



5 May 2005

The Committee Manager
Standing Committee on Public Works
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Ms James

INQUIRY INTO INFRASTRUCTURE PROVISION IN COASTAL GROWTH AREAS

Thank you for inviting JBA to prepare a submission in relation to this inquiry.

JBA is one of the leading planning consultancies in NSW and has had considerable experience in facilitating sustainable coastal developments and addressing the infrastructure requirements of developments. From this experience, we would like to make the following comments to assist the Committee in its important work on the issue of infrastructure provision in coastal growth areas. Our submission is structured around the Committee's five terms of reference.

1. Key coastal population growth and urban consolidation trends in NSW.

It is clear that population growth in regional coastal communities will continue at significant levels well into the future. There are also emerging trends in the profile of coastal population growth, with recent research showing significant numbers of young people and low income families moving to coastal communities, as well as the longer term trend for movement of older retirees to coastal areas. These changing demographic trends will have major implications for the types of infrastructure which need to be provided.

Seasonal pressures from tourism are also significant with many coastal towns doubling their populations at peak holiday seasons. Implications for infrastructure provision, especially sewerage and water, at these times can be critical.

2. Short and long term needs of coastal communities for basic infrastructure (such as roads, power, water and sewerage) and human service infrastructure (such as hospitals, schools, aged care centres, sporting facilities).

A recent survey of coastal councils (ALGA, February 2005) identified pressure on water supply as a result of population growth as the primary environmental issue facing coastal councils. There is no doubt that pressure on other 'hard' infrastructure such as roads and sewerage can be just as intense.

The issue of water supply is illustrative of another dimension to the infrastructure issue – that of demand management. As has been the case with Sydney's water supply, there will need to be significant efforts made in regional coastal communities to reduce water use as populations increase. This is likely to create some significant tensions with established communities, many of whom already resent the lifestyle intrusions they feel come from new residents. Extension of the Government's BASIX reforms to new development in regional NSW is one part of solving the demand management equation.

As well as traditional 'hard' infrastructure, it is our experience that the provision of human service infrastructure in coastal areas rarely matches the profile of new populations or the rate of population growth. The demographic profile of coastal growth areas, with higher proportions of older and younger people when compared with established urban areas, results in demand for facilities such as aged care and child care, without necessarily the capacity to pay for those services.

One of the other key issues in infrastructure provision for coastal growth areas relates to the range of services and standards demanded by new residents. People moving to coastal growth areas from established urban areas are used to a wide range of infrastructure and high standards of provision that may be difficult to replicate in developing regional areas.

3. Coordination of commonwealth, state and local government strategies to deliver sustainable coastal growth and supporting infrastructure.

It is our view that this is the single biggest area where the State Government needs to take a lead role.

Almost all of the issues associated with infrastructure provision in coastal growth areas relate to the absence of a sound strategic planning basis for growth, supported by a well considered and funded infrastructure provision strategy. The result is a relatively *ad hoc* pattern of development and one where there is often significant conflict over development proposals. Of most significance to this inquiry, the issue of infrastructure provision is typically not resolved at a strategic level and consequently the true costs of infrastructure provision are often unfunded, understated and/or achieved on a 'catch up' basis by developers and coastal communities.

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.

It is also our view that the adequacy of Commonwealth Government funding for infrastructure funding in coastal growth areas has not been fully tested and that a more significant contribution should be pursued.

4. Best practice methods to plan, manage and provide infrastructure to coastal growth areas.

The range of funding options available for the provision of infrastructure depend on the category of infrastructure and which tier of government is responsible for its provision. Options include debt funding, user pays and income streams such as rates and taxes.

One option that could be considered in designated coastal growth areas, is the growth centre or development corporation option. Establishing a development corporation to facilitate the development of an area can have the benefits of ensuring a more robust planning framework, as well as ensuring that some of the wealth generated by development is directed into the provision of infrastructure. The public-private partnership (PPP) model is also worthy of greater consideration, especially for the provision of large 'hard' infrastructure items. Alternative funding mechanisms such as infrastructure bonds, which have widespread use overseas, should also be investigated.

It should be noted that, in the absence of genuine alternative infrastructure funding options, many local councils place a very heavy reliance on Section 94 for the funding of infrastructure. While it is unarguable that the development industry should contribute towards the provision of facilities and services generated by developments, we are aware of a number of cases where the

reasonableness of what councils are levying can be questioned. 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.

One other issue we are aware of is an increasing tendency for public authorities to require infrastructure (eg parks, roads) from developers for public use, and then declining to take responsibility for owning and managing the infrastructure. This tendency to view public infrastructure as a management liability rather than a public asset, is an emerging issue in coastal infrastructure management that needs careful consideration.

5. Management of social, environmental and economic considerations associated with infrastructure provision in coastal growth areas.

It is our view that we should be setting new standards of sustainability in the provision of infrastructure for coastal communities. The over-engineered solutions that are now 'hard wired' into many of our urban settlements do not need to be perpetuated in communities that are often being established by people who are seeking something different and more sustainable. The role of education in facilitating this new mindset is very important.

Related to this is the need to consider infrastructure in its widest sense. No longer is infrastructure limited to the traditional 'hard' infrastructure of roads, water, sewerage etc and human services infrastructure. Infrastructure increasingly has environmental dimensions and in coastal areas might include activities directed at the rehabilitation of degraded areas and the conservation of areas of significant vegetation.

JBA wishes the Committee well in its deliberations on this important issue. Should you have any questions regarding our submission, please contact me on 9556 6962.

Yours faithfully

A handwritten signature in black ink, appearing to be 'R. Pearson', with a long horizontal flourish extending to the right.

Richard Pearson
Principal Planner