

## State Development Committee – Inquiry into the NSW planning framework

### Public Hearing 9 March 2009 – Questions from Members for City of Sydney

1. *Your submission states that there is an absence of an overarching strategic framework that guides policy directions across all areas of the State Government. Given that statement, what do you believe is required in addition to the Government's strategic directions as contained within the State Plan, State Infrastructure Strategy and Metropolitan Strategy?*

City Response: The City's Sustainable Sydney 2030 Strategy provides the City with the long term strategic framework for City's sustainable growth. It addresses issues, such as design excellence and affordable housing that were quite clearly articulated by the community and business through extensive consultation and engagement.

The Metropolitan Strategy and Draft Sydney City Subregional Strategy detail new job and housing targets for the City to address in our new LEP as well as actions to address design excellence and affordable housing. These actions include support for local government to address design excellence and affordable housing. For example, at Attachment A is a list of Actions detailed in the Metropolitan Strategy and Draft Sydney City Subregional Strategy which have not been addressed. The City would welcome further commitment from the State Government to address these important issues.

2. *In your submission and evidence you argue that there is no need for an extensive overhaul of the planning legislation. The position stands apart from many other submissions received by the Inquiry. You noted that the City has been able to perform effectively within the current legislative framework. Can you hazard a view as to what might set City of Sydney apart from other councils in terms of being able to perform effectively within the current framework?*

City Response The City has been able to perform effectively by consistently determining development applications and s96 applications within the average 40 day statutory determination period. This is achieved even though the land use conflicts and high densities make for a relatively complex planning environment. Two critical factors in achieving this are:

- the City's delegations which are such that 97.5% of applications are determined by staff under delegation; and
- LEP controls are well resolved and contain the key development criteria of floor space ratio, height, zoning, car parking and heritage. This provides certainty for all stakeholders. Please note that of the three LEPs that currently apply to the City, only Sydney LEP 2005 contains these key development standards. The new City Plan will take same approach as Sydney LEP 2005.

3. *Like many other councils you state in your submission that more guidance and provision of data and research is required in order to respond to the planning challenges of climate change, natural resources and sustainability. You suggest that information on comparative costs of carbon reduction methods is worthwhile. Why would such comparative information be useful and how could it be used?*

City Response: Carbon reduction comparative cost information would help policy makers better understand the cost of options for abating greenhouse gas

emissions. It would allow fact based decision making on the most efficient means of reducing greenhouse gas emissions in NSW. In 2004 the NSW Greenhouse Office published *Cost Curve for NSW Greenhouse Gas Abatement* (Next Energy 3 November 2004). More recently McKinsey and Company published *An Australian Cost Curve for Greenhouse Gas Reduction* (February 2008). Updated research and data is required to assist with this important policy area.

4. *In evidence (p3) it was stated that City of Sydney may not proceed with implementing the ecologically sustainable development control plan because of federal and State initiatives relating to ESD. Can you provide more detail on the reasons why you might not proceed with your ESD DCP?*

City Response: One of the most important aspects of the ESD DCP was the proposed energy efficiency standards for commercial buildings. Energy efficiency for residential development is covered by BASIX. Other sustainability matters such as water, transport and materials are either dealt with by other policies and programs or are not matters best addressed through local planning controls.

In relation to greenhouse gas emissions, the Federal Government's White Paper on the Carbon Pollution Reduction Scheme (CPRS) was released in November 2008; since then a number of other Federal and State policies or policy commitments have been announced. These include:

- NSW IPART Review of Climate Change Mitigation Measures – A review of NSW Government policies and programs, such as BASIX, to determine whether they should be retained, redesigned or terminated having regard to the aims and functions of the CPRS.
- Mandatory Disclosure of Commercial Building Energy Efficiency (Federal) – A requirement for energy efficiency ratings to be disclosed at the point of sale. It will initially apply to commercial buildings and tenancies and later be expanded to other types of buildings.
- NSW Energy Savings Scheme – The Scheme includes a revision of the energy efficiency component of the NSW Greenhouse Gas Reduction Scheme. It will provide incentives for a range of energy efficiency measures, including improvements in the energy efficiency of buildings, by awarding tradable carbon certificates for greenhouse savings.
- Agreements by the Council of Australian Governments – In February 2009 there was an agreement to examine increased energy efficiency standards for commercial and residential buildings in the BCA and introduce mandatory disclosure of residential energy and water performance.

The aforementioned State and Federal policy measures aim, in part or whole, to reduce greenhouse gas emissions in the use of a building. At this time, it is therefore considered that proceeding with a local development standard is not necessary, may incur costs for no additional benefit and may even reduce the effectiveness of other policies.

Other barriers to implementing the ESD DCP include the constraints imposed by the BASIX SEPP; difficulties in justifying development controls through cost benefit analysis, including availability of resources, limited expertise and appropriately capturing the value of environmental benefits; and the lack of support from key government and industry organisations.

5. *In your submission you state that Council is or has developed a number of issue use-based DCPs (adult premises, late night trading and ESD). Your submission and evidence (p2) also noted that you will collapse as many planning instruments as possible into City Plan. In your view is it possible to consolidate all the LGAs planning guidance and controls into the one document for the benefit of users?*

The City Plan will incorporate three levels of documentation:

- One local environment plan;
- One development control plan; and
- A series of planning guidelines which will be issue or use-based and contain operational and supporting information, that would compliment the key development standards in the LEP and DCP.

The City has taken this approach to address the legislative requirements for only one DCP to apply to any parcel of land. To reduce DCP content as much as possible it will contain key development control standards only with the supporting information that adds bulk to existing DCPs to be located in the planning guidelines. This hierarchy of documentation will enable the consolidation of all planning controls in a logical and clear manner that will benefit all users.

6. *Are you able to provide the committee with the level of s94 contributions held in reserve by the City? Can you advise what is the average period between receipt of a section 94 contribution and its expenditure?*

City Response: At the end of the 2007/08 financial year, Council held \$20.97 million of Section 94 funds in reserve (per Note 17 of the Financial Statements for year ended 30 June 2008, page 114). The current Section 94 Plan (City of Sydney Development Contributions Plan 2006) allows contributions to be pooled, which means attributing a period between a particular contribution's receipt to its expenditure is not readily available. However, the Schedule of Works to the 2006 Plan indicates the priority to which contributions under that plan are expended. The Section 94 Plan relating to Ultimo-Pyrmont is operating effectively under recoupment and monies received through that plan are transferred to SHFA generally within 30 days.

## **ATTACHMENT A**

### **Metropolitan Strategy Policy Items not progressed**

#### **Design**

##### **Metropolitan Strategy**

##### **C5.1 IMPROVE THE DESIGN QUALITY OF NEW (HOUSING) DEVELOPMENT**

C5.1 .1 prepare training material for local government on good urban design

C5.1.3 Guide design quality content of DCPs and LEPs

C5.1.5 Identify landmark and exemplary sites and instigate process, including design competitions, to promote excellence in design and planning.

#### **Affordable Housing**

##### **Metropolitan Strategy**

C4.1.2 Prepare an initial NSW Affordable Housing Strategy by mid 2006.

C4.1.5 Incorporate housing affordability objectives in urban renewal planning and encourage agencies responsible to assess impacts on the affordability of housing and use mitigative measures.

##### **C4.3 USE PLANNING MECHANISMS TO PROVIDE AFFORDABLE HOUSING**

C4.3.1 Provide advice on the use of negotiated developer agreements (for Affordable Housing)

C4.3.2 Provide advice on the use of density bonus schemes

C4.3.3 Provide for inclusionary zoning which requires an affordable housing levy from development

C4.3.4 Provide for affordable housing as part of the standard LEP