduce environmental impacts as noted by the University of Sydney:

Professor BLAKELY (Sydney Uni): ...If you mean 20- and 30-storey buildings, a lot of those would not be appropriate [in coastal areas] because they do several things. One is that they draw on an awful lot of infrastructure. When a building goes up very high it is drawing on an awful lot of infrastructure. It actually has a much bigger footprint than you think. It is consuming a lot of energy and the like. We probably could accommodate the same number of people in lower rise from three to six stories well located in separate buildings with green and so forth than we could in a big high-rise building. My opposition to high-rise buildings has to do with energy consumption, shadowing effects and sea-level changes. High-rise buildings require a huge amount of energy. We do not have it. Last year we experienced blackouts in the summer. We will experience them again this year. Water levels are low. You have to pump water up in high-rise buildings. You have to have elevators, et cetera. The economy is against it.²¹⁶

3.229 A further issue tied to increasing population is the concentration of use and pressures to maintain the remaining green spaces in coastal areas. Councils argue that the utilisation of public reserves and beaches adds costs, to local government, that are difficult to recoup from residents and visitors to the area:

The combination of increased growth and a sensitive coastal environment requires management of larger areas of public land, there is also a higher utilisation of scenic land such as beaches and reserves. Further with increased urbanisation and new subdivisions, council is 'inheriting more public land for recreation and environmental conservation. The cost to manage and maintain these is often more than the income received from the additional rates revenue.²¹⁷

Conclusions

3.230 This Chapter provides a snapshot of the concerns about coastal infrastructure. It highlights the ramifications of infrastructure deficiencies combined with growing populations.

3.231 The Committee notes that it cannot even be assumed that the current infrastructure is sufficient for the existing residents of coastal areas. The surge of new "sea change" residents has not induced a new problem but exacerbated the pre-existing problem of infrastructure under-provision.

²¹⁵ Submission No. 80, Coffs Harbour City Council, p. 13.

²¹⁶ Transcript of Evidence, 29 July 2005, p. 22.

²¹⁷ Submission No. 66, Ballina Shire Council, p. 4.

- 3.232 The overarching problem is that infrastructure demand or expectations are regarded as in excess of current infrastructure provided. Moreover, under current planning and funding arrangements, the capacity to maintain, upgrade and add new infrastructure appears limited. The tensions created between providing adequate infrastructure for coastal development, and retaining the natural environment and amenity of coastal have been discussed.
- 3.233 While some particular problems with the provision of physical, services, community and green infrastructure have been canvassed, the Committee has not attempted to nominate particular infrastructure types or particular coastal areas that need attention. This is because the fundamental problem of inadequate auditing of coastal infrastructure is yet to be resolved. Chapter 6 poses some solutions to this issue.

Chapter Four - Infrastructure Funding and Delivery

Introduction

- 4.1 As discussed in Chapter 3, the majority of submissions raised concerns about the adequacy of the existing infrastructure in coastal areas and the need to upgrade it.
- 4.2 In most instances, funding shortfalls and revenue constraints were deemed to be the cause of the failure to keep pace with the expanding needs of coastal growth communities.
- 4.3 Of the three tiers of government, it is the NSW Government and local governments that have the major responsibility for providing services and infrastructure that meet the needs of residents and visitors to coastal areas. Both state and local government have some constraints on their capacity to raise revenue: states are limited by their powers to tax, charge fees and levy certain activities and also by the GST funds provided by Commonwealth government; and local government has some fees and charges options but has capped rating capacity.
- 4.4 As well as revenue constraints, local government groups argue that there has been an increase in infrastructure responsibilities imposed by State and Federal government through cost shifting to local government.
- 4.5 This Chapter is in two parts. Part 1 broadly outlines the infrastructure responsibilities of the three tiers of government; the sources of funding for government generally; and the assistance given to local government. Part 2 looks at revenue constraints that impact particularly on local government including:
 - debt minimisation and borrowing capacity;
 - rate pegging;
 - pensioner concessions;
 - limits on developer contributions;
 - limits on fees and charges for services; and
 - increased local government responsibilities.
- 4.6 Finally, some longer-term implications of these revenue constraints are canvassed and some conclusions from submissions highlighted.

Part 1 – Funding Responsibilities of Governments and Funding Sources

- 4.7 The three levels of Government share responsibility for the provision of infrastructure. Depending on the type of infrastructure, all three layers of Government may be involved. For example the effective provision of health facilities for a region may involve:
 - the allocation of a hospital facility by State government;
 - the provision of an associated aged care facility by Federal government; and
 - the organisation of home and community care and hospital transport by local government.

4.8 Table 3 below, prepared by the Committee, sets out very broadly the respective and shared responsibilities of governments. To a degree, the division of responsibilities between state and federal governments is guided by the Australian constitution. This also allows the Commonwealth to link funding to certain state services or infrastructure such as health services or public housing.

Table 3 – Funding Responsibilities

LEVEL OF GOVERNMENT	INFRASTRUCTURE
Commonwealth	Aviation services (airports etc) National roads (shared with State) Railways (shared with State) Environment - (off shore marine environment, national initiatives green house gas emissions) Federal highways Home and Community Care (HACC) (60% of funding) Aged care (shared with local govt) Telecommunications Education (tertiary)
State/Territory	Regional roads Railways (shared with Cwth) Public transport (trains, buses etc) Ports and sea navigation Dams, water and sewerage (in metro areas) Energy infrastructure Home and Community Care (40% of Funding) Environment (pollution controls and regulatory compliance) Hospitals Education (primary & secondary) Child care (shared with local government) Public housing Policing Natural reserves (state forests and parks)
Local	Local urban/rural roads Community transport Dams, water and sewerage systems (in non-metro areas) Marinas Local nursing services HACC small amount of funding and in kind support eg accommodation Environment (standards for buildings and development zoning of certain areas) Affordable housing (through development controls) Aged care (through development controls) Libraries Outdoor recreation facilities

Commonwealth Provided Infrastructure

- 4.9 The Commonwealth's direct infrastructure development and asset ownership is limited. The most significant Commonwealth contribution for coastal regions is national/federal and regional road funding. Airports are often developed with capital funding from the Commonwealth, but for most regional airports the maintenance funding is provided by the local councils. Other Commonwealth funds are provided for infrastructure but they are not managed or owned by the Commonwealth. For example as discussed in Chapter 3, health care, housing and tertiary education funds are provided but health facilities or universities are not "owned" by the Commonwealth. Other roles played by the Commonwealth that impact on infrastructure is the regulation of services such as the licensing of aged care and nursing homes, the issuing of Medicare provider numbers to practitioners or the regulation of telecommunication providers. The Commonwealth also provides funding for services such as its co-funding of Health and Community Care Services.²¹⁸
- 4.10 The mechanisms for funding allocation by the Commonwealth is varied depending on the nature of infrastructure. As noted in Chapter 3 health and housing funding is provided through intergovernmental agreements and formulas. Similarly roads funding is provided under a policy and decision framework known as Auslink for designated federal roads.²¹⁹
- 4.11 Submissions to the Committee did not extensively comment on the mechanisms for delivery on Commonwealth infrastructure other than to argue that the coordination of decisions could be improved. The focus of criticisms was the underprovision of Commonwealth services generally.

State Provided Infrastructure

- 4.12 The State Government is responsible for a larger set of infrastructure assets in coastal communities. The most significant assets are state and regional roads, rail infrastructure, health and education facilities.
- 4.13 The mechanisms for providing State infrastructure is guided by the Budget process. Generally for new infrastructure requiring significant capital, each infrastructure agency must submit a business case to receive a necessary budget enhancement. Part of the preparation for the business case for new capital works is the assessment by the agency of the infrastructure needs. As noted in Chapter 3 in the discussions with NSW Health and NSW Department of Education, systems are in place to monitor information about new and changing infrastructure needs. When approving new infrastructure, Treasury requires agencies to apply specific processes for capital projects before approving funds for capital works projects²²⁰. These State policies governing infrastructure include:
- Total Asset Management (TAM) – TAM is a strategic approach to physical asset planning and management which aligns its asset planning and management practices with its service delivery priorities and strategies. TAM policy applied

²¹⁸ Submission No. 70, Commonwealth Minister for Family and Community Services, p. 1.

²¹⁹ Submission No. 3, Department of Transport and Regional Services, Auslink White Paper 2004.

²²⁰ Submission No. 78, NSW Treasury, pp. 3-4.

to all government departments, statutory authorities, trusts and other state government entities;

- Economic appraisals are required for proposed capital projects. They assist efficient resource allocation by systematically analysis costs and benefits;
- Privately financed projects are utilised where appropriate to supporting infrastructure and non-core services; and
- Procurement policy requires agencies to achieve best value for money in supporting the delivery of government services.

4.14 Submissions to the inquiry noted the deficiencies in State infrastructure provision to coastal areas. However there was little discussion of the mechanisms for decision making in terms of the Treasury and Budget process. The Committee sees that the budget process for infrastructure provision is not necessarily an issue. More pressing is the concern about the limited funds available to allocate across the infrastructure demands of the community (See Appendix 5, NSW Budget Paper No. 4, Infrastructure Statement 2005-06).

Local Government Provided Infrastructure

4.15 As noted in Table 3, local government is responsible for a large portion of infrastructure provision in coastal areas including a significant portion of roads, water and sewerage infrastructure, and community facilities. It is also has significant influence though its planning powers and zoning controls to determine development such as affordable housing or aged care centres. Local government also provides an advocacy role concerning delivery of services such as community transport and ancillary health services.

Funding Sources and Assistance for Governments

4.16 The remainder of this chapter looks at the limitations on funding faced by Commonwealth, State and Local Government. The three layers of government have different mechanisms to fund their infrastructure responsibilities including:

- Taxes - including the income tax and GST at Federal level, stamp duty and land taxes at the state level and municipal rates at the local level;
- User charges and licensing fees - charges, generally applied as a price or a fare, for the use of the services provided by infrastructure facilities;
- Developer contributions - mechanisms that require developers to provide or contribute to development related infrastructure;
- Government debt - while government debt inevitably has to be serviced from taxes or charges, borrowing for infrastructure through long term instruments such as bonds is an option for different tiers of government to different degrees; and
- Public/Private Partnerships - shared infrastructure provision between government and the private sector. This may involve private provision of infrastructure leased back to government or joint ownership of a facility.

4.17 Some of the above sources such as taxes are generally not available to local government hence the provision of funding assistance.

4.18 Funding assistance to local government is provided by the Federal and State governments through the following mechanisms:

Federal Assistance to Local Government

4.19 The Commonwealth government provides assistance to Local Government primarily through Federal Assistance Grants (FAGs).

4.20 The Government Grants Commission in each state and territory determines the level of funding. Funding to Local Government from the Commonwealth Government has declined over recent decades as a share of GDP:

The current Commonwealth Government is likely to argue that State Governments should meet the additional needs of Local Government, particularly considering the revised Commonwealth/State funding arrangements since the introduction of GST.²²¹

4.21 FAGs are distributed on the principle of horizontal equalisation. This means that councils that incur higher costs in providing normal services, for example in remote areas, may receive higher additional grant monies. Whereas councils with a stronger rate base such those with highly valued properties, will tend to receive less grant monies.²²²

4.22 Therefore in seachange areas where house prices are rising, the total rate base value increases. This means that State grants to seachange areas are decreasing in real terms. This is borne out by evidence provided to the Committee by Byron Shire Council:

Meanwhile, increasing coastal property values have resulted in cutbacks to Federal Assistance Grants (FAGs), on the basis that the community has increased capacity to pay. Byron Shire Council FAG Grant was reduced by approximately \$90,000 in 2004/05 absorbing 1% of the 10% special rate variation approved by the Minister for the Shire for the financial year.²²³

State Assistance to Local Government

4.23 State Government assistance to Councils is via grants contributions and donations for capital and recurrent purposes. This includes funding for Pensioners' Rates Subsidies, water/ sewerage works, rural/urban fire issues, community transport, economic/tourism development and infrastructure projects²²⁴.

4.24 Local Government argue that State Government assistance is declining. The issue of the cost to future generations of the current shortfall in infrastructure provision was also foreshadowed:

Mr TEGART (Eurobodalla Council): On that note, the State Government has already flagged its intent to close down or scale back its country water subsidy scheme. Councils for many years have relied on at least half of all the cost of water and sewerage infrastructure to come from State government. We have got some major investments, around about \$130 million, in the next 15 years, including a new dam,

²²¹ Submission by NOROC to Auslink Green Paper Submissions, p. 7.
http://www.dotars.gov.au/auslink/green_paper/submissions/lgov_nsw/lgov_noroc.aspx, accessed on 18 October 2005.

²²² *Rates and Taxes: A Fair Share for Responsible Local Government*, House of Representatives Standing Committee on Economic, Financial and Public Administration, October 2003 p 204.

²²³ Submission No. 33, Byron Shire Council, p. 1.

²²⁴ NSW Submission to Productivity Commission Research Study into Economic Implications of an Aging Australia, Nov 2004 p 26

to which we are expected, at best, to get about 10 per cent as a Subsidy from the State Government. Even that has not yet been confirmed, and is unlikely to be confirmed. Therefore the cost to a future population, perhaps brought about by lack of infrastructure provision in the past, will be borne entirely by current and future ratepayers of our shire.²²⁵

4.25 Table 4 below shows the latest available information on Commonwealth and State payments to NSW local government.

Table 4 – Commonwealth and State payments to NSW Local Government - 2004/2005²²⁶

Annual Charges	\$m
Rates paid by Public Trading Enterprises	104.0
Rates paid by General Government agencies	8.0
Grants	
Identifiable from the Commonwealth Financial Assistance Grants (FAGs)	493.3
Paid by State (includes Commonwealth SPP funds)	
Pensioner rate rebates	76.0
Fire fighting equipment -- capital	40.3
Traffic and Transport	71.6
Local government capital	62.1
Other revenues paid NSW	127.7
Total operating revenue from State and Commonwealth Government	983.0
Total operating revenue (2002-03 latest available)	6,417.0

4.26 As can be seen, Federal and State funding to local government is currently in excess of \$983 million. While this is a substantial amount in itself, the Committee is aware that Commonwealth and State funding to Local Government is declining in real terms at a time when demands on councils are increasing.

4.27 However, regardless of the assistance given by the State and Federal governments, the responsibility for funding infrastructure falls predominantly on local government:

Local government plans, develops and maintains key infrastructure for its communities. It provides and maintains infrastructure such as local roads, bridges, footpaths, water and sewerage (in...rural New South Wales) drainage, waste disposal and public buildings.²²⁷

²²⁵ Transcript of Evidence, 29 July 2005, p. 11.

²²⁶ NSW Government Submission to the Productivity Commission Research Study into Economic Implications of an Ageing Australia, November 2004, p. 26.

²²⁷ Rates and Taxes: A Fair Share for Responsible Local Government, House of Representatives, October 2003, p. 58.

Part 2 – Revenue Constraints for local government

4.28 Rapid growth in coastal areas, combined with revenue constraints, has resulted in acute infrastructure funding deficiencies. The LGSA submission to the inquiry states:

Councils have limited avenues for raising revenue, particularly through their ageing populations, non-resident owners, a narrow range of revenue raising options etc while faced also with increasing financial burdens from growth pressures and demographic change.²²⁸

4.29 As discussed earlier, these deficiencies were deemed to be the result of under investment in the past. The Committee was advised by the LGSA that rectifying the deficit requires an increase in sustained investment:

The rapid growth of population and tourism across such a large and dispersed area has generated many infrastructure gaps beyond the projected financial capabilities of Council alone.²²⁹

4.30 The critical nature of the funding impasse cannot be overstated:

The large rises in coastal populations have occurred relatively quickly, with governments struggling to adequately address the economic, environmental and social impacts such large and rapid change can bring. Councils are struggling to keep pace with adequate provision of services and infrastructure, particularly when combined with the added demand during peak tourist seasons.²³⁰

4.31 The Committee recognises that the problems inherent in funding new infrastructure are greatly intensified by the burden for Councils in maintaining the infrastructure once in place. The problems are further exacerbated by the expanding residential population and seasonal influxes of visitors in coastal areas.

4.32 Local Government's capacity to fund infrastructure is constrained to a large extent by State and Federal Government imposed restrictions and by its limited general revenue raising ability. A summary comment by Mr Kelly of the LGSA highlights the combination of factors affecting council funding of infrastructure:

Mr KELLY (LGSA): Revenue raising capacity is also impacted by factors such as ageing populations with low fixed incomes, non-resident owners and seasonal population variations. Cost shifting onto local government by other spheres of government is also placing increasing pressures on councils' financial resources. The incidence of cost shifting has been acknowledged by the Commonwealth Grants Commission and in the Hawker report on cost shifting onto local government. Examples include the decline in the State funding of public libraries, the transfer of Crown, regional and State roads to councils, and collection of fire services levy funds by councils. Developer contributions, for example the section 94 contributions, and developer agreements make a significant contribution toward the infrastructure requirements of new developments. However, they do not address infrastructure backlogs or adequately provide for infrastructure augmentation and renewal needs.²³¹

4.33 These constraints were noted extensively in submissions and are outlined in the next section.

²²⁸ Submission No. 96, NSW Local Government and Shires Association, p. 3.

²²⁹ Submission No. 97, Port Stephens Council, p. 2.

²³⁰ Submission No. 75, Australian Local Government and Shires Association, p. 1.

²³¹ Transcript of Evidence, 12 August 2005, p. 26.

Debt Minimisation and Borrowing Capacity

4.34 One of the major constraints on infrastructure provision in coastal growth areas is Commonwealth and State Governments' commitment to avoiding debt.

4.35 In the past several decades, Governments' tolerance for acquiring and maintaining debt has diminished considerably. Instead of borrowing, as they have in the past, Governments have aimed to maintain a balanced budget:

Governments at the Commonwealth, state and local level currently eschew the use of debt and taxes to finance infrastructure. This reflects emphasis placed upon fiscal responsibility and macro-economic stability and community preferences to constrain the tax burden. It also reflects structural factors that constrain access to efficient sources of revenue.²³²

4.36 Local government is limited in its capacity to borrow as explained by Eurobodalla Council:

Mr TEGART (Eurobodalla Council): There appears also to be a barrier to local government in that the State Government, through Federal, has established a global borrowing limit. we are capped by State Government in terms of the amount we may borrow. Ironically, we think we are capped because of the amount the State Government has announced it wants to borrow for State and regionally significant infrastructure. I think that needs exploration.²³³

4.37 The LGSA explained to the Committee that debt-servicing ratios that apply to local government means that highly specialised expertise is needed in local government to ensure good debt management. However this was an area that local government would like to examine further.²³⁴

4.38 Various submissions have argued that councils should be able to borrow more substantial funds or engage in private public partnerships (PPPs).²³⁵ On 1 September 2005 the Department of Local Government's new Private Public Partnerships Legislation and Guidelines came into effect to assist councils to undertake more effective PPPs and review the merits of PPPs being considered by Councils. These suggestions should enable greater utilisation of PPP options by local councils where they meet probity and financial viability requirements.

Rate Pegging

4.39 In NSW, the Minister for Local Government controls increases in council rates by pegging (or capping) the proportion that rates may be increased each year. New South Wales is the only state that imposes rate pegging.

4.40 Rate pegging was introduced in 1977. Currently council rates cannot be raised more than 3.5 per cent against the value of the previous year's rates without special approval by the Minister.

²³² The Allen Consulting Group, Report for the Property Council of Australia, Funding Urban Public Infrastructure, August 2003, p. ix.

²³³ Transcript of Evidence, 29 July 2005, p. 13.

²³⁴ Transcript of Evidence, 12 August 2005, p. 30.

²³⁵ Submission No. 76, Port Stephens Council, p. 7 and Submission No. 45, Eurobodalla Council, p. 11.

4.41 The LGSA advised the Committee that:

Rate pegging places a major constraint on the ability of councils to respond to the infrastructure and service needs of their communities. Rate pegging is a constraint on council general revenue imposed by the State Government.²³⁶

4.42 In the past, the LGSA has argued that rate pegging is:

inefficient and inappropriate as it deprives councils of the ability to respond to the needs of their respective communities and increasing demands being placed on local government by other spheres of Government.²³⁷

4.43 The Committee heard evidence that rate pegging has a differential impact on individual councils, depending on the rate base when it was introduced:

Mr TEGART (Eurobodalla Council): ... being a rural coastal council we have come from a rural base, and therefore our rates are significantly lower—in fact, our average residential rate is 20 per cent lower than the State average because our farming generation did not want to increase rates. We had a low rate base, therefore, we were already behind the eight ball. The argument clearly is, any coastal council, I believe, would only have the capacity to provide marginally enough funds to maintain and renew existing infrastructure and have no hope beyond State and development intervention to providing new public infrastructure facilities required of future and moving populations to coastal areas.²³⁸

4.44 Port Stephens Council advised the Committee that rate pegging undermined the democratic autonomy of local government:

A democratically elected government local government should be able to determine its maximum general income as other levels of Australian government continue to do. Further, Council now believes its local community is seriously deprived of infrastructure as a result of inequitable rate pegging. Rather than fixing maximum general income, the Government should be guaranteeing no reduction in maximum general income, no reduction in grants, borrowing programs and the like for up to 7 years to allow appropriate planning.²³⁹

4.45 In its submission, Ballina Shire Council advised the Committee that:

...Rate pegging had severely limited the opportunity for Council to fund community infrastructure through general revenue.²⁴⁰

4.46 While there is a majority opinion in submissions that removing rate pegging would improve access to funds for local government infrastructure provision, it is not the whole solution. The Committee was mindful that in other states, where there is no rate pegging, infrastructure funding in coastal areas is still an issue.

4.47 Also if pegging was removed the scope to dramatically increase rates would be limited due to political factors as discussed in hearings with the LGSA:

Mr McBRIDE (LGSA): ...The history in other States [with no rates capping] is that rates do not run rampant, or rise by ridiculous amounts in the absence of it. The electoral process tends to keep rate increases in check, and council are quite responsive to

²³⁶ Submission No. 96, NSW Local Government and Shires Association, p. 3.

²³⁷ Rates and Taxes: A Fair Share for Responsible Local Government, 2003, p. 41.

²³⁸ Transcript of Evidence, 29 July 2005, p. 12.

²³⁹ Submission No. 76 Port Stephens Council, pp. 16–17.

²⁴⁰ Submission No. 66, Ballina Shire Council, p. 3.

that process. So I cannot see a situation where, if rate pegging were to be removed, we would be unleashing large rates rises.²⁴¹

- 4.48 On this basis, councils would be unlikely to impose dramatic rate increases if rate pegging was removed and therefore it will not be a panacea for infrastructure funding. Nevertheless the Committee understands that rate pegging further constrains funding of NSW coastal councils compared with councils in other jurisdictions.
- 4.49 Under the NSW system, the NSW Minister for Local Government must approve annual increases in rates and charges, or in total revenue, beyond a specified level. This is known as a Special Variation.²⁴² The LGSA notes that the number of Councils making applications for Special Variations averages around 30 for the last 5 years. However number of Special Variations applications approved by the Minister has risen from 43 per cent in 1999-00 (33 applications made) to 100 per cent in 2003-04 (23 application made).²⁴³ The trend in approvals of Special Variations may suggest a tacit recognition that the rate pegging system of 30 years ago is not responsive to the current operations and demands of today's councils.

Pensioner Concessions

- 4.50 Pensioners are allowed a maximum flat rebate of \$250 on general council rates and \$87.50 each for water and sewer charges. Fifty percent of the rebate is recoverable by councils from the State Government.
- 4.51 Pensioner rebates are a further constraint on local government incomes. Other state Governments refund 100 per cent of pensioner rebates to councils, whereas the NSW Government only refunds 50 per cent to councils.
- 4.52 Councils argue that the limited recovery of the pensioner rebate from the State Government reduces Local Government revenues. This in turn exacerbates the difficulty in meeting the infrastructure and service needs of coastal growth communities.
- 4.53 The Committee sought further information from the Local Government and Shires Association:

Mr GREENE MP (Chair) : Having regard to the fact that from 2012, as we have already heard, there will be an even greater factor of the ageing population and that obviously we will have a smaller percentage of people relative to that ageing population in work, how do you see that fundamental funding issue being addressed? Because you have fewer people working, less payroll tax is coming to the State Government and there is less income tax that is coming to the Federal Government. As indicated in Leo Kelly's submission regarding self-funded retirees or pensioners and people on fixed incomes, how do you see that being addressed, looking at the issues that you are raising?²⁴⁴

Mr McBRIDE (LGSA): I do not think there is a simple answer to that question or a simple solution. I think it is something that all three levels of government are struggling with or are starting to struggle with in their long-term planning and

²⁴¹ Transcript of Evidence, 12 August 2005, p. 29.

²⁴² Rates and Taxes: A Fair Share for Responsible Local Government, 2003, p. 41.

²⁴³ Excerpt from "Review of Special Variation Applications", supplementary material provided by NSW Local Government and Shires Association.

²⁴⁴ Transcript of Evidence, 12 August 2005, p. 27.

projections. ...But a large population or an ageing population on fixed or limited incomes certainly presents to us in local government, with our very narrow revenue base primarily being rates, certain limits in our capacity on the rates revenue raising side.²⁴⁵

- 4.54 A practical example of the impact of pensioner rebates was provided by Eurobodalla Council in its submission:

The number of properties subject to pension rebates at Eurobodalla Shire Council is 24%, and growing at a rate of 5% per year. Each year \$1.78 million is written off as pensioner rebates, reducing the annual purchasing power of rates by 8%. Only 50% of that is recovered through State Government subsidy.²⁴⁶

- 4.55 The Committee was advised that this shortfall will be compounded in the future as the number of retirees increases in coastal growth areas and the proportion of the population eligible for rebates increases:

Mr TEGART (Eurobodalla Council): No doubt the committee has heard plenty about rate pegging and I will not go into that, but that is clearly an issue. We compare our average rates to those colleagues in Victoria, South Australia and Queensland and we are clearly poor. Equally, as our moving population is largely going to be pensioners—even now or into the future—the current movement of middle-aged families who will also age in the next 10 years are likely to seek pension rebates. We expect that our growth in pensioner rebates will grow beyond our 30 per cent at the moment. It is going to cost us an extra half a million dollars per year into the next 10 years. That, in turn, eats into our rating dollar. Perhaps we need to think of new mechanisms to convert our pension paying public to be able contribute in different ways, perhaps through volunteering.²⁴⁷

- 4.56 The Council's submission included the suggestion that pensioner rebates be fully subsidised by State Government for growing coastal councils.²⁴⁸ The Committee notes that to shift the pension rate subsidy to full State subsidy would be a significant outlay from State revenue and may not be the most effective means to raise rates revenue to fund infrastructure.

Developer Contributions

- 4.57 Under Section 94 of the *Environmental Planning and Assessment Act 1979*, councils are able to require contributions from developers of money or land as a condition of consent to the carrying out of the development. Often this contribution is linked to the provision of local infrastructure such as roads access, kerbs and guttering.
- 4.58 Section 64 of the *Local Government Act 1993* allows councils to collect contributions from developers for water and sewerage services for developments.
- 4.59 Historically, Section 94 contributions were a "one-off" sum contributed at the time of development as part of the development consent conditions. The issue with this form of payment is that the ongoing costs for maintenance, of the relevant infrastructure was not captured in this payment and was pushed onto Councils. Also there was an expectation that the funds would be spent in the immediate vicinity of the

²⁴⁵ Transcript of Evidence, 12 August 2005, p. 27.

²⁴⁶ Submission No. 45, Eurobodalla Shire Council, p. 12.

²⁴⁷ Transcript of Evidence, 29 July 2005, p. 13.

²⁴⁸ Submission No. 45, Eurobodalla Shire Council, p. 12.

development, irrespective of whether there was a greater need elsewhere in the Council area for the funding.

4.60 The Committee heard evidence about the significant impact on councils of this shortfall in funds to maintain the infrastructure across its full life cycle:

There is a long term concern that the community is being “gifted” infrastructure from developers directly constructing roads etc or through s64 [and] s94 funding which then adds to the council’s inventory. The additional rate income generated by new development in the longer term cannot meet the ongoing maintenance costs of these additional assets.²⁴⁹

4.61 The inadequacy of Section 94 contributions, and the degree to which Local Government liabilities are generated by old Section 94 contributions, are of significant concern as explained by a Council representative:

Mr TEGART (Eurobodalla Council): ...In the main a lot of the infrastructure that we would have proposed in the future would have only received up to 10 per cent of the funding for that from development contributions. Therefore, off the balance sheet it is potentially a 90 per cent intangible liability waiting to hit us at some stage. That is not being funded and perhaps the change in legislation allows you to make a decision about dropping that entirely to divert all the pool of money into particular key projects now, but section 94 needs to accommodate not only the cost of new infrastructure but the cost of maintaining that infrastructure through an appropriate maintenance profile across the life of that new asset...I think section 94 has an opportunity to follow the path of section 64, into developing servicing plans where you can appropriately identify: the capital cost of new infrastructure, the cost of maintaining that infrastructure across its life cycle, applying that to what is called net present value accounting, using a reduction accounting technique to calculate what is the value of future would go towards paying for that infrastructure and to calculate what is the cost today for a new development to contribute towards that infrastructure to be constructed over the next 5, 10 or 20 years.²⁵⁰

4.62 A recent NSW Government review of Section 94 examined these issues and in July 2005 several changes were made to Section 94 contribution system as noted in the Department of Planning circular on this matter:

The changes offer two extra ways for development contributions to be made, by:

- Voluntary planning agreements, or
- Fixed development consent levies.

The traditional imposition of section 94 contribution as a condition of development consent remains a third option. These alternatives will allow consent authorities to choose the method, or combination of methods, that best suits their area. For example in green field areas the traditional section 94 approach may be the most appropriate. In established urban areas, where there is little opportunity to acquire open space and development is incremental, a fixed levy may be the most suitable option. Similarly a fixed level might be best for small rural councils to use where development is sporadic and the administration costs associated with preparing a section 94 contributions plan may be difficult to justify.

Voluntary planning agreements are likely to be particularly useful for large scale developments that have longer time frames and are likely to be developed in stages

²⁴⁹ Submission No. 74, IPWEA, p. 7.

²⁵⁰ Transcript of Evidence, 29 July 2005, p. 13.

and in situations where the developer has a key interest in delivering public infrastructure.

The amendments also introduce measure to improve the operation, accountability and flexibility of the existing development contributions system by authorising the borrowing or pooling of funds between contribution accounts and allowing cross boundary levying between neighbouring councils, subject to the preparation of a joint contribution plan by two or more councils. The amendments also allow for the recoupment of the historical cost of previously provided public services and amenities to be indexed in accordance with the Regulation.²⁵¹

- 4.63 These changes are noted in the New South Wales Government's submission as a tool to address the future infrastructure requirements of coastal regions. These reforms should enable greater and more flexible revenue to be raised from the development process in areas experiencing population growth.
- 4.64 However in areas that wish to constrain future growth because of environmental or other community concerns, this revenue stream will not be available. Councils can only benefit from these changes if they encourage new development. Those Councils that do not develop will have no access to new revenue streams to address backlog infrastructure needs.
- 4.65 Another perspective is that the user/owner rather than the developer should be paying for the long-term maintenance of that development. These ideas were raised by IPWEA:

Mr SAVAGE (IPWEA): It [is] difficult to get the capital cost out of the majority of developers, let alone a sum in addition to that which would satisfactorily meet the ongoing maintenance of it. It is very difficult. The argument against doing that is: We are providing the asset, people are going to use it, and the people who are using it should be made to pay in some fashion. To say now that it is going to cost us, on average, 10 per cent of the capital cost per year, if we invest a sum at 7 per cent a year indefinitely, that is how much the contribution for maintenance should be. That is probably going to be a multiple of the capital cost. That is an enormous imposition on the developer, and I think it is logical to say that the people who use it, who have the benefit of it, should pay the ongoing maintenance, but there is nothing in place to allow that to happen either. In fact, rate pegging means that not only do you not get additional funds that you need but you do not even get the funds that you have in the current year, next year.²⁵²

- 4.66 The Committee is aware that the "user-pays" concept is a vexed one, particularly given the capacity of ageing ratepayers on fixed incomes to meet increased demands. Further discussion about the changes to Section 94 is in Chapter 5.126.

Fees and Charges

- 4.67 As "user pays" concepts have been introduced, many Councils' fees and charges have risen as a proportion of council revenue over recent decades. They are, however, limited by ratepayers' capacity and willingness to pay. Councils' aspirations to impose charges are also frequently curtailed or diminished by the election cycle.

²⁵¹ DIPNR Circular PS05-003, Changes to the development contributions system in NSW, 14 June 2005, pp. 1-2.

²⁵² Transcript of Evidence, 29 July 2005, p. 7.

4.68 The Committee was advised that ratepayers on low or fixed incomes had a limited capacity to pay which impacted severely on council revenue raising:

Mr McBRIDE (LGSA): There is a limit to what a community can absorb. I think that Col Sullivan mentioned increasing sewerage rates from \$400 to \$700. For a lot of people on the pension or a fixed income, that would be a week's income, just on that one increase, and that is not talking about their land rates and their water usage charges. These are going to be issues that will be very difficult to deal with. No, I cannot see a simple solution²⁵³.

4.69 As stated above, the Committee is aware that effectively balancing future infrastructure and service needs with the capacity of pensioners and retirees on fixed incomes to pay will require innovative solutions.

Increased Local Government Responsibilities

4.70 As well as the funding constraints mentioned above, local government has acquired new and increased responsibilities over recent decades. These have largely resulted from the devolution of what were State and Federal responsibilities. Local Government often describes this devolution as “cost shifting”.

4.71 The view that local government's responsibilities have increased in the recent past is borne out by the ALGA comments:

The range and scope of local government functions has expanded over recent decades, moving beyond traditional local government services, such as roads and rubbish, to incorporate an expansive range of human services.²⁵⁴

4.72 This increase in service requirements mandated by higher levels of government exacerbates local government's attempt to meet its traditional service and infrastructure requirements. The “Hawker” report into Cost Shifting prepared by the Commonwealth Parliament in 2003 outlined how State Governments are now responsible for cost shifts onto local government of between \$500 million to \$1 billion per year. Five major areas of cost shifting were identified to be in community security, fire services, health and welfare, libraries and airports.

4.73 The mechanisms for shifting costs were identified in the ‘Hawker’ report as:

- The withdrawal or reduction of financial support once a program is established, leaving local government with the choice of continuing a program or suffering political odium of cancelling the service;
- The transfer of assets without appropriate funding support;
- The requirement to provide concessions and rebates without compensation payments;
- Increased regulatory and compliance requirements; and,
- Failure to provide for indexation of fees and charges for services prescribed under state legislation or regulation.²⁵⁵

²⁵³ Transcript of Evidence, Friday 12 August 2005, p. 27.

²⁵⁴ Australian Local Government Association Financing Facts, <http://alga.asn.au/policy/finance/finfo/2.expenditure.php>, accessed October 19 2005.

²⁵⁵ Inquiry Into Cost Shifting onto Local Government, House Economics Committee, Commonwealth Parliament, November 2003, p. 30.

4.74 These cost shifting issues apply to NSW councils and, while not raised extensively in submissions, are expected to impact on coastal council's infrastructure provision.

Conclusions

4.75 Local government groups and councils argue that they are constrained by rate pegging, a limited taxation base and an inadequate level of assistance grants. The impact of such constraints on local infrastructure provision will continue to intensify while these constraints continue.

4.76 Moreover as populations increase and age in coastal growth areas, funding constraints, such as pensioner rebates combined with an intensified demand for human and social services, will result in increased costs being imposed on those rate payers who are least able to pay.

4.77 To address these issues, the LGSA submission argued for a complete revision of Local Government funding in NSW.

Local government funding as well documented, is in dire need of overhaul. Financing the many and varied infrastructure needs previously identified, as well known by councils, is a constant juggling act, and financial planning necessarily involves consideration of initial costs (including the construction of capital works, provision of service,) lifecycle costs of maintenance and renewal of assets, or replacement or modification of the service.²⁵⁶

4.78 The National Sea Change Taskforce contends that the current 'tool kit' for funding the provision of infrastructure in coastal areas is not adequate. It recommends the development of a different approach, with a more clearly defined role for each level of government. The objectives of the funding formula would be to:

- Gain the resources necessary to protect significant natural assets in coastal areas;
- Develop a 'smart growth' approach to development, which incorporates the principles of sustainability; and
- Provide coastal councils with the resources necessary to meet the growth in demand for public infrastructure and services in coastal areas associated with tourism.²⁵⁷

4.79 The National Sea Change Taskforce recommended that a proportion of the GST revenue be allocated to coastal councils experiencing high tourist volumes to meet the increased demand for infrastructure and services. The AGLA also suggested that councils should have access to a growth tax, like a GST. This proposal was based on the conviction that a better funding formula was required in view of the community's continued demand for a broader range of services and infrastructure.²⁵⁸

4.80 The Committee is aware that that on 19 October 2005 the NSW LGSA launched an Independent Inquiry into Financial Sustainability of NSW Local Government.²⁵⁹ This inquiry, due for completion in May 2006, will canvass:

²⁵⁶ Submission No. 96, NSW Local Government and Shires Association, p. 22.

²⁵⁷ Submission No. 48, National Seachange Taskforce, p. 17.

²⁵⁸ Submission No. 75, Australian Local Government and Shires Association, p. 6.

²⁵⁹ Press release, LGSA, 19 October 2005.

Infrastructure Funding and Delivery

- Condition of local government infrastructure;
- Responsibility and cost shifting from other tiers of government;
- Impact of rate pegging and rate exemptions compared to other states; and
- Implications of the Sydney metropolitan and other urban strategies.

4.81 The issues proposed in the Independent Inquiry correlate to the concerns raised in this inquiry. The Committee considers that a State Government examination, subsequent to the outcomes of the LGSA Independent Inquiry, should be undertaken with particular emphasis on coastal growth areas and include consideration of the following as noted in this Chapter:

- changing debt attitudes for local government borrowing;
- the current impacts of rate pegging;
- the impact of pensioner rebates in light of increasing numbers of pensioners;
- the effectiveness of new development contribution reforms;
- options for new fees and charges; and
- ways to find new revenue/funding in light of cost shifting.

4.82 The Committee believes that adequate infrastructure contributes to the amenity in coastal growth communities and the failure to provide it, maintain it and upgrade it has detrimental affects on communities.

4.83 The Committee recognises that there is a strong case for balancing the infrastructure needs of sea change communities with the capacity of future generations to pay for those needs. The Committee is of the view that utilising any of these revised funding options should not put at risk Governments' and councils' commitment to maintaining fiscal responsibility.

4.84 The Committee considers that a clear, simple and effective funding process is fundamental to the efficient planning and delivery of infrastructure in coastal growth areas. The planning system in NSW and recent planning reforms are considered in detail in the next Chapter.

Chapter Five - Infrastructure Planning and Processes

Introduction

- 5.1 This Chapter outlines current planning mechanisms for coastal development and infrastructure and covers concerns made to the inquiry. This Chapter is in two parts:
- Part 1 - Outlines the existing planning process, its application to coastal development and criticisms of the process raised in submissions;
 - Part 2 - Outlines reformed planning system, its application to coastal areas and some concerns raised in submissions on its capacity to respond to coastal issues.
- 5.2 NSW coastal planning and management of infrastructure has multiple interrelating mechanisms and decision-making authorities. The planning process is complicated with overlapping instruments, boundaries and responsibilities. A discussion of the existing systems is in Part 1 and a chart highlighting key elements is on page 78.
- 5.3 The NSW planning system is undergoing reform. The Government's aims of the reform process are to allow faster assessment and determination of both public and private infrastructure development across the State.²⁶⁰ The principle modification relevant to coastal planning is the introduction of Regional Strategies. Further planning reforms that impact on coastal development includes new State Environmental Protection Policies (SEPPs) and changes to the way in which Developer Contributions can be collected by councils. These changes to the planning process are discussed in Part 2 and a chart highlighting key elements is on page 90.

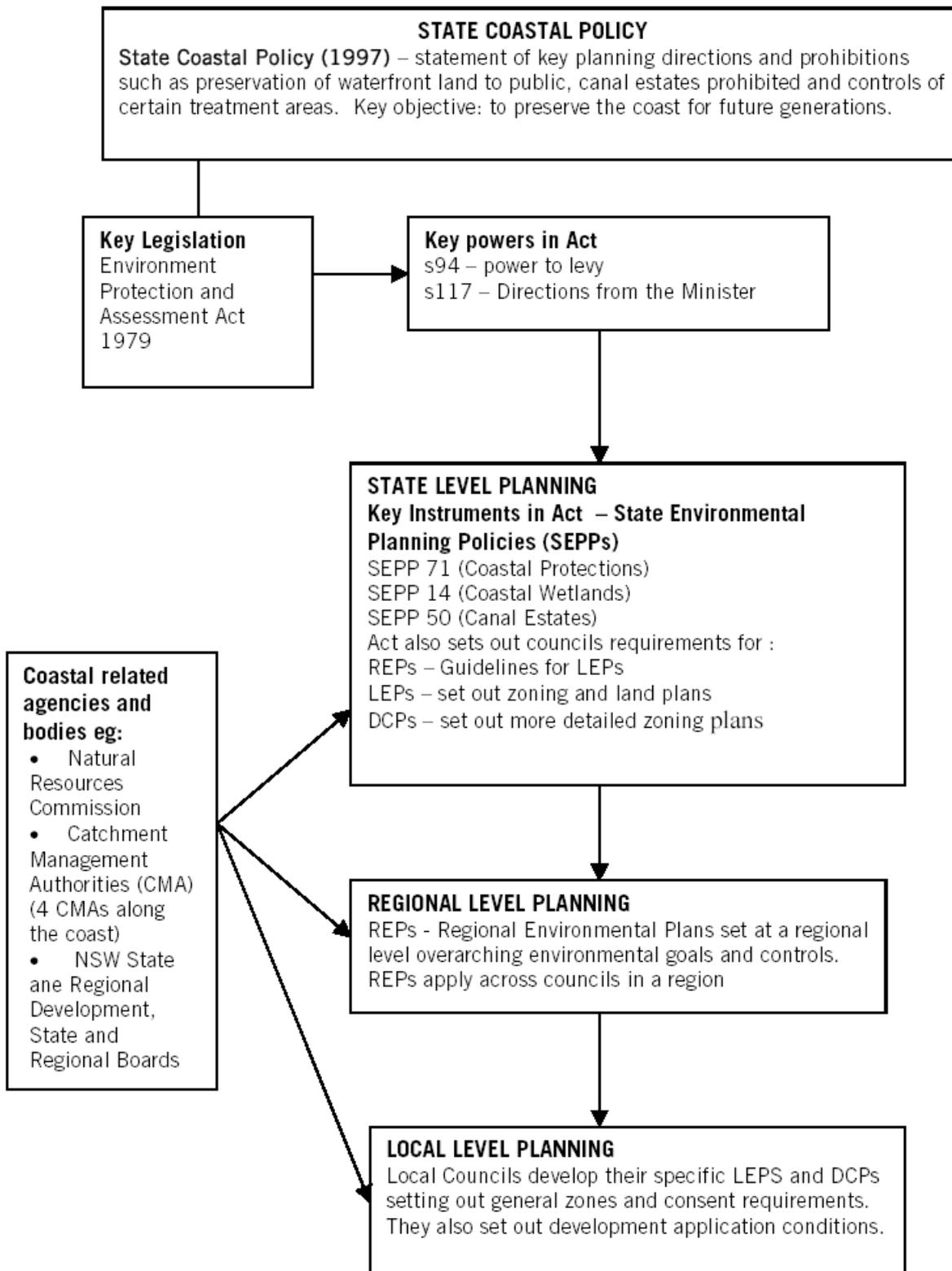
Part 1 - The Existing Planning System

- 5.4 In New South Wales, infrastructure planning is principally shaped by the Environmental Protection and Assessment Act 1979 and related legislation, and a range of statutory and non-statutory instruments with state wide, regional or local application.
- 5.5 The planning system applying to coastal NSW is made up of several components including:
- Planning policy – the NSW Coastal Policy 1997;
 - Legislation – the Environmental Planning and Assessment (EP&A) Act 1979. The EP&A Act applies across the State and creates particular powers to consent to developments;
 - Planning instruments –these are statutory mechanisms including State Environmental Plans, Regional Environmental Plans derived from the EP&A Act;
 - Decision bodies including state and local government; and
 - Consultative bodies and guidelines.

²⁶⁰ Submission No. 99, NSW Government, p. 3.

5.6 These components are discussed below in Chart 1 which illustrates the broad relationships between these key elements:

Chart 1 – NSW Planning System – Established Process for Coastal Development



Planning Policy - The New South Wales Coastal Policy

- 5.7 The New South Wales Coastal Policy 1997 provides a strategic policy framework for the coastal areas management. It recognises that the coast is the focus of intense pressures from human activity and that there are a large range of competing interests for its resources.
- 5.8 The key objective of the Policy is to protect and conserve the coast for future generations. The Policy coordinates the State's various management policies, programs and standards as they apply to a defined coastal zone. The central focus is the sustainable development of the NSW coastline and aims to:
- provide for coastal growth and economic development without putting the natural, cultural and heritage values of the coastal environment at risk.²⁶¹
- 5.9 The Policy applies to the coastal zone - coastal estuaries, lakes, lagoons, islands and rivers and includes:²⁶²
- Three nautical miles seaward of the mainland and offshore islands;
 - One kilometre landwards of the open coast high water mark; and
 - A distance of a kilometre around all bays, estuaries, coastal lakes, lagoons and islands; and tidal waters of coastal rivers to the limit of mangroves, as defined by NSW Fisheries' (1985) maps or the tidal limit whichever is closer to the sea.
- 5.10 It does not apply in urban areas of Sydney, Newcastle, Illawarra and Central Coast regions.²⁶³ Nevertheless New South Wales State Government agencies and local government areas are obliged to take account of the Policy in the preparation of their own specific policies and programs.²⁶⁴

Legislation – the Environmental Protection and Assessment Act 1979

- 5.11 The legislation governing the planning process in New South Wales is the Environmental Protection and Assessment Act 1979 (EP&A Act). The Act has a variety of objectives and functions focussing on the proper management of development. The Act defines various consent authorities and issues a variety of planning powers. The most significant powers relating to coastal development are:
- Section 117 which is the power to the Minister to make directions over certain planning decisions and development applications; and
 - Section 94, which allows for consent authorities, such as State agencies and Councils, to levy contributions from developers for costs associated with developments.
- 5.12 The Act also enables the creation of statutory instruments or planning policies, which are explained in the next Section.

²⁶¹ NSW Coastal Policy 1997, Department of Planning, p. 14.

²⁶² The Coastal Protection Act 1979 is instrumental in defining the Coastal Zone.

²⁶³ NSW Coastal Policy 1997, Department of Planning, p. 14.

²⁶⁴ NSW Coastal Policy 1997, Department of Planning, p. 14.

Planning Instruments

5.13 Statutory instruments established under the EP& A Act include:

- State Environmental Planning Policies (SEPP)
- Regional Environmental Plans (REPs)
- Guidelines for Local Environmental Plans (LEPs)

5.14 More detailed planning instruments used by local councils include Developer Control Plans (DCP) and Contribution Plans (CPs). The Section 94 power to levy is also seen as a planning instrument. Details on all these instruments are outlined below:

State Environmental Planning Policies (SEPPs)

5.15 SEPPs deal with issues regarded as significant to the State. They are designed to:

- make sure that government policies are carried out uniformly;
- deal with important state-wide issues, such as protecting important rainforest and encouraging sustainable development that creates jobs;
- set general guidelines for regional environmental plans and local environmental plans; and
- plan important projects in specific locations.²⁶⁵

5.16 SEPPs generally give powers to the Department of Planning or the Minister to be the consent authority for a planning decision or to define consent conditions for certain types of developments.

5.17 The key SEPPs related to coastal development are SEPP 71 - Coastal Protection and new a SEPP - Major Projects. The impacts of these SEPPs are discussed under the Planning Reform process below (Part 2). There are also other SEPPs that shape coastal policy such as SEPP 50 which prohibits canal estates, discussed in Chapter 3 (3.195). Also SEPP 14 (Coastal Wetlands) which defines 1300 wetland areas in the State and requires environmental impact statements and certain consents from state and local government for any development application.

Regional Environmental Plans (REPs)

5.18 Regional Environmental Plans deal with issues that go beyond the local area, protecting river catchments, for example, or providing public transport systems. REPs give Local Governments a framework for detailed local planning. REPs often apply to large areas (such as the North Coast or Hunter regions) but they can relate to small sites that have regional significance (such as Homebush Bay).²⁶⁶

5.19 The Department states that as the new Regional Strategies are developed, there will be a shift away from using REPs and greater emphasis placed on developing Regional Strategies. Existing REPs will be reviewed and repealed as part of preparing Regional Strategies in priority areas.

²⁶⁵ Department of Planning website, <http://www.planning.nsw.gov.au/planningsystem/sepp.asp>.

²⁶⁶ Department of Planning website, www.planning.nsw.gov.au/planningsystem/rep.asp.

Local Environmental Plans (LEPs)

- 5.20 Local environmental plans are prepared by councils and guide planning decisions for local government areas. The LEPs mark out particular land zoning in the council areas such as residential, commercial zones etc. Through zoning and development controls, they allow councils to supervise the ways in which land is used.²⁶⁷

Development Control Plans (DCPs)

- 5.21 Development Control Plans provide specific, more comprehensive guidelines for types of development, or small sections of the planned area. For example a development control plan may prescribe a particular mix of commercial operations for a shopping area.
- 5.22 Councils can use development control plans to make local planning more detailed, or adopt their own additional requirements. These allow the council to provide specific, more comprehensive planning policies for individual types of development, or particular sections of the local government area.

Section 94 - Contribution Plans (CPs)

- 5.23 Developer contributions are payments by developers that, in part, fund associated infrastructure required by the community as a consequence of the development.

Section 94 of the Environmental Planning and Assessment Act 1979 enabled consent authorities, (usually local councils) to levy developer contributions, as a condition of development consent, towards the cost of providing local public infrastructure and facilities required as a consequence of development. The power to levy a contribution relies on there being a clear nexus between the development being levied and the need for the public infrastructure or facility.²⁶⁸

- 5.24 Levies can be raised through Contributions Plans (CPs) for a range of State and Local Government-provided infrastructure, including roads, stormwater management systems, open space and community facilities.

Decision-Making Bodies

- 5.25 As noted in Chapter 4, decisions about infrastructure planning is shared across governments. The Federal government has a limited role in providing coastal infrastructure, with the exception of national roads, airports and some rail and port operations. The State government has responsibility for major infrastructure such as schools, hospitals and highways. Local Government has responsibility for residential, commercial and community infrastructure, such as, housing developments, resorts, factories, local roads and recreational facilities.
- 5.26 The decision making bodies in NSW that are involved in coastal infrastructure planning include the Department of Planning, NSW Treasury and key infrastructure providing agencies. The other principle decision maker is the local council. There are various agencies and authorities, which provide an advisory or consultative role. There are also associated special projects and guidelines used to inform coastal planning.

²⁶⁷ Department of Planning website, www.planning.nsw.gov.au/planning_reforms/index.asp.

²⁶⁸ Funding Local Infrastructure: Report by the Section 94 Contribution and Development Levies Taskforce to the Minister for Infrastructure and Planning and the Minister for Natural Resources, February 2004, p. 7. www.planning.nsw.gov.au/planning_reforms/p/taskforcereport_s94.pdf accessed on 20 October 2005.

The Department of Planning

- 5.27 The NSW planning portfolio and associated delivery agencies have been subject to various restructures, amalgamations and dissolutions. The most relevant changes occurred in July 2003, when the Department of Infrastructure, Planning and Natural Resources (DIPNR), was formally established by bringing together the Department of Urban and Transport Planning and the Department of Sustainable Natural Resources.
- 5.28 This amalgamated Department was to provide guidance on: population projections; current and predicted transport patterns based on demand forecasting models; and, strategies involving future plans and decisions. The aim of this guidance was to optimise infrastructure investment and the use of existing physical assets over the long term.
- 5.29 In August 2005, DIPNR was dissolved and there are now three separate Ministers and Departments covering planning, infrastructure, and natural resources. There is now a Minister for Planning, the Hon Frank Sartor MP, a Minister for Infrastructure, the Hon Michael Costa MLC, and a Minister for Natural Resources, the Hon Ian MacDonald MLC.
- 5.30 The Department of Planning is now responsible for planning in New South Wales. It is responsible for advising the Government on the strategic directions for urban and regional development and associated infrastructure priorities. The Department provides planning analysis and consent on planning and development applications related to its jurisdiction set out the EP& A Act and relevant planning instruments.

NSW Treasury

- 5.31 NSW Treasury is responsible for a variety of infrastructure decisions either directly or through its budget process. Treasury establishes the Government policies that promote the efficient provision of services by State Government agencies and govern infrastructure provision and management. The Government's fiscal policies impact significantly on the provision of infrastructure in coastal growth areas.
- 5.32 There are a range of policies implemented by Treasury aimed at achieving better management and planning of the State's assets:
- These policies support the State's fiscal strategy, which is basically a game plan that determines long-run budget and balance sheet objectives. New South Wales' fiscal strategy is to strengthen the State's balance sheet by stabilising the level of government debt and reducing other liabilities to sustainable levels. In essence, that strategy involves keeping liabilities at levels that are low enough to maintain service delivery and infrastructure provision in the event of an economic recession or major cyclical downturn in revenue. The strategy's targets and principles are set out in the Fiscal Responsibility Act.²⁶⁹
- 5.33 The impact of the Government's fiscal policies on infrastructure provision and upgrading is discussed in detail in Chapter 4 (4.13 to 4.14)

Local Government

- 5.34 Councils set their own local strategies and policies within the broad framework of the Local Government Act 1993 and the EPA Act 1979. As discussed in Chapters 3 and

²⁶⁹ Transcripts of Evidence, 12 August 2005, p. 3.

Chapter 4, councils are under increasing pressure to improve the natural and built environments for present and future generations. In addition:

Local Government has been increasingly taking on responsibility for social functions, such as management of health, alcohol and drug problems, community safety and improved planning and accessible transport. Local government has also been playing an increasing regulatory role in the areas of development and planning, public health and environmental management.²⁷⁰

- 5.35 In terms of planning decisions, Councils are responsible for the preparation of Local Environment Plans (LEP), the assessment of most development applications and the local planning decisions that are not subject to any State or Federal planning policies.

Consultative Bodies

Natural Resources Commission (NRC)

- 5.36 The Natural Resources Commission was established in 2003 and provides the NSW Government with independent advice on a range of natural resource management issues. The NRC is now attached to the Minister for Natural Resources portfolio (since August 2005). The Commission's core functions are to:

- recommend state-wide standards and targets for natural resource management;
- review and recommend the approval of Catchment Action Plans prepared by 13 Catchment Management Authorities across NSW; and
- audit Catchment Management Authorities' implementation of these plans and their effectiveness in achieving state-wide standards and targets.²⁷¹

- 5.37 Under the requirements of SEPP 71 Coastal Protection, the Minister for Planning is required to consult with the NRC on the need for master plans for proposed coastal developments and on draft master plans.

Catchment Management Authorities (CMAs)

- 5.38 Thirteen Catchment Management Authorities (CMAs) have been established across the State by the NSW Government to ensure that regional communities have a significant say in how natural resources are managed in their catchments.

- 5.39 There are 5 CMAs in coastal NSW: Northern Rivers, Hunter-Central Rivers, Hawkesbury Nepean, Sydney Metro, and Southern Rivers.

- 5.40 The CMAs have a management board that reports directly to the NSW Minister for Natural Resources. These statutory bodies, established under the Catchment Management Authorities Act 2003 (CMA Act), coordinate natural resource management (NRM) in each catchment. They are responsible for involving regional communities in management of the NRM issues facing their region, and are the primary means for the delivery of funding from the NSW and Commonwealth Governments to help land managers improve and restore the natural resources of the State.²⁷²

²⁷⁰ *Rates and Taxes: A Fair Share for Responsible Local Government*, House of Representatives Standing Committee on Economics, Finance and Public Administration, October 2003, p. 9.

²⁷¹ Department of Natural Resources, www.cma.nsw.gov.au.

²⁷² Department of Natural Resources, www.cma.nsw.gov.au.

5.41 As well as State and local government, CMAs play a part in the planning process. According to the Department of Planning the CMAs will form part of the consultation process for the development of Regional Strategies.

State and Regional Development Boards (SRDB)

5.42 State and Regional Development Boards (SRDB) are funded by the New South Wales Department of State and Regional Development. They form development strategies, cultivate local leadership and offer 'grass roots' advice to investors and government on their regions' investment opportunities.²⁷³ Where appropriate, they provide advice on development proposals.

5.43 However there appears to be mis-alignment of SRDB and REPs/Regional Strategy boundaries. A comparison shows boundaries that do not coincide and that this can impact on the effective planning of the infrastructure necessary to enhance economic development. For example the Mid North Coast boundaries are:

- For the Department of State and Regional Development –the LGAs are Coffs Harbour, Bellingen, Nambucca, Kempsey, Hastings and Greater Taree; but,
- The local government area cluster that will be the subject of the Mid North Coast Regional Strategy is comprised of Clarence, Coffs Harbour, Nambucca, Bellingen, Kempsey, Hastings, Taree, Great Lakes.

Guidelines and Ancillary Tools

5.44 There are associated projects and guidelines relating to coastal planning and development being undertaken by various agencies and organisations.

The Comprehensive Coastal Assessment

5.45 To assist in setting a better strategic base for coastal planning, the Department of Planning is conducting Comprehensive Coastal Assessments. It is the first detailed assessment of the New South Wales Coast northward from Port Stephens and south of Shellharbour.

5.46 The primary aim of the Assessments is to collect information on coastal values and develop decision-making tools and methods. The process is being conducted over a three year period in four stages and is due for completion this year. Further details on the Assessments are not yet available.

Coastal Management Plans

5.47 Coastal Management Plans are designed to look after the health of the catchment area. Plans of Management will be prepared for all coastal Crown land reserved or dedicated for a public purpose. The objectives of the Coastal Management Program are:

- To reduce the adverse impact of coastal processes on existing public and private assets,
- To ensure the continued improvement and maintenance of the recreational amenity of the beaches,

²⁷³ Department of State and Regional Development, www.business.nsw.gov.au.

- To ensure that, through informed and balanced management, any new development adjacent to the coastline does not adversely affect the coastline and is not itself threatened by coastal hazards.²⁷⁴

5.48 It is not clear from the information provided by the Department how these Plans and the Comprehensive Coastal Assessment are related

Coastal Design Guidelines

5.49 The coastal design guidelines support a place-based planning approach, in line with PlanFirst, the NSW State Government's reform package released in 2002. Councils can use the guidelines to help define appropriate settlement types and developing place-specific development control plans.

Concerns Regarding the Existing Planning System

5.50 A significant number of submissions to the inquiry contained criticisms of the existing NSW planning system. The matters raised ranged from a concern that planners lacked an awareness of the local coastal issues, to the lack of coordination of the three tiers of government. Numerous submissions said that these deficiencies resulted in poor planning outcomes and confusion over responsibilities.

5.51 The most significant criticisms included:

- The existing system is overly complex;
- There is no NSW agency or authority dedicated to coastal protection;
- Planning goals are short term;
- Finding not tied to infrastructure planning;
- Planning outcomes are not environmentally sustainable;
- There is a lack of intra-governmental cooperation/coordination;
- Criticisms of SEPPs; and
- Criticisms of LEP and REPs.

5.52 These criticisms are considered in detail below.

The existing system is overly complex

5.53 It is generally acknowledged that the existing system is extremely complex. As recognised by Department of Planning on its own website where it states that:

- The NSW planning system is bogged down in complex rules and process.
- There are over 5,500 local planning instruments administered by Local Government.
- These documents vary in format and content between areas.
- There are 3100 zoning categories in use.
- There are over 1700 definitions in use... for terms that are commonly used in State, regional and planning documents.²⁷⁵

²⁷⁴ NSW Coastal Planning Policy 1997, www.planning.nsw.gov.au/plansforaction/coastalprotection.asp.

²⁷⁵ Department of Planning, www.planning.nsw.gov.au/planning_reforms/p/planreform_fact01.pdf (Sept 2004)

- 5.54 The Department advises that, when the planning reform is in place the SEPPs will be reduced from 59 to less than 25; and REPs will be reduced from 44 to less than 5.
- 5.55 There appears to be confusion about responsibilities and roles in the current system. As noted above there are various programs, plans and initiatives relating to coastal assessment. The impact of programs, how they relate and are ultimately integrated into planning is not clear from the information provided.

There is no NSW agency or authority dedicated to coastal protection

- 5.56 New South Wales does not now have a dedicated body or agency committed to providing expert advice and guidance on issues relating to coastal areas.
- 5.57 Formerly, this role was exercised by the Coastal Councils of New South Wales, which was established in 1999 as an advisory group to Government and to oversee the implementation of the coastal policy. It ceased operation in June 2004. The powers of the Coastal Councils were transferred to the Natural Resource Commission.
- 5.58 In its Submission, the PIA NSW argued that this change had compromised the focus on coastal issues:

A universal concern of those interested in the coast of NSW is that the process that gave birth to both the CMAs and NRC had little to no coastal focus. Both arose from the bodies and processes focused on catchments, with the emphasis on inland NSW (broad-scale land clearing), and arising from the previous Catchment Boards, which did not have funds to invest in coastal areas (this was handled under other programs). Consequently the previous Catchment Blueprints, now the basis for the Catchment Action Plans, paid little or no attention to coastal investment issues. The coast is in serious danger of missing out on a fair share of Natural Resource Management investment, yet it is the main area of population pressure on those unique coastal resources.²⁷⁶

- 5.59 Concerns about loss of special coastal focus and expertise in planning was echoed by the AMSA:

NSW State government and local councils are poorly resourced to assess the impact of increased infrastructure on the coastal environment, particularly estuaries and coastal waters. This is due to a lack of staff with appropriate qualifications and training in agencies responsible for approval and consent of developments, especially in regional areas.²⁷⁷

Planning goals are short-term

- 5.60 Evidence submitted to the Committee suggested that the existing planning process only considered short-term objectives and, in general, was not strategic or far-sighted enough:

Mr TEGART (Eurobodalla Council): ... we need to also make sure that we plan beyond 20 years—perhaps in the 50-year horizon—for that next round of population growth, particularly for the transport and telecommunications corridors, so that we do not suffer the fate of the North Coast or Sydney particularly, where you have to retrofit corridors. You may as well plan for those corridors now and set settlements around

²⁷⁶ Submission No. 71, Planning Institute of Australia, pp. 3-4.

²⁷⁷ Submission No. 53, Australian Marine Sciences Association, NSW Branch, p. 2.

and appropriately set back from those to protect the amenity, place and sense of community into the future.²⁷⁸

- 5.61 The Committee was advised by Coffs Harbour Council a commitment to longer term planning and funding is vital:

Mr FERGUSON (Coffs Harbour Council): But it is not only the plan, it is about having those timeframes to deliver it and it is about having a process to review it and to follow up on it and having a commitment. We need commitment by the players to deliver these things and quite often we will start a planning process and the funding mechanisms will change and there will be a lack of commitment to commit beyond the current term of government.²⁷⁹

Funding not tied to infrastructure planning

- 5.62 A further concern raised was the lack of funding tied to mandated Federal and State planning decisions. Some submissions argued that councils were adversely affected by State and Federal Governments decisions on which they are not consulted:

Planning decisions at State and Commonwealth Government levels have resulted in an ongoing demand for access and residency in coastal areas like Byron Shire. Yet there has been no coordinated assessment of infrastructure requirements and reliable funding.²⁸⁰

- 5.63 In its submission, JBA Urban Planning Consultants also expressed concerns about the lack of State Government funding for coastal growth areas' infrastructure:

We are aware that the Department of Infrastructure, Planning and Natural Resources is engaged in a number of activities towards setting a better strategic basis for coastal growth, including the development of a new State Coastal Strategy, regional coastal plans and the Comprehensive Coastal Assessment. Until this new framework is delivered, supported by genuine and substantial funding commitments to provide and/or augment infrastructure in coastal growth areas, the issue of inadequate infrastructure provision will remain.²⁸¹

Planning outcomes are not environmentally sustainable

- 5.64 The Committee heard evidence that, even where planning decisions recognised environmental sustainability was important to the community, sustainable planning objectives were undermined at a later stage of the process:

Strategies should be based on the environmental carrying capacity of each region of the coast. Many of the necessary studies have been done or are underway. These have to be the basis of planning.... In the past planning efforts have been undermined by concessions to developers and unsuitable re-zoning.²⁸²

- 5.65 In some instances, concerns over the lack of sustainability was linked to the lack of infrastructure funding, discussed above:

...local government struggles at times to generate enough income to provide the infrastructure necessary for the Shire to compare favourably with larger population centres. As a result a lot of public land is sold of what is in the view of Eurobodalla

²⁷⁸ Transcript of Evidence, 29 July 2005, p. 10.

²⁷⁹ Transcript of Evidence, 2 August 2005, p. 3.

²⁸⁰ Submission No. 33, Byron Shire Council, p. 7.

²⁸¹ Submission No. 39, JBA Urban Planning Consultants, p. 2.

²⁸² Submission No. 9, The Coastwatchers Association Inc, p. 9.

Greens inappropriate development that doesn't take into account the long-term ramifications for the health of either the community or the local environment.²⁸³

Lack of intra- and inter-governmental cooperation/coordination

- 5.66 A number of submissions expressed concern regarding the lack of coordination and cooperation between State and Local Government agencies, for example:

The principle area of concern has been the lack of strategic planning integration with other levels of government, particularly key NSW government agencies. ... Councils strategic land use planning, particularly in new urban release areas, is hindered by the absence of State agency participation/ cooperation in the process.²⁸⁴

- 5.67 Tweed Council also said that the intention of the EP&A Act is not realised with regard to integrating State and local planning:

It was the intention of the Act to provide a State and regional planning framework that would enable State government infrastructure to be planned and integrated with Council Local Plans. Unfortunately, this has never eventuated.²⁸⁵

Criticisms of SEPPs

- 5.68 The Committee heard general criticisms of SEPPs from local councils. Some councils regard the use of SEPPs solely as "devices to remove local planning powers from councils".²⁸⁶ In some instances, there is a perception that State government planners tend to assess development on a case by case basis without the awareness of the aggregated development and its impact on the local environment.
- 5.69 Conversely, State government may argue that without a mechanism to allow external decisions, local councils may exclude developments in favour of local interests. States would also argue that they need some mechanism to apply state policies to deliver whole of state objectives like sustainability and protection of the coastline.
- 5.70 Overall, the system seeks to maintain a balance between competing interests at the local, regional and State levels. This balance is attempted through the use of various State Environmental Planning Policies (SEPP). However the Committee is aware that the process of the State resuming planning powers under SEPPs can result in tensions between the State government and councils.

Criticism of LEPs and REPs

- 5.71 The Committee sought information on the efficacy of the regional and local planning instruments: Regional Environmental Plans (REPs) and Local Environmental Plans (LEPs). In its submission, Tweed Council criticised the adequacy and effectiveness of REPs from the time of their introduction:

The Regional Environment Plans have been ineffective. When initiated in the 1980's by the then Planning and Environment Commission/Department of Planning etc the department failed to gain cooperation from other state agencies. Departments particularly health and education refused to be bound by the state/regional planning process and the State Planning Department refused to instigate any meaningful land use/population future planning. In the end the regional plan became a repository of

²⁸³ Submission No. 44, Eurobodalla Council, p. 1.

²⁸⁴ Submission No. 29, Tweed Shire Council, p. 3.

²⁸⁵ Submission No. 29, Tweed Shire Council, p. 3.

²⁸⁶ Submission No. 29, Tweed Shire Council, p. 3.

motherhood statements, policies and rules that added little to the regional planning process.²⁸⁷

- 5.72 In its submission, the Australian Conservation Foundation (Central Coast) noted that LEPs do not provide for integrated planning solutions:

This issue is one that is seen as restraining the smooth implementation of integrated planning solutions. The current and proposed planning provisions including state wide local environment plans (LEPs) do not lend themselves to integrated planning solutions. They are currently not formulated in a way that allows them to meet such diverse housing options for inclusive liveable communities being established up and down the coast.²⁸⁸

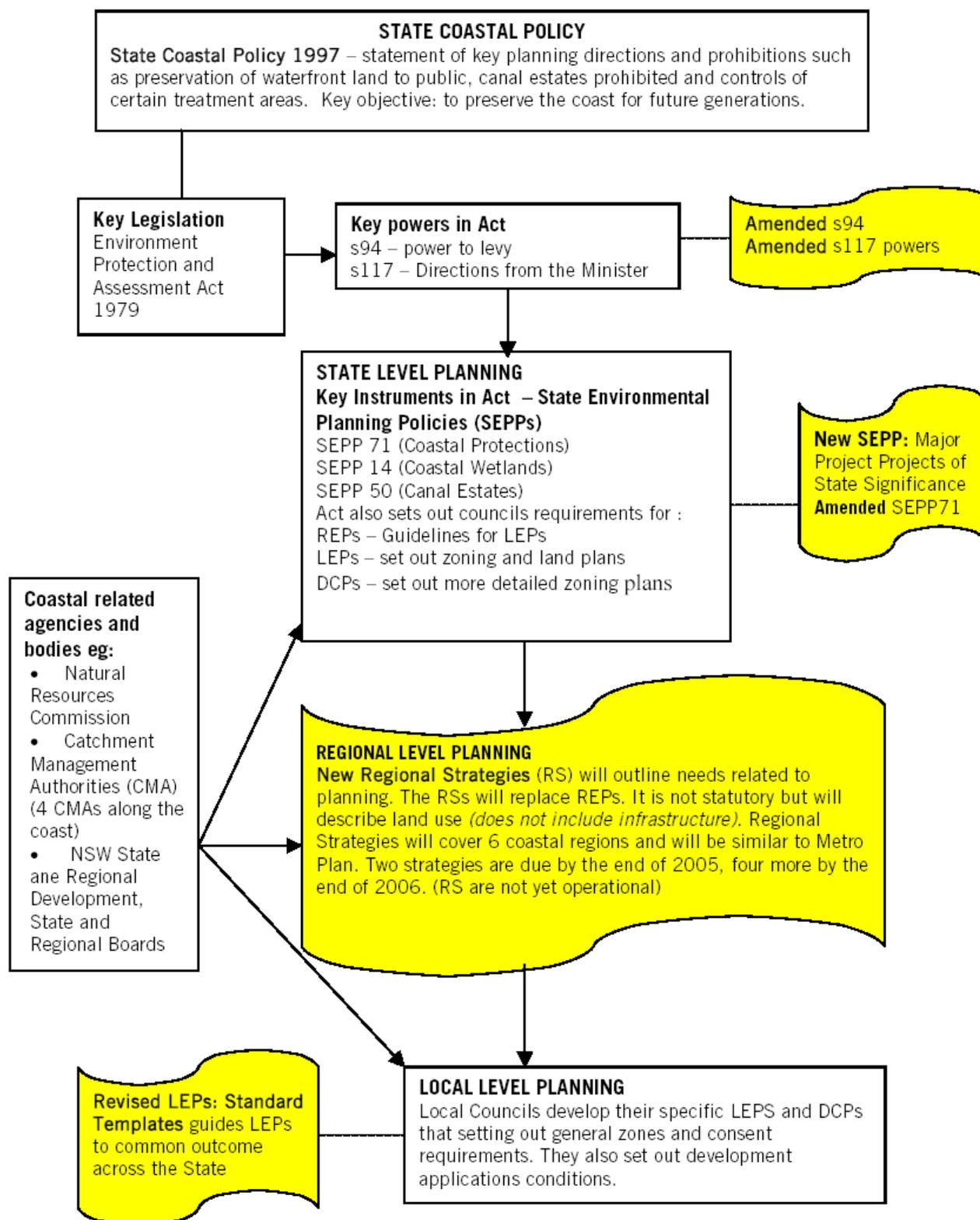
- 5.73 The Committee recognises that the criticisms of the planning process, as it existed prior to the development of the amendments, are substantial.

²⁸⁷ Submission No. 29, Tweed Shire Council, p. 3.

²⁸⁸ Submission No. 47, Australian Conservation Foundation, p. 7.

Chart 2 – NSW Planning System (Reform Process for Coastal Development)

*Changes to planning system shaded.



Part 2 – The Reformed Planning System

5.74 This part of Chapter 5 outlines the NSW planning reform agenda and its Regional Strategies and the changes to planning instruments. It outlines key concerns about the reforms that were raised in submissions. Chart 2, on the previous page, illustrates key changes to the planning system.

The NSW Planning Reform Agenda

5.75 As discussed in Part 1 of this Chapter there are many aspects of the existing planning process that could be improved. In its Submission, the NSW Government detailed its commitment to reforming the planning system:

Planning reform is a major initiative of the NSW Government. It is designed to provide a more consistent and strategic approach to planning. A major component of planning reform is the development of regional strategies especially in areas experiencing population growth. These strategies will bring together land use, natural resources and infrastructure planning. Six coastal regions are priority areas for strategy development over the next 2 years. They will inform the new generation of local environmental plans and ensure coordination of infrastructure investment on priority projects.²⁸⁹

5.76 As the key element of reforms for coastal development, Regional Strategies are expected to provide a mechanism for encouraging targeted development, rather than ribbon development along the coast.

Regional Strategies

5.77 The Committee was advised that in 2004, the then Minister for Infrastructure, Planning and Natural Resources, the Hon Minister Craig Knowles MP, outlined the need for an overarching, coordinated approach to the development of coastal regional strategies. The Minister outlined five key points that would guide the planning process. They were the need to:

- Protect high value environmental assets that make the NSW coast such an attractive place to live and visit;
- Encourage economic and employment growth;
- Make places on the coast better places to live and work;
- Provide for water and energy efficiencies especially in the face of climate change; and
- Reform the planning system to better integrate local government plans, natural resource planning (eg those involving the coastal Catchment Management Authorities) and infrastructure planning.

5.78 Six Regional Strategies, in addition to one for the Sydney Metropolitan area, are currently being developed in areas of high population growth, such as coastal growth areas. Clusters of adjoining councils define the regional borders to which the Strategies will apply as follows:

²⁸⁹ Submission No. 99, NSW Government, p. 1.

Infrastructure Planning and Process

- Far North Coast: Tweed, Byron, Ballina, Kyogle, Lismore, Richmond;
- Mid North Coast: Clarence, Coffs harbour, Nambucca, Bellingen, Kempsey, Hasting, Taree, Great Lakes;
- Lower Hunter: Newcastle, Port Stephens, Lake Macquarie, Maitland, Cessnock;
- Central Coast: Gosford, Wyong;
- Illawarra: Wollongong, Shellharbour, Kiama; and
- South Coast: Shoalhaven, Eurobodalla, Bega.

5.79 The Regional Strategies have the same demarcation boundaries as the current REPs (although there are some amalgamations of areas). However it appears that these boundaries remain non-aligned with existing Catchment Management Authority boundaries and State and Regional Development regional boundaries.

5.80 The Committee was advised at hearings that both the Far North Coast and Lower Hunter Strategies are well advanced. These two Strategies are expected to be available for public exhibition by the end of 2005 with the other four Strategies available by the end of 2006. On 4 November a draft Lower Hunter Strategy was released for comment by the Minister for Planning. (Further discussion of the draft Lower Hunter Strategy is in Chapter 6).

5.81 The scope and content proposed for the Regional Strategies is new for NSW:

Regional Strategies are a new concept integrating land use planning, natural resources management and infrastructure investment. They will not be a statutory instrument. However, they will contain information to guide and where necessary direct the revision of LEPs, and inform the agencies infrastructure strategies²⁹⁰.

5.82 In evidence to the Committee, Professor Thom, Acting Director of the Department's Coastal Management and Planning, emphasised that Regional Strategies and the established planning process mechanism, REPs, were not interchangeable. There will be a staged repeal of the REPs with the Regional Strategies.²⁹¹

5.83 The new Strategies will include references to infrastructure issues and needs:

Professor THOM (Dept Planning): But the regional strategies will also incorporate the planning for infrastructure at a regional level. As indicated by the speaker from Treasury, we have the opportunity with regional infrastructure planning to link it to the State budget process in a not dissimilar way to what you saw in the presentation from Michael Kerry for Southeast Queensland. So a regional strategy will link together the planning process for land use planning, biodiversity planning and defining constraints such as those imposed by natural hazards on communities with the infrastructure investment process.²⁹²

5.84 However the Strategies will not have statutory force like the South East Queensland Regional Plan. In Queensland key changes to this plan must occur through Parliament. As such the Queensland document, which has explicit infrastructure commitments, is a more binding document and has more scrutiny if altered than the proposed NSW Regional Strategies will have. The Committee believes that non-

²⁹⁰ Submission 99, NSW Government, p. 16.

²⁹¹ Transcript of Evidence, 12 August 2005, p. 18.

²⁹² Transcript of Evidence, 12 August 2005, p. 18.

statutory status is a significant difference that limits the NSW Regional Strategies potential to drive the planning process effectively. (For further information about the South East Queensland plan see Chapter 6).

- 5.85 The NSW government argues that the strategies need to be fluid and responsive to changing needs:

Regional strategies must therefore be seen as an ongoing, evolving mechanism that will shape the character of areas undergoing demographic, economic and environmental change.²⁹³

- 5.86 The Committee was advised that a broad consultative process is being undertaken in developing the Regional Strategies with key players and stakeholders including local councils, Catchment Management Authorities and community representatives. The NSW Government states in its submission:

It is a model that is heavily reliant on cooperation with local government and has involved the establishment of regional reference groups as a means of communication and stakeholder input.²⁹⁴

Reforms to Planning Instruments

- 5.87 The aims of the planning reforms are to simplify the planning process and to clarify the hierarchy that generally applies between planning instruments, that is, between SEPPs, Regional Strategies (as they progressively replace REPs) and LEPs.

- 5.88 Other amendments to the EP&A Act have allowed the development of the new instruments that will drive the planning reform process, such as the Regional Strategies. The new instruments/ directions, which include:

- a new SEPP - Major Projects,
- amendments to SEPP 71 (Coastal Protection),
- amendments to Sections 94 and Section 117 Directions ; and
- LEPs templates.

- 5.89 These issues are expanded on in greater detail below.

SEPP—Major Projects

- 5.90 SEPP Major Projects was introduced in mid 2005. This SEPP applies to major value projects if the Minister determines they are important in achieving State or regional planning objectives under Part 3A of the EP&A Act. All coastal developments, which fall under this SEPP, require Ministerial approval.

- 5.91 The criteria for a development to come under SEPP-Major Projects include the development being identified as in a strategic location within a State or Regional Strategies, or having importance to a particular industry sector or its employment, infrastructure, service delivery or redevelopment significance. It also needs to be of regional or State environmental conservation or natural resource importance.

- 5.92 Schedule 1 of this SEPP sets out nine classes of critical infrastructure projects to which the Policy applies. It includes hospitals, major schools, industrial projects of

²⁹³ Submission No. 99, NSW Government, p. 16.

²⁹⁴ Submission No. 99, NSW Government, p. 18.

\$20 million or more, construction projects that are valued at \$50 million or more, and tourism and recreational facilities.

SEPP 71 (Coastal Protection)

- 5.93 SEPP 71 was introduced in 2002. The major aims of SEPP 71 is to protect the coastline with respect to scrutinising appropriate development and preserving public access to foreshores. SEPP71 (Part 9) broadly requires that “significant coastal development”, defined as developments greater than 2 storeys buildings on or within 100 meters of the coastline or other waterway, have consent from the Minister.
- 5.94 SEPP 71 is, and was always intended to be, an interim SEPP. As part of the reform process, some aspects of SEPP 71 were removed and placed under SEPP-Major Projects, for example, Schedule 2 of the SEPP-Major Projects was transferred from SEPP 71 in recent amendments.
- 5.95 The Minister can separately declare a development that falls under SEPP 71 to be a major project although it is not covered by the criteria of Schedule 1 of SEPP-Major Projects. The relationship between SEPP—Major Projects and SEPP 71 and their combined value to coastal protection was spelt out by the then Minister for Planning:

Mr KNOWLES MP: We do not want to see a concreting of our coastline similar to the concreting that has occurred on the Gold Coast or the Sunshine Coast. This priceless asset must be maintained. If SEPP 71 is properly administered by local government at the smaller end of the market and the State deals with more strategic, environmentally sensitive issues, it will be a good management tool to oversee development on our coastline.²⁹⁵

- 5.96 The Committee recognises that these planning reform instruments will clarify and simplify the planning process. This should be the effect of grouping the projects that require Ministerial approval under the SEPP-Major Projects while allowing some discretion for the Minister to declare a project a Major Project.

Section 94 - Contribution Plans (CPs)

- 5.97 As discussed earlier, under Section 94 councils are able to require contributions from developers of money or land as a condition of consent to the carrying out of the development. In the reform process, Section 94 has been amended to allow more flexibility in levying developer contributions. The reforms involve improving the flexibility and accountability of the system by:
- Codifying voluntary planning agreements;
 - Allowing for fixed development consent levies;
 - Maintaining existing section 94 contributions scheme;
 - Allowing for cross boundary levying;
 - Allowing for pooling of contributions funds; and
 - Requiring regular reviews and better accounting.²⁹⁶

²⁹⁵ Minister Knowles, Legislative Assembly, 17 February 2004, Hansard, p. 6165.

²⁹⁶ Department of Planning website, www.planning.nsw.gov.au/planning_reforms/index.asp.

5.98 Accordingly, councils can now use one of three methods to levy developers for contributions:

- The traditional method, ie, Contribution Plans;
- Voluntary Agreements; or
- A flat rate of 1 per cent.

5.99 The amendments to Section 94 allow councils to choose contribution plans that best suit their infrastructure development and its long-term maintenance needs. More versatile planning agreements also allow councils to promote efficient use of funds and prioritise infrastructure.

5.100 In its Submission, JBA Planning Consultants applauded this greater capacity for flexibility and noted its value to sea change councils:

...It is pleasing that reform of Section 94, to allow greater flexibility in the use of funds, is taking place. In our view, coastal growth areas – where high levels of speculative development activity can occur – are areas that particularly require a more flexible approach to the administration of Section 94.²⁹⁷

5.101 The Committee is aware that the capacity for greater flexibility in preparing Contribution Plans, such as is provided by the amendment to Section 94, is a valued outcome of the Planning Reform process.

Section 117 Directions

5.102 The amended section 117 directions are closely tied to the development of the new LEPs that will be required by all councils over the next five years.

5.103 The Section 117 directions outline matters of environmental planning significance that councils must consider when preparing the local provisions of their LEP. The aim of amending section 117 directions was to enhance the Minister's power to issue directions that require the inclusion of standard provisions in LEPs to achieve or give effect to the State Government's planning policies.

5.104 An example of the practical application of Section 117 to protect farmland areas along the coast was discussed with the Committee:

Professor THOM (Dept Planning): There is a section 117 direction on farmland protection. That is currently in place as a direction to local councils not to rezone lands that have been mapped already as State significant and regionally significant agricultural lands. Those lands are designated. Councils cannot rezone those lands for purposes other than for the continuation of agriculture....

Mr SLACK-SMITH MP: That really means that at the moment it is more of a safeguard for the future: if the worst case scenario happens, the land is still available for production.

Professor THOM (Dept Planning): That is correct. As you would know, from the Far North Coast perspective, some of the best agricultural soils in Australia are in the Far North Coast corner; the volcanic soils are highly productive. Looking at it from a long-term perspective, to see large swathes of those valuable soils covered by housing estates is not in the long-term interests of sustaining Australian society.²⁹⁸

²⁹⁷ Submission No. 39, JBA Urban Planning Consultants, pp. 2-3.

²⁹⁸ Transcript of Evidence, 12 August 2005, p. 19.

LEPs templates

5.105 The planning reforms include the preparation of new LEPs by councils according to a common NSW template, which will ensure LEP consistency. The aim is to modernise and simplify the system.

The Standard LEP will provide the format for all new LEPs in NSW. It contains standard zones, provisions and definitions for local councils to use, as well as allowing councils to create and customise provisions to address local issues within their area.²⁹⁹

5.106 Standard LEPs will set out a land use matrix. There will be mandatory timeframes for preparing LEPs, with all councils required to prepare their new LEP within five years.³⁰⁰

5.107 The benefits of the LEP template are noted by the Department of Planning as:

All mandatory controls that apply to an area will be contained or cross-referenced in the local environmental plan. This means people will no longer have to seek out and interpret dozens of different plans and instruments to find out what rules apply.³⁰¹

5.108 The Department has indicated that community consultation remains an important consideration under the reform provisions and that LEPs will consult the local area.³⁰²

Concerns Regarding the Reformed Planning System

5.109 General concerns were raised in submissions about the overall planning reform process as were particular issues about the Regional Strategies, the amended SEPP 71 and amended Section 94. These concerns are outlined below.

Planning reform process and transition

5.110 The Committee noted both positive and negative comments in submissions about the planning reform process. However concerns were expressed about yet another “strategy development process”:

As part of the current planning reforms “Regional Strategies” are proposed for key regions of NSW. These may be a vehicle for better integrated “all of government planning”, but given past experience the Regional Environmental Plans and the reluctance of other department to be constrained by the planning process, it seems unlikely there is sufficient commitment by the NSW Government to make it work.³⁰³

5.111 The Committee recognises that the planning reforms should ultimately diminish the complexity of the system. However during the transfer to the new system, the process remains in a state of flux. The Department of Planning has undergone a rapid series of structural reforms in the last 5 years, which has slowed momentum for change and created public confusion about planning directions.

5.112 A timetable for the new reforms sets late 2006 for the completion of Regional Strategies (without a timeframe for implementation). In addition, the development of

²⁹⁹ NSW Planning Reforms, Standard LEP and Planning Reform Questions and Answers, p. 1, see http://www.planning.nsw.gov.au/planning_reforms/p/q_and_a.pdf.

³⁰⁰ NSW Planning Reforms, Standard LEP and Planning Reform Questions and Answers, p. 1, see http://www.planning.nsw.gov.au/planning_reforms/p/q_and_a.pdf.

³⁰¹ NSW Planning Reforms, Fact Sheet 3, see http://www.planning.nsw.gov.au/planning_reforms/index.asp.

³⁰² NSW Planning Reforms, Fact Sheet 3, see http://www.planning.nsw.gov.au/planning_reforms/index.asp.

³⁰³ Submission No. 29, Tweed Shire Council, pp. 3-4.

revised LEPs by all councils will not be completed for up to five years. It is difficult to see that this timeframe is appropriate when in five years, the population growth on the coast will already be peaking.

- 5.113 Another concern was that there is a shortage of planners to design the regional plans, in part due to duplication between state and local government:

Mr FERGUSON (Coffs Harbour Council): ...Also at a lower level there is pure duplication of resources and access to those resources when planners are scarce on the ground. You have a difference of skill levels between the planners involved at different levels of government.³⁰⁴

- 5.114 Irrespective of the merits of the proposed changes, the Committee considers that uncertainty will continue in coastal development while the government hesitates to provide resources and fast track its reforms.

Regional Strategies

- 5.115 While most comments to the inquiry were in support of the new Regional Strategies, there were still questions about the appropriate regional boundaries for the strategies and scale options:

Mr FERGUSON (Coffs Harbour Council): The Department of Planning talks about the region of the mid North Coast as being from Clarence to Taree. In my view, that is too big a plan. You need to reduce the size of that of those areas to common communities of interest, taking into account, once again, that triple bottom line—the social and economic community of interest and the environmental catchment. Those are your planning areas and you then need to define that. That will not necessarily be one local government area; it might be three, four or five, or it might be two. But you must define those and you must then develop your plans on that basis so that your community, council, government and regional councils can have an input into it to deliver it.³⁰⁵

- 5.116 The Committee sought further advice on the relative value of natural or catchment boundaries versus imposed regional/local government boundaries. The NSW government argued that regional boundaries were better focused around settlements and economic zones relating to local government than natural boundaries:

Mr SLACK-SMITH MP: Many of the submissions to this inquiry suggest the regions should be along natural boundaries, instead of lines on a map. What is your view on that?

Professor THOM (Dept Planning): I guess the key factor here is that a lot of the regional strategy activity—and I focus on the LEP revisions—will be on local government boundaries. It is cleaner and neater to link it to the Planning Act and the planning provisions by having lines on the map, as it were.³⁰⁶

SEPP 71

- 5.117 The Committee was advised that SEPP 71, in particular, was perceived by councils as an instrument aimed at usurping local councils' planning powers.

³⁰⁴ Transcript of Evidence, 2 August 2005, p. 3.

³⁰⁵ Transcript of Evidence, 2 August 2005, p. 3.

³⁰⁶ Transcript of Evidence, 12 August 2005, p. 21.

5.118 The concerns expressed above regarding SEPP 71's power to prevail over the decisions of planners with local knowledge are exemplified in a case study supplied by Royal Australian Institute of Architects:

An area of deficiency that would benefit from a review is the administration of the SEPP 71 Coastal Protection Strategy that allows planners remote from a site to determine a design character of a project (obviously larger scale of projects) without fully understanding the local issues. Feedback from members suggest that there is an 'attitude' to South coast development from DIPNR planners that see new projects in the context of 'quaint charm' weatherboard - clad 'cottage style' architecture, regardless of the site's locality or existing development character of surrounding architectural styles. It is felt that the local Government development planning officers are far more appreciative and aware of local context values, without the need for an 'imposed' style.³⁰⁷

5.119 Conversely, the justification for greater State intervention was set out clearly by the then Minister for Planning who argued:

Mr Knowles MP: The focus of the policy [SEPP 71] is to give the State a key role in deciding major and sensitive developments along the precious coastline of NSW.³⁰⁸

5.120 While most submissions emphasised the need to embed planning in a local context, some took an opposing view. The Central Coast Community Environment Network, for example, advised the Committee that delays in the gazettal of coastal zone mapping had resulted in unacceptable developments and settlement patterns:

Over the past few years new coastal zone mapping has been undertaken to once again include the region, however, long delays over the gazettal of this mapping has culminated in even more unacceptable coastal development being approved. We yet again urge the fast tracking of this mapping and the inclusion of the Central Coast in SEPP 71.³⁰⁹

5.121 As well as concerns about SEPP 71 removing planning powers and decisions from the local context, the issue of exploitation by developers was also raised.

Furthermore to the need for a SEPP 71 review, it is acknowledged the Developers can abuse this policy through a perceived loophole. Developers can nominate to subdivide below the SEPP 71 criteria, and then after gaining approval they can then subdivide further. This will need to be addressed at State and Local level.³¹⁰

5.122 These concerns were addressed by the then Minister in Parliament:

Mr Knowles MP: We will put an end to these tricky, rolling development applications by stealth that take advantage of legislative loopholes. I have a clear message for the development community. This Government will manage growth in these areas. We want good development but we will not tolerate any flagrant disregard for the spirit and intent of SEPP 71.³¹¹

5.123 The Committee is aware that debate over SEPP 71 illustrates the tension inherent in finding a balance between State and local planning powers. The Committee acknowledges that it is not possible to eliminate the tensions that necessarily arise

³⁰⁷ Submission No.41, Royal Australian Institute of Architects, pp. 5-6.

³⁰⁸ Minister Knowles, Legislative Assembly, 17 February 2004, Hansard, p. 6165.

³⁰⁹ Submission 35, Central Coast Community Environment Network Inc, p. 3.

³¹⁰ Submission No.41, Royal Australian Institute of Architects, pp. 5-6.

³¹¹ Minister Knowles, Legislative Assembly, 17 February 2004, Hansard, p. 6165.

from the implementation of a dynamic, on-going process that impacts on a complex and varied range of stakeholders.

Section 94 reforms

- 5.124 A number of submissions expressed concerns about the implementation of the Section 94 amendments. Concerns were expressed about the inadequacy of the 1 per cent rate limit that development contributions would be levied:

The Environmental Assessment and Amendment (Development Contributions) Bill 2005 is welcome. It is imperative that greater flexibility in obtaining funding for infrastructure is provided and the Council's income source from contribution plans is not reduced or eroded. Council supports the introduction of development agreements and fixed development consent levies. However, it is suggested that the maximum percentage of the fixed development consent levy should be in order of 2% for Councils to be attracted to use this method of developer contributions over the other options.³¹²

- 5.125 In its submission, Shoalhaven Council was concerned about the degree to which local government will retain control of the planning process under Section 94, given the State Government's capacity to intervene:

The proposed amendment to Section 94 ... could lead to Local Government being "locked out" of infrastructure provision (via planning agreements between developers and State Government) within their Local Government area and this is not an acceptable outcome.... The three levels of government should be working together towards a common aim as provision of infrastructure is at all three levels of Government, based on an agreed agenda...³¹³

- 5.126 Even greater concerns, however, were raised regarding the failure of Section 94 contribution plans to address the need for "social" infrastructure:

There is however an overlooked category with regard to developer contributions and that is the provision of funding support for 'soft infrastructure', the social impacts of increased development and their pressure on social services.³¹⁴

- 5.127 The Committee noted, however, that some councils are addressing this issue through the various mechanisms now available:

From a planning perspective, Council is responding to some of the issues through its Social Plan and adjunct community plans, Section 94 Plans, and by developing its Citywide Strategy on Ageing.³¹⁵

- 5.128 It was further suggested to the Committee that Contribution Plans should be time limited:

Mr TEGART (Eurobodalla Council): I think it is appropriate to revise section 94 contribution plans every five years. That should at least keep pace then with a change in demographics that is manifest through census periods but at least it allows us to change and adapt our works design and our facility design to accommodate that changing demographic.³¹⁶

³¹² Submission No. 60, Kiama Council, p. 9.

³¹³ Submission No. 30, Shoalhaven City Council, p. 11.

³¹⁴ Submission No. 33, Byron Shire Council, p. 4.

³¹⁵ Submission No. 55, Lake Macquarie Council, p. 9.

³¹⁶ Transcript of Evidence, 29 July 2005, p. 11.

5.129 The Committee is aware that, while the Planning Reform process has been generally welcomed, there are still issues that need to be addressed as discussed above. These matter include:

- The appropriate rate of the levy to be imposed on developers;
- The desirability of time limiting Developer Contribution Plans; and
- The possibility that State Government could deal directly with Developers which would result in Local Government being excluded from the decision making process in relation to important planning issues.

5.130 The Committee recognises that simplifying and clarifying the planning system and making it more flexible a valuable objective. However, it would seem from the concerns raised in submissions and evidence provided to the inquiry that there are areas of the reforms, particularly around the Section 94 amendment, that are still to be addressed.

Conclusions

5.131 The Committee acknowledges the goals of planning reforms. The alternative of ad hoc, reactive planning can only exacerbate the problems being encountered by sea change communities.

5.132 The Committee is aware that many coastal councils cannot overcome backlogs in infrastructure provision with the restricted funding options available to them under the current revenue raising system. It considers then that it would be beneficial to councils, particularly those with very high growth and those which have been seriously disadvantaged in the past by rate pegging, to be able to set the levies for their section 94 Contribution Plans at more than 1 per cent, depending on their relative need.

5.133 The Committee further considers that the complexity of the planning system is exacerbated by the lack of transparency about the transition to new arrangements. For example, the new SEPP -Major Projects, and the amended SEPP 71, are operational while the new Regional Strategies and the standard template for the revised LEPs are not.

5.134 In addition, the Secretariat found that information on the reform process and was not readily available in a format that could be absorbed by the general public. Information about the linkages between other programs and the roles agencies involved in coastal planning to the new planning reforms was not clear even when raised with those agencies. The Committee recognises that this lack of transparency must create even greater difficulties for the general public.

5.135 The Committee recommends that greater resources be committed to the development of the Regional Strategies and the LEPs revisions.

5.136 The next Chapter examines some Best Practice proposals and some recommendations contained in submissions to the Inquiry.

Chapter Six - Best Practice Approaches

Introduction

- 6.1 In this inquiry the Committee examined various suggestions about how to improve coastal infrastructure provision. The Committee has identified two major areas for improvement:
- Part 1- Improving general planning and coordination of infrastructure between levels of government and between agencies; and
 - Part 2 - Specific changes and reforms for particular planning systems and infrastructure provision.
- 6.2 This Chapter outlines these ideas and contains the Committees recommendations for the inquiry.

Part 1 – Improving infrastructure planning and coordination

- 6.3 The Committee examined two integrated “seachange” policy initiatives being undertaken by the Queensland and Victorian governments. In addition, several submissions raised other seachange management options including a ministry/portfolio approach, and the use of infrastructure boards and development corporations.
- 6.4 The final section in this Part outlines the Committee’s recommended seachange policy/management approach. The Committee proposes the creation of a Coastal Cabinet Sub-Committee (Coastal CSC) that has a specific reference to review progress on proposed objectives and benchmarks set in Regional Strategies and to publish a ‘Regional Report Card’.

Other Jurisdictions

The Queensland approach to seachange – South East Queensland Regional Plan

- 6.5 The Committee invited the then Executive Director of the Office of Urban Management, Mr Michael Kerry of the Queensland Government to outline their recent policy initiative called the South East Queensland Regional Plan.³¹⁷
- 6.6 The South East Queensland Regional Plan is the Queensland Government’s response to population growth and infrastructure demand in the Brisbane, Sunshine Coast and Gold Coast region. The plan presents a 10 year program of expenditure against specific projects, within a 20 year planning framework. The plan commits to \$32 billion in 2005, which equates to \$55 billion over the next 20 years. The expenditure is predominantly from State Government but includes linked local government expenditure. The plan covers roads, public transport, water, power, telecommunications, health and education.
- 6.7 The “South East Infrastructure Plan and Program” is part of broader South East Queensland Regional Plan commissioned by the Queensland Government in early 2004:

³¹⁷ Transcript of Evidence, 29 July 2005 and Submission No. 5.

Mr KERRY (Queensland Govt): ...the Queensland Government took the initiative to establish the Office of Urban Management to plan and prepare a regional plan and infrastructure programs for South East Queensland. This was in response to a rise in community concern about a lack of structure and the rapid urban growth that was occurring in South East Queensland, and also the perception and, in some instances, real loss of open space in the region as a result of that rapid rate of growth... South East Queensland is continuing to grow at a rate of 50,000 per annum.³¹⁸

6.8 The plan, consultation and legislative implementation process took around 18 months and was undertaken by a specially created office called the Office of Urban Management under the Queensland Minister for Planning's portfolio. The Office had a staff of 20 people and a budget of approximately \$7million. It ran an extensive multi media public consultation program on draft plans, received over 8500 submissions and coordinated its activities across 18 councils and key State agencies.

6.9 The plan sets out to address a number of issues:

- the accommodation of rapid rates of growth and change in a sustainable way;
- to protect biodiversity of the natural environment including the sensitive coastal areas, landscape character and productive agricultural land in the region;
- to provide timely infrastructure and services to achieve the pattern of development that is identified in the plan; and
- to build strong communities and protect the identify of existing communities including the establishment of optimum settlement patterns.

6.10 The plan has the effect of a statutory state-planning instrument. It is a legislative tool and all other local government and agency requirements and plans are subservient to it. This is a new mechanism to capture planning directions:

Mr KERRY (Queensland Govt): The optimum settlement pattern is identified in the plan. I would briefly describe south-east Queensland as a region of interconnected cities, towns and villages rather than as an urban region in itself. It is a series of towns, villages and cities that are interconnected. Importantly, the plan is a statutory plan supported by regulation. I need to describe the significance of that. Over the past 15 years since the early 1990s—approximately 1991—there has been an informal and voluntary regional planning process; a collaboration between the State governments of the day and the 18 councils of south-east Queensland. Over that 10- to 14-year period there were a lot of committees and discussions. A number of documents were prepared, such as the regional framework for growth management for south-east Queensland. All of these documents raised issues and the awareness of the community but none of them had any statutory backing of any shape or form. Therefore, they were largely honoured more in the breach than in the observance, as they say. So the fact that this plan is a statutory plan is very important.³¹⁹

6.11 The plan is reviewed on an annual basis and clearly states the Governments commitments to specific projects and specific timelines:

³¹⁸ Transcript of Evidence, 29 July 2005, p. 41.

³¹⁹ Transcript of Evidence, 29 July 2005, p. 43.

Mr KERRY (Queensland Govt): ... this has given the community greater confidence than planning documents previously have done because it is a matter of putting one's money where one's mouth is and making commitments to deliver.³²⁰

6.12 Mr Allan Stokes, from the National Seachange Taskforce, highlighted the direct budgeting and strong central agency role as key strengths in the Queensland plan:

Mr STOKES (National Seachange Taskforce): ... I think it also applies to regional plans in various States. The one here in New South Wales certainly says all the right things, but it is a matter of how much muscle it has. For any planning policy to be effective it needs to have a bit of muscle behind it. A whole-of-government approach is one that provides that muscle.

Ms D'AMORE MP: You suggest that Treasury plays a key role in implementing the framework.

Mr STOKES (National Seachange Taskforce): There is a role for Treasury to play and that is the allocation of funds.

Ms D'AMORE MP: Of course, because without funds not much gets done.

Mr STOKES (National Seachange Taskforce): Without funds you would not be able to do it.

Ms D'AMORE MP: That is why you brought up the Queensland example.

Mr STOKES (National Seachange Taskforce): That is right. That was actually driven by the Treasurer. That was an unusual case because the Treasurer was not the planning Minister. It was actually driven by the State Treasurer, Terry Mackenroth. I think this is largely a planning process, but it is one that draws on virtually every other arm of government.³²¹

6.13 An example of the prescriptiveness of infrastructure and target setting of the Queensland plan is attached at Appendix 6. Various submissions proposed the Queensland approach as a viable option for the NSW coast including the Tweed Shire Council and the Northern Rivers Regional Development Board.³²²

6.14 The Committee noted that the Queensland plan is based around the particular geography of South East Queensland, which is the metropolis of Brisbane and the surrounding commuter coastal areas of the Gold and Sunshine Coasts. In effect the Queensland plan links a metropolis to two coastal commuter cities. These commuter areas have different economic and infrastructure needs than say the more disperse areas of coastal NSW. Also, the planning protocols and division of state and local infrastructure responsibilities in Queensland are different to NSW, which leads to different structural and decision making requirements.

The Victorian approach to seachange – Coastal Strategy and Coastal Spaces Initiative

6.15 To get another perspective, the Committee invited the Project Director of Coastal Spaces, Mr John Ginivan of the Victorian Department of Sustainability and Environment, and Mr Andrew Buckley of the Victorian Coastal Council to explain the seachange initiatives being undertaken by the Victorian Government.

³²⁰ Transcript of Evidence, 29 July 2005, p. 43.

³²¹ Transcript of Evidence, 3 August 2005, p. 18.

³²² Submission No. 29, Tweed Shire Council and Submission No. 77, Northern Rivers Regional Development Board.

Best Practice Approaches

- 6.16 The Victorian Coastal Council and the Department of Sustainability and Environment have jointly established the Coastal Spaces Project via the Minister for Planning and the Minister for Environment. The role of the Victorian Coastal Council is one of co-ordination and implementation. The Victorian Coastal Council is an independent body accountable to the Minister for the Environment. It is provided with a budget and secretariat support. It coordinates the activities of three regional boards.
- 6.17 The Victorian Coastal Council has been operating since 1995 under the Minister for Environment. The Council was responsible for the development of the Victorian Coastal Strategy 2002, which provides overall guidance for future planning and management of the Victorian coast.
- 6.18 The Strategy sets the policy context for long-term ecologically sustainable management of the coast. It is the key document to guide decision making and is given statutory effect through Victorian planning provisions and through the Coastal Management Act 2005. As noted in Chapter 3, 3.198, it establishes a general vision of the coast.
- 6.19 The strategy was followed by the Victorian Coastal Report in 2004, which recommended the establishment of the Coastal Spaces Project currently underway. The Project is under the auspices of the Minister for Planning and the Minister for Environment as the two key lead portfolio ministerial interests in the legislative responsibilities.
- 6.20 The first stage of the Coastal Spaces Project was the Inception Report released in May 2005. The report lists 15 issues on which it is seeking public opinion. A targeted and continuing consultation program has been established with local governments, Victorian Government agencies and other groups.
- 6.21 The Project aims to:
- improve and clarify strategic planning for sustainable development in coastal Victoria;
 - improve the application of planning and environment tools in coastal areas and develop new tools as appropriate; and
 - build the capacity of local government and others to apply Government policy to the coast.
- 6.22 The presentation of final recommendations and a draft implementation program was due for publication in late 2005.
- 6.23 The Project is designed to address the varying impact of coastal growth in Victoria. In some areas, the growth is well managed and provided for while in others a new demographic is creating expectations that are not being met. This has resulted in a lag in infrastructure provision and space for business development. As in NSW, seasonal holiday peaks and troughs exacerbate shortfalls in infrastructure and service provision.
- 6.24 The Project will further implement the Victorian Government's overall policies for protecting the coast and managing development in coastal Victoria by building on the existing coastal planning framework. The Project will assess and report on current development, identify emerging and underlying trends driving change and identify hotspots. The Project will also commission a number of landscape assessment studies and promote the general principles of integrated coastal development.

- 6.25 The Project is overseen by a Steering Committee chaired by the Chair of the Victorian Coastal Council, with representatives from local government, Department of Sustainability and Environment, regional coastal board and academics.
- 6.26 Regional Boards have a small amount of funding that enables the board to function. They have to gain funding from a range of partners or other funding sources to develop their planning. These include private companies and State government.
- 6.27 In effect, it was explained to the Committee that, the Coastal Spaces project is about building on the general vision for the coast articulated in the Victorian Coastal Strategy, with more specific visions for particular coastal settlements. Each settlement vision correlates to a particular set of planning and infrastructure needs:

Mr GINIVAN (Victorian Govt): In our key current work, the themes we are progressing are to clarify the strategic outlooks for settlements. In essence, that is developing—I will use the term hierarchy - but a framework of settlements to indicate where the provision for high-level services will be planned and, equally, starting to outline a long-term position of the smaller settlements. It is about starting to manage the expectation that every settlement will have every service provided at a uniform level. Part of that is ensuring that at a regional level at least there is the opportunity to access high-level education services, health services and so forth, planned within the context of the settlement there.

We are seeing, as development pressures increase, that our planning system around settlements and settlement boundaries and the proliferation on the edges of settlements is found wanting in some areas, so we are putting some reforms in place through the planning system to deal with the issue of how you describe settlements in a robust way in planning schemes. We have worked through the consultation process with local government to identify a range of what we are simply calling hotspots. Whether that was the right term to use we will debate forever, but in essence they are areas where there is significant pressure for outward growth, policy gaps, et cetera. That has been useful in drawing attention to these issues and starting to marshal some processes with local government and other State agencies to address them.³²³

- 6.28 While the Victorian approach does not attach funding for particular developments, both the Queensland and Victorian approaches are setting out deliberate plans to channel development into particular areas, by specifying settlement patterns and matching them to infrastructure maintenance or additional provision.

A Coastal Ministry

- 6.29 Several submissions suggested that a new Coastal Ministry should be created to focus on coastal areas. It was argued that a Coastal Minister could act as a nexus between the different infrastructure portfolios and could represent the interests of coastal communities:

Mr LITTLE (IPWEA): Our suggestion here is that as we have the Minister for Western Sydney there may well be a Minister for the coastal councils. I can say that this is something that does not affect me directly, but it raises the profile of the needs of 1.3 million people, which is growing. All the elements need to be in place. Certainly

³²³ Transcript of Evidence, 29 July 2005, p. 35.

for it to work, it must have a constructive engagement of local councils, State Government, State Government authorities, and of course the Federal Government.³²⁴

- 6.30 Submissions suggested that because of the recent division of DIPNR, a Coastal Ministry was even more necessary to oversight the planning and delivery of infrastructure to the coast. It was also suggested that the Coastal Ministry would examine soft infrastructure needs and liaise with the local and Federal Government on other coastal related matters.
- 6.31 Some submissions argued that the Ministry could give leadership and carriage to a revised NSW Coastal Strategy. However it was not proposed that any new “coastal agencies” or additional layers of bureaucracy be created:

Mr FERGUSON (Coffs Harbour Council): Firstly, we believe that a Minister should be elevated to a ministerial portfolio so that there is a clear responsibility within the political structure. Our preferred model would be to deal with it within existing agencies rather than to create another agency. Another bureaucratic structure to deliver sea change would not necessarily deliver the outcomes we believe could be delivered by utilising existing resources. The creation of a new framework takes time to get established and to put in place a regulatory process. We have a lot of skills and intuitive knowledge already within the community, council, regional government and State and Federal governments to pull that together. In relation to an agency portfolio process we do not think it would be a preferred model.

Our preferred model would be to tackle the issue through the allocation of resources, commitment, and funding for the project. Ultimately, in trying to plan for sea change you have to get your science right. You have to analyse your gaps and your needs. You have to resolve your vegetation management, key topographical and environmental, community and economic issues in pulling that together and linking it to future trends, planning, strategic visions and objectives. You have to pull that together and have an on process to resource it. I do not necessarily see a body overseeing it as another sphere that will come in with local councils and the State Government.³²⁵

- 6.32 A similar viewpoint was given by the National Seachange Taskforce who advocated a special reference to sea change be included in Federal and State portfolios to assist the process of coordinating coastal planning and management:³²⁶

Mrs PALUZANNO MP (Acting Chair): You have made special reference to a portfolio for either sea change or coastal planning and management. In light of the national framework, would you see that as a recommendation of this Committee as well?

Mr STOKES (National Seachange Taskforce): I think that would be a useful recommendation. We have suggested that at a national level there be a specific reference to sea change growth or coastal growth placed within the terms of reference of the Local Government and Planning Ministers Council. It is an ongoing issue and it is a very significant issue for the country as a whole. As I say, it does not just impact on the growth areas. It also has an impact on areas in decline. That needs to be taken into account. So over a period there is going to be an enormous impact from growth, as we will see with the retirement of baby boomers, and this issue will be at the forefront of people's minds and the relevant portfolio, which I would see as being the planning portfolio.³²⁷

³²⁴ Transcript of Evidence, 29 July 2005, p. 35.

³²⁵ Transcript of Evidence, 2 August 2005, p. 3.

³²⁶ Submission No. 48, National Seachange Taskforce, p. 33.

³²⁷ Transcript of Evidence, 3 August 2005, p. 18.

- 6.33 The NSW Government has created “area specific” portfolios for Redfern-Waterloo, for the Hunter and for Western Sydney. Identifying a Ministry in these areas is in itself, not effective unless it is attached to a program and process for delivery of outcomes. The Committee sees that a Ministry for Coastal Issues is not the main mechanism for addressing coastal infrastructure concerns.

Infrastructure Boards and Development Corporations

- 6.34 The IPWEA recommended the Committee consider a Coastal Councils Infrastructure Board. The IPWEA proposed the Board as a particular mechanism to improve delivery of infrastructure with oversight by government. The operations of the board were explained to the Committee as follows:

Mr PRINGLE MP: We have the suggestion of the Coastal Councils Infrastructure Board. It seems a good idea. Can you explain how the board will work and how it will sit within the planning framework?

Mr LITTLE (IPWEA): There are two examples of how it might work. One is mentioned in the report, which is in southeast Queensland, where I am advised it is working. That board has permanent members from local government and permanent members from the State Government, it has the status of a ministerial position, and it has clout and authority to get things done.

In the Sydney context recently, the north west and the south-west growth centres of Sydney have set up a commission, and that commission has appointed its board. I was pleased to see that among the board members there was one who had a specific portfolio of infrastructure. So we have two examples in place, one in Queensland and one in New South Wales, where targeted regions have permanent commissions or permanent boards in place.³²⁸

- 6.35 Wollongong Shire Council has suggested that the model of the Growth Centre Commissions of the North West sector and South West sector of Sydney be extended to coastal regions experiencing growth. These Commissions are tied to specific land releases of up to 20,000 dwellings.³²⁹

- 6.36 Another suggestion was the use of development corporations that focused on channelling development in key areas:

Establishing a development corporation to facilitate the development of an areas can have the benefits of ensuring a more robust planning framework, as well as ensuring that some of the wealth generated by the development is directed into infrastructure.³³⁰

- 6.37 To date development corporations in NSW have focused on particular areas or forms of infrastructure. The models of development corporations used currently in NSW include those operating in particular areas such Penrith Lakes Development Corporation and the Honeysuckle Development Corporation in Newcastle. The Committee also notes the recent introduction to the NSW Parliament of a Bill to create an Infrastructure Implementation Corporation, assented on 17 November 2005.

³²⁸ Transcript of Evidence, 29 July 2005, p. 35.

³²⁹ Submission No. 97, Wollongong City Council, p. 3.

³³⁰ Submission No. 39, JBA Urban Planning Consultants, p. 2.

6.38 The Committee sees merit in further examination of these board, development corporations and commission models to deliver infrastructure. However the infrastructure objectives for an area need to be decided before the establishment of these delivery models. These models could be used to deliver specific development projects nominated in Regional Strategies but they are not a mechanism to manage the whole coastal region.

New Coastal Management Policy Framework

6.39 The key weaknesses in the current arrangements for coastal management revealed by this inquiry are:

- Gaps in the assessment of specific infrastructure needs and an actual shortfall in infrastructure as noted in Chapter 3;
- Lack of discrete infrastructure goals or measurement of their delivery because of uncertainty about long term funding sources and the financial viability of councils as described in Chapter 4; and
- Too many plans and strategies and a lack of understanding of the hierarchy of plans. The planning of various elements of coastal infrastructure is fragmented and overly complex as discussed in Chapter 5.

6.40 The Committee sees that the management of seachange and infrastructure pressures in coastal NSW can be best achieved through clearer prescriptions of goals for coastal development and accountability for meeting those goals.

6.41 As such the Committee proposes a new Coastal Management Policy Framework that links the new Regional Strategies, proposed by the Department of Planning, with the accountability mechanism of a Coastal Cabinet Sub-Committee and public reporting by the Cabinet Committee on the progress of targets in each regional plan through an annual Regional Report Card.

Role of the Coastal Cabinet Sub-Committee

6.42 The Coastal Cabinet Sub-Committee (Coastal CSC) would consist of key infrastructure and financing Ministers, chaired by the Minister for Planning. The basis for the Cabinet Sub-Committee is recognition of the unique service needs, infrastructure and environmental challenges created by the rising population in coastal areas of NSW.

6.43 The primary task of the Coastal CSC will be to consider reports on progress against Coastal Regional Strategies developed for the six key coastal areas in NSW. These reports would identify if key infrastructure projects were being delivered within the targeted timeframes. The report cards would also publish data on environmental, economic and community service indicators, which the Committee sees should be linked back to benchmarks set out in the Regional Strategies. The Coastal CSC will analyse results against the Strategies' targets and facilitate progress where required. Where needed, the Coastal CSC may recommend variations to the strategies to accommodate changing circumstances.

RECOMMENDATION 1: Coastal Cabinet Sub Committee: The Committee recommends that the NSW Government establish a Coastal Cabinet Sub-Committee (CSC). The basis for the CSC is recognition of the unique service and infrastructure needs and environmental challenges posed by the rising population in coastal areas of NSW. The Coastal CSC will consist of key infrastructure and financing Ministers and the Minister for Local Government. The Coastal CSC will be chaired by the Minister for Planning. The primary tasks for the Sub Committee will be to consider progress against infrastructure targets set by Coastal Regional Strategies. An annual Regional Report Card will be produced for each region that notes performance against targets and grades coastal regions according to key indicators of amenity.

Components in Regional Strategies

6.44 The Department of Planning's Regional Strategies are said to canvass anticipated needs for services, infrastructure and the environment based on demographic change and other factors. Moreover the strategies aim to achieve the following:

- protect the environmental assets of the coast;
- encourage economic and employment growth;
- make the coast a better place to live and work;
- provide water and energy efficiencies in the face of climate change; and
- reform planning to integrate local government strategies, natural resource plans, and infrastructure plans.

6.45 The Department has said that each strategy will include a vision for the region, a regional infrastructure plan and will articulate issues on a 5 to 10 year horizon with updates.

6.46 While the Committee has been provided with this overview of the proposed Regional Strategies by the Department of Planning in the inquiry, it is very difficult for the Committee to make an assessment of the Regional Strategies prior to their establishment. Also the template for the plans has been likened to the Sydney Metropolitan Plan, which has also not yet been completely released.

6.47 During the finalisation of this inquiry in November 2005, a draft regional strategy for the Lower Hunter was released by the Department of Planning. It is on display for public comment until January 20, 2006. The Strategy spans from 2006 to 2031 and will be reviewed every five years. The Committee notes that the draft strategy does not identify infrastructure needs or nominate any specific infrastructure projects. It does not identify any funding for infrastructure³³¹.

6.48 However based on the issues raised in this inquiry, the Committee recommends certain key components be included in all Regional Strategies and incorporated into revision of the draft Lower Hunter Strategy. These components include:

Statement of long term vision and values for the coast and each coastal regional area

6.49 As noted in Chapter 3, the community identity and amenity are the key elements, which make coastal areas attractive and desirable for population growth. A strong

³³¹ Draft Lower Hunter Strategy, released 4 November 2005, further information at www.planning.nsw.gov.au/regional/hunter.asp

vision should be identified when planning infrastructure and defining growth areas to provide sustainable development of coastal growth areas. This should be articulated in each regional plan in these terms. Moreover the hierarchy of needs within the plans should be clear and the visions should extend beyond a 5 to 10 year horizon to capture the long term concerns of infrastructure provision, climate change, and “after the seachange” impacts.

Identified infrastructure projects to be delivered in specific timeframes

- 6.50 The Committee emphasises that the Regional Strategies need to be more than a statement of current issues and general future objectives. The Strategies should set out short, medium and long term outcomes and targets for each region. This includes nominating particular services, infrastructure or facilities to be delivered in specific timeframes. For example, where a high proportion of high care ageing needs are identified in a region, the Regional Strategies for that area should nominate that increased high care facilities or alternative equivalent services to be provided. See Appendix 6 for examples of specific infrastructure outcomes nominated in the health and education sectors.
- 6.51 The updates on strategies should be public and report against results. This proposal is similar to the South East Queensland prescriptive targets, which the Committee sees as an important feature to give certainty to coastal regions about specific infrastructure provision.

Nominated and focused areas for coastal growth

- 6.52 In order to preserve coastal identity and maximise the effectiveness of infrastructure delivery and services, growth in coastal areas should be directed. As noted in Chapter 3, community expectations of infrastructure and services in coastal areas are rising. However there is limited capacity to provide levels of service and infrastructure equal to those available in metropolitan areas.
- 6.53 Using the same rational as the Coastal Spaces Project in Victoria, the Committee believes the Regional Strategies should detail prescribed settlement sizes and the extent of services provided. This might translate to quite strict development controls such as limits on greenfield developments in favour of infill and brownfield developments in some regions. Such controls have the dual advantage of helping to preserve greenspace and maximise the use of existing roads stormwater and sewerage infrastructure.
- 6.54 A further element to focusing development is linking it to the environmental, economic or cultural identity of particular regions and fostering that development. As noted in Chapter 3, it is important to diversifying the economic base of coastal regions beyond tourism. Clusters of education and other employment facilities should be articulated in the regional plans. For example, an area with a marine park may advocate for the complementary development of marine science education industries and technology. Alternatively an area with a high level of elderly may be come a focus for elderly health care education and medical technology.

Set benchmarks and targets for coastal amenity

- 6.55 The aims of Regional Strategies are to encourage economic growth, employment opportunities, improve amenities and the efficient use of energy and water. The Committee believes these aims need to be measured.
- 6.56 A variety of projects are run by state and local government, agencies and other organisations that have established amenity and environmental measures and service indicators. Throughout this inquiry the Committee has heard about traffic flows, development rates, education demands, ratios for service provision, indices pertaining to coastal environmental health, and building sustainability measures, to name a few examples. Specific projects such as the Comprehensive Coastal Assessment are deriving measures to examine coastal amenity which are proposed to be integrated into the settings of the Regional Strategies.
- 6.57 Many measurement systems already exist but need to be consolidated and a consistent set of measures developed to apply to councils and across regions:

Mr TEGART (Eurobodalla Council): There needs to be some streamlining between the amount of data collected between State and local government, the extent to which we report—I refer particularly to state of the environment reporting and condition of public works reporting. We all collect similar information: it is not streamlined nor necessarily aligned. A range of indicators potentially could be assigned to local government versus State Government to report against. The methodologies that we collect information on, particularly for infrastructure, are not the same. We have the same accounting code, being AAS27 to apply, but the methodologies for the condition of our built and natural infrastructure are not the same. The way we record and report on the pressures on that natural and built infrastructure are not the same. Therefore our responses often are not aligned. It goes to follow then that our responses, where they have a financial solution, also will not be aligned.³³²

- 6.58 If common measures are established then consistent responses can be made to coastal issues. Common measures also provide a basis to compare regions and measure improvements or deterioration. The Committee believes this is one of the most important components to the Regional Strategies. It will improve efficiencies by creating a single system for examining regional issues. Common measures also enable Regional Report Cards to be developed as discussed below in paragraph 6.68.

Defined links between the Regional Strategies and other strategies, agencies and planning tools

- 6.59 One of the key issues identified in this inquiry has been the complexity of planning bodies and instruments related to coastal development. Chapter 5 outlines in detail that the new planning reforms are yet to resolve various linkages with other bodies and programs.
- 6.60 For example the Committee heard from the Northern Rivers Development Board about its program and strategies for economic development. However it remains unclear how these Boards and the content of such strategies are incorporated into the current planning instruments or the new planning instruments. Similarly it remains unclear, for example, how the priorities of the Catchment Management Authorities will be

³³² Transcript of Evidence, 29 July 2005, p. 13.

integrated with the Regional Strategies and what systems are in place to resolve potential misalignments in agenda, priorities and programs of these two systems.

- 6.61 The Committee believes that if the Regional Strategies are to be effective, they need to be very comprehensive and their authority and ranking against other organisations and programs made explicit. As a consequence, the roles and functions of some of the other planning and strategic bodies in coastal development should be re-examined and duplication reduced. It should be noted that the statutory nature of the South East Queensland Plan means that other plans are subservient to it.

Alignment of coastal planning boundaries

- 6.62 As discussed earlier, the planning system is complicated by the non-alignment and overlap of regional boundaries, and is therefore potentially less efficient and effective in facilitating the provision and upgrading of infrastructure. The example cited was of the mismatch in the clusters of Local Government areas that make up the Mid North Coast Regions of the Department of State and Regional Development and the Department of Planning's Regional Strategies.
- 6.63 The Committee believes that Regional Boundaries that coincide, particularly for the purposes of infrastructure planning, would improve planning outcomes and facilitate effective and timely infrastructure provision.

RECOMMENDATION 2: Regional Strategies: The NSW Department of Planning is currently preparing coastal Regional Strategies. These Strategies are designed to canvass anticipated needs for services, infrastructure and the environment based on demographic change and other factors. On the basis of issues raised in this inquiry and to enable Regional Report Cards to be generated from the Strategies, the Committee recommends the following components be included in the Regional Strategies:

- Statement of long term vision and values for the coast and each coastal regional area;
- Identified infrastructure projects to be delivered in specific timeframes;
- Nominated and focused areas for coastal growth;
- Set benchmarks and targets for coastal amenity;
- Defined links between the Regional Strategies and other strategies planning bodies and planning tools;
- Alignment of coastal planning boundaries.

Economic and Employment Sustainability

- 6.64 As noted in sections 3.18 and 6.54, submissions have argued that regions should diversify their economic base and employment opportunities. The Committee believes that Regional Strategies should aim to have each region self sufficient in terms of its economy and employment.
- 6.65 Commuter cities cannot sustain the bulk of their population working outside the region. Long term commuting is detrimental on roads infrastructure, the local environment, and on individuals and the community.
- 6.66 Coastal lifestyle and getaway destinations need to be less reliant on seasonal tourism and offer residents diversified, higher income employment opportunities. Developing local employment for young and aging populations is desirable. It cannot be assumed that seachange residents will all be retired.

- 6.67 The Committee believes that generating local employment within regions will deliver environmental and social benefits and should be a long term goal for each regional strategy.

RECOMMENDATION 3: Sustainable Regional Economies: The Committee recommends that a long term goal for all coastal regions be self sufficiency in terms of its economic and employment base.

Elements of the Regional Report Cards

- 6.68 Mr Peter Tegart of Eurobodalla Council, succinctly argued the value of generating regional report cards:

Mr TEGART (Eurobodalla Council): Finally, we need to measure and test success. Mechanisms are available through universities to monitor across census periods about how things have changed and how successful your strategies and investments have been. That is in terms of how road traffic loads have changed, water, sewer, car park—all those basic pieces of infrastructure—how demand has changed, particularly in coastal areas, then monitor how the natural resources have been consumed by those communities, monitor how land use has changed and how sustainable therefore future populations have been or are likely to be if our current trends in consumption and waste generation and loads on infrastructure are likely to continue.³³³

- 6.69 As noted the South East Queensland Regional Plan articulates its planned infrastructure projects and the timeframe and budget that it intends to deliver those projects against. It also annually reports against those projects.
- 6.70 The Regional Report Card proposed by this Committee will follow the same basic concept. The Card also provides the Government with a mechanism to explain changes in projects and to highlight new projects or reprioritisation of projects.
- 6.71 The Committee envisions a reasonably simple product likened to the Queensland Northern Catchment Regional Summary and the Regional Report Card produced by the Moreton Bay Waterways and Catchment s Partnership in Appendix 7.
- 6.72 The Report Card would have categories of indicators such as health services, environmental attributes and infrastructure condition. A report score is given for each category. Over time the inclusion of new data and categories could be expanded upon. Also certain regions may need to have some categories weighted to represent historical advantages or disadvantages. For example a region may have a legacy of contaminated land, which makes its environmental scores lower than a region, which is less developed or has little land contamination.

RECOMMENDATION 4: Regional Report Cards: The Committee recommends that the Coastal CSC release an annual Regional Report Card for each region based on the infrastructure projects and indicators noted in the specific Regional Strategy.

Conclusion

- 6.73 The Committee believes that the combination of monitoring by the Coastal CSC and public accountability imposed via the Regional Report Card will make the Regional Strategies a far more effective tool than previous mechanisms. The continued scrutiny

³³³ Transcript of Evidence, 29 July 2005, p. 14.

Best Practice Approaches

and revision imposed by this proposed process make it far less likely that the plan will diminish in currency or deviate from the government's priority.

Part 2 – Specific changes and reforms for coastal infrastructure provision

- 6.74 The Coastal CSC and Regional Report Card framework recommended by the Committee in Part I of this Chapter should be complemented by other changes.
- 6.75 The Committee proposes concurrent recommendations for infrastructure management and planning issues. The recommendations outlined below draw from issues discussed in Chapters 3, 4 and 5 include:
- Infrastructure auditing (Chapter 3);
 - Review of local government funding (Chapter 4); and
 - Planning system changes (Chapter 5).

Infrastructure Auditing

- 6.76 In Chapter 3 the Committee provided a snapshot of coastal infrastructure issues. The overarching problem was that infrastructure demand or expectations were regarded as in excess of current infrastructure provided. Moreover, under current planning and funding arrangements, the capacity to maintain, upgrade and add new infrastructure appears limited. The tensions created between providing adequate infrastructure for coastal development, and retaining the natural environment and amenity of coastal areas was discussed. The particular problems with the provision of physical, services, community and green infrastructure were examined but most particularly the consequences of continued inadequate provision were highlighted.
- 6.77 The Committee has not attempted to nominate particular infrastructure types or particular coastal areas that need attention. This is because of the fundamental problem of inadequate auditing of coastal infrastructure is yet to be resolved.
- 6.78 Submissions to the Committee called for a comprehensive audit to be conducted of coastal infrastructure needs. Importantly it has been argued that a common audit methodology needs to be applied across regions.
- 6.79 While the NSW Government says that there is an ongoing infrastructure audit process for coastal councils being undertaken, comments made in submissions indicate that there is confusion about this process. It would appear that continuity of the audit project has been disrupted by various structural changes in the Department of Planning. Communication between the Department of Planning, Councils and the general public on this audit initiative is poor.
- 6.80 It would appear that there are competing processes underway that are looking at infrastructure auditing. As noted in Chapter 4- Conclusions, the LGSA has recently announced an Inquiry into Financial Sustainability of Local Government (October 2005). The terms of reference for the LGSA include assessment of the adequacy of existing local government infrastructure.

Conclusion and recommendation

- 6.81 The Committee believes that infrastructure auditing is critical. Without this first step, coordinated decision making at local, state and federal levels will continue to be stymied due to debates about measurement of infrastructure problems and hence priorities for infrastructure provision. A common audit of coastal infrastructure will

enable a clear hierarchy of priorities to be established that can form the basis of projects to be put into the coastal Regional Strategies.

6.82 The NSW Government has indicated that infrastructure audits are being conducted in coastal regions. The Committee considers that audits are the most critical task to underpin the entire planning framework and they must be resourced and fast-tracked to enable the other components of coastal planning to be successful. Furthermore the audits by the Department of Planning should be reconciled with other infrastructure audit processes undertaken by key organisations such as the LGSA.

RECOMMENDATION 5: Infrastructure Audits: The Committee recommends that the NSW Government fast track and resource the completion of coastal infrastructure audits to a common nationally agreed methodology. The results of the audits should be integrated into the formation of the Department of Planning's Regional Strategies and be used to assist the ranking of priority infrastructure projects.

Review of Local Government Funding Options

6.83 In Chapter 4, the Committee provided an outline of funding and revenue issues relating to infrastructure provision in coastal areas. The Chapter does not extensively focus on Federal and State provision of infrastructure. Instead based on the submissions, the primary focus was on the capacity of local government to fund the increasing infrastructure demands within it's responsibility.

6.84 The Committee examined concerns surrounding the following issues:

- debt attitudes and borrowing capacity for local government;
- the current impacts of rate pegging;
- the impact of pensioner rebates on rate revenue;
- the effectiveness of new development contribution reforms ;
- options for new fees and charges; and
- impacts of increased local government responsibilities.

- **Conclusions and Recommendations**

6.85 Given the issues raised in Chapter 4, the Committee can see that without reform there are likely to be councils facing continual shortfalls in revenues against their increasing infrastructure responsibilities.

6.86 The Committee noted the recently announced LGSA Independent Inquiry into Financial Sustainability of Local Government. The Committee considers that a State Government examination, subsequent to the outcomes of the Independent Inquiry, should be undertaken with particular emphasis on coastal growth areas.

RECOMMENDATION 6: Review of local government funding: The Committee recommends that the NSW Government, led by the Department of Local Government, undertake a review of funding options faced by coastal councils including consideration of:

- debt attitudes and borrowing capacity for local government;
- the current impacts of rate pegging;
- the impact of pensioner rebates on rate revenue;
- the effectiveness of new development contribution reforms;
- options for new fees and charges; and
- impacts of increased local government responsibilities.

Planning System Changes

- 6.87 In Chapter 5, the Committee outlined the application of both the existing planning system and the reformed planning system to coastal infrastructure planning. The Chapter highlighted the complexity of the existing system and the criticisms arguing the need for reform.
- 6.88 The tension in the allocation of planning powers and decisions between levels of government is continued in the reformed system. However this tension reflects the delicate balance between local, state and federal interests in planning decisions. The Committee does not see changes or major reallocation of planning powers will be beneficial to improving coastal infrastructure delivery.
- 6.89 The move to Regional Strategies has the potential to consolidate and utilise planning approaches in coastal areas. The Committee sees that the key problem with the introduction of the Strategies is the lack of enforcement of compliance to them built into the planning process. Hence the ongoing reporting and scrutiny proposed by the Committee via its recommendations of a Coastal Cabinet Sub-Committee and a Report Card publication. The Committee believes that the establishment of more binding plans gives greater certainty to communities to plan their lived and activities.

Conclusions and Recommendations

- 6.90 The Committee recognises that the planning reforms will result in a simply and more efficient system for both State and Local Governments, the industry and the general public. The Committee believes, however, that the interim arrangements are not satisfactory.
- 6.91 The Committee is of the view that it is imperative for sufficient resources to be committed to the development of the Regional Strategies to expedite their completion and implementation by mid 2006, at the latest. It is also of the view that the process of implementing the standard template for LEPs should be expedited with priority given to councils in high coastal growth areas. Where appropriate, the additional funds should be increased to assist councils to meet the shorter timeframes than the current five year schedule.
- 6.92 The Committee recognises that the recent amendments to Section 94 have resulted in greater flexibility and choice for local councils and developers. Contribution Plans under the new arrangements allow for the parties to agree on one of the following: the traditional arrangement, a voluntary agreement or a levy of a flat rate of 1%.
- 6.93 However the Committee is of the view that even greater flexibility should be available to councils with regard to Section 94 contributions. The Committer considers that to assist those rural and semi-rural coastal councils now experiencing rapid growth and consequent infrastructure pressures, the option of increasing Contribution Plan levies should be available. This is particularly the case where rates were capped on a low base, such as was the case with some earlier farming communities in the coastal zone. Accordingly, the Committee believes that these councils should be able to set the levies for Section 94 contributions at either higher levels, depending on relative need.
- 6.94 The Committee notes that the reform process lacks transparency and this is particularly disadvantageous to members of the public who may wish or need to

navigate the system. The Committee is of the view that information explaining the current arrangements and the planning reforms should be clearer.

RECOMMENDATION 7: Resourcing of Strategies: The Committee recommends that the NSW Government fast tracks and resources the planning reforms by increasing the planning reform funds to ensure that Regional Strategies are operational sooner and standard LEPs generated in less than the current 5 year timeframe.

RECOMMENDATION 8: Section 94 contributions: The Committee recommends that Section 94 Contribution Plans' flat rate of 1% be variable to allow coastal growth councils, which can demonstrate they are experiencing higher than average growth to set levies of a higher rate. Such variations should require approval by the Minister for Local Government.

RECOMMENDATION 9: Public Information: The Committee recommends that the Department of Planning provide clear and transparent information on the current planning system in New South Wales and the impact of the planning reforms as they become operational.

Appendix One – List of Submissions

Date	Sub. No.	Author
16/03/2005	No. 1	Mr Joseph RICHARDS
22/03/2005	No. 2	Mr Ron MCDERMOTT (Mid North Coast Regional Development Board)
24/03/2005	No. 3	Ms Helen MCDEVITT (AusLink Planning)
31/03/2005	No. 4	The Hon Ian MACFARLANE (Minster for Industry, Tourism and Resources)
04/04/2005	No. 5	Mr Michael KERRY (Queensland Office of Urban Management)
30/03/2005	No. 6	Mr Ken PHELAN
07/04/2005	No. 7	Mr Tom PORT (Nambucca Shire Council)
19/04/2005	No. 8	Mrs Margaret WARD
14/04/2005	No. 9	Ms Jenny EDWARDS (The Coastwatchers Association Inc)
21/04/2005	No. 10	Ms Alison KENNEDY and Mr Peter RODGERS
20/04/2005	No. 11	Mr David R WILSON
21/04/2005	No. 12	Mr Rick MOCKRIDGE (Coffs Harbour Bicycle User Group)
23/04/2005	No. 13	Ms Joan HALL (Coopernook/Harrington Action Group)
23/04/2005	No. 14	Ms Irene SHEPHEARD (The Combined Pensioners & Superannuants Association Shoalhaven Heads Branch)
22/03/2005	No. 15	Mr William (Bill) ROBERTSON
25/05/2005	No. 16	Ms Francis HAND
23/04/2005	No. 17	Ms Teresa BEALEY (Callala Bay Progress Association Inc)
26/04/2005	No. 18	Mr Charles BOWDEN (Combined Pensioners and Superannuats Association of NSW Nowra Branch)
26/04/2005	No. 19	Cr Cameron PRICE (Hastings Shire Council)
28/04/2005	No. 20	Mr Don OWERS (The Lake Macquarie Coastal and Wetland Alliance)
29/04/2005	No. 21	Ms Katie LAHEY (Business Council of Australia)
01/05/2005	No. 22	Mr Rick PRATCHETT
29/04/2005	No. 23	The Hon Carmel TEBBUTT MLC (Minister for Education and Training)
02/05/2005	No. 24	Mr Henri VIRTANEN
03/05/2005	No. 25	Mrs Patricia WHEELDON
03/05/2005	No. 26	Mr Michael FINDLAY
02/05/2005	No. 27	Mr Bernard GRIFFIN
02/05/2005	No. 28	Mr Bernard GRIFFIN (Australian Labor Party, West Wallsend Branch)

Appendix One – List of Submissions

04/05/2005	No. 29	Dr John GRIFFIN (Tweed Shire Council)
04/05/2005	No. 30	Mr Russ PIGG (Shoalhaven City Council)
04/05/2005	No. 31	Ms Maureen WEBB (St Georges Basin Community Forum)
04/05/2005	No. 32	Mr Peter WILSON (Gosford City Council)
05/05/2005	No. 33	Ms Elizabeth BROWN (Byron Shire Council)
05/05/2005	No. 34	Ms Lesley SCARLETT (Southern Councils Group)
05/05/2005	No. 35	Ms Sylvia TURNER (Central Coast Community Environment Network Inc.)
05/05/2005	No. 36	Mr Andrew WHITE (Sandy Beach Residents Association Inc.)
05/05/2005	No. 37	Ms Nikki CHRISTENSEN (Combined Pensioners and Superannuants Association of NSW Inc.)
05/05/2005	No. 38	Mr Bob JAY (Morisset Senior Citizens and Pensioners Association)
05/05/2005	No. 39	Mr Richard PEARSON (JBA Urban Planning Consultants)
05/05/2005	No. 40	Ms Tabitha LLOYD (Australian Consultants for the Environment)
05/05/2005	No. 41	M/s Sophie SECK (The Royal Australian Institute of Architects NSW)
06/05/2005	No. 42	Ms Lucy CHEETHAM (COTA National Seniors Partnership)
06/05/2005	No. 43	Mr Robert OAKESHOTT MP (Member for Port Macquarie)
06/05/2005	No. 44	Mr Dave GORDON (Eurobodalla Greens)
06/05/2005	No. 45	Mr Peter TEGART (Eurobodalla Shire Council)
06/05/2005	No. 46	Mr Adrian WEEDON (Bega Valley Shire Council)
06/05/2005	No. 47	Mr Mark ELLIS (Australian Conservation Foundation, Central Coast Branch)
06/05/2005	No. 48	Mr Alan STOKES (National Sea Change Taskforce)
06/05/2005	No. 49	Mr Ray RAUSCHER (School of Applied Science University of Newcastle)
06/05/2005	No. 50	Mr Evan MATTHEWS (Fingal Head Community Association)
06/05/2005	No. 51	Mr Warren GRIMSHAW AM (North Coast Institute Council)
06/05/2005	No. 52	Mrs Elaine MULLIN
09/05/2005	No. 53	Dr Jane WILLIAMSON (Australian Marine Sciences Association, NSW Branch)
09/05/2005	No. 54	Mr Harry CREAMER
09/05/2005	No. 55	M/s Erica SOUTHGATE (City of Lake Macquarie Council)
09/05/2005	No. 56	Mr Brian Wilkinson (Richmond Valley Council)
09/05/2005	No. 57	Mr Basil CAMERON (Northern Rivers Trains for the Future)
09/05/2005	No. 58	M/s Patricia WARREN
05/05/2005	No. 59	M/s Fiona CROSSKILL
10/05/2005	No. 60	Mr Michael FORSYTHE (Kiama Municipal Council)
11/05/2005	No. 61	Mr Ben EWALD (Newcastle Cycleways Movement Inc.)

11/05/2005	No. 62	M/s Vera ROBINSON
11/05/2005	No. 63	Mr Ken BOYLE (Clarence Valley Council)
13/05/2005	No. 64	The Hon Carl SCULLY MP (Minister for Police)
12/05/2005	No. 65	Mrs Joanne PETROVIC (North Coast Area Assistance Scheme)
16/05/2005	No. 66	Mr John TRUMAN (Ballina Shire Council)
16/05/2005	No. 67	M/s Karen WOODHAM
17/05/2005	No. 68	Dr Neil SHEPHERD (Department of Community Services, NSW)
17/05/2005	No. 69	Dr Joan JOHNSTONE
18/05/2005	No. 70	Senator The Hon Kay PATTERSON (Minister for Family and Community Services)
19/05/2005	No. 71	M/s Monique ROSER (Planning Institute Australia, NSW Division)
20/05/2005	No. 72	The Hon Morris IEMMA MP (Minister for Health)
16/05/2005	No. 73	Professor Carolyn (Tally) PALMER (Institute for Water and Environment Resource Management)
18/05/2005	No. 74	Mr Chris LITTLE (Institute of Public Works Engineering Australia Ltd)
20/05/2005	No. 75	Mr Ian CHALMERS (Australian Local Government Association)
20/05/2005	No. 76	Mr Paul DOUGLASS (Port Stephens Council)
23/05/2005	No. 77	M/s Katrina LUCKIE (Northern Rivers Regional Development Board)
23/05/2005	No. 78	Mr John PIERCE (New South Wales Treasury)
24/05/2005	No. 79	Mr Kerry YATES (Wyong Shire Council)
24/05/2005	No. 80	Mr Mark FERGUSON (Coffs Harbour City Council)
25/05/2005	No. 81	Mr Neil TONKIN (Bicycle New South Wales Inc)
25/05/2005	No. 82	Mr Lionel SWIFT (Victims of North Arm Cove)
26/05/2005	No. 83	Dr Nicole GURRAN and Professor Ed BLAKELY (University of Sydney Faculty of Architecture)
27/05/2005	No. 84	M/s Cate FAEHRMANN and Mr Jeff ANGEL (Nature Conservation Council of NSW & Total Environment Centre)
30/05/2005	No. 85	The Hon Michael COSTA MLC (Minister for Roads)
30/05/2005	No. 86	Mrs Sylvia TURNER (Wyong Shire Ratepayers & Residents Association Inc)
31/05/2005	No. 87	Ms Lyn JAMES (Mid North Coast Fluoride Free Alliance)
31/05/2005	No. 88	Ms Sandra VINCENT (Lismore City Council)
31/05/2005	No. 89	Cr Lisa INTEMANN (Hastings Council)
31/05/2005	No. 90	Mr Chris Davis (Australian Water Association)
31/05/2005	No. 91	Ms Ailsa BOYDEN (Australian Fluoridation Information Network)
01/06/2005	No. 92	Mr Mark SNELL (Equilibrium Community Ecology Inc)
01/06/2005	No. 93	Mr Kevin ARMSTRONG

Appendix One – List of Submissions

02/06/2005	No. 94	Mr Elias DUEK-COHEN
04/05/2005	No. 95	Ms Diane JAMES (Victorian Coastal Council)
15/06/2005	No. 96	Mr Warren TAYLOR (Local Government and Shires Association NSW)
20/06/2005	No. 97	Mr David BROYD (Wollongong City Council)
20/06/2005	No. 98	Mr Philip ROBERTSON (Carmoorra Clinic)
25/07/2005	No. 99	The Hon Craig Knowles MP (Minister for Infrastructure and Planning)

Appendix Two – List of Hearings and Witnesses

Friday 29 July 2005

Chris Little, Executive Manager, Institute of Public Works Engineering (NSW Division)

Mike Savage, Manager of Roads and Transport Directorate, Institute of Public Works Engineering (NSW Division)

Peter Tegart, Director, Eurobodalla Council

Ed Blakely, Professor of Urban Regional Planning, University of Sydney

Katrina Luckie, Executive Director, Northern Rivers Development Board

John Ginivan, Project Director, Victorian Coastal Council

Andrew Buckley, Executive Officer, Victorian Coastal Council

Michael Kerry, Former Executive Director, Office of Urban Management (Queensland)

Tuesday 2 August 2005

Mark Ferguson, General Manager, Coffs Harbour City Council

Steve Sawtell, Director of City Services, Coffs Harbour City Council

Wednesday 3 August 2005

Monique Roser, President, Planning Institute of Australia (NSW Division)

Vivienne Hartley, President, Planning Institute of Australia (NSW Division)

John Wigan, Australian Conservation Foundation,

Mark Ellis, Australian Conservation Foundation

Alan Stokes, Executive Officer, National Seachange Taskforce

Dr Richard Matthews, Deputy Director General, Strategic Development, NSW Health

Jennifer Sheehan, Manager Rural Health Services and Capital Planning, NSW Health

Lucy Cheetham, NSW Manager for Policy and Programs, National Seniors Partnership

Ken Phelan, Town Planner

Terry Collins, Acting Deputy Commissioner of Police, NSW Police

Linda Hume, Strategic Properties Advisor, NSW Police

Alan Ramsey, Executive Director, Department of Community Services

Michael McCosker, Acting Director Administrative Services, Department of Community Services

Alison Hayes, Manager of Procurement and Accommodation Planning, Department of Community Services

Friday 12 August 2005

Doug White, Manager, Demographic Planning, Department of Education and Training

Michael Cush, General Manager, Asset Management, Department of Education and Training

Phillip Peace, Director, Asset Planning and Support, Department of Education and Training

Philip Connolly, Principal Adviser, Resources and Policy Directorate, New South Wales Treasury

Peter Horn, Director, Fiscal Strategy Branch, New South Wales Treasury

Bruce Thom, Acting Director, Coastal Policy Branch and Visiting Professor, Coastal Management and Planning, Department of Planning

Norma Shankie-Williams, Director of Regional Co-ordination, Land Use Planning, Department of Planning

Leo Kelly, Metropolitan Vice-President, Local Government Association

Janet Hayes, Executive Member, New South Wales Shires Association

Colin Sullivan, President, New South Wales Shires Association

Shaun McBride, Acting Australian Team Manager Planning and Finance, Local Government and Shires Associations

Ryan Fletcher, Director of Policy and Research Division, New South Wales Local Government and Shires Associations

Appendix Three – Population Statistics

From Submission No. 99, Department of Infrastructure and Natural Resources, page 9

Table 1: Total Projected Populations, Statistical Local Areas in Non-Metropolitan Coastal Regions of New South Wales, 2001-2031

SLA	2001	2006	2011	2016	2021	2026	2031
Mid-North Coast							
Bellingen (A)	12,730	12,960	13,100	13,250	13,420	13,590	13,730
Coffs Harbour (C) - Pt A	46,100	50,520	54,650	58,830	63,130	67,470	71,710
Coffs Harbour (C) - Pt B	15,650	16,460	17,170	17,880	18,630	19,380	20,100
Copmanhurst (A)	4,570	4,920	5,240	5,580	5,920	6,280	6,640
Grafton (C)	17,430	17,150	16,760	16,380	16,030	15,680	15,290
Great Lakes (A)	32,200	35,510	38,460	41,440	44,440	47,390	50,220
Greater Taree (C)	44,740	45,390	45,760	46,160	46,630	47,100	47,460
Hastings (A) - Pt A	38,130	42,690	46,910	51,080	55,250	59,340	63,210
Hastings (A) - Pt B	27,250	29,340	31,230	33,100	35,000	36,880	38,630
Kempsey (A)	27,370	28,140	28,320	28,500	28,720	28,930	29,070
Maclean (A)	17,050	18,370	19,560	20,740	21,920	23,080	24,150
Nambucca (A)	18,170	18,560	18,820	19,080	19,370	19,640	19,850
Pristine Waters (A) - Nymboida	4,440	4,580	4,690	4,820	4,960	5,110	5,260
Pristine Waters (A) - Ulmarra	6,600	6,900	7,160	7,430	7,720	8,010	8,280
Richmond-Tweed							
Ballina (A)	38,160	40,920	43,650	46,300	48,970	51,640	54,190
Byron (A)	29,690	32,520	35,330	38,090	40,900	43,730	46,490
Kyogle (A)	9,820	9,670	9,520	9,360	9,220	9,080	8,940
Lismore (C) - Pt A	30,870	29,960	29,070	28,170	27,340	26,550	25,740
Lismore (C) - Pt B	12,190	12,000	11,800	11,580	11,390	11,210	11,010
Richmond Valley (A) - Casino	10,630	10,370	10,110	9,830	9,580	9,330	9,070
Richmond Valley (A) Bal	10,400	10,740	11,070	11,400	11,740	12,080	12,410
Tweed (A) - Pt A	46,950	53,640	60,200	66,540	72,840	79,040	84,970
Tweed (A) - Pt B	27,630	29,110	30,580	32,010	33,490	34,990	36,440
South Coast							
Bega Valley (A)	30,700	32,960	35,030	37,210	39,460	41,720	43,880
Eurobodalla (A)	33,950	37,240	40,310	43,470	46,660	49,810	52,760
Shoalhaven (C) - Pt A	30,170	32,020	33,560	35,030	36,510	37,990	39,400
Shoalhaven (C) - Pt B	57,480	63,570	69,060	74,350	79,650	84,940	90,060

From Submission No. 99, Department of Infrastructure and Natural Resources, page 10

Table 2: Average Annual Growth Rates, Statistical Local Areas in Non-Metropolitan Coastal Regions of New South Wales, 2001-2031

SLA	2001-06	2006-11	2011-16	2016-21	2021-26	2026-31
Mid-North Coast						
Bellingen (A)	0.4	0.2	0.2	0.3	0.3	0.2
Coffs Harbour (C) - Pt A	1.8	1.6	1.5	1.4	1.3	1.2
Coffs Harbour (C) - Pt B	1.0	0.8	0.8	0.8	0.8	0.7
Copmanhurst (A)	1.5	1.3	1.2	1.2	1.2	1.1
Grafton (C)	-0.3	-0.5	-0.5	-0.4	-0.4	-0.5
Great Lakes (A)	2.0	1.6	1.5	1.4	1.3	1.2
Greater Taree (C)	0.3	0.2	0.2	0.2	0.2	0.2
Hastings (A) - Pt A	2.3	1.9	1.7	1.6	1.4	1.3
Hastings (A) - Pt B	1.5	1.3	1.2	1.1	1.0	0.9
Kempsey (A)	0.6	0.1	0.1	0.2	0.1	0.1
Maclean (A)	1.5	1.3	1.2	1.1	1.0	0.9
Nambucca (A)	0.4	0.3	0.3	0.3	0.3	0.2
Pristine Waters (A) - Nymboida	0.6	0.5	0.5	0.6	0.6	0.6
Pristine Waters (A) - Ulmarra	0.9	0.8	0.7	0.8	0.7	0.7
Richmond-Tweed						
Ballina (A)	1.4	1.3	1.2	1.1	1.1	1.0
Byron (A)	1.8	1.7	1.5	1.4	1.3	1.2
Kyogle (A)	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
Lismore (C) - Pt A	-0.6	-0.6	-0.6	-0.6	-0.6	-0.6
Lismore (C) - Pt B	-0.3	-0.3	-0.4	-0.3	-0.3	-0.4
Richmond Valley (A) - Casino	-0.5	-0.5	-0.5	-0.5	-0.5	-0.6
Richmond Valley (A) Bal	0.6	0.6	0.6	0.6	0.6	0.5
Tweed (A) - Pt A	2.7	2.3	2.0	1.8	1.6	1.5
Tweed (A) - Pt B	1.1	1.0	0.9	0.9	0.9	0.8
South Coast						
Bega Valley (A)	1.4	1.2	1.2	1.2	1.1	1.0
Eurobodalla (A)	1.9	1.6	1.5	1.4	1.3	1.2
Shoalhaven (C) - Pt A	1.2	0.9	0.9	0.8	0.8	0.7
Shoalhaven (C) - Pt B	2.0	1.7	1.5	1.4	1.3	1.2

From Submission No. 99, Department of Infrastructure and Natural Resources, page 11

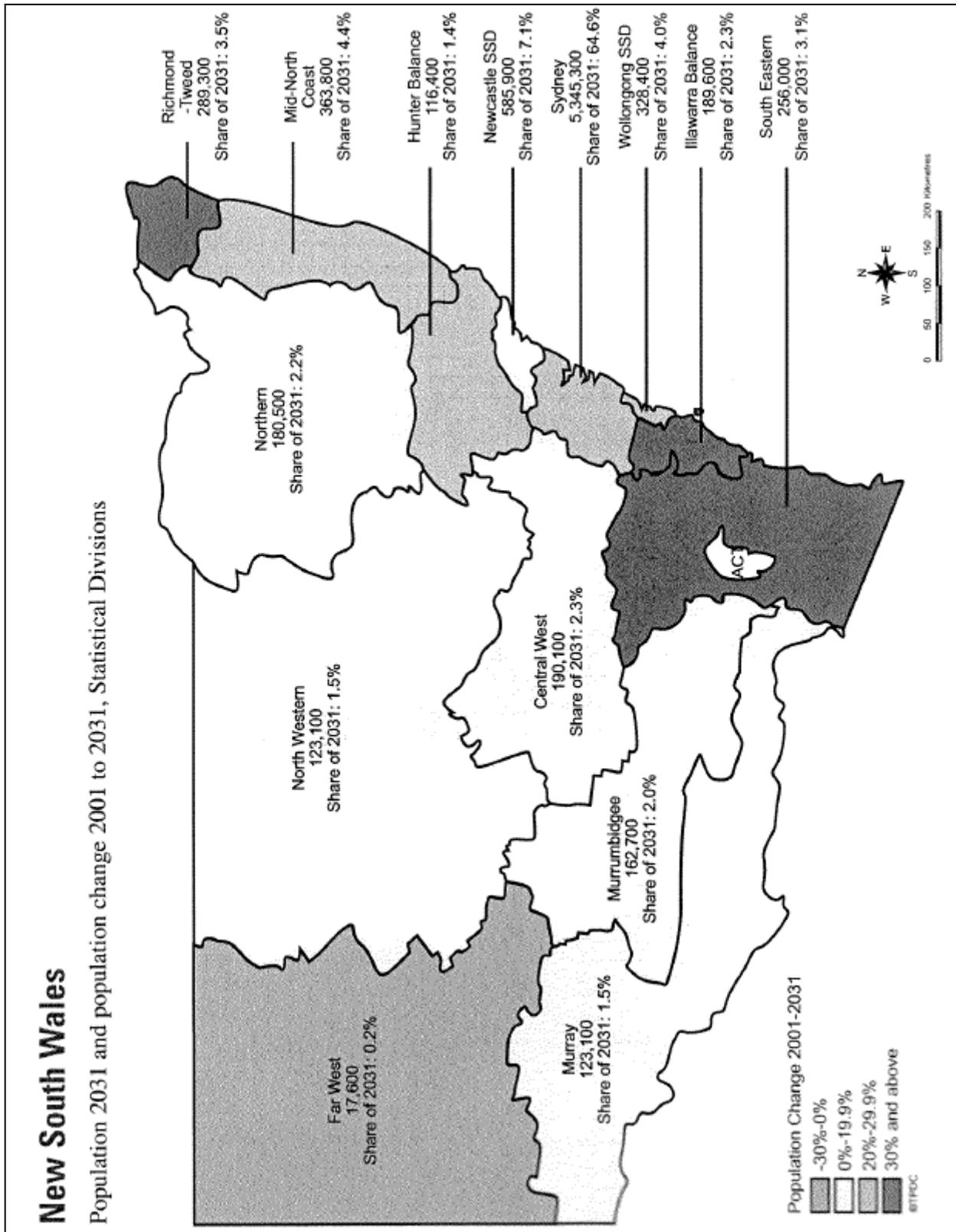
Table 3: Key Statistics, Statistical Local Areas in Non-Metropolitan Coastal Regions of New South Wales, 2001-2031

Region Statistical Local Area (SLA)	Median age		Aged 0 - 14 years %		Aged 65+ years %		Sex ratio		Dependency ratio	
	2001	2031	2001	2031	2001	2031	2001	2031	2001	2031
Mid-North Coast										
Bellingen (A)	41	56	22.6	14.0	16.6	35.3	101.2	97.5	64.5	97.4
Coffs Harbour (C) - Pt A	38	51	21.1	15.0	15.9	31.8	95.1	100.3	58.6	88.1
Coffs Harbour (C) - Pt B	39	55	23.6	14.7	14.0	34.0	100.2	99.2	60.4	95.0
Copmanhurst (A)	39	54	22.3	15.1	12.8	33.2	109.0	106.1	54.2	93.5
Grafton (C)	38	52	22.0	15.2	17.3	33.5	95.3	97.5	64.7	94.9
Great Lakes (A)	47	58	17.6	12.7	25.0	38.4	98.7	103.0	73.9	104.9
Greater Taree (C)	40	55	22.0	14.5	17.9	35.2	97.1	96.2	66.4	98.6
Hastings (A) - Pt A	43	56	19.1	13.5	22.6	37.1	91.6	99.9	71.7	102.4
Hastings (A) - Pt B	43	57	20.4	13.5	20.5	37.2	98.1	101.7	69.2	103.1
Kempsey (A)	40	54	22.7	14.8	15.9	34.2	98.9	96.8	62.8	96.3
Macleay (A)	44	58	19.5	14.4	22.4	37.9	101.3	103.3	72.1	109.5
Nambucca (A)	42	57	20.9	13.2	20.4	38.0	98.6	98.2	70.2	104.9
Pristine Waters (A) - Nymboida	38	50	25.4	16.3	9.3	28.5	104.0	109.0	53.1	81.4
Pristine Waters (A) - Ulmarra	39	54	24.2	14.1	12.4	32.0	106.8	105.1	57.8	85.7
Richmond-Tweed										
Ballina (A)	41	52	19.9	14.4	18.9	31.7	95.3	100.5	63.4	85.4
Byron (A)	38	48	21.1	14.7	12.0	23.7	99.6	102.6	49.4	62.4
Kyogle (A)	39	52	24.2	15.9	14.3	31.4	105.4	103.6	62.5	89.7
Lismore (C) - Pt A	35	46	20.9	16.0	14.1	29.0	91.9	96.7	54.0	81.7
Lismore (C) - Pt B	38	50	23.5	15.4	8.8	27.3	104.5	100.5	47.7	74.5
Richmond Valley (A) - Casino	38	50	22.6	15.8	18.2	31.6	92.9	97.1	68.7	90.1
Richmond Valley (A) Bal	38	50	24.0	17.2	15.3	30.5	105.9	104.4	64.7	91.1
Tweed (A) - Pt A	45	56	17.5	12.6	25.6	38.0	94.7	100.9	75.9	102.5
Tweed (A) - Pt B	38	50	23.2	15.3	14.3	29.5	99.9	101.7	59.9	81.1
South Coast										
Bega Valley (A)	41	56	21.4	13.7	17.2	34.9	98.7	104.9	63.0	94.6
Eurobodalla (A)	44	57	18.8	12.2	21.8	37.0	98.1	107.9	68.4	97.1
Shoalhaven (C) - Pt A	35	49	23.8	15.8	14.0	30.4	97.2	98.9	60.9	85.6
Shoalhaven (C) - Pt B	44	56	19.8	13.7	22.0	35.3	99.0	100.6	71.8	96.3

Source: Transport and Population Data Centre New South Wales Statistical Local Area Population Projections 2001-2031, 2004 release. DIPNR.

From, Department of Infrastructure and Natural Resources, NSW State and Regional Population Projections 2001 – 2051, page 75

Table 4: NSW Population 2031 and population change 2001 to 2031, Statistical Divisions



Appendix Four – List of Recommendations from Joint Use Report

RECOMMENDATION 1: That the Department of Local Government should update the guidelines for draft Management Plans to require councils to report on:

- All joint use and co-location initiatives where councils are a partner;
- The performance of joint use partnerships involving council; and
- Councils' performance in relation to identifying opportunities for joint use and co-location initiatives.

RECOMMENDATION 2: That DIPNR should report on the implications of the Section 94 developer contributions review on the funding of joint projects.

RECOMMENDATION 3: That Government Asset Management Committee (GAMC), in association with the Department of Local Government establishes and maintains a register of all joint partnerships where public agencies, including local councils, are stakeholders.

RECOMMENDATION 4: That NSW Treasury should set reporting requirements for agencies and local councils to monitor and evaluate joint use and co-location initiatives involving public buildings and community assets and to measure their efficiency.

RECOMMENDATION 5: That each NSW Government agency should set out objectives and key performance indicators for joint use of its facilities. Agencies should report on their performance according to these objectives in their annual report.

RECOMMENDATION 6: That NSW Government agencies should be required to undertake consideration of joint use and co-location options before seeking funds for new public buildings.

RECOMMENDATION 7: That the NSW Government review current mechanisms that may restrict government agencies from entering into pool funding agreements with other government agencies to achieve a joint public building. A joint committee of government agencies, including representatives of local councils, may be formed to undertake this review.

RECOMMENDATION 8: That NSW Government should explore the benefits of various government service providers establishing their boundaries along similar regional areas for the purpose of joint use and co-location of facilities and services.

RECOMMENDATION 9: That Government agencies should set up coordination units to assist them with joint use partnerships. The units' functions should include: providing legal and other advice in relation to the partnerships, identified funding sources and coordinating efforts across organisations to assist with partnerships

RECOMMENDATION 10: That GAMC should work in concert with agency coordination units to facilitate greater joint partnerships across NSW.

RECOMMENDATION 11: That DIPNR should ensure all planning strategies have a joint use project component. In particular, DIPNR should report on the implications of the Sydney Metropolitan Strategy for joint use, co-location and alternative re-use initiatives.

RECOMMENDATION 12: That DIPNR should consider mandatory requirements that all new development applications for public buildings include reports on whether joint use alternatives have been comprehensively explored and exhausted.

RECOMMENDATION 13: That the NSW Government should consider the provision of incentives to potential partners (both from the local government and private sector) to initiate and engage in joint partnerships. These may include:

Provision of interest-free loans to encourage private participants to establish earlier services in shared arrangement;

- Higher flexibility in applying Section 94 resources, including cross-boundaries application of contributions; and
- Providing some tax offsets to developers to reuse and redevelop old buildings and to provide key community services.

RECOMMENDATION 14: That the Department of Local Government more actively supports the various advisory and community consultation committees formed by local councils and promotes their use in identifying joint partnership opportunities.

RECOMMENDATION 15: That the NSW Government develop a joint project assessment tool kit and best practice education process for key government agencies, local government and the not-for-profit sector. The tool kit may include standard documentation to assist government agencies and local councils with the establishment, managing and termination of joint use partnerships

RECOMMENDATION 16: There should be a mandatory requirement that all government agencies use this tool kit to assess and report on the feasibility of a joint project when considering the development, construction or redevelopment of a public building.

RECOMMENDATION 17: That the Department of Education and Training review its current policies and procedures for the joint use of public school facilities with the objective of achieving greater joint use of school facilities. This should be done in consultation with key stakeholders.

RECOMMENDATION 18: That the Department of Education and Training should develop strategies to assist school principals and school management to engage in, and effectively manage, joint use projects involving school facilities.

RECOMMENDATION 19: That the NSW Department of Education and the NSW Department of Local Government should develop cooperative strategies to assist schools and councils to enter into and manage joint partnerships. These strategies may include:

- Developing management plans and communication protocols to identify joint use opportunities on an area basis to prevent the creation of separate or duplicate buildings and facilities. The plans may also identify potential users and funding, maintenance and management opportunities; and
- Developing standard leases that can readily accommodate Department of Education and Training and local government joint use of buildings and facilities, including appropriate insurance and security arrangements.

Appendix Five—Infrastructure Statement 2005-06 Budget Paper No.4

ASSET MANAGEMENT AND PROCUREMENT

ASSET MANAGEMENT AND THE BUDGET PROCESS

Sound management of existing and newly acquired infrastructure is needed to ensure that services are delivered efficiently and effectively over the long term. This requires an appropriate balance between acquisition, efficient utilisation and disposal of surplus physical assets.

This balance is achieved by integrating the asset management policy for each agency with the budget process. Agencies align their asset planning and management with their service delivery priorities and strategies. With a Total Asset Management (TAM) approach agencies review service delivery options, including addressing any bias towards acquisition of new capital assets at the expense of appropriate asset maintenance on a whole of life basis. This approach encourages agencies to reduce asset dependency through non-asset or less asset-intensive solutions, including strategic demand management. TAM also encourages agencies to dispose of unnecessary and/or non-performing assets.

Agencies' Asset Strategies and supporting Infrastructure Investment, Maintenance, Asset Disposal and Accommodation Strategic Plans are used to inform the Government's decision making in resource allocation. A similar approach is expected in the PTE sector.

PROCUREMENT POLICY

Procurement policy was transferred to Treasury in 2003-04. Reforms have been introduced that emphasise up-front preparation prior to project commitment, appropriate expert support to agencies, and enhanced project monitoring to reduce cost/time overruns. The procurement policy has also been simplified. Treasury is working closely with the Department of Infrastructure, Planning and Natural Resources and the Department of Commerce in this reform process. The reforms commenced for new projects from 1 July 2004.

Simplification of Policy

The simplified procurement policy consists of a short policy statement and web based process maps for three separate strands of procurement (construction, information and communication technology, goods and services). The web-based process includes links to relevant guidelines and procedures. A large number of outdated or duplicate policy and guideline documents which were irrelevant have been culled.

Agency Accreditation

As part of the changes to procurement policy, Treasury has determined an agency's experience-related capability to undertake construction procurement valued at over \$1 million. Those agencies with adequate procurement planning and delivery experience are accredited to undertake these activities unaided.

All others must seek help from accredited experts. Agencies do not have to use the Department of Commerce in this role, but can seek assistance elsewhere if they prefer. The new scheme began on 1 July 2004. At present seven agencies are accredited for project delivery, while 13 are accredited for planning.

The Gateway Review Process

The Gateway review process for major and risky projects consists of a series of six review points in the procurement cycle. Use of these reviews is intended to improve both the upfront preparation for procurement and also its implementation. The six reviews are at the strategic plan, business case, procurement strategy, tender evaluation, pre-commissioning and post implementation review stages.

The Gateway review facility is provided to agencies by the Department of Commerce, acting on behalf of Treasury. A Gateway review at the business case stage is mandatory for all complex or innovative procurements.

To date some 32 projects have undergone Gateway reviews, mainly at the business case stage. All types of procurement (construction, IT, goods) have been involved.

Treasury Monitoring

Treasury has adopted a more pro-active role in monitoring major or complex capital works projects. This includes reviewing copies of business cases and Gateway reviews prior to funding approvals, as well as reviewing reports on procurement options, pre-tender estimates, contract award recommendations, and exception reports during project delivery to confirm the validity of the initial business case.

Appendix Six – South East Queensland Infrastructure Plan and Program 2005 – 2026

Table 9: Future health projects in SEQ

Sub-regions	Estimated total cost \$million	Period covering		
		2005-06 to 2008-09	2009-10 to 2014-15	2015-16 to 2025-26
Western Corridor	290			
Health Hubs x 2: in areas such as Springfield or Ipswich	40			
Ipswich Hospital redevelopment	250			
Greater Brisbane	84.5			
Prince Charles Hospital: upgrade to General Hospital	84.5			
Gold Coast	539.5			
Gold Coast: new hospital	500			
Browns Plains Health Hub	13.5			
Robina Health Hub	26			
Sunshine Coast	607			
Sunshine Coast Health Hub	14.7			
Northlakes Health Hub	22.3			
Sunshine Coast: new hospital	500			
Caloundra: expansion of existing facilities	50			
Caboolture Health Hub	20			
Total	1,521			

Footnote:

1. Estimated project costs are in 2005 dollars to ensure price consistency over a 20-year time frame.
2. Where funding is required from other levels of government, their estimated costs have been included.

Table 10: Future schools in SEQ

Sub-regions	Estimated total cost \$million	Number of schools		
		Period covering		
		2005-06 to 2008-09	2009-10 to 2014-15	2015-16 to 2025-26
Western Corridor	315	3	2	8
Greater Brisbane	177	3	2	2
Gold Coast	508	3	6	11
Sunshine Coast	791	8	5	10
Total	1,791	17	15	31

Footnote:

1. Estimated project costs are in 2005 dollars to ensure price consistency over a 20-year time frame.
2. Where funding is required from other levels of government, their estimated costs have been included.

Appendix Seven – Northern Catchments, Report Card 2005



October, 2005 **Report Card 2005**

The Northern sub-region comprises the catchments of the Noosa, Maroochy and Mooloolah Rivers – an area of 1,679km² (7% of the South East Queensland region). There are three local governments (Caloundra, Maroochy and Noosa Shires) within the sub-region with a significant portion of Caloundra City Council falling within the Moreton Bay sub-region. Several catchment, landcare and bushcare community-based groups are active within the region.

As the efforts of Caloundra City Council contribute to both Northern and Moreton Bay sub-regions, its management responses have been apportioned between the sub-regions for reporting purposes. This summary reports only on the management responses affecting the Northern catchments. Freshwater and estuarine Report Card results are included for the Pumicestone catchment for easy reference.

Freshwater Results

B A- Noosa Catchment

- Most streams are in good condition
- Spring results very similar to last year but autumn scores for physical-chemical, nutrient cycling and ecosystem processes were lower
- The reduction in scores for these indicators occurred primarily at one of the five sites monitored
- Scores for the fish indicator were generally excellent in both spring and autumn

C+ C- Maroochy Catchment

- Streams are in fair condition
- Very similar pattern of scores across all indicators except nutrient cycling in both seasons
- Better scores for physical-chemical, ecosystem processes and macroinvertebrate indicators in spring 2004 compared with spring 2003
- Nutrient cycling data included in the present results (unavailable for spring 2003)

B- A- Mooloolah Catchment

- Streams are in good condition, although scores for physical-chemical and macroinvertebrate indicators lower in both seasons
- Lower scores were also obtained for nutrient cycling in spring and fish in autumn
- Three additional sites were assessed during the year, providing a better coverage of stream condition in the catchment
- Nutrient cycling data included in the present results (unavailable for autumn 2004)

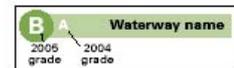
C+ C Pumicestone Catchment

- Streams generally in fair condition, although assessments are based on only three sites
- Improved scores for nutrient cycling and ecosystem processes in spring
- Reduced scores for physical-chemical and fish indicators in spring, and nutrient cycling and ecosystem processes in autumn partially offset increased scores in other indicators



QUEENSLAND

Estuarine Results



A A- Noosa River

- Reduced nutrient levels from last year, especially total nitrogen in the middle reaches
- Intact channel and riparian habitats
- Some nutrient processing

C D Maroochy River

- Decrease in turbidity and nutrient levels, especially total phosphorus in the middle and upper reaches
- Dissolved oxygen levels lower than last year in the middle reaches
- Phytoplankton abundance remains low
- Modified river banks

B B- Mooloolah River

- Consistently good to excellent water quality
- Low nutrient levels and turbidity throughout
- Highly modified channel and river banks
- Some nutrient processing

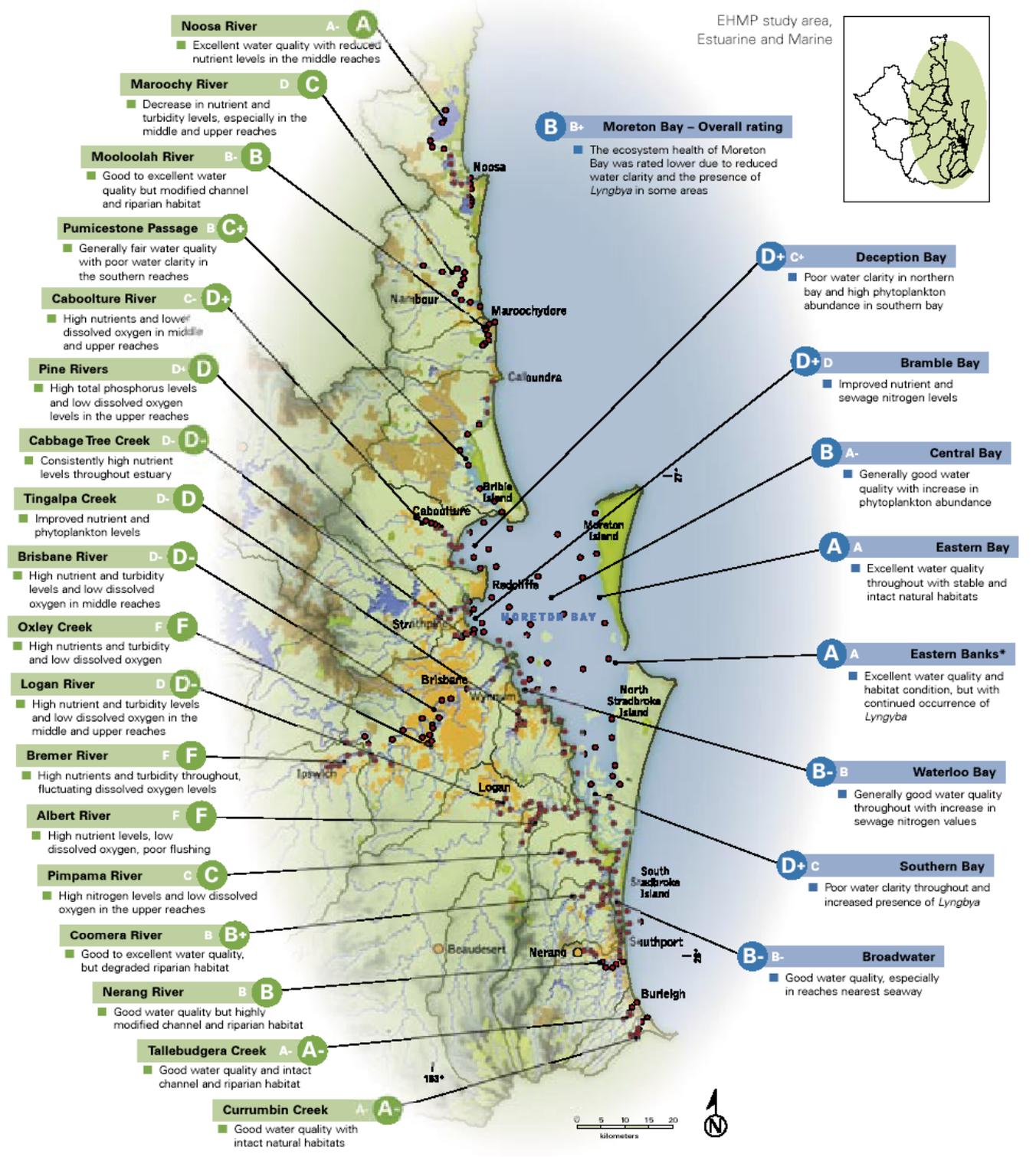
C+ B Pumicestone Passage

- Fair water quality throughout
- Poorer water clarity in southern reaches
- Increase in phytoplankton abundance in southern reaches compared with last year
- Intact natural habitats throughout



QUEENSLAND

Estuarine and Marine Report Card 2005



Legend

-  Catchment border
 -  Town
 -  Urban areas
 -  Protected areas
 -  State forest
 -  Monitoring sites
-  Excellent
 -  Good
 -  Fair
 -  Poor
 -  Fail
- Waterway name**  
- 2004 grade 2005 grade