

INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE HOUSING

Name: Name suppressed

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Partially Confidential

SUPPLEMENTARY SUBMISSION
TO THE SELECT COMMITTEE
IN RESPONSE TO
PUBLIC INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE HOUSING

Introduction

This document follows the initial Submission (No 147 dated 28 Feb 14), to enable appropriate amplifications concerning both productivity and value capture in relation to Air Space Developments (ASDs)

The initial Submission overviewed ASD in terms of the what, the why, the how and the where, as an enabler to the provisioning of further social, public and affordable housing stock within the Greater Metropolitan Area.

The specific elements of amplification now offered for consideration by the Select Committee being:

- the realm of lost productivity,
- proposed measures to enhance value capture, and
- suggested follow-ups by the Select Committee with both:
 - the NSW Government’s response (May 2013) to the Legislative Assembly Standing Committee on Transport and Infrastructure Inquiry into Utilisation of Rail Corridors, and
 - the Auditor General Report (Jul 2013) regarding its’ recent study into the *‘making best use of public housing’*.

The Realm of Lost Productivity

It is well recognised that productivity measurement is difficult and improvements are hard to link to any one factor. One major cause of lost productivity, in the delivery of infrastructure (be it economic or social), occurs within the realm of planning.

Planning

- The failure to analyse, consider and quantify productivity improvements in planning, the lack of information about and the application of productivity improvements to infrastructure;
- The lack of incentive for public sector employees to quantify productivity improvements due to the fact that productivity improvement is not rewarded;
- The lack of public policy and guidelines for productivity improvement within relevant Agencies.
- The failure of proponents to set measureable infrastructure project objectives, which as a result are not monitored resulting in failures, lack of productivity improvement with no later adjustment.
- The recognition that Policy apparatus is driven by either analyse or politics, and the latter often prevailing.

Example of Failure to analyse, consider and quantify

The NSW Long Term Transport Master Plan (NSWLTMP) page 22 Section 1.1 lists “Our transport objectives”. See **Attachment 1** and noting Objective 3. This is an example of the public sector failure to understand objectives, the meaning of productivity and undertake analysis and properly consider and quantify strategic

objectives. The end result is poor planning and implementation of infrastructure. The NSWLTMP lists 8 Objectives. Objective 3 is the only one which mentions economic growth and productivity. The objective states:

‘Support Economic Growth & Productivity – by providing a transport system that responds directly to customer needs, is more efficient, increases freight efficiency and improves the connectivity and accessibility of people to other people opportunities goods and services’.

Understanding of Objectives

Clear concise quantifiable and measureable objectives are fundamental to the development of any strategy. From good objectives, Key Performance Indicators (KPI) may be drawn and the **options** by which the objectives may be achieved are developed. There should always be a number of options and it is the analysis of these options which identifies the best available action plan to achieve the objectives. There is no evidence in the NSWLTMP that any other option(s) been examined for any of the action plans proposed.

The meaning of productivity

Examination of this NSWLTMP objective raises the following questions:

- How is support to economic growth and productivity quantified in this objective?
- How do you measure how well a transport system responds directly to customer needs?
- How do you measure greater efficiency and increased freight efficiency?
- By what measure do you demonstrate improved connectivity?
- How do you measure increased opportunities?
- When are any of these objectives expected to be achieved?
- How can you measure whether or not progress is being made in reaching your strategic objective?

This example indicates that current strategic thinking in Transport for NSW is fundamentally flawed, that initiatives to support economic growth and productivity (such as development of lazy land assets) are little understood or only receive lip service from the public sector.

The following is an example of a realistic objective for this strategy which would incorporate economic growth and productivity and lead to examination of options which improve productivity and the economy.

‘Improve NSW productivity and grow the economy by managing the capacity of freight, goods and service industry corridors, between major transport hubs, such as ports, airports, business districts, industrial centres and logistic intermodal terminals, to double their tonnages and volumes by 2020 without reducing travel times’.

With such an objective, TfNSW could identify a number of options for growing capacity. These must include consideration of all modes of transport properly analysed and compared. These options can then be tested one against the other or as a combination, to determine the best outcome within the time frame. Most importantly the outcome, after implementation, can be measured and compared to the objective and if the forecasts are not being met, adjustments may be made.

Proposed Measures to Enhance Value Capture

Two broad measures are offered and relate to:

- increased awareness of productivity, and
- the need for public policy and guidelines for such productivity and follow- on value capture.

Incentives for public sector awareness in making productivity improvements

- **Relationship Between Status Quo, ASD and Productivity Enhancement**

Links to enhancing the role of the Private Sector and Property Development

A diagrammatic representation between these elements is reflected at **Attachment 2**.

- **Infrastructure Case Studies Applying ASD for Economic / Social Benefit**

Demonstrating successful projects over rail at Liverpool St Car Park, St Leonards and Chatswood NSW and Federation Square in Melbourne, to enhance realisation of further productivity potentials for relevant sites within Metropolitan Areas including Newcastle and the Illawarra Regions. **See Attachment 3**.

- **Consideration of ASD Over non Rail Infrastructure Assets.**

An overview of other potential Government owned ASD sites is provided at **Attachment 4**.

- **Visual Portrayal of ASD by Elevation, End Elevation and Plan.**

Indicates utilisation of vacant volume above exiting rail corridors to generate revenues for other infrastructure (economic / social) projects. A diagrammatic representation of these three elements is provided at **Attachment 5**.

- **Indicative Hurt List identifying the range of benefits foregone with Status Quo**

Reflects the opportunity costs that ensue with bypassing value capture initiatives in preference for status quo.

An exemplified Indicative Hurt List identifying the range of benefits foregone with Status Quo, at **Attachment 6**.

Opportunities for advancing public policy and guidelines for productivity improvement

- **Indicative Policy Palette for Agency Mechanisms**

An overview of the range of institutional arrangements reflecting the principles of good governance in the delivery of ASD. An indicative Policy Palette portrayal - to enhance multi agencies productivity outputs - is provided at **Attachment 7**.

- **Enhanced Integration of Metropolitan Planning Policies**

Addresses good governance arrangements and a suggested range of likely policy drivers for appropriate integration, to secure realistic ASD opportunities. See **Attachment 8**.

- **Indicative Site Selection Criteria To Identify Suitable ASD Sites**

Provides scope to underpin relevant accountabilities by imposing greater incentives to qualify for productivity measurements. Listed criteria to identify potential sites and subsequent ground truthing are provided at **Attachment 9**.

Suggested Follow – ups for Select Committee considerations

- Suggested follow ups regarding the NSW Governments response to the recent Public Inquiry relate to clarifiers as indicated at **Attachment 10**.
- To inform the Auditor General as to the extent to which both the Submission and this Supplementary may assist in extending the reach and impact of its' July 2013 Report on Making the Best Use of Public Housing.

The opportunity to participate in any of the scheduled Public Hearing would be most welcomed.

Yours sincerely

ATTACHMENTS:

- 1. THE NSW LONG TERM TRANSPORT MASTER PLAN PAGE 22 SECTION 1.1 LISTS ‘OUR TRANSPORT OBJECTIVES’**
- 2. RELATIONSHIP BETWEEN STATUS QUO, ASD AND PRODUCTIVITY ENHANCEMENT**
- 3. EXAMPLE INFRASTRUCTURE CASE STUDIES APPLYING ASD FOR ECONOMIC / SOCIAL BENEFIT**
- 4. CONSIDERATION OF ASD OVER NON- RAIL INFRASTRUCTURE ASSETS.**
- 5. VISUAL PORTRAYAL OF ASD BY ELEVATION, END ELEVATION AND PLAN**
- 6. INDICATIVE HURT LIST WITH RETENTION OF STATUS QUO**
- 7. INDICATIVE POLICY PALETTE FOR AGENCY MECHANISMS**
- 8. ENHANCED INTEGRATION OF EXISTING PLANNING POLICIES**
- 9. INDICATIVE SITE SELECTION CRITERIA TO IDENTIFY SUITABLE ASD SITES**
- 10. SUGGESTED PC CLARIFIERS TO NSW STATE GOVERNMENT’S RESPONSE TO THE RECENT PUBLIC INQUIRY ON UTILISATION OF RAIL CORRIDORS (May 2013)**

THE NSW LONG TERM TRANSPORT MASTER PLAN

PAGE 22 SECTION 1.1 LISTS 'OUR TRANSPORT OBJECTIVES'

1.1 Our transport objectives

In developing the Long Term Transport Master Plan, we have considered how transport services and infrastructure can help us reach our economic, social and environmental goals over the next 20 years. We have thought carefully about what sort of place we want NSW to be and how transport can contribute to our quality of life and standard of living. We have listened to the views of our customers and the community about what our transport objectives should be. We've also matched our approach to the directions set by the NSW Government's 10 year strategic plan, *NSW 2021*.

This work has led to the identification of eight objectives for the NSW transport system:



Improve quality of service – by putting the customer at the centre of transport planning and service delivery, improving the quality of travel experiences, offering more travel choices and providing integrated services that directly meet our travel requirements



Improve liveability – by shaping our cities and major centres, improving connectivity, providing services that support jobs growth in centres close to where people live, and facilitating ease of movement in our major cities and activity centres



Support economic growth and productivity – by providing a transport system that responds directly to customer needs, is more efficient, increases freight efficiency and improves the connectivity and accessibility of people to other people, opportunities, goods and services



Support regional development – by improving accessibility to jobs, services and people, improving freight connections to markets and providing better links between clusters of business activity



Improve safety and security – by placing a high priority on addressing the causes and risks of transport accidents and security incidents



Reduce social disadvantage – by improving access to goods, services and employment and education opportunities for people across all parts of the State



Improve sustainability – by maintaining and optimising the use of the transport network, easing congestion, growing the proportion of travel by sustainable modes such as public transport, walking and cycling, and becoming more energy efficient

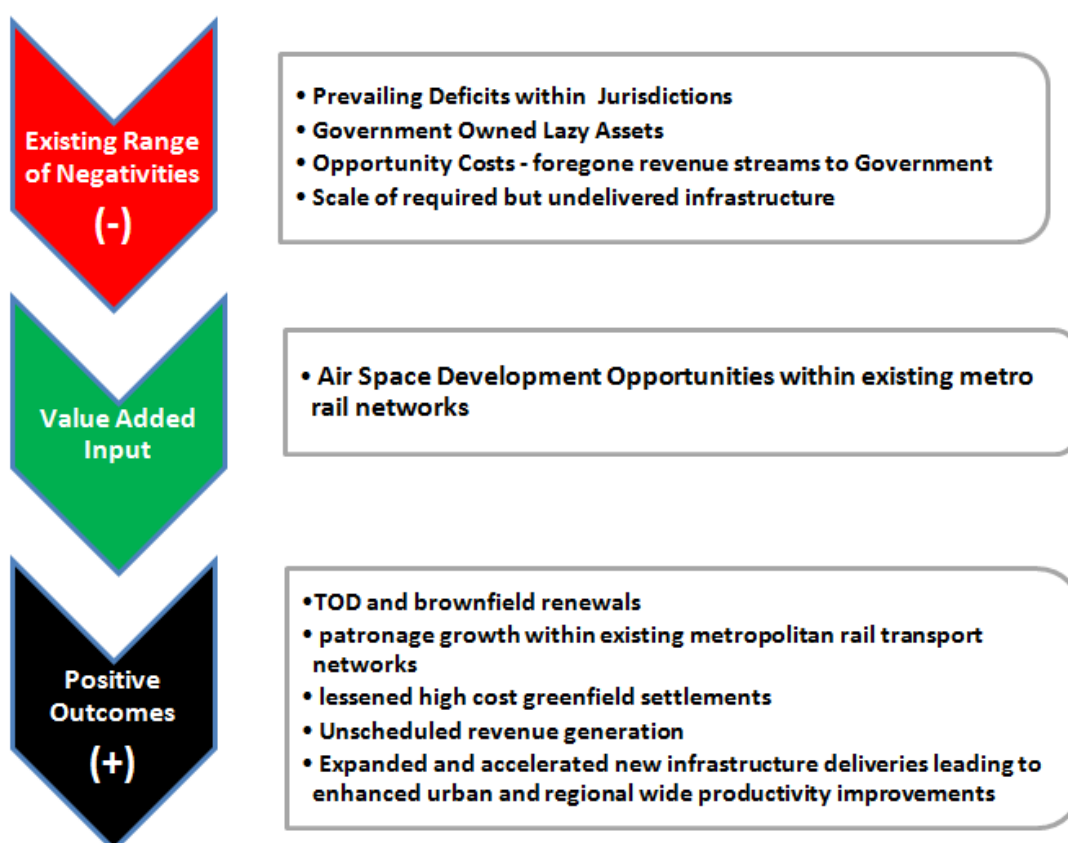
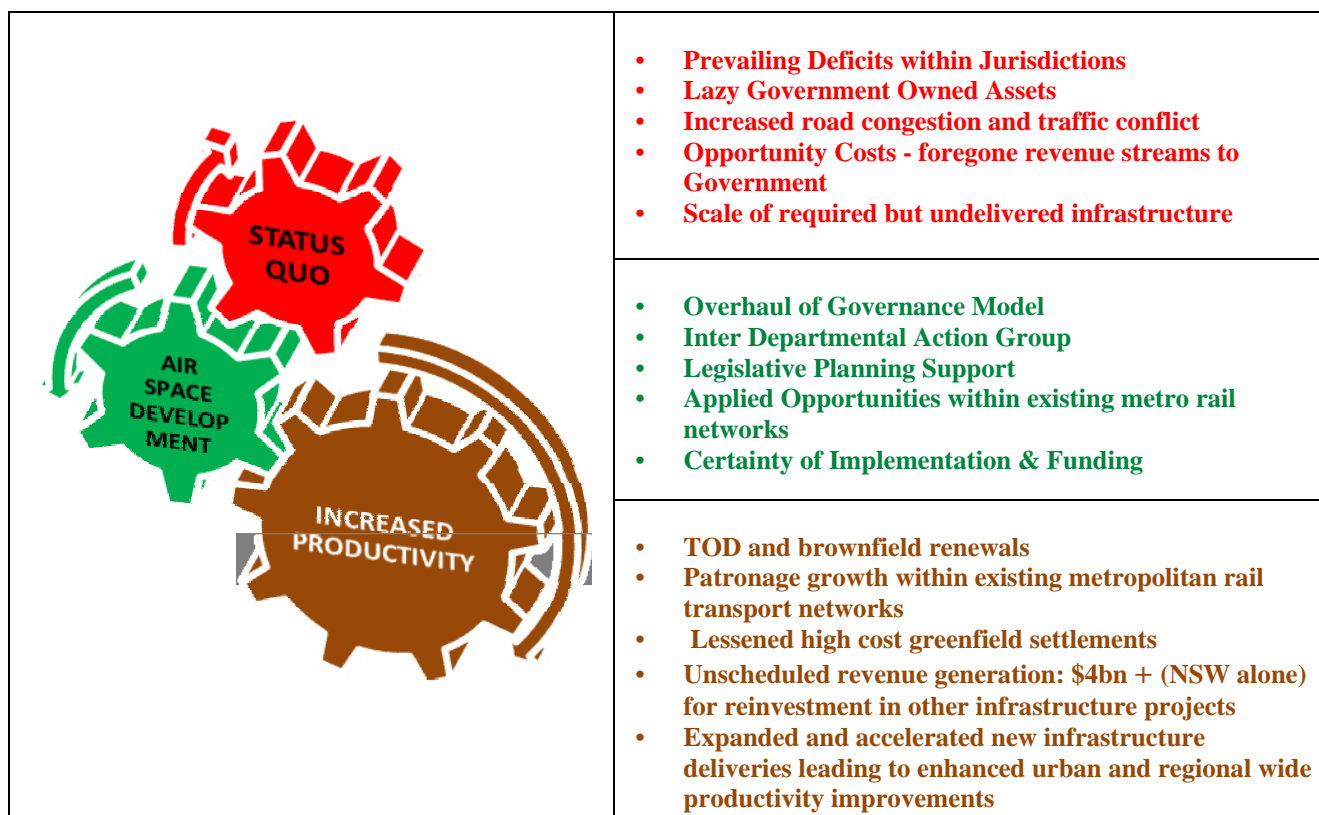


Strengthen transport planning processes – by improving integrated transport planning processes, including with land use planning; identifying areas where evidence should be collected for future decision making; and continually improving governance and administration of the transport system.

These objectives will guide the delivery of the Long Term Transport Master Plan. We will use these objectives as we plan for the future and as a guide to assessing the best available options for building a world-class transport system for NSW over the next two decades.

RELATIONSHIP BETWEEN STATUS QUO, ASD AND PRODUCTIVITY ENHANCEMENT

The range of positives that flow from the application of Air Space Developments (over existing rail corridors in near proximity to transport nodes) in addressing prevailing negatives is depicted below:



EXAMPLE INFRASTRUCTURE CASE STUDIES APPLYING ASD FOR ECONOMIC / SOCIAL BENEFIT

Liverpool St – Multi Story Car Park at rail entry to City Circle from Central Station



Federation Square ASD over 14 operational rail lines and yielding some 2.6 ha of floor plate (now completed)



St Leonards Forum – ASD including a replacement rail station



Chatswood Station – ASD including rail station revitalisation



CONSIDERATION OF ASD OVER NON- RAIL INFRASTRUCTURE ASSETS

(Road Corridors, Bus Depot, Interchanges, Bus Transit Ways, etc)

Existing M2 Motorway



Blacktown Station Interchange



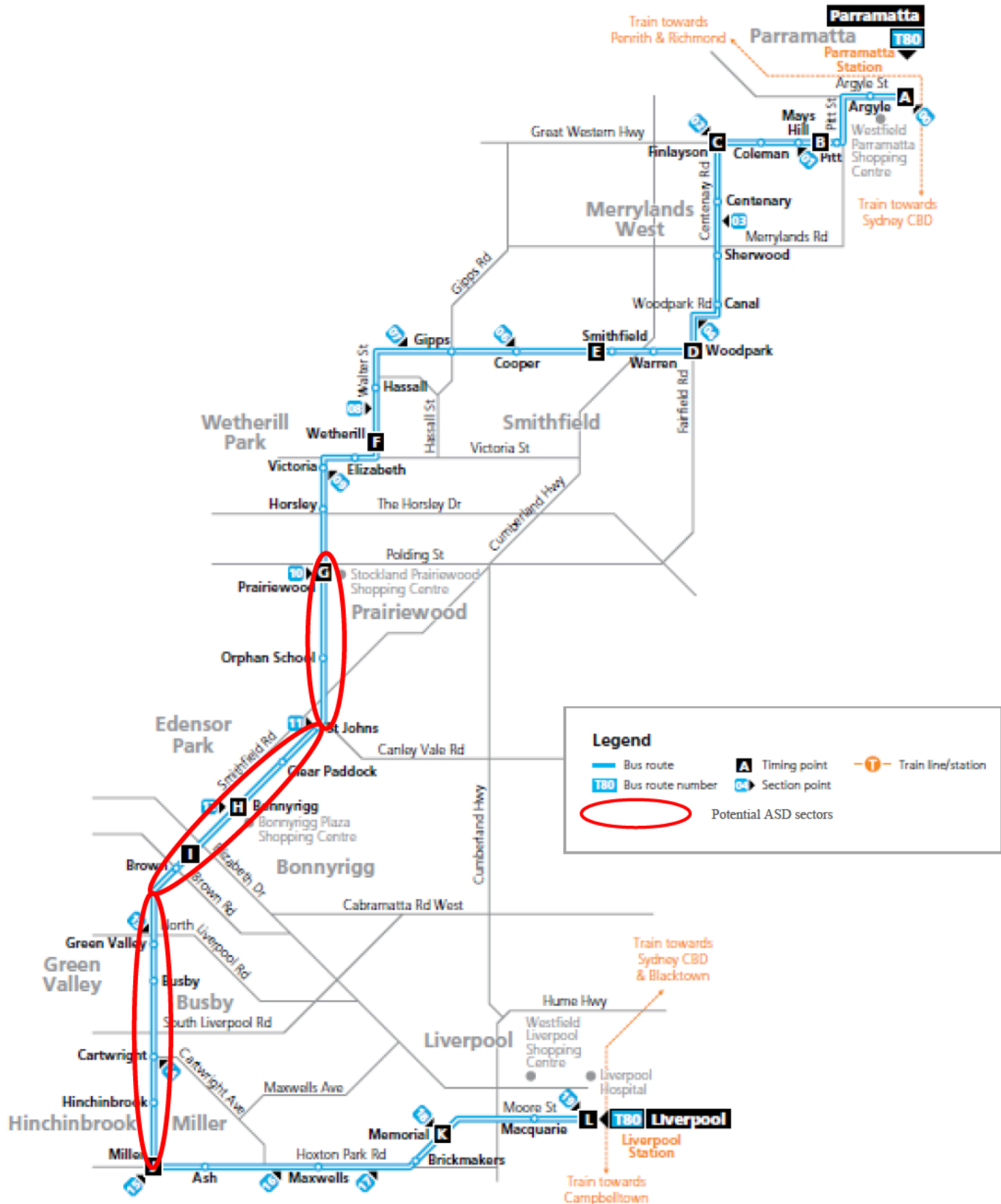
Liverpool Station Interchange



Leichhardt Bus Depot



ASD Potentials within the Parramatta to Liverpool Bus Transit Way - Between Prairiewood, Bonnyrigg and Miller



LP Transit Way off Hoxton Park Road / Miller / Hinchinbrook



LP Transit Way off Prairie Vale Road - Prairiewood



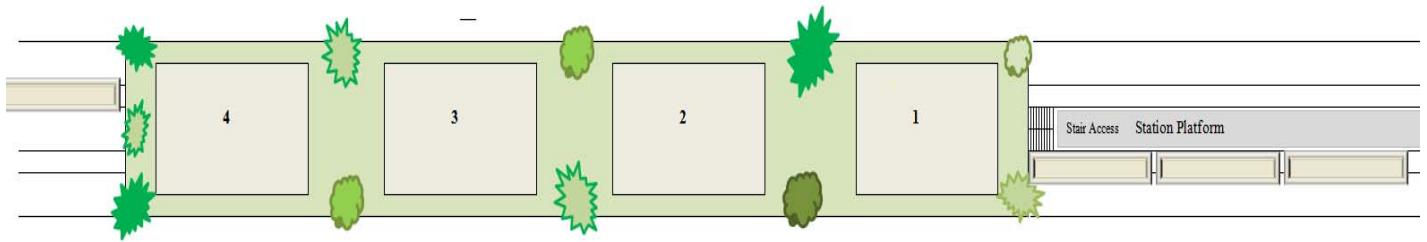
LP Transit Way off The Horsley Drive - Prairiewood



VISUAL PORTRAYAL of ASD BY ELEVATION, END ELEVATION and PLAN

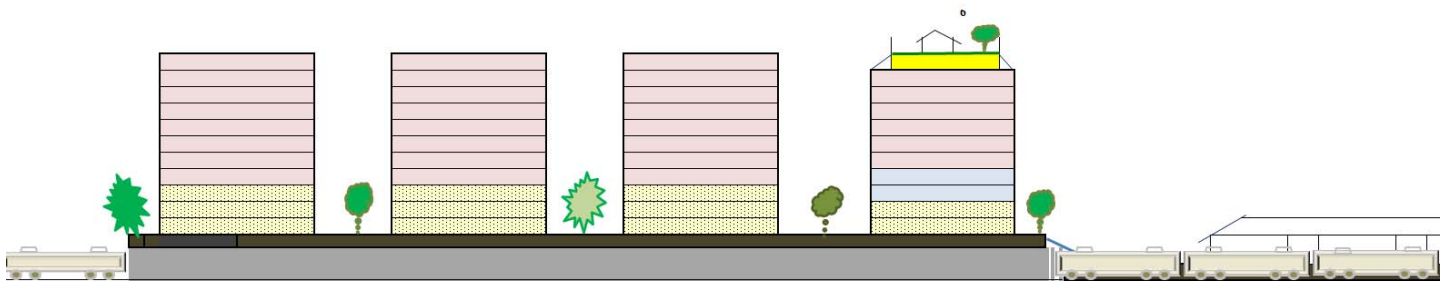
INDICATIVE PROFILES FOR AIR SPACE DEVELOPMENT: PLAN, ELEVATION & END ELEVATION

Plan View

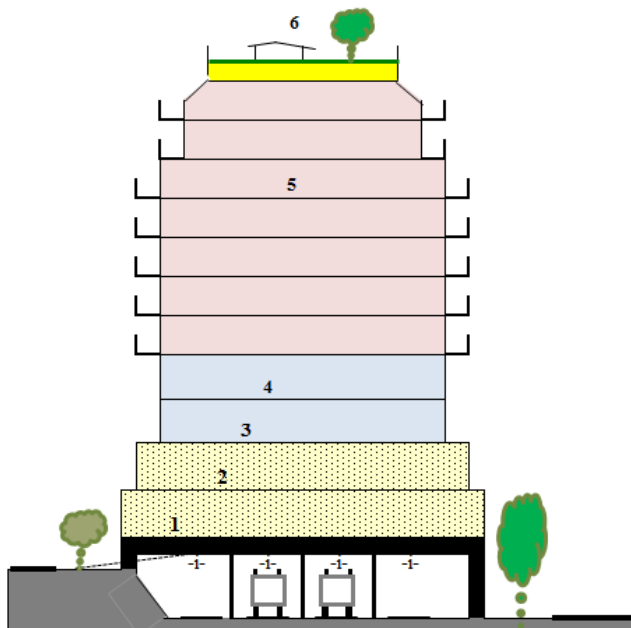


Over Rail Plate	300 x 40	= 12,000m ²
Building Footprints	35 x 50 x 4	= 7,000m ²
Open Space		5,000m ²

Elevation



INDICATIVE END ELEVATION for ASD



Indicative Mix of Uses

- 1 Commutor Car Parking, Child Care Parking (staff & parents) Cycle Parking
- 2 Car parking for business & residential
- 3 Retail
- 4 Commercial (optional subject to locality demand)
- 5 Residential: affordable housing / vertical aged care / apartments
- 6 Long Day Child Care area and roof top open space (subject to locality demand)

INDICATIVE HURT LIST WITH THE RETENTION OF STATUS QUO

Example of Assured Benefits Foregone for Metro Sydney:

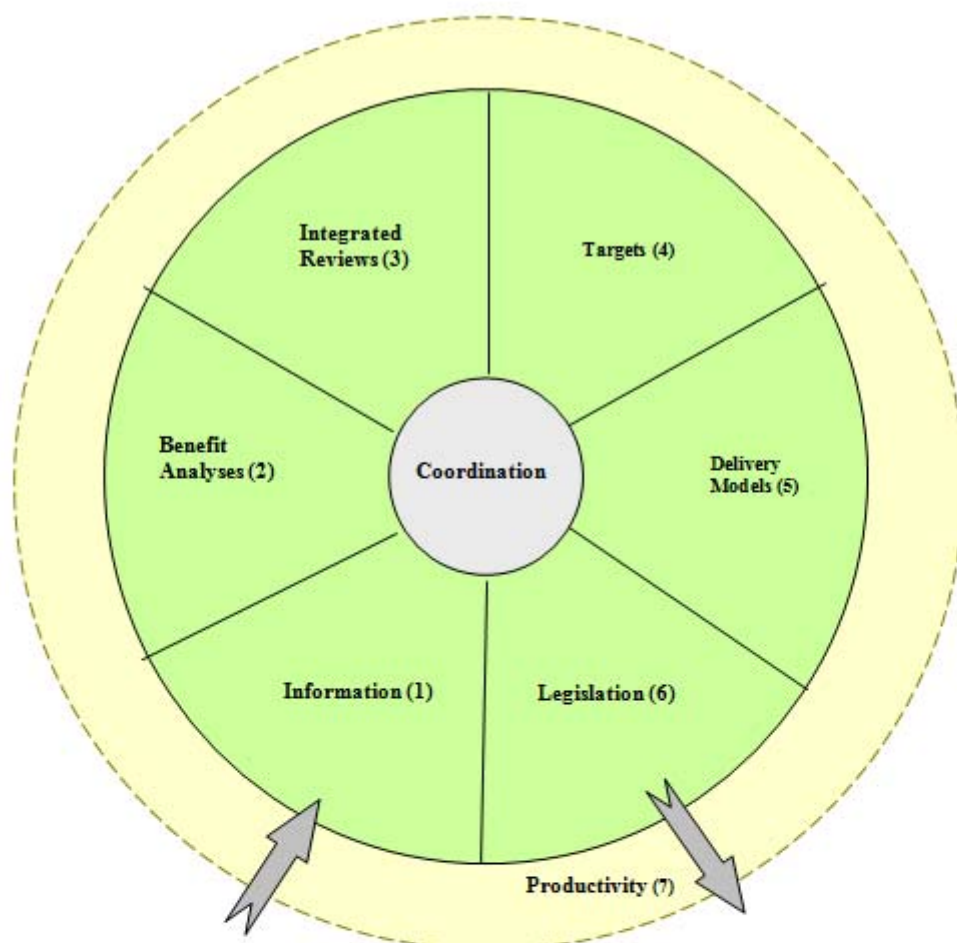
1. The creation of unscheduled revenue from an existing State owned lazy asset to the tune of \$4bn +.
2. A delay in securing many of the objectives within the NSW State Plan 2010.
3. Lost opportunity to redirect revenues to other infrastructure – both economic and social projects.
4. Loss of uplift with public transport patronage.
5. Increased road congestion and commuting delays.
6. Limits the opportunity for transit Oriented Developments.
7. Lost opportunity to enable the rationalisation of existing aged and distant public housing for renewals or divestments to secure greater in lieu community dwelling numbers in proximity to public transport.
8. Foregone opportunity to demonstrate enhancement of social justice, access and equity for public betterment.
9. Limits the opportunity to initiate further Community Housing Providers or Projects or both.
10. Extends the delay in reducing the waiting time band for existing public housing applicants.
11. Limits the opportunity to encourage property developers back into the market and construction industry stimulus.
12. Limits the opportunity for the delivery of a first multi story structure with an environmentally sustainable Cross Laminated Timber application.
13. Denies the opportunity to provision a greater Metro presence of transit oriented long day care centre.
14. Restricts the opportunity for the private sector to create wealth and grow the economy (PM Abbott – it is the private sector which grows the economy not the public sector).
15. Fails to foster public sector innovation to create best possible place outcomes for development by continuing to accept not in my department interest excuses.
16. Contributes to the complacency of the public sector by not setting an example.

(THE TAKEAWAY MESSAGE)

Assured Benefits Foregone - in the event of Status Quo

In the event that the window of opportunity is not pursued, each of the assured 16 above listed benefits will be lost - representing *a substantial opportunity cost to both the Government and the community.*

**INDICATIVE POLICY PALETTE FOR AGENCY
MECHANISMS TO ENHANCE PRODUCTIVITY OF
STATE OWNED LAZY ASSETS**



Notes:

- 1 Opportunity Proposal: Transit Oriented Air Space Development Rights over Government Owned Land
- 2 Triple bottom line measures: environmental (including emission reductions), social and economic.
- 3 Mult Agency Inputs: Premiers, Treasury, Infrastructure NSW, TfNSW, DPI, Urban Growth, RailCorp, DECC, RMS, DoCS, DADAC/DAHC & DLG, etc.
- 4 Metro strategy (dwellings / public housing, employment, commutor car parking, child care, public transport usage, emission reductions, etc
- 5 Jurisdiction, strategy, structure, accountabilities, responsibilities, feasibilities, commercialisations, Inter Departmental Action Group ?
- 6 EP & A Act, Transport Admin Act, Growth Centres Act, Energy Efficiency Opportunities Act, Fiscal Responsibility Act, etc
- 7 Information ⇌ knowledge ⇌ value sets ⇌ productivity shift ⇌ value capture

ENHANCED INTEGRATION OF EXISTING PLANNING POLICIES

The proposed application of further Air Space Development within the Greater Metropolitan Region rail network, apart from improving the integration of land-use and transport infrastructure, has the potential to integrate a range of other policy drivers within the relevant jurisdictions - including:

1. a formal realisation of air space as a highly valued Government owned portfolio;
2. the consequential opportunity to redress an existing lazy asset and generate unscheduled revenue streams for redirection to other infrastructure projects;
3. the provision of transit oriented development for such uses as residential (including public , social and affordable housing – noting some 38,000 applicants on the waiting list for Metro Sydney alone), commuter car parking, transit oriented long day child care centres, vertical aged care villages and depending on location, specific unmet demands – the possible inclusion of commercial or retail or both;
4. a partial remedy to the difficulties faced with existing urban area infill, in recognising community opposition often being a significant barrier to urban renewals with medium / high density development; and
5. the enhancement of public transport patronage, lessened car dependency and thus reduced road traffic congestions and consequential GHG emissions.

INDICATIVE SITE CRITERIA TO IDENTIFY SUITABLE ASD SITES

The likely selection criteria may include but not limited to:

Corridor Specific Consideration:

- The identification of multiple sites within a specific network corridor will lessen the delivery costs where the required track possessions can be shared between development sites.

Off Site:

- site bounded by public road on at least one side or scope for the creation of a boundary road access,
- natural land level along boundaries at or ideally above corridor grade,
- opportunity to create adjoining land amalgamation(s) with private or public property or both,
- adjacent land uses not unduly affected by overshadowing affecting private amenity,
- accessible spare capacity of enabling infrastructure (pipes and wires) or scope for amplification, and
- relationship to existing or proposed road transport interchanges, buses or light rail.

On Site:

- outer distance of each node site to 300m for up and down line of station structures,
- existing station areas remain development free,
- scope for multi floor plates where 300m node sectors affected by existing above rail structures such as public road / pedestrian bridge(s) or trunk pipeline(s),
- existing large scale commuter car parking not existing within rail access precinct,
- planned provisioning for commuter car parking can be made for another suitable node,
- over rail bridging not within node site distance unless it can be developed over,
- each node site sector not affected by diverging track junctions,
- signaling, cabling infrastructure readily repositioned / integrated with above rail structures,
- straight lines or large curves to optimize signaling sighting distances, and
- where possible good geological structures.

Indicative criteria – (no specific order):

1. Close to a transport node (rail, bus or ferry network).
2. Node currently attracting good patronage and of sufficient size to cope with or be able to be developed to accommodate additional.
3. Generally within 30mins of Cities of Sydney, CBD, North Sydney, Parramatta, Penrith, Liverpool.
4. Close to (walking distance) shopping, retail, community support facilities (reducing dependence on car).
5. Appropriate for the provision of social, public, affordable housing stock,
6. Generally in a cutting or on a hill side to enable under parking and reduce building height to within local planning limits.
7. Good road access.
8. Incorporates benefits to public transport passenger flows in and around node.
9. Is located at sites to reduce track possession costs (co-located sites or on the one line between stations to enable bus alternative or at the end of the line)
10. Possibly 3 or more sites within each corridor undertaken concurrently to allow optimum track possession in parallel with alternative bus transport when trains not operating.
11. No building over stations except in underground node locations to maintain character (heritage) of stops.
12. In locations which could benefit from additional community amenities incorporated into the site (transit oriented long day child care, vertical aged village, medical, dental etc.)

**SUGGESTED PC CLARIFIERS TO NSW STATE GOVERNMENT'S RESPONSE
TO THE RECENT PUBLIC INQUIRY
ON UTILISATION OF RAIL CORRIDORS (May 2013)**



Legislative Assembly

Standing Committee on Transport and Infrastructure

Inquiry into Utilisation of Rail Corridors

NSW Government response

May 2013

What is the
current status
of Plan Review?

Response to recommendations

Recommendation 1: That a specialised unit within UrbanGrowth NSW be given the role of promoting and co-ordinating development in the air space, and on land adjacent to, the rail corridor in the Greater Metropolitan Area of Sydney, including the Hunter and the Illawarra.

NSW Government response – Not supported

Planning and strategic land use decisions should be made by the Department of Planning and Infrastructure in close consultation with Transport for NSW. Both agencies have established the integrated planning and transport framework through the Metropolitan Plan and the Long Term Transport Master Plan.

The development of airspace must recognise the local strategic land-use priorities set out in these plans, including the identification and prioritisation of appropriate renewal locations, in consultation with UrbanGrowth NSW.

UrbanGrowth is an appropriate organisation to coordinate and deliver transit orientated development (TOD) projects consistent with its focus to deliver housing across NSW.

Recommendation 2: That UrbanGrowth NSW's functions with regard to land adjacent to and air space above the rail corridor include:

- *Identifying and promoting specific opportunities for development and use of land along the rail corridor and at rail transport nodes.*
- *Creating standard guidelines or principles for transit oriented development precincts.*
- *Assisting with planning and approvals processes, including local planning instruments to facilitate developments that benefit the local community.*
- *Consulting and co-ordinating with local councils and state government agencies.*
- *Working with developers and investors to achieve a balance between commercial opportunities and community benefits.*

NSW Government response – Partially supported

UrbanGrowth NSW functions include the promotion and delivery of transit oriented development. UrbanGrowth NSW has a key role in selected Urban Activation Precincts and other key government sites, for example: North Ryde, North-West Rail link, Green Square Town Centre. In these precincts UrbanGrowth NSW will:

- promote opportunities and develop new strategic frameworks;
- coordinate infrastructure and resolve any barriers;
- coordinate with local councils, state agencies and other key stakeholders; and

What elements of leadership have been applied to date?

- facilitate private sector development.

In other precincts, UrbanGrowth NSW could have a role in consulting and co-ordinating state agencies and local councils, and working with the development industry to remove impediments.

The Department of Planning and Infrastructure in consultation with Transport for NSW will lead:

- the identification and prioritising of appropriate renewal locations around rail infrastructure consistent with the Metropolitan Plan and the Long Term Transport Master Plan; and
- the preparation of transit orientated development guidelines and principles (this could include technical guides to support NSW planning policies or model development guides under the new planning system as proposed in the Government's White Paper).

Department of Planning and Infrastructure will prepare standard guidelines and principles for transit orientated developments in accordance with strategic planning policy documents and in consultation with TNSW and UrbanGrowth NSW. The guidelines and principles will vary depending on whether development is over, beside or in the wider catchment of rail corridors.

Recommendation 3: That, as part of the current review of the NSW planning system, the NSW Government consider ways to shorten approval timeframes, consistent with statutory requirements, and provide for early community consultation for identified priority developments along the rail corridor.

NSW Government response – Support

A key part of the proposed NSW planning system is a shift to community participation in strategic planning when setting an area's future direction. The Subregional Delivery Plan process (outlined in the White Paper) will allow for community participation in consideration of priority development sites along the rail corridor, taking into account centres and growth areas in the wider area beyond the rail corridor. The Urban Activation Precinct program will allow for early consultation and shortened approval timeframes in key nominated precincts. The Department of Planning and Infrastructure will streamline approvals processes following the strategic planning phase in the Urban Activation Precincts.

The approval process for construction over rail lines is required to demonstrate compliance with key Transport for NSW principles including:

- transparent and appropriate risk allocation between the parties;
- a suitable return to Government;

- clear accountabilities for maintenance and upgrade of both rail infrastructure and the development; and
- provisions that allow for expansion and upgrades to rail infrastructure.

***Recommendation 4:** That, as part of the current review of the NSW planning system, the NSW Government develop a standard, comprehensive state planning instrument for major transport corridors.*

NSW Government response – Partially supported

The strategic planning framework in the proposed new planning system will ensure that the future direction for how an area will change is set by relevant policy documents. The new planning system will ensure that State planning priorities are coordinated and addressed consistently at a local level.

Each level of strategic planning will inform the following proposed plans:

- NSW Planning Policies that set the Government's planning framework for land use and development;
- Regional Growth Plans that provide high level visioning and objectives;
- Subregional Delivery Plans that provide the delivery framework for the Regional Growth Plan visions; and
- Local Plans, which are the principal legal document for a local area which provide zoning, development guides and direction for infrastructure.

Initiatives for major transport corridors will be considered at each planning level.

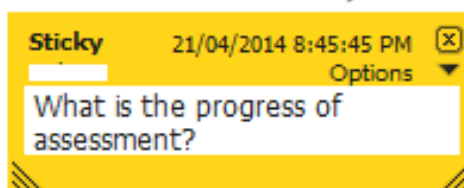
***Recommendation 5:** That Transport for NSW and the Department of Planning and Infrastructure identify and prioritise rail transport nodes in the Greater Metropolitan Area of Sydney, including the Hunter and the Illawarra, that are appropriate for transit oriented development.*

In conducting the assessment of sites, the agencies should have regard to relevant strategies and plans including the finalised Long Term Transport Master Plan, the Metropolitan Plan and the 20-year State Infrastructure Strategy.



NSW Government response – Support

In the proposed new planning system, Subregional Delivery Plans (guided by higher level strategies and plans) will be the main tool that the Department of Planning and Infrastructure and Transport for NSW will use to identify transit orientated development sites.



Planning around certain State-significant opportunities is already underway or being investigated by the Urban Activation Precinct program and the urban renewal program.

The Draft Metropolitan Strategy and the Long Term Transport Master Plan identified a number of potential rail transit oriented development opportunities. The appropriateness of these locations for development will be assessed on a case-by-case basis incorporating community consultation.

Recommendation 6: That Transport for NSW and the Department of Planning and Infrastructure require precinct plans to be developed, in conjunction with local government, for each of the identified transit oriented development sites.

NSW Government response – Support

In the proposed new planning system, Councils will have a role in developing precinct plans for sites identified in Subregional Delivery Plans prepared by the Department of Planning and Infrastructure. In some instances however, it may be appropriate for UrbanGrowth NSW to work in partnership with councils, for example development sites like the Green Square Town Centre.

For identified large or State-significant transit oriented development projects, the Department of Planning and Infrastructure may take the lead role in precinct planning, in consultation with local government, UrbanGrowth NSW and Transport for NSW.

It is important that planning for all transit orientated development includes the wider area benefiting from the proposal and not solely the land directly within the strategic rail corridors.

Recommendation 7: That, in undertaking its co-ordinating role (recommendation 1), UrbanGrowth NSW develop and promote best practice transit oriented development design principles.

NSW Government response – Partially supported

UrbanGrowth NSW and councils will promote best practice principles through the delivery of their projects. The Department of Planning and Infrastructure however, is best placed and the most appropriate agency to prepare best practice planning and design principles. This will ensure that principles are aligned with the new planning system and that additional regulation or red tape is not introduced. As a matter of course, the Department of Planning and Infrastructure will consult UrbanGrowth NSW and councils in developing principles on an ongoing basis.

What is the progress of from Treasury?

Recommendation 8: That NSW Treasury examine ways to implement value capture mechanisms for transit oriented development precincts, in order to generate funding for future infrastructure projects.

NSW Government response – Support

NSW Treasury in collaboration with the relevant infrastructure delivery agency will provide value capture options to Government as part of the broader funding analysis for future infrastructure projects.

While value capture has potential to contribute to the funding mix for infrastructure, there are issues such as:

- identifying who benefits and by how much, reflecting only the incremental value change effect associated with the specific infrastructure development;
- timing issues between the construction and operation of the infrastructure and when the value increase takes place; and
- identifying suitable value collection mechanisms that reflect each of the above, ensuring consistency in treatment while also taking into account differing characteristics of project beneficiaries and their relative capacities to pay.

These issues are unique to each development and will be taken into account when designing a proposed value capture approach.

NSW Treasury is currently working with the Sydney Motorways Project Office to explore value capture options for the WestConnex motorway project.

NSW Treasury is also in the process of consulting with Transport for NSW, UrbanGrowth NSW and North West Rail Link Project Office with a view to establishing principles that can be generally applied.

What is the status of identified principles for application?

What is the status options identified ?