



Kristina Keneally MP

Monday, 21st March 2011

Mr Tony Harris
Acting Parliamentary Budget Officer
NSW Parliament
Macquarie Street
SYDNEY NSW 2000

21/3
1192M

Dear Mr Harris

I am writing to you to formally request, under Part 4 (Election policy costings) of the Parliamentary Budget Officer Act 2010, an official costing for the following announced policy documents:

- *Protecting NSW rural and regional communities*
- *Providing homes and caring for the vulnerable*
- *Fairness for your neighbourhood*

These policy documents outline our ongoing commitments in key areas of government.

Please find attached a copy of these policies outlining the purpose of the policy and relevant details required to complete the costing as per the requirements of the Act.

Should you require any further information on this request, please contact my office on (02) 9228-5239.

Yours sincerely

Kristina Keneally
Premier of NSW
Leader of NSW Labor Party



Fairness for your neighbourhood

March 2011



Fairness for your neighbourhood

NSW is a vibrant and growing state. The economy is growing, jobs are growing, investment is growing, and career opportunities are expanding.

These are things that we all want. They mean that NSW is a dynamic and prosperous place that businesses and people want to come to and live in.

But if we want this to continue we also need to plan for it.

When we grow jobs, there needs to be places for people to work.

When we attract investment, which creates those jobs, there needs to be places that companies can locate in.

And when we attract the people who will make these things possible, they need somewhere to live.

Good planning is not about a choice between prosperity or quality of life. It is about protecting *both*, by creating clear boundaries that protect neighbourhoods while allowing managed and sustainable growth and renewal.

That is why our Metropolitan and Regional Strategies deliver more jobs closer to home, cut commuting, and create greener communities and giving families more housing choices. Our plans also include recognition of our heritage, protection of our precious environment and sustainable management of resources.

Our planning system is also about providing balanced and *fair* outcomes for Sydney.

While Sydney needs to grow, it should grow fairly, and not in a way that benefits some parts of the city at great cost to others.

Most importantly, planning decisions need to be transparent, objective and at arms length from politics.

With this in mind we have transformed the planning system to deliver clear approval times, greater transparency, and community involvement in the decision making process. Major development decisions are now made through a process that takes politicians out, with independent experts reviewing the case, and hearing from the community, just as we might see in a court.

This independence has not only produced fair results, but grown our economy - by providing the certainty that investors need. By cutting red tape and streamlining decision-making we have supported over \$61 billion of investment and some 220,000 jobs in NSW since August 2005.

The Opposition plans to walk away from these significant reforms – putting thousands of jobs at risk and send investment elsewhere.

The Opposition plans to walk away from worldwide principles of sustainable growth, dumping more sprawl on Sydney, in a move that planning experts have described as “*simply digging a deeper hole*”.

The Opposition wants to scrap the system that has brought clarity, fairness and independence to planning decisions, and wants to put the politics *back into* planning.

And while Labor has put downward pressure on housing costs, by slashing developer levies and driving competition in the housing industry, the Opposition wants to return to the most expensive methods of building new homes.

This Government has delivered Australia’s best planning system – one that other States are now modelling, one which has clear and consistent policies and independent decision.

The Coalition has a confused approach to planning, driven by politics rather than policy. NSW cannot afford this. Home buyers cannot afford this. Communities cannot afford this.

Our planning system has protected our jobs, our communities and our environment, and now is *not* the time to send it backwards.



Kristina Leneally

What this policy means for you

- A wider range of housing choices, giving young families the choice to stay in their local communities and older members of the community a number of more flexible accommodation options.
- Approval within 10 days for most houses or extensions through the NSW Housing Code
- A better work life balance for NSW residents by supporting jobs close to home
- The preservation of our natural environment by balancing the requirement for housing and employment lands with the need to protect ecosystems and 'Sydney's food bowl' on our city's fringe.
- An additional 200,000 jobs in NSW since 2008 through the major project assessment system which has attracted \$61 billion in investment
- Protection for our built history, by ensuring that heritage is a required consideration from the earliest stages in the planning process.
- A Metropolitan Plan which provides for orderly growth of 70 per cent of housing in infill areas close to transport and 30 per cent in Greenfield areas.

ACTIONS:

Stopping the sprawl

- Provide a 70:30 development ratio between infill and greenfield development to ensure growth is shared fairly across NSW and not simply forced upon the residents and communities of Western Sydney and the urban fringe
- Give families more housing choice within their own communities, catering for young families just starting out or for older people looking to downsize

Supporting families to build houses or extensions

- Continue the NSW Housing code which allows families to have a house or normal extension approved within 10 days in most cases
- Maintain the cap on local council contribution for supporting infrastructure
- Maintain lower state infrastructure charges to support new home development
- Provide zoned land near public transport corridors to limit the grow of traffic on our roads

Keeping downward pressure on costs of living

- Keep a cap on infrastructure charges at both a State and local level, and ensure that the supply of zoned and service lots for residential and employment always exceeds demand
- Provide new housing close to transport and other infrastructure as the most environmentally, economically and socially sustainable way to build communities

Sustainably managing our natural resources and the environment

- Ensure that all development proposals for mineral and other resources are assessed by the Department of Environment, Climate Change and Water
- Accelerate assessment of renewable energy proposals in order to attract new, large scale renewable projects to NSW
- Complete community consultations to inform the development of a comprehensive strategy to manage the development and impacts of the coal and gas industries

Supporting jobs and investment

- Maintain major project assessment which has secured \$61 billion in investment and created 200,000 jobs
- Provide clear timeframes for major project assessment: 85 per cent of projects determined in three months, 95 per cent in five months, and no project to take longer than eight months
- Maintain the new Office of Strategic Infrastructure Planning (OSIP) to coordinate and prioritise the State's long term infrastructure program.

Cutting Red Tape

- Continue to cut red tape in the planning system which has already saved some \$430 million
- Maintain the Standard Instrument Local Environmental Plan (LEP) which provides a common framework for the layout, zone names and definitions in LEP's in NSW - before this there were 31,000 different zones and 1,700 different definitions in LEPs

Protecting our heritage

- Keep heritage, from the earliest stages of assessment, as a consideration in planning proposals, not as an additional consideration at the end of the process
- Maintain the increased funds to preserve heritage and enhance compliance measures

Parks and playgrounds

- Continue to invest in our public spaces to ensure communities have access to recreational, cultural and social opportunities

Our Challenges

As the nation's leading and most populous State, NSW faces a wide range of challenges in catering for growth while ensuring we have the jobs, affordable housing and a quality way of life.

Sydney is the nation's only global city. It must confront challenges brought about by a growing population and diversifying economy.

In addition the Illawarra, Central Coast, the Hunter and coastal NSW are faced with expanding populations. It is important to ensure we have a viable, sustainable economy to support and accommodate this.

There is no one size fits all approach to planning for our cities, towns, and regions.

This is why we have a planning system that is flexible and responsive to the particular set of needs and challenges facing a community.

At the same time a key State-wide challenge is ensuring all development, including our growing cities and major centres, is environmentally sustainable.

Under the Metropolitan Plan, 70 per cent of new development is planned to be urban infill: ensuring that sewer, water, roads, electricity and other infrastructure is delivered cost effectively - less wires, less pipes, less concrete, delivering a more balanced lifestyle, reduced personal and public costs, easier and less travel and lower energy consumption.

To support these urban design principles the Government has introduced BASIX, a system that assists designers, architects, builders and homeowners to ensure that new construction achieves the very best environmental performance, reducing energy and water consumption while maintaining acceptable comfort conditions within these buildings.

We are getting the balance right: encouraging transparency and public participation in the decision making process, while at the same time maintaining a strategic, whole of State focus on key outcomes like job creation, improved services, and a sustainable environment and viable, vibrant communities.

Our Record

LABOR

- We have a clear legislative framework, with appropriate expert resources to assess projects that are of State significance
- Approved \$61 billion worth of development and created 200,000 jobs since 2008
- Established the Office of Strategic Infrastructure Planning (OSIP) to coordinate and prioritise the State's long term infrastructure program.
- Introduced the housing code allowing families to get a house or extension approved in 10 days rather than the normal average of up to 121 days under the development application approval process.
- Rolled out long term strategic plans for Sydney and regional NSW.
- Achieved the greatest reduction in red tape in NSW – saving some \$430 million
- Delivers highly complex, strategic decisions in an orderly and transparent way in support of economic diversification and sustainability
- Has a transparent process with generally greater right of appeal than any other State in Australia
- Heritage listed 84 State-significant items since 2007 and provided \$12 million in funding to help preserve heritage items
- \$59 million in funding to parks, playgrounds and other crown reserves

OPPOSITION

- No clear and consistent policy on planning, with positions changing on a daily basis.
- Plans to build 128,000 more houses in Western Sydney without a plan to address the infrastructure needed to support this level of development
- Is playing 'catch up' by announcing they will establish an infrastructure agency.
- Left planning to market forces – no long term plan for sustainable communities.
- No real evidence of a strategic and comprehensive plan for development in NSW.
- Is silent on matters of process improvement
- Will pass major planning decisions back to under resourced local councils, leading to delays, job losses, and collapse in investor confidence
- Will treat the development application for a coal mine in the same way as the DA for the family home.
- Will keep arbitrary Ministerial powers to intervene in planning decisions
- Abolished Minister for Heritage when last in Government
- Ignores public land management issues and fails to appoint a shadow Minister for Lands

Stopping the Sprawl

Our Metropolitan and Regional strategies outline the growth of the State over the next 25 years with a balance of greenfield development and urban renewal.

We will accommodate a NSW population of more than nine million people by 2036 with

- 80 per cent of new housing will be within walking distance of major centres by 2031; and
- 90,000 new homes will be near public transport modes by 2016.

Our policy supports the development of new communities where people want to live: close to work, close to amenities, whether that be public transport, schools, sports fields, shopping - where people can live, work and play in the same area

Our planning is not just about planning for houses and roads, transport and jobs - it's about planning for people, families and communities.

These new, low-rise urban designs will deliver vibrant neighbourhoods that include a mix of housing types and styles and well as small businesses, schools, shops, restaurants

While cities such as Vienna and Vancouver (recently assessed as the most liveable and the fourth most liveable cities in the world) have densities of around twice that of Sydney, the Leader of the Opposition is on the record as saying:

"Sydney is going to grow, and it will continue to grow the way it has grown for a century, which is to continue to expand on its outskirts."

This lazy, unimaginative prediction demonstrates how unfit the Opposition is to deliver a visionary plan for a 21st century city.

ACTION:

- Provide a 70:30 development ratio between infill and greenfield development to ensure growth is shared fairly across NSW and not simply forced upon the residents and communities of Western Sydney and the urban fringe
- Fight the proposed Opposition plan to change the ratio to 50:50 which would see development forced into western and south western Sydney
- Give families more housing choice within their own communities, catering for young families just starting out or for older people looking to downsize

Supporting families to build houses or extensions

We are making it easier for families to build or extend their homes by:

- A 10 day approval system for most new homes and regular extensions – saving families around \$6,500.
- Cutting State Infrastructure Charges by up to \$27,000 per lot
- Capping Local Council Development contributions
- Providing \$179 million in interest free loans to councils from the Local Infrastructure Fund to enable them to bring forward local projects such as roads, water, sewerage and drainage supporting new urban development in growth areas that had been delayed due to lack of funding.
- Continuing the work of the Growth Centres to deliver accelerated land releases in north west and south west Sydney.
- Ensuring Landcom continues to play a key role in releasing precincts for development – construction of Oran Park is underway for the first lots, a display village and the first commercial building of the future town centre. The work undertaken will establish the necessary infrastructure for the entire 7,500 lot Oran Park precinct.
- Selling, through Landcom, over 1100 new house and land packages– Landcom has been at the forefront of response by first home buyers with the introduction of the increased first home owners grant.
- Having greenfield land stocks in the pipeline for the next 10 years exceed benchmarks. In particular total stocks and zoned stocks are at record levels.
- Establishing the Office of Strategic Infrastructure Planning to ensure the linking of infrastructure planning to residential and employment growth.

ACTION:

- Continue the NSW Housing code which allows families to have a house or normal extension approved within 10 days in most cases
- Maintain the cap on local council contribution for supporting infrastructure
- Maintain lower state infrastructure charges to support new home development
- Provide zoned land near public transport corridors to limit the grow of traffic on our roads

Keeping downward pressure on house prices

The Keneally Government has a record level of zoned Greenfield land in Sydney – enough to supply our needs for the next 10 years. This ensures that land supply does not put upward pressure on prices.

We are ensuring a steady release of residential lands that provides a realistic mix of housing types across Sydney and other major urban centres.

There are long term strategies in place for all high growth regions across NSW, including coastal and regional NSW.

Importantly, development costs have been reduced and housing made more affordable by slashing State Infrastructure Contributions by up to \$27,000 per lot.

Development Contributions charged by local councils have also been capped.

The NSW Government has also provided \$179 million in interest free loans to councils from the Local Infrastructure Fund to enable councils to bring forward local infrastructure projects such as roads, water, sewerage and drainage supporting new urban development in growth areas that had been delayed due to lack of funding.

Landcom has introduced more diverse housing types into its developments, reducing the entry price of new homes by around \$100,000. Initiatives encouraging smaller parcels of land and smaller dwelling sizes have increased choice and further reduce the cost of buying a home and land packages.

The Opposition's plan to cram an additional 128,000 homes into Western Sydney will create massive problems for families in those areas with more traffic on the roads and no real plans for public transport,

It will also undermine Sydney's food security and threatens a rise in food prices.

ACTION:

- Keep a cap on infrastructure charges at both state and local level, and ensure that the supply of zoned and service lots for residential and employment always exceeds demand
- Provide new housing close to transport and other infrastructure as the most environmentally, economically and socially sustainable way to build communities

Sustainably managing our natural resources and the environment

A key State-wide challenge is ensuring all development, including our growing cities and major centres, is environmentally sustainable,

Our urban infill plans will ensure that sewer, water, roads, electricity and other infrastructure are delivered cost effectively - less wires, less pipes, less concrete, delivering a more balanced lifestyle, reduced personal and public costs, easier and less travel and lower energy consumption.

To support these urban design principles we have introduced BASIX, a system that assists designers, architects, builders and homeowners to ensure that new construction achieves the very best environmental performance, reducing energy and water consumption whilst maintaining acceptable comfort conditions in these buildings.

A re-elected Keneally Government will also encourage renewable sources of energy such as solar and wind. The planning framework has been designed to assess development applications for these emerging industries at a strategic level.

In addition we will introduce tough new rules for coal seam gas exploration licences – including rigorous community consultation and tighter environmental controls during the approval process.

ACTION:

- Ensure that all development proposals for mineral and other resources are assessed by the Department of Environment, Climate Change and Water
- Accelerate assessment of renewable energy proposals in order to attract new, large scale renewable projects to NSW
- Complete community consultations to inform the development of a comprehensive strategy to manage the development and impacts of the coal and gas industries

Supporting jobs and investment

The NSW Government has delivered a planning system that is delivering faster assessment times, greater transparency in decision making and increased community involvement in the planning process.

This transparent process has generally greater right of appeal than any other State in Australia.

The Government's major project assessment system last year received more than 20,000 submissions from the public in relation to various proposals. All of those submissions that relate to the merit of the proposal are required to be responded to by the proponent. All documentation to support the proposal, including community submissions remains available online for view as the assessment progresses.

Community submissions and participation remain a core consideration for the Government.

The State's major project system has delivered a significant boost to the NSW economy. Since September 2008, the Government has granted **1450 approvals** supporting more than **200,000 jobs** and **\$61 billion in investment**, a key factor in helping driving the recovery from the Global Financial Crisis.

In addition, the Government has set up an Office of Strategic Infrastructure Planning to coordinate and prioritise the State's long term infrastructure program

ACTION:

- Maintain major project assessment which has secured \$61 billion in investment and created 200,000 jobs
- Provide clear timeframes for major project assessment – 85 per cent of projects determined in three months, 95 per cent in five months, and no project to take longer than eight months
- Maintain the new Office of Strategic Infrastructure Planning (OSIP) to coordinate and prioritise the State's long term infrastructure program

Cutting Red Tape

The nation's best planning system has been at the forefront of the Government's efforts to cut red tape – saving some \$430 million.

The reform of local planning instruments – the Standard Instrument Local Environment Plan (LEP) - provides a common framework for the layout, zone names and definitions in LEP's in NSW.

Before the introduction of the standard template there were 31,000 different zones and 1,700 different definitions in LEPs.

NSW LEPs are now easier to implement and understand. In 2010, 25 Standard Instrument LEPs were introduced in NSW, with \$10 million available over two years to assist councils resolve strategic planning issues.

This means that in the future no matter what local government area you reside definitions and zones will have the same meaning across NSW.

The NSW Housing Code delivers a streamlined 10 day checklist style approval process for people wanting to undertake routine home extensions and certain types of housing development.

This initiative reduces red tape and allows new housing to be approved faster and cheaper, without the need for a full development application through the local council.

The Keneally Government passed the *Planning Appeals Legislation Amendment Bill* in November 2010.

This Bill introduced a new conciliation and arbitration scheme to help mums and dads to get quicker and less expensive decisions in the Land & Environment Court where a council has knocked back their plans for the family home.

This fast tracked appeal scheme will cut decision times by half and substantially reduce legal costs.

ACTION:

- Continue to cut red tape in the planning system which has already saved some \$430 million
- Maintain the Standard Instrument LEP which provides a common framework for the layout, zone names and definitions in LEP's in NSW - before this there were 31,000 different zones and 1,700 different definitions in LEPs

Protecting our heritage

The Keneally Government has a proud record of protecting our heritage and helping those ensure the monuments, deeds and stories of our forebears are preserved for future generations.

In the last four years the NSW Government has declared 84 State significant sites and allocated more than \$12 million for heritage grant projects.

This ranges from the Conservatorium of Music building and St Patrick's Seminary at Manly to Bondi Beach's iconic landscape and the Olympic Torch at Homebush Bay.

Our heritage is a rich tapestry where the real story is often a collage of peoples, places and events. The Thematic Listings initiative recognises our heritage in a broader context, with themes such as Governor Macquarie, convicts, and the Anzacs chosen to embrace our story, our people, from this broader perspective.

In order to support the protection and preservation of our heritage the Government's Heritage Grants program of more than \$5 million over two years aims to:

- Improve the physical condition of New South Wales heritage places and objects and to assist communities to care for their heritage, and
- Support local government in its role as manager of the majority of heritage items in NSW.

We also understand that without the tireless and selfless work of countless volunteers in our community, that much of our heritage would be ignored or lost. This is why the Government recognises these efforts through the "Heritage Heroes" Volunteer Awards – one way of saying thank you to those groups and individuals doing so much to preserve our past.

The new thematic listings framework has been approved. In 2012 the new themes will be:

- Aboriginal Heritage
- Arriving and Settling in NSW post 1945
- Rural Heritage
- Modernism

ACTION:

- Keep heritage, from the earliest stages of assessment, as a consideration in planning proposals, not as an additional consideration at the end of the process
- Maintain the increased funds to preserve heritage and enhance compliance measures

Parks and playgrounds

The Keneally Government is investing in our public spaces – from our parks and playgrounds to showgrounds, beaches and walking tracks, so our communities have access to recreational, cultural and social opportunities.

Our Crown reserves are important community resources, and we have invested more than \$59 million over the last four years to improve and maintain our reserves and their community facilities.

In addition we have allocated more than \$9 million towards the metropolitan greenspace program since 2007, to ensure growing populations are matched with improved recreational and leisure facilities such as better bike and walking tracks.

As our population grows, our parks, playgrounds and other public lands assume even greater significance in enhancing our way of life.

ACTION:

- Continue to invest in our public spaces to ensure communities have access to recreational, cultural and social opportunities



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