

**NCOSS submission  
to the  
Metropolitan Strategy Review  
*Sydney Towards 2036***



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## **About NCOSS**

NCOSS is the peak body for the non-government human services sector in NSW. NCOSS provides independent and informed policy development, advice and review and plays a key coordination and leadership role for the non government social and community services sector in New South Wales. Through current membership forums, NCOSS represents more than 7,000 community organisations and over 100,000 consumers and individuals.

## **Introduction**

NCOSS welcomes the opportunity to contribute to the Metropolitan Strategy Review<sup>1</sup> and to comment on related elements of the draft Metropolitan Transport Plan<sup>2</sup>.

In doing so we particularly welcome the Government's announcement that once the review of both documents is complete, all feedback will be consolidated into a consolidated *Metropolitan Plan* to link Sydney's transport and land use planning. This is a long overdue move which is consistent with the joint letter<sup>3</sup> sent to the then Deputy Premier in September 2007 by NCOSS and a number of other key peak organisations seeking the development of a comprehensive long term transport plan for Sydney to support the land use plans outlined in the 2005 Metropolitan Strategy.

## **Planning for a growing population**

The 2005 Metropolitan Strategy was designed to accommodate a Sydney population of 5.3 million by 2031. More recent projections suggest that Sydney's population is more likely to reach 5.7 million by 2031 and around 6.0 million by 2036.

While these numbers highlight some of the challenges facing policy makers and the community, they do not undermine the underlying assumptions of the Metropolitan Strategy or warrant a major change in direction. There are many uncertainties inherent in any long term population projections, as migration, fertility and mortality rates vary over time.

NCOSS rejects any suggestions that unregulated and widely dispersed housing growth is necessary to accommodate Sydney's expected population increase. The most recent data released by the Department of Planning<sup>4</sup> indicated that there were sufficient sites available to accommodate an additional 256,000 dwelling units in Sydney. The supply of greenfield

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<sup>1</sup> *Sydney Towards 2036: Metropolitan Strategy Review Discussion Paper*, released on 17<sup>th</sup> March 2010.

<sup>2</sup> *The Metropolitan Transport Plan: Connecting the City of Cities*, released on 21<sup>st</sup> February 2010.

<sup>3</sup> Joint letter 'Metropolitan Strategy – call for transport plan' dated 6 September 2007 to the Hon John Watkins, then Deputy Premier and Minister for Transport on behalf of the Metro Alliance of NCOSS, the Property Council, the Sydney Chamber of Commerce, the Total Environment Centre and Unions NSW.

<sup>4</sup> *Meeting Sydney's housing needs: Metropolitan Development Program 2008-09*, Department of Planning, April 2010. That report indicated that as at June 2008 there were more than 800 designated urban renewal sites in the existing urban area that could accommodate almost 125,000 additional dwellings. As at July 2009 there were a further 79 greenfield land release areas that could accommodate more than 131,000 additional dwellings, including almost 69,000 lots that had already been rezoned and more than 56,000 lots that had trunk (water and sewerage) infrastructure in place.

land release sites appears sufficient to meet foreseeable demand for many years, while additional redevelopment sites in the established urban area can be identified over time in a considered and orderly fashion.

NCOSS does have some concern that four out of eleven sub-regions will be expected to accommodate more than 70% of Sydney's expected growth over the next 35 years. While updated dwelling targets have not been released, the Government's discussion paper clearly indicates that the growth challenge will disproportionately impact on the South West (27%), North West (23%), West Central (13%) and Central Coast (7%) sub-regions<sup>5</sup>.

These sub-regions are already characterized by infrastructure shortfalls and/or concentrations of disadvantaged households. **If Sydney is to grow in a more socially sustainable way, governments at all levels need to do much better in ensuring that further population growth is accompanied by parallel increases in infrastructure (especially public transport infrastructure), active employment and training strategies, expansion in the supply of affordable housing and funding for necessary human services.**

NCOSS makes further comments later in this submission about public transport, employment and training strategies, and affordable housing, following the structure of the discussion paper.

We note with concern that the discussion paper is entirely silent on how the Government proposes to plan for, and fund, the growing human services needs of an ever growing population. This reflects a long term failure to align strategic land use plans and the planning and funding of human services across the state<sup>6</sup>. While the State Infrastructure Strategy attempts to provide a forward plan for the provision of major capital works projects, and local councils can levy developers for the capital cost of certain community facilities, there is currently no mechanism to align projected population growth with growth in recurrent funding for necessary community services, aged and disability services, health programs, homelessness services, legal services and so on.

**NCOSS recommends that the completed Metropolitan Plan should outline a clear plan to establish a mechanism to align projected population growth with recurrent funding for the necessary human services that a growing population will require.**

The housing targets in the Metropolitan Strategy only have real meaning if they are applied to more localized land use planning strategies. A welcome innovation in the 2005 Strategy was the decision to develop follow on strategies for eleven separate sub-regions, which consist of one or more local government areas. These sub-regional strategies are to in turn contain housing and jobs targets for individual local government areas. While draft strategies were released for comment between July 2007 and July 2008, the strategy for the Central Coast remains the only one that has been finalized. There has been no clear explanation as to why the others have not progressed past the draft stage.

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<sup>5</sup> NCOSS calculations based on figure 4 in the discussion paper (p. 11).

<sup>6</sup> This issue is included in NCOSS' broader proposals to improve the planning system, as outlined in our state election platform *Vote 1 Fairness in NSW*, NCOSS, March 2010 p. 48-50. Our full election platform is available online at <http://www.ncoss.org.au/vote1fairness/Vote-1-Fairness-in-NSW.pdf>

**NCOSS recommends that once the Metropolitan Plan has been finalized the Department of Planning should place a high priority on finalizing strategies for the remaining sub-regions, in consultation with local councils.**

### **Making Sydney climate change ready**

A clear focus of the current review is on the need to strengthen measures to reduce Sydney's carbon emissions and to adapt to climate change.

NCOSS strongly supports measures to make Sydney climate change ready. The real question is to determine to what extent this is done via planning or non-planning measures, and who bears the cost of doing so. Fundamentally the best way to proceed is to place a cost on carbon, while compensating low income households for adverse price impacts.

The land use planning system can contribute to this broader challenge by ensuring that jobs and other activities are located closer to home and by promoting transit oriented development.

Building design requirements through BASIX also have an important role to play. While BASIX can be strengthened over time, and wasteful designs discouraged, this only impacts on new buildings or homes undergoing substantial renovations. Meanwhile much of our existing housing stock remains at a two- or three-star standard, compared to the six- star standard required under BASIX. The continuation of this situation results in both higher than necessary greenhouse emissions and higher than necessary water and energy charges for low income households.

**NCOSS recommends that priority be placed on the development of an expanded retrofit program to improve the water and energy efficiency of social housing dwellings and of private housing occupied by low income households. We further support the expansion of the no interest loans scheme (NILS) to include solar hot water systems, solar panels and rainwater tanks.**

### **Integrating land use with transport**

NCOSS welcomes the NSW Government's commitment to better link land use and transport planning in Sydney. Its announced intention to release an integrated Metropolitan Plan later in 2010 is a significant step forward.

The Metropolitan Transport Plan, released in February, contained a package of public transport measures that NCOSS broadly welcomes. We understand that work is continuing on a separate Freight Strategy for NSW.

**The problem remains, however, that the Metropolitan Transport Plan covers a much shorter timeframe than does the Metropolitan Strategy.** Further public transport investment, beyond that included in the Metropolitan Transport Plan, will be required if the medium and longer term objectives of the Metropolitan Strategy are to be met.

NCOSS does not wish to nominate particular additional public transport projects that should be prioritized. There is no shortage of suitable projects, as can be readily seen from the report of the independent inquiry chaired by Mr. Christie and in the Government's own

media statements accompanying the release of the Metropolitan Transport Plan. Clearly the outcome of the current COAG process on capital city planning will have some bearing on this.

**The other problem remains the issue of certainty.** We do not believe that the necessary investment in new housing and employment will occur in centres and corridors receiving additional public transport infrastructure if public transport expansion projects remain hostage to the annual budget cycle.

To address this problem **NCOSS recommends that the Government consider ways in which the Metropolitan Transport Plan, when finalized, could be given legislative or other backing.**

### **More jobs in the Sydney region and Growing Sydney's value**

These two sections of the Discussion Paper address the overall number of new jobs that will be required as Sydney grows, how to encourage a diverse economic base, and how to attract sufficient new and diverse jobs in Western and South Western Sydney, where the majority of future population growth is expected to occur.

The treatment of these matters in the Discussion Paper is very disappointing and lacks a whole of government focus. The most concrete commitments relate to employment lands and tourism, with only passing reference being made to the development of a broader economic development strategy and of giving 'consideration' to further land use planning, educational and infrastructure initiatives to encourage employment growth, particularly in Western Sydney<sup>7</sup>.

### **Strengthening a City of Cities**

The 2005 Metropolitan Strategy is based on developing a Greater Sydney<sup>8</sup> that comprises a small number of designated Regional Cities supported by 9 Specialised Centres and 12 Major Centres. NCOSS supports this approach, which is a continuation of a longer term approach that seeks to reduce the need for people to travel long distances to work or to access higher level services or places of entertainment.

NCOSS is concerned that no real benchmarks exist at present to measure whether the designated Regional Cities are performing their desired role. It is clear that the CBD is the dominant centre and contains many more jobs (and higher order jobs), cultural and entertainment facilities and so on, than exists in the other designated regional cities. The centres of Gosford, Liverpool and Penrith, by contrast, have modest numbers of jobs<sup>9</sup>, and much more limited higher order services and facilities. The other designated regional cities, Parramatta and North Sydney, are probably at an in between point.

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<sup>7</sup> Discussion Paper p. 19 and p.17 respectively.

<sup>8</sup> Including the Central Coast, with Gosford as a designated Regional City and Tuggerah-Wyong as a designated Major Centre.

<sup>9</sup> In fact Gosford, Liverpool and Penrith each has fewer jobs than Macquarie Park, Sydney Airport & Environs, and St Leonards (all Specialised Centres) and Chatswood (a Major Centre).

The Discussion Paper makes passing reference to reducing economic disadvantage and health inequality by promoting the growth of Liverpool, Parramatta and Penrith<sup>10</sup>, and to the need for public and private investment to provide high levels of educational, health, cultural, entertainment and recreational facilities in the Regional Cities for surrounding communities<sup>11</sup>. It lacks, however, specific initiatives to do so. This is exacerbated by continuing reference to the CBD and North Sydney as 'Global Sydney'<sup>12</sup>, when this title should apply to the metropolitan area as a whole.

**NCOSS recommends that the finalized Plan should contain a broad outline of the range of functions, facilities and higher level services that should be available in the designated Regional Cities to in order to achieve the objectives of the Metropolitan Strategy.** This would provide a set of benchmarks that would highlight what further investment and initiatives will be required over time to build capacity in Gosford, Liverpool, Parramatta and Penrith.

### **Meeting changing housing needs**

NCOSS strongly agrees that the Metropolitan Plan must seek to ensure that a wider mix of housing types and cost must be provided in response to changing demographic trends, including the ageing of the population. We are very disappointed, however, in the way that these issues are addressed in the Discussion Paper.

**Concerted action to expand the supply of both accessible housing and affordable housing are crucial if Sydney is to grow in a fair, efficient and sustainable way.**

For some time NCOSS has been urging the Government to adopt a formal policy on accessible housing that would guide the work of councils and other consent authorities. The availability of housing stock in the general community that is accessible for people with mobility problems is not growing as fast as the ageing of the population or the incidence of disability or mobility impairment.

While retirement villages are subject to mandatory design requirements, the introduction of policies and targets for accessible housing in the general community is inconsistent and ad hoc. This is because the State Government has not provided councils with clear policy guidance on the matter.

It is estimated that currently only a third of the state's councils have formal planning policies to promote the provision of accessible or adaptable housing<sup>13</sup>.

**NCOSS recommends that the NSW Government introduce a mandatory requirement that at least 10% of all new multi-unit residential developments is *adaptable*, meaning that it**

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<sup>10</sup> Discussion Paper p. 16.

<sup>11</sup> Discussion Paper p. 20.

<sup>12</sup> See for example Figure 8 on p. 16 of the Discussion Paper.

<sup>13</sup> See Chris Elenor: 'Provisions for adaptable housing by local government in New South Wales' Shelter Brief 30, Shelter NSW October 2006.

**is designed to be easily modified to be accessible to both residents and visitors with disabilities or progressive frailties, and that all new multi-unit housing be *visitable*, meaning it has at least one wheelchair accessible entry with accessible paths of travel to the living area and to a suitable toilet.**

The Discussion Paper rightly notes that housing affordability 'is an issue for all of Sydney' but goes on to conclude that recent changes to the planning system 'will help to increase the supply of new and affordable dwellings'<sup>14</sup>. NCOSS has not seen any modeling that would support this complacent conclusion. We acknowledge that the Government's Affordable Rental Housing SEPP contains some modest initiatives but note that these fall well short of the more far-reaching undertakings that were contained in the 2005 Metropolitan Strategy and the then Premier's commitment to the development of a comprehensive affordable housing strategy.

In particular the SEPP failed to include any measures to expand the application of affordable housing levies beyond the previously approved areas, such as Green Square, Pyrmont and Ultimo. The accompanying Community Guide includes the comment that '*it is the NSW Government's general view that expanding developer levies for affordable housing is not appropriate in the current economic climate*'<sup>15</sup>.

NCOSS accepts that this 'general view' is likely to be supported by both the Government and Opposition. We strongly believe, however, that further consideration needs to be given to how the planning system can contribute to the growth of affordable rental housing, particularly in urban renewal sites that are government owned or in corridors that are earmarked for substantial government infrastructure investment, particularly for new rail services. We would also note that the availability of investor subsidies under the National Rental Affordability Scheme (NRAS) means that developer contributions to affordable housing need not be in the form of traditional developer levies<sup>16</sup>.

With access to community and public housing restricted to low income households, there is a pressing need to provide access to housing assistance to a broader range of low to moderate income households, including low paid workers.

**NCOSS recommends that the Metropolitan Plan includes specific additional measures to expand the supply of affordable rental housing, particularly through the provision of sufficient state subsidies and in kind assistance such as land to ensure that NSW receives its fair share of additional subsidies under NRAS.**

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<sup>14</sup> Discussion Paper p. 21.

<sup>15</sup> *Supporting Affordable Rental Housing Community Guide*, Department of Planning, July 2009 p.15.

<sup>16</sup> The Commonwealth has made provision for 50,000 NRAS subsidies to be available nationally by June 2012, with a further 50,000 subsidies being allocated from July 2012 'subject to continuing strong market demand from both investors and tenants', see *National Rental Affordability Scheme Prospectus*, FAHCSIA July 2008 p. 9-10. NCOSS considers that NSW affordable housing projects should receive around 30% of all available NRAS subsidies.

The Government has said that it is committed to monitoring the outcome of the Affordable Rental Housing SEPP 'with a complete review to be undertaken after 31 July 2010'<sup>17</sup>. To date it has provided no details of the process envisaged for the review.

**NCOSS recommends that progress with the July 2009 Affordable Rental Housing SEPP should be subject of a formal evaluation in the second half of 2010. An external stakeholder reference group, including representation from the non-government sector, should be formed to provide input into the design and conduct of the evaluation.**

### **Balancing land uses on the city fringe**

NCOSS considers that the majority of Sydney's future population growth should occur within the existing area. We support limiting further greenfield development to the designated Growth Centres in Sydney's North West and South West. We believe that these areas should accommodate no more than 20% of Sydney's housing growth over the period of the Metropolitan Plan. This would help to contain Sydney's urban footprint and protect valuable agricultural land and bushland.

When the 2005 Strategy was released, the NSW Government made a strong commitment to ensuring that housing growth in the Growth Centres was accompanied by necessary infrastructure provision. While NCOSS expressed concern at the narrow definition of infrastructure that was adopted, we welcomed this commitment as an attempt to overcome the infrastructure deficiencies and delays that have previously been experienced with new communities on the fringe of Sydney.

Since then the achievement of this commitment has been hampered by subsequent debates within the Government about the South West and North West Rail Links and industry lobbying about the level of the regional infrastructure levy. We welcome the fact that work on the South West Rail Link is now underway and the announcement in the Metropolitan Transport Plan that the Government will proceed with its original commitment to a North West Rail Link.

It remains difficult, however, for the community to assess the progress with the planning and roll out of the capital works projects listed in the Growth Centres infrastructure plan. **To overcome this problem, NCOSS recommends that there should be regular public reporting online on progress with all elements of the Growth Centres Infrastructure Plan, including the two new rail lines. This reporting should be updated ever quarter.**

NCOSS welcomes the commitment in the Discussion Paper to continue joint work between Planning, Primary Industries and local councils to identify significant agricultural lands in the Sydney basin and to develop policies for their ongoing viability. To increase the pace of work on this aspect, **NCOSS recommends that the State Government develop a comprehensive food policy to guide decision making on all aspects of the food system.**

### **Achieving renewal**

For Sydney to grow on a sustainable basis there will clearly be a need for new models of urban renewal in selected parts of the existing urban area, especially in well located sites

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<sup>17</sup> Quoting from letter to Shelter NSW from Hon Tony Kelly MLC, Minister for Planning, dated 22 April 2010.

that are currently underutilized or where previous uses are coming to an end. These new models should aim to provide more housing in and around designated centres, and improved access to, and connections between, centres through new public transport infrastructure.

In moving down this path, there will be the need to do much better in building community support for a compact city and for transit oriented development. We believe the Department of Planning can do much better in partnering with relevant professional and academic bodies to improve community understanding of these approaches to urban planning.

Support for urban renewal will remain fragile if it is seen to only mean more high-rise apartments, and the displacement of lower income households to less advantaged areas. **While there will be a need for high-rise development in parts of the metropolitan area, the success of urban renewal efforts must be judged on the extent to which they result in vibrant and attractive mixed use and mixed income communities, and not just on the extent to which dwelling or jobs target numbers are achieved.**

NCOSS believes that the most sustainable communities are ones that contain a range of dwelling types, tenures and households. Where traditional low income communities are chosen for urban renewal, we strongly believe that explicit measures must be put in place to ensure that the 'renewed' community will remain home to a baseline level of low income housing, particularly social and/or affordable housing. This applies to both social housing estates and to areas that have long provided private rental housing for low income households, including low paid workers and students.

NCOSS does not have fixed views on what are the best governance arrangements to achieve good urban renewal outcomes, nor on which specific locations should be identified for future renewal activities. We would instead prefer to respond to proposals from either the Government, or other stakeholder groups, based on the extent to which such proposals encompass the concerns that we have set out above.

## **Implementation**

NCOSS believes that continuing and ongoing reporting to stakeholder groups and the wider community is vital to build and sustain confidence in the Metropolitan Strategy. This should include but not be restricted to a comprehensive annual report card that details what action has been taken on each of the action items in the finalized Metropolitan Plan.