



**Response to the Department of Planning and
Better Regulation Office Consultation Paper on
Promoting Economic Growth and
Competition through the Planning System**

June 2009

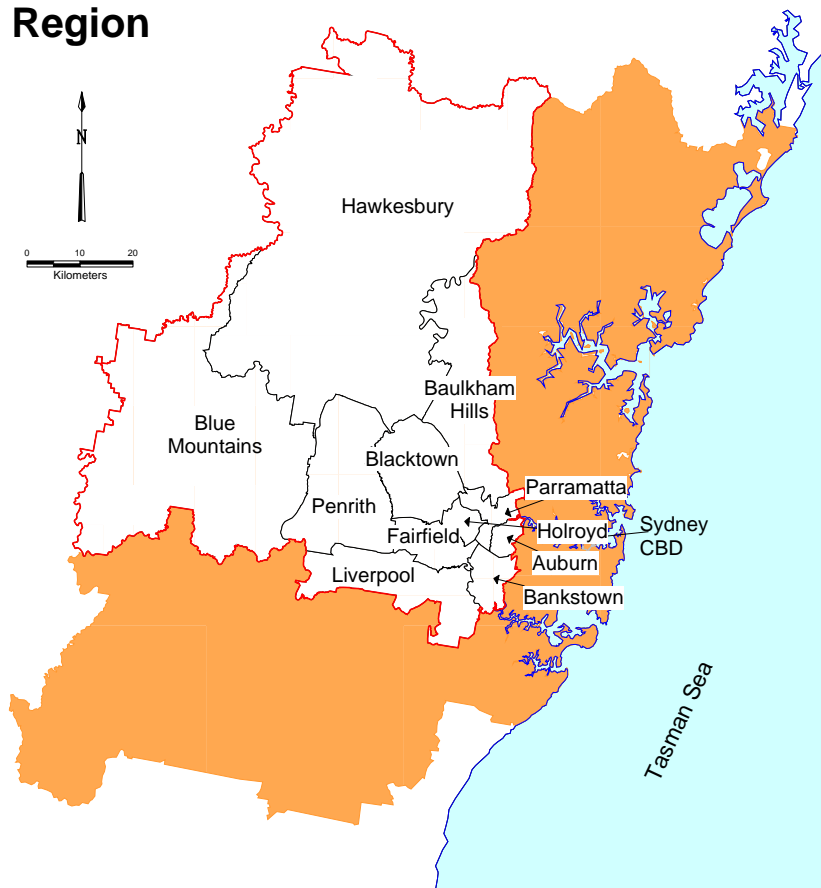
Prepared by the

Western Sydney Regional Organisation of Councils Ltd



Western Sydney Regional Organisation of Councils Ltd
Level 1, WSROC House, 49 Campbell Street
PO Box 63, Blacktown, NSW 2148
Tel (02) 9671 4333 Fax (02) 9621 7741
Email admin@wsroc.com.au www.wsroc.com.au
ABN 16 053 399 983

The WSROC Region



Auburn
Bankstown
Baulkham Hills
Blacktown

Blue Mountains
Fairfield
Hawkesbury
Holroyd

Liverpool
Parramatta
Penrith

Copyright © 2009 WSROC Ltd
ISBN 86271 0430

Disclaimer

Any representation, statement, opinion or advice, expressed or implied in this publication is made in good faith but on the basis that WSROC Ltd and its member Councils are not liable (whether by reason of negligence, lack of care or otherwise) to any person for any damage or loss whatsoever which has occurred or may occur in relation to that person taking or not taking (as the case may be) action in respect of any representation, statement or advice referred to here.



**RESPONSE TO THE DEPARTMENT OF PLANNING AND BETTER
REGULATION OFFICE CONSULTATION PAPER ON
PROMOTING ECONOMIC GROWTH AND COMPETITION
THROUGH THE PLANNING SYSTEM**

CONTENTS

BACKGROUND	4
THE STRATEGIC PLANNING FRAMEWORK	4
WSROC RESPONSE TO ISSUES FOR DISCUSSION	7
CONCLUSION	15

PROMOTING ECONOMIC GROWTH AND COMPETITION THROUGH THE PLANNING SYSTEM

BACKGROUND

On 8th May 2009 the Minister for Regulatory Reform, the Hon Joe Tripodi MP and the Minister for Planning, the Hon Kristina Keneally MP issued a joint consultation paper on *Promoting Economic Growth and Competition through the Planning system*.

The aim of this review is to consider if aspects of NSW planning policies and legislation need to be adjusted to ensure the right balance in achieving sustainable social and environmental outcomes and in promoting a competitive business environment. The Ministers noted that NSW businesses and consumers benefit from a competitive business environment that encourages investment and creates jobs.

The review is being undertaken by the Department of Planning and the Department of Premier and Cabinet's Better Regulation Office. The review is seeking:

- Experiences on how economic growth and competition have been influenced by the planning system in NSW;
- Views and comments as to whether there is an appropriate balance to achieve the benefits of competition while taking into consideration the broader public interest; and
- Suggestions on how the balance can be improved to better support economic growth and investment in NSW.

Written submissions are due by 12 June 2009.

WSROC welcomes the opportunity to comment on the consultation paper and is supportive of legislative reform provided it is to streamline the development assessment process and the delivery of quality development outcomes. However, in its recent submissions to the Inquiry into the NSW Planning Framework and to the draft Centres Policy WSROC has flagged concerns expressed across the Western Sydney region that, despite an overemphasis on the statutory planning processes and contrary to the objectives of many of the reform processes, the changes may not deliver either a substantially improved development assessment process or quality development outcomes. WSROC is also of the view that the State's planning laws over the past decade have focussed too much on economic objectives at the expense of environmental and particularly social objectives.

While not a user of the planning system WSROC's comments are more general in nature and provide a more regional perspective than the individual submissions being prepared by our constituent councils which should be considered in their own right.

THE STRATEGIC PLANNING FRAMEWORK

In April 2007 WSROC made a detailed submission in response to two papers prepared by the Department of Local Government in late 2006 entitled:

- *A New Direction for Local Government Position Paper*; and
- *Planning for a Sustainable Future*.

Given that a strong system of local government planning and management is indispensable to the goal of achieving sustainable communities, it was of concern that the Discussion Paper failed to address the relationship between all these proposed reforms. In particular there was little mention

WSROC Response to the Consultation Paper on Promoting Economic Growth and Competition through the Planning System

of the central issue of the financial sustainability of local government in NSW, including the financial pressures on many councils.

The Discussion Paper also failed to acknowledge that many of the current delays and much of the system's complexity are largely the result of successive EP&A Act 'reforms'. It was stressed at that time that if the reform proposals did not have clearly defined criteria and were not properly resourced, the proposed changes will simply add another layer of complexity to the system.

WSROC, the Local Government and Shires Associations and Councils in previous submissions have expressed concerns with the planning changes adopted in June 2005, particularly in relation to the powers conferred on the Minister to determine major infrastructure and development projects, resulting in the loss of Councils' planning powers and the marginalisation of the community's views in the process. These latest 'reforms' appear to be continuing this trend.

At both the State and local government level in NSW there is a need to achieve better integration of social, economic, environmental and cultural planning with resource planning. This requires a fundamental re-think in respect of planning focus and implementation.

The planning process in NSW is often seen to be too remote from people and insufficiently area-based. Governments have tended to look at problems in an aggregate way without making allowances for the needs of particular communities. Planning is also over-concerned with the plan-making process and is insufficiently focussed on programs of action and outcomes. There is also no co-ordinated view on priorities, particularly in relation to the funding of both physical and social infrastructure.

The Discussion Paper also failed to address a range of planning outcomes including sustainability. This includes local government's financial and resource ability to enable it to play its rightful role in planning. Good governance requires a positive working relationship between the two levels of government and other key players. The issue of the shift of emphasis from development assessment to strategic planning/policy-making should also canvas the issue of the limited professional resources available.

There has also been an ongoing failure to integrate development infrastructure provision and environment and conservation management. Any discussion on planning reform should also have adequately responded to the major issue of climate change

The current processes of planning are also too fragmented and too cumbersome. Confusion reigns in relation to the number and range of plans that exist and this slows down the process which is too static and tends to be overtaken by events, resulting in a loss of flexibility. This also leads to uncertainties about current policies and plans and it is difficult to effect a redistribution of resources which is fundamental to the planning process. Another major complicating factor in land use planning and development assessment in NSW is the myriad of land use controls/regulations in legislation outside of, but related to, the EP&A Act.

In addition, the three tiers of government greatly exacerbate operational difficulties and it is often hard to establish who benefits and who loses in the planning process.

It has been argued that, instead of tinkering with the EP&A Act, there is a need to replace it entirely with new legislation that takes a holistic view of regulating land use in NSW. This is particularly important given the social, environmental and economic changes that have occurred since 1979. However any new legislation should build on the positive aspects of the original objectives of the Act. Any reform proposal – or re-writing of the Act – must address physical, social, environmental and economic issues outlined in the Discussion Paper Introduction.

In addition the Department of Local Government Discussion Paper provided little indication of how the performance of the proposed changes to the planning system, or those already made to developer contributions, will be monitored over time or their effectiveness assessed. Failure to

WSROC Response to the Consultation Paper on Promoting Economic Growth and Competition through the Planning System

provide a rigorous review mechanism has made it difficult to objectively assess the impacts, good or bad of previous planning reforms.

In November 2007 the Department of Planning released a discussion paper on its reform proposals entitled *Improving the Planning System*. In its Introduction the discussion paper noted the following:

Modern town planning grew from concerns in industrialised Victorian society that the use of land needed to be planned and regulated in the interests of public health, economic efficiency, fairness, open space and nature conservation, better design, and the prudent provision for future needs or change. These needs are no less important over 100 years later. In fact, as the world faces increased pressure from population growth and ever increasing environmental concerns, it is easy to argue that these driving forces for effective plan and decision making, by both public and private sectors, are even more pressing.

The planning system is essentially a positive mechanism to achieve better environmental, economic and equity outcomes.... (p7)

WSROC welcomed these laudable statements but noted that the Introduction was the only place where many of these objectives were discussed. 'Sustainability' and 'Equity' were the only objectives associated with the broader community outcomes identified in the Introduction and these were barely mentioned in the rest of the Discussion Paper, which concentrated much more on transparency, accountability and efficiency.

It was acknowledged that the current plan making system in NSW is in need of a significant review, particularly to streamline and reduce the complexity and plethora of planning policies and plans that exist at the State, regional and local level. WSROC also noted that, as well as failing to address wider planning objectives, the Discussion Paper concentrated far too much on "fixing" the symptoms rather than addressing the underlying problems with planning in NSW. As a result, whilst some of the proposed changes were considered sensible, it was considered that many would result in greater complexity and less transparency for the system's users, whilst being very costly for Councils to implement.

While some aspects of the planning reforms have resulted in genuine change, others may well have been counter-productive, even in terms of the parameters narrowly defined in the Discussion Paper, let alone the wider objectives of the planning system referred to earlier.

In its response to the terms of Reference for the *Inquiry into the NSW Planning Framework* in February 2009 WSROC noted:

The NSW planning legislation is outdated, overly complex and too process orientated. It is now the most complex in Australia and is further complicated by the myriad of legislation outside the EP&A Act which is making it unworkable. WSROC is of the view that a new Act should be drafted to provide a more strategic focus; incorporate recent changes in planning practice and current issues in planning such as climate change, sustainability (social, environmental and economic) plus environmental (biodiversity) protection. Above all it should simplify the process to efficiently achieve quality outcomes.

The consultation process should be retained for all aspects of the plan-making process, including State Environmental Planning Policies (SEPPs) in order to maintain community participation and support for the outcomes.

WSROC Response to the Consultation Paper on Promoting Economic Growth and Competition through the Planning System

There needs to be a balance between development and natural resource management, cultural heritage and long term sustainability. The planning system should employ a strategic approach and not simply focus on development control.

The net community benefit test is very subjective and risks being manipulated to justify anything. A clearer policy direction should be provided on this matter.

WSROC RESPONSE TO ISSUES FOR DISCUSSION

1). Experiences on how economic growth and competition have been impacted by the planning system in NSW in relation to:

- **provisions in strategies or environmental planning instruments**
- **the spot rezoning process**
- **the development approval process; or**
- **development contributions under S94 of the Act.**

The planning process attempts to achieve a balance between the issues of residential amenity, the need for commercial/industrial facilities to encourage employment and provide access to users, the provision of recreational and community facilities and the like. WSROC is of the view that the issue of competition should not be taken account in this side of the planning process. Competition should be market driven and not planned for.

Centres

The Department of Planning has prepared a draft *Centres Policy Consultation Paper* in response to the debate generated by reports from the Australian competition and Consumer Commission and the Productivity Commission arguing that all levels of government should consider how planning and zoning laws impact upon competition.

The policy has significant and wide-ranging implications for both the development application and rezoning systems in NSW arising from the proposal to rezone land to “*exceed aggregate demand for retail and commercial floor space*”. However, there is concern that the draft policy fails to acknowledge that fundamental changes will need to be made to the EP&A Act to facilitate greater market competition, to ensure there is adequate legal protection for local government from third party appeals on development applications and zoning decisions for retail and commercial expansion.

While the role of the market in responding to the need for retail and commercial development is acknowledged this should not be at the expense of other local strategies, targets or desired directions. This is particularly important in light of new requirements under the Local Government Act for councils to undertake extensive community consultation, prepare vision statements and infrastructure plans that span a ten year time period. Without changes to the provisions of the EP&A Act there would be greater potential for legal challenges to the rezoning of land that exceeds demand for retail and commercial floor space. WSROC is of the view that the policy should identify a process for ‘back zoning’ of excess retail/commercial land where demand for this land has not been realised or is overridden by new land use priorities.

In its response to the draft paper WSROC supported Principle 1 that retail and commercial activity should be located in centres to ensure efficient use of transport and other infrastructure, proximity to labour markets and to improve the amenity and liveability of those centres. Yet, excess zoning and a free market approach to retailing could see local centres with poorer public transport,

WSROC Response to the Consultation Paper on Promoting Economic Growth and Competition through the Planning System

services and facilities develop shops and services ahead of the higher order centres, because of the availability of the zoned land.

The draft policy also suggests that merit assessment of retail/commercial proposals “*should not take into consideration the likely competition impact of a new entrant*”. This fails to recognise that the EP&A Act would need to be modified for this to occur, since it currently requires Councils to take into account the economic impacts of development.

Reservations were also expressed about how the principles 2-5 were framed. It is WSROC's view that any assessment of market demand can be skewed by the development of large new shopping centres on unconstrained land outside of existing centres which is cheaper to develop. Such developments may lack public transport access and would perform badly in relation to the suitability criteria outlined in Section 4 of the draft policy.

The draft policy also has conflicting advice in respect of the adverse implications of the development of new centres on the viability of ‘Main Streets’ coupled with the direction not to take into account ‘*the likely impact of a new entrant on any existing retail and commercial premises*’. There also needs a distinction to be made between the new growth areas as opposed to development in established areas.

Concern is also raised with principles 3 and 4, since estimates of market demand and cost/benefit analysis can be flawed. Local government needs to be able to consider the demand for development as part of a series of considerations, to avoid inefficient development of land.

WSROC is also keen to ensure that the strategic planning framework for Sydney protects and strengthens its economic corridors such as the M5 and the M7. Pressures to convert these lands to other uses, particularly residential uses, would undermine their key economic role.

While the draft Centres Policy has been designed to increase investment by providing flexibility for existing centres to grow and new centres to be established, it also states that the market is the best place to determine the need for development. Yet, while mention is made of ‘economic, social and environmental costs and benefits’, no evidence is presented as to how this is to be assessed. For example loss of existing business is both a social and an economic cost and provision of excessive floor space has both an economic and an environmental cost.

An essential element to the development of a centres strategy is the preparation of estimates of future demand for retail and commercial floor space. In undertaking this assessment account must be taken of changes within the retail industry and estimates of population growth and household growth, both within a specific LGA and adjacent areas.

Consideration of the demographic characteristics of the area in question - the age structure, occupational characteristics, home ownership levels, income, household structure and car ownership can all have a bearing on retail and commercial office demand.

While such forecasts are always tinged with an element of uncertainty, considerable changes can occur within the retail industry and consumer spending habits over a decade or so. For example opinions vary significantly concerning the future of electronic shopping and the provision of traditional retailing in shopping centres. It is possible that developments in this area could well affect the demand for retail floor space in the future.

While the demand for retail floor space can be calculated numerically using various standards concerning the provision of floor space, demand is also reflected by macro-scale changes taking place within the retail sector in general. Many of these changes are, in turn, a reflection of longer-term social trends within society and the specific community being studied in particular.

WSROC Response to the Consultation Paper on Promoting Economic Growth and Competition through the Planning System

The net community benefit test proposed in the draft policy is very subjective and risks being manipulated to justify anything. WSROC believes a clearer policy direction should be provided on this matter.

WSROC does not support the view in the draft Centres Policy that the development assessment process should not take into consideration the likely impact of a new entrant on any existing retail and commercial premises. New developments can adversely affect existing 'Main Street Centres' and local shops. Large retailers establishing close to existing centres have been known to undercut existing businesses in an attempt to close them down (predatory pricing). Once the closure has occurred prices rise again. Thus consumers only gain a short-term benefit and lose community based shops that provide a social benefit.

Zoning large areas for development would work in favour of the larger retail chains, ultimately reducing competition and consumer choice. This would not encourage innovation or variety in the retail sector or 'create vital and vibrant centres' that the policy seeks to encourage.

2). Views and comments as to whether there is an appropriate balance in the planning system to achieve the benefits of competition while taking into account the broader public interest.

There is no clear definition of what is an appropriate balance. Local government can only provide the area and the systems to provide for different types of development. It is not the function of local government to involve itself in what is good for competition and what is not. Council decisions should not be based on the question of competition but on the issues of the 'common good'. Whether or not there is a correct balance will only be known over time by a gradual testing of the market of the council's planning scheme and processes.

Loss of agricultural land

The most substantial threat to urban agricultural production is the expansion of urban development and subsuming of farmlands for housing, industry and infrastructure. Urban lands are a finite resource. The geography of the Sydney basin and existing development, limits agriculture to lands in the far west, south-west and north-west of Sydney. Loss of these agricultural lands is occurring rapidly through the development of the Growth Centres.

Unless these lands are protected through planning legislation they will tend to be sold off for development, as the immediate demand for land sale is very high when land is zoned for housing. Alternatively such lands can suffer from a lack of investment (or 'planning blight') on the H

Housing

Many of the social problems in areas of rapid growth such as has occurred in Western Sydney have arisen because of the imbalance in the age and household structure in the incoming population. For many years the new release areas at the urban fringe had high concentrations of families with children. In many of these areas more than one person in every four was a child. This had severe implications for the provision of age specific services.

Many people travelled long distances to work and this, coupled with fast growth, resulted in the underdevelopment of community networks and the uneconomic provision of welfare services.

Currently, demand for apartments in the middle and outer areas of Sydney is largely generated by lone person households, lower income two parents and sole parent families who are predominantly renting.

WSROC Response to the Consultation Paper on Promoting Economic Growth and Competition through the Planning System

If housing affordability is not addressed in the population growth of the established urban areas of Western Sydney, current patterns of social polarisation and inequity are likely to be intensified and intergenerational disadvantaged increased.

Limitations to the Housing Market

In broad terms the housing market can be said to be influenced by both economic and demographic factors. The economy has a significant influence on housing in the short term while demographic changes impact mainly in the medium to long term. In the short term economic factors can significantly influence the state of the housing market in terms of effective household formation and its consequences for housing demand. This influence is reflected in the highly cyclical nature of the housing industry.

In general, the housing industry is very much 'backward looking' and market orientated. If there is a limited market, then market research will only reinforce and further polarise that market. Many of the large scale developments that have been built in new release areas over many years have been maintained more by this attitude to housing markets than by anything else.

From the housing industry point of view it is considered that the expectations of the existing market do not have the capacity to change. While it is recognised that some transition is required, the market is really a reflection of changing demand and expectations about housing product and can be manipulated.

Price is the key factor in determining the type of dwelling selected. It is the major issue which can convince many who would otherwise prefer detached housing to choose multi-unit housing, particularly if it was located in a more preferred area.

The output of private builders in these areas for many years was geared to the needs of a market dominated by family purchasers. The urban consolidation objectives that have been pursued by the NSW government have had to be balanced with developer preferences to maintain the status quo.

The construction of new housing on the urban fringe is now being criticised as being 'urban sprawl' which is both costly and unsustainable. The Australian population is undergoing a change. The predominance of traditional families is declining and the population is ageing. Housing needs are altering and ensuring access to housing that is appropriate to people's needs is a laudable objective. The planning system therefore needs to anticipate these housing demands to ensure that its policies reflect the community's needs and aspirations.

Councils are limited in their ability to ensure an appropriate diversity of housing types to provide all the residents of an area with a wide range of choices. For example any household, irrespective of size, should be able to find accommodation which suits its needs in terms of size, style and type of dwelling and be well related to open space, shopping, community facilities and services and public transport. Also households with culturally specific needs should also be catered for.

In addition to being socially more equitable, such a strategy helps to reduce the peak demand for age-specific services (such as child care and schools) and ensures a diversity of services exist to fulfil the full lifecycle of the community. It also assists in redressing the imbalance that exists in many areas of suburban Sydney where the majority of the housing stock comprises separate family dwellings.

In general terms, the market is limited by market perceptions, which is essentially a factor of housing promotion and affordability.

Despite the seeming absence of direct intervention of government in the housing market in Australia the role of government has been pivotal. Some of the most significant impacts on

Australian housing have occurred indirectly as the result of interest rate and taxation policies and the Federal Government's promotion of home ownership as a means of attaining financial security.

3). Suggestions on how the balance can be improved to better support economic growth and competition in NSW, including any specific proposals for changes to the planning system

WSROC is of the view that in order to encourage competition and growth there is a need to plan for the infrastructure, facilities and services that businesses need in order to be competitive such as quality transport infrastructure, good communication facilities (such as internet speed), and accessible child care provision, technical and further education opportunities, health care and recreation and leisure provision. The inter-relationship of these activities should not be overlooked if economic growth objectives are to be achieved.

Urban renewal

The Sydney Metropolitan Strategy proposed the development of 450,000 new higher density dwellings to be built on 'brownfield' sites requiring extensive urban renewal of the older urban areas. This figure does not include the numbers of existing homes that will have to be demolished to make way for this targeted new output. The actual target is estimated to be in excess of half a million new homes in existing areas.

Around 100,000 new homes will need to be delivered in the West-Central Sydney sub-region alone. But this area is the least capable of delivering high quality, high density urban renewal. This is because it contains high concentrations of populations suffering intractable social and economic problems. As a result property and land values are lowest in these areas. Put simply, the gap in value between the required outcomes and the current market capacity in these areas is too large.

In addition to housing the poorest population and containing the lowest quality of housing, these areas lack accessible public transport services and suffer from a basic social infrastructure deficit. Site amalgamation to achieve good quality urban design outcomes is not occurring. As a result land holdings are highly fragmented meaning urban renewal is going to be hard, if not impossible if left to the market. In addition strata titling has virtually taken away the opportunity for clearing and rebuilding the existing higher density areas that are earmarked for redevelopment.

What is needed is an integrated approach that harnesses the market with innovative public interventions and a better understanding of the drivers of housing supply and demand in these areas.

The solutions for higher density urban renewal in low value suburbs requires much higher levels of intervention and active planning, working with both the market and the local community, to deliver outcomes that will result in positive change.

Housing for seniors and people with a disability

For 25 years the NSW Government has been attempting to meet the ongoing challenge of providing sufficient housing for seniors and people with a disability through a State Environmental Planning Policy (SEPP).

As the State's population continues to age and the proportion of people with a disability increases the need to provide appropriate housing to cater for these particular needs, while protecting local communities from excessive development, is a concern for Councils.

Developments purporting to cater for the aged and people with a disability have become contentious issues for Councils and their communities in Western Sydney for many years. There has been a strong feeling that such developments have simply been used to push through medium

WSROC Response to the Consultation Paper on Promoting Economic Growth and Competition through the Planning System

density housing developments in inappropriate areas and have not been catering for those for which SEPP 5 was intended to assist.

The demographic changes occurring in society point to the need to develop a more diverse range of housing and a greater social mix, to ensure that any new development caters for as wide a range as possible of different socio-economic groups at different stages in their life cycles. Residential areas should be communities where residents of all ages and income groups can live together. The lifestyle needs of single people, childless couples, families, people with a disability and the aged should all be catered for.

WSROC strongly supports the principle of developing a housing mix policy in order to improve on the standard housing package which bears little relation to the range of household groups now found in society. This will enable groups such as the elderly and people with a disability to find suitable accommodation in the area they wish to live.

An over-concentration of aged persons housing complexes and hostels, which draw people from a wide area, should be avoided. The factors which draw them to these styles of housing, mostly frailty and declining health, also represent a substantial burden for health and transport services in the future and have been the catalyst behind increasing moves towards home-based health services. Complementary small scale communal housing arrangements will be an essential element in any program of home-based health services and should be actively encouraged.

Dwellings for aged persons or people with a disability should not be isolated in relatively remote locations. They should preferably be within existing residential areas, so that they do not become isolated from their friends and support networks when they move. Furthermore they should have access to public transport and activity centres.

While many of the draft amendments proposed sought to address the concerns in respect of previous SEPP 5 developments, the proposal to allow seniors living developments on land that is owned by clubs and other community organisations was also seen as problematic. For example in Western Sydney, with its backlog of human services and facilities infrastructure, (particularly affecting public transport accessibility), many sites owned by clubs are located in areas which are not well-placed to provide appropriate services for seniors and people with disabilities.

Recent research by the University of Western Sydney (Hurni, *A Transport and Social Disadvantage in Western Sydney*, UWS, 2006) shows that transport disadvantaged collector districts cover over half (53.8%) of the Sydney Urban Area. Just over a third (34.4%) of the Sydney urban region live in these areas (1.2 million people) and 58.2% of the people living in transport disadvantaged areas were located in Western Sydney – some 700,000 people. The report identifies older people and people with a disability as among some of the groups most at risk in Western Sydney.

The National Housing Strategy (1992, page 76) noted the issue of location disadvantage as follows:

“People without private transport, especially where public transport is not readily available are likely to be disadvantaged. In particular older people, young people and members of a car-owning household who cannot use the car, are more likely to have problems and/or longer travel times to services and jobs”.

It is also unclear whether or not the amendments would encourage developments to occur on land owned by the clubs that is currently undeveloped, lacking the provision of any facilities and services. Also, a thorough analysis of the development of the strategic bus corridors by the Ministry of Transport should have been undertaken to ensure that the locations involved are well served by public transport.

WSROC Response to the Consultation Paper on Promoting Economic Growth and Competition through the Planning System

Housing provided for the aged and for people with a disability should also be located on relatively flat land that is easy to negotiate, yet as land becomes more expensive there has been a tendency to locate such housing on steeper (and hence less expensive) sites.

A research paper issued by the Urban Research Program, Griffith University entitled *Oil Vulnerability in the Australian City* (Jago Dodson and Neil Sipe) December 2005, assessed the resilience or vulnerability of urban communities to increased fuel prices and how the socio-economic impacts will spread across different localities. Their research highlighted the fact that localities situated in the middle and outer suburbs of Western Sydney are the most vulnerable to the socio-economic impact of oil price rises.

Mobility is especially critical to the well-being of an older population. Affordable, adequate transport options are essential for accessing community services, especially medical services, shopping and maintaining social linkages. But in parts of Western Sydney the current urban form and poor service provision is ensuring that the ageing population are completely car dependent and will be left stranded when they can no longer drive.

Child care centres

In recent years there has been increasing interest in the private provision of child care. While some applicants may first approach a Council seeking advice on the best location for a centre, there is no onus on an applicant to do so.

Some Councils are anxious to ensure that centres are distributed as equitably as possible across their LGAs, subject to the areas of need being adequately serviced. Others accept the argument that the market should/would determine the numbers and location of centres, within constraints around the impact on surrounding residents and land uses. Particularly important constraints are traffic generation and movement, traffic noise and noise from children. These considerations result in an approach encouraging an even distribution of small centres in residential areas.

Community Services departments within a number of Councils maintain data bases and maps of the location of centres to enable the provision of strategic advice to applicants. Guidelines have also been prepared to assist in the development of Social Impact Assessments (SIAs) of such facilities.

In most LGAs child care centres are located in residential zones although they may be permissible in a variety of zones, subject to meeting the zone's objectives. Nowadays more emphasis is being placed on locating child care centres in mixed land use areas to encourage less use of the motor car and more active transport.

In order to avoid a proliferation of centres in some areas and a lack of provision in others, as well as managing the impacts on adjoining residents, Councils have started to prepare DCPs for the development of child care services. Part of the DCP process is the requirement for a needs analysis to be presented with a Development Application (DA); to both assist in informing the assessment process and to permit documentation of approvals. This is to ensure that the Council is not approving land uses that are inappropriate in their surroundings and could fail in the future.

4). Comments on experiences on how economic growth and competition have been dealt with in the planning systems in other jurisdictions and if there are approaches that could be applied in the NSW system.

The need for integrated urban management

One common thread which ran through the aims of the previous Federal Labor Government's "Building Better Cities Program" was the need for an **integrated** approach to solving urban problems. The development of new cities involves very complex issues which require

WSROC Response to the Consultation Paper on Promoting Economic Growth and Competition through the Planning System

consultation with all concerned, a **comprehensive** and **co-ordinated** approach and a level of **commitment** by all levels of government and the private sector to bring about change for the better.

An important ingredient in any major urban development is **confidence**. The private sector has been shown to be unwilling to invest sufficient capital in an area when there is uncertainty as to whether development is likely to continue, without substantial Government assistance, particularly in the following stages. It is a pointless exercise if certain growth targets are set but the resources required to achieve them are not forthcoming; either in the form of capital provision or sufficient recurrent funding for infrastructure.

The link between infrastructure provision and economic development has been clearly demonstrated in the North-West and West-Central Sydney Employment Strategies report 2008 prepared for WSROC and its councils by the Urban Research Centre at the University of Western Sydney. The findings of this research showed that Western Sydney does not have access to the range of infrastructure required to support a 21st century economy. The report pointed to the following main infrastructure issues:

- Inadequate public and freight transport infrastructure;
- Lack of access to ports;
- Inadequacy of IT and broadband communications
- Inadequate infrastructure planning; and
- Inadequacy of the arterial road network

Previous State government commitments made in the State Infrastructure Strategy (2006/07 – 2015/16) included the North-West Rail Link and later announcements such as the Epping to Parramatta rail link; North-West (later to be the N-W metro) South-West and CBD rail links; the extension of the rail clearways program; the development of 43 strategic bus corridors in the region (of which only 17 have been developed); were abandoned in late 2008. Such uncertainty in the nature and timing of infrastructure for Western Sydney is a major source of economic uncertainty for the region and a major impediment to future employment creation investments.

One important factor which would assist local government would be for Government support to be continuous. The current 'stop-go' approach is highly damaging. Investment needs to be planned over periods of at least five years to provide a reasonable degree of certainty.

Metropolitan Planning from the 1980s onwards responded to the new drivers of metropolitan growth – **globalisation and deregulation** – with plans that left development markets relatively unfettered by prescribing only the broadest possible spatial guidelines.

Governments also retreated from a close engagement in the detailed form of urban growth. There was an increasing trend to apply components of urban policy as blanket measures (e.g. by setting density targets that applied equally to all new housing developments). Governments also no longer co-ordinated trunk infrastructure delivery.

In contrast to globalisation – **localism** – is characterised by increased levels of public consultation.

When the State Government actually built facilities it was natural for infrastructure co-ordination to receive a high priority. However, the transformation of key State agencies into wholly or partially privatised entities fostered the development of portfolio-centred interest groups.

What is Needed

There is a need for planners to revive some of the lost arts of planning for development, recognising that privatised delivery of urban areas cannot be accomplished through plan preparation and regulation, but needs specialised skills in urban management.

WSROC Response to the Consultation Paper on Promoting Economic Growth and Competition through the Planning System

Since Local Plans are linked to Section 94 levies then Regional Plans for development on the scale of the Growth Centres should include similar measures that formalise mutual obligations between different levels of government.

It is interesting to note that there has been recognition of some of these issues led the State Government to establish the Growth Centres commission with the remit to:

“Ensure that growth in the North West and South West occurs in a sustainable way with new infrastructure planned, funded and linked to the properly sequenced release of land”

For eight years WSROC has been working with the South West Sydney Area Health Service and the Western Sydney Area Health Service on the connection between the health and well-being of residents and urban form. In the past the emphasis was on a responsive health care approach to treating illness. The challenge for the future is to halt the growth of communicable diseases and conditions, many of which are regarded as a direct result of urban living patterns.

Sustainable cities are a population health issue. Designing urban areas with recreational spaces, scope for variety of safe and accessible active transport options encourages a fit and healthy population.

Communities with a sense of identity and social support encourage more active lifestyles and social interaction. This can provide vital support and is an important element in the social well-being of urban residents.

The creation of new communities consists of far more than merely a group of buildings connected by roads and community services. Such projects cannot be treated as simply a series of subdivisions. Local government has to ensure that developers provide the right product and have to cajole a myriad of public authorities and private developers to ensure that programs are achieved and priorities met.

There are significant cost advantages to be gained by proper planning and management of the process. It is clear that the local authority based planning system is not designed to undertake this effectively. There needs to be a body responsible for the direction and implementation of the whole project. It is asking too much of the present system, which is regulatory rather than entrepreneurial in nature to expect the conventional tools of land use zoning and small scale developers to achieve the community outcomes required in the metropolitan and sub-regional strategies.

A House of Representatives Inquiry Report on sustainable Cities launched in 2005 noted the following:

The cost of poorly managed urban development is significant: neighbourhoods that face special barriers to employment and training may result in successive generations trapped in welfare dependency. Per capita health costs are likely to rise in poorly planned urban areas where active transport options are minimal due to planning, safety or distance barriers.

CONCLUSION

WSROC believes that there is a need to ensure that competition does not stand alone as a major driving force in planning issues at the expense of the community. For example, taking away public rights to consultation on a proposed development may well speed up the process but can cause substantial unease among residents. A better balance needs to be achieved between supporting competition and taking care of community interests.