

## **INQUIRY INTO REGIONAL PLANNING PROCESSES IN NSW**

**Organisation:** Riverina Eastern Regional Organisation of Councils (REROC)  
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# REROC

RIVERINA EASTERN REGIONAL  
ORGANISATION OF COUNCILS

## RESPONSE TO INQUIRY INTO REGIONAL PLANNING PROCESSES IN NSW

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**Riverina Eastern Regional Organisation of Councils**  
**RESPONSE TO**  
**INQUIRY INTO REGIONAL PLANNING PROCESSES IN NSW**

The Riverina Eastern Regional Organisation of Councils (REROC) is a strategic alliance of fourteen local government bodies located in the eastern Riverina region of NSW. Originally formed in 1994 the aim of the organisation is to assist councils to operate more efficiently and effectively through working together to achieve economies of scale and scope and present a better informed and representative voice for its members.

The members of REROC are the councils of Bland, Coolamon, Cootamundra, Gundagai, Greater Hume, Junee, Lockhart, Temora, Tumbarumba, Tumut, Urana and Wagga Wagga as well as Riverina Water and Goldenfields Water County Councils. The REROC region covers an area in excess of 40,000 sq kms and a population base of approximately 140,000 people.

This submission responds to Terms of Reference raised by the Standing Committee on State Development in relation to its Inquiry into Regional Planning Processes in NSW.

**Responses to Terms of Reference**

- (a) *Opportunities to stimulate regional development under the planning framework including through legislation, policy, strategy and governance.*

Our members firmly believe that the State Government needs to commit to a framework that delivers balanced State development in NSW. It is only through the development of a long-term vision for the entire State that is underpinned by actions that promote regional areas that the problems of over development in Sydney and shrinking populations in the country will be addressed.

Governments create the policy settings that stimulate opportunities for regional development; our members note that the recently released State Priorities do not specifically mention regional and rural NSW. We believe that unless there is a specific focus on regional development as a State Priority that the issue will not be tackled in the robust way that is required if real progress is to be made.

It is not sufficient to rely on regional issues being “swept up” in the existing priorities when it is more likely that they will be “swept away” by the demands of an ever growing Sydney. A State Priority on regional NSW means that it is more likely that there will be a shift in focus resulting in more pro-active engagement with regional development by the Government.

Our members believe that the planning framework will be improved through the introduction of the proposed Western Code SEPP which aims to address planning issues that are specific to regional areas. Our members have welcomed the opportunity provided for consultation on the development of the SEPP and look forward to further engagement with the Department of Planning and Environment (DPE) on its implementation.

We believe that the Standard Instrument (SI) could be amended to make it more appropriate for smaller communities. While the State has attempted to streamline planning through the use of the SI, unintended consequences have arisen where the SI actually restricts rather than enhances planning outcomes. We have previously raised these issues with the DPE and are continuing to consult with them about possible amendments.

We note that the *Greater Sydney Planning Commission Bill* introduced an amendment *Environment Planning and Assessment Act 1979* introducing ss75AB, 75AC, 75AD allowing for the declaration of regions and districts and for the creation of regional and district plans. Section 75AF addresses the creation of the strategic planning authorities that will have carriage of the responsibility for writing the plans.

Our members believe that it is likely that the proposed strategic planning authorities, which given that the amendments formed part of the Bill that created the Greater Sydney Planning Commission, could be ministerial appointments. If this is the case then our members wish to ensure that the appointees are representative of the region and have first-hand knowledge of the region and the issues it faces. In addition we believe that it is imperative that appointments should be skilled-based and that the operation of the authorities be fully funded by the State.

Based on their experiences with Regional Planning Panels our members strongly suggest that the members should be broader than is currently the case to better reflect the issues that they are likely to deal with. We also suggest that that membership should be between 7-9 members to encourage the diversity of experience necessary to deal with planning issues and that councils be asked for input in relation to membership.

*(b) Constraints to regional development imposed by the planning framework and opportunities for the framework to better respond to regional planning issues*

As stated above our members believe that the introduction of the Western Code SEPP should better reflect different development parameters in western NSW. We believe that SEPP is an important addition to the planning framework and our members would welcome further consultation on the final draft and the implementation of the SEPP.

Our members agree that there should be more flexibility in relation to the development of agri-business enterprises in regional and rural areas, particularly those that operate retail arms e.g. cider sales, fruit sales. Our region forms part of a major food bowl and consequently tourism that focuses on food and fibre trails is growing. Agri-business retailing is an important part of the tourist experience and often underpins the viability of these enterprises. However planning restrictions can create difficulties where it is proposed to establish a non-traditional enterprise on prime agriculture land.

For example, an organic farmer may want to introduce a restaurant that uses the farm's produce and perhaps the produce from other farms, under current planning frameworks approvals are not straightforward and usually require the council to lodge applications with the DPE for special amendments to their LEPs to allow the development to occur. This is a lengthy and expensive exercise that usually leads to great frustration on all sides. Our members believe

that the planning framework should be able to accommodate this type of non-traditional development where it complements the existing farming enterprise. The amendments to the LEP that allow the development should be undertaken at the local level by a resolution of council.

Closed zones within the SI can be an impediment to development. Our members advise that development opportunities have been lost because a particular type of development has not been listed in the “permitted with consent” section of the landuse matrix in a council’s LEP. If the development has not been listed then the zone is closed to it and in order to rectify the problem a planning proposal must be lodged with the DPE to amend the LEP.

Our members believe that planning zones should be open which would allow councils to determine a Development Application (DA) on its merits.

*(c) The suitability of a stand-alone regional planning Act*

Our members agree that they do not believe there is a need for a stand-alone Act. Our members believe that the differences between metropolitan and non-metropolitan developments should be recognised and integrated into the current Act.

*(d) The effectiveness of environmental planning instruments including State Environmental Planning Policies and Local Environmental Plans (including zoning) to stimulate regional development and opportunities to improve their effectiveness*

Our members question whether planning instruments stimulate regional development. It is our belief that planning instruments can facilitate development but are unlikely to stimulate it. Decisions on development are essentially economic in nature and to a lesser degree social. How far should the development be from its raw materials? How close to its consumers? Will the staff want to live in this regional location? These are the types of questions that businesses developing in non-metropolitan NSW are likely to consider.

Once these types of decisions have been made it is then that the planning regime comes into play. The ease with which the developer interacts with the planning regime can make the difference about whether or not the development goes ahead.

*(e) Opportunities to increase delegations for regional councils in regard to the planning making process*

Our members agree that there is no need to increase delegations in regard to plan making, the current delegations are sufficient.

We believe that a broader skill base on regional planning panels should be considered. No-one knows the local area like a local, therefore, more representation from skills-based people drawn from within a region.

*(f) Opportunities for strategic planning to assist in responding to challenges faced by communities in regional areas including through Regional Plans*

Our members agree that the current focus by the DPE on completing region-based plans in consultation with councils and other regional stakeholders is to be commended. We anticipate that the DPE's Riverina-Murray Regional Plan should be released for consultation within the next month. REROC is working with the DPE to organise regional consultations on the document.

However we note that this Plan deals primarily with landuse planning issues rather than providing an all-encompassing plan for regional development. Consequently REROC through its JO Pilot process has resolved to prepare a strategic plan for the Region during 2016. The Plan will ensure that all challenges the Region is facing will be addressed and not just those that relate to landuse. The DPE has agreed to work in partnership with REROC on the development of the Plan.

REROC believes that an Integrated approach to planning would be beneficial, particularly planning that integrated utilities. There are occasions where the strategic planning of the utilities is inconsistent with strategic planning in relation to regional development, creating an environment of competing priorities. For example the utility may not want to extend aging infrastructure for a development because it is not in its planning to do so, however without the extension development will not be stimulated.

In regional NSW the Government is the sole shareholder of Essential Energy the monopoly provider of energy infrastructure. We believe that with the sell-off of the "poles and wires" the Government is now in a unique position to provide greater direction to Essential Energy's strategic planning so that its operations facilitate rather than impede regional development.

*(g) Opportunities for government-led incentives that promote regional development*

We believe that the government should be providing financial subsidies that support the establishment of new "legacy" infrastructure e.g. roads, water, sewerage, electricity and gas. This is infrastructure upon which new developments "piggy-back" once it has been constructed.

Currently a new development is usually required to meet the full cost of required infrastructure upgrades e.g. upgrades to the energy network. Once the infrastructure is in place then subsequent developments are able to tap into the improved infrastructure at little or no cost. This situation disadvantages the business that initiates the development and consequently acts as a disincentive to first-movers.

Like many in non-metropolitan NSW, we believe there is scope for the government to consider changing the payroll tax regime to incentivise relocation to regional areas. This could be achieved by raising the ceiling for payroll tax payments where a business is operating in regional NSW or lowering the rate of the tax. Businesses located in metropolitan areas are advantaged

by access to high quality road, rail and public transport infrastructure funded through significant State government investment; the new WestConnex is an example of this type of investment as is the Northwest Rail Corridor. These investments advantage businesses operating in Sydney but provide almost no demonstrable benefit to regional businesses. Changes to the payroll tax regime that would assist regional businesses would assist in levelling the playing field.

As a consequence of our region's proximity to Victoria we are in a position to note the pro-active stance that state is taking to encourage businesses to relocate to regional areas. Not only is Victoria offering subsidies to offset the cost of building infrastructure that support development, it is also investing heavily in the regional rail network which is further facilitating regional development. NSW must recognise that it is running second to Victoria in relation to non-metropolitan development and implement initiatives that allow southern NSW to effectively compete for new business. Our member councils are offering what incentive they can to new businesses but cannot compete against the resourcing of the Victorian State Government.

Regional communities are pro-active, dynamic and innovative. They are engaging with established and proposed businesses to encourage investment, development and job growth; we need a State government that actively supports our communities to achieve sustainable growth and development. Too often it seems that in NSW all attention is focused on Sydney's growth to the detriment of the rest of the State. Growth in Sydney is a self-fulfilling prophecy, growth is predicted and so the Government actively invests money, time and resources into that growth and so of course it becomes a reality. In regional areas growth is not predicted and so there is less active investment by the State in the regions and unsurprisingly there is a decline.

Local Government is the primary driver of economic growth in the regions, not only is the local council usually the largest or one of the largest employers in an LGA it is also the first point of call for any business wanting to develop in the LGA. Recognition of this role at a State level is important if the government is to develop incentives to promote regional development. The State must genuinely engage with councils who are working at the coalface of regional development to design and implement effective incentives that promote and support sustainable growth.

- (h) *Pathways to improve decision making processes for regional development proposals including increasing the use of complying development, improving negotiations processes for voluntary planning agreements and reducing costs associated with assessment*

In the mid-2000s the Government committed to the use of Private Certifiers in the development process. The justification for the introduction of the new process was to decrease the cost of development; however the experience in regional areas is that private certification has driven the cost of development up. The tyranny of distance and the unreliability of consistent development opportunities tends to result in private certifying work centring on metropolitan areas. The shortage of supply in country locations and distance to the work is

reflected in the costs, this leaves council staff as the sole certifying option for many communities.

The use of JRPPs can take the political pressure away in relation to contentious development proposals. However, it is important that the members of the JRPP retain a familiarity with the region that they are acting in and that the Panels have a diversity of skilled people who understand the complexity of the developments that they are considering. Our members would support an increase in the number of skills-based panel members that are drawn from regional locations.

Our members believe that it is important that voluntary planning agreements should recognise individual community needs and be able to accommodate these. Our members are concerned that the current approach is too prescriptive consequently the plans are not delivering all the benefits that could be for local communities.

Our members regularly express their frustrations in relation to the significant costs associated with poorly prepared development submissions. Councils are often blamed for slow approvals when the blame should rest with the developer who has failed to deliver the paperwork required to make a decision. Some developers appear to shifting the burden of determining what paperwork is required to councils, making a decision to minimise what is provided because council will do the work and tell them what they need.

In our region some councils are now rejecting submissions prior to lodgement where the required paperwork or information has not been provided. This approach lessens the cost to councils of poorly prepared submissions. There is no doubt that better prepared submissions would hasten the approval of developments.

*(i) Any other related matter.*

There are no other matters on which our members wish to comment.

## **Conclusion**

REROC and its member councils welcome the opportunity to provide feedback to the inquiry. Regional economic development is an ever present issue for our members and we believe that there is a strong and proactive role the State can take to promote and improve economic outcomes for non-metropolitan NSW. However, any program that is initiated must be developed in partnership with the local governments that are working at the coalface.

Our members would be happy to address the Committee should the opportunity arise.