

Mr Michael File
Director Strategic Assessments
Department of Planning and Infrastructure
GPO Box 39
Sydney NSW 2001

By email: plan_comment@planning.nsw.gov.au

Dear Mr File,

Re: Draft NSW Urban Activation Precincts Guideline, June 2012

The Urban Taskforce represents Australia's most prominent property developers and equity financiers. We provide a forum for people involved in the development and planning of the urban environment to engage in constructive dialogue with both government and the community.

The Urban Taskforce has reviewed the Draft NSW Urban Activation Precincts Guideline, June 2012 ("the guideline") and associated material and we have identified a number of issues worthy of further consideration. Our comments are generally outlined below for your consideration.

1. Urban Taskforce supports urban renewal

It is encouraging to observe that the Government is looking at ways to drive planning processes that are focused on the renewal of urban environments in key locations. The Government should be congratulated for seeking ways to activate logical renewal areas that cross local government boundaries and due to this added complexity would benefit from state government coordination that will hopefully result in tangible and measurable urban renewal outcomes.

Areas such as the Parramatta Road corridor are prime examples of locations that have suffered from inconsistency between the many local governments that control this important and potentially productive urban renewal corridor.

We are encouraged to read that the guideline acknowledges that simply providing zoned land will not be enough to deliver on aims to ensure an adequate supply of land and employment opportunities are delivered. The Government seems to understand that housing and employment can only occur if development opportunities are provided at the right time and in locations that are attractive to the market.

However, our fear is that the process outlined in the guideline, while well intentioned will be so complex, unwieldy and costly, that few urban renewal activation precincts will be created in a timely manner.

2. Precinct principles and criteria must recognise the need for renewal

The guidelines include a set of principles and criteria to be used when considering if an area should be recognised as an Urban Activation Precinct. These principles and criteria are centred around matters such as local government support, proximity to transport services and consistency with strategic plans. There is unfortunately no mention of the need for urban renewal and the degraded nature of the urban environment. We suggest that the precinct principles and criteria include a reference to the need for urban renewal. For example a criteria for the assessment of precinct suitability could say:

- Is the precinct a degraded urban environment in need of redevelopment?

3. The process must be quick and efficient

A review of the guideline suggests that the process involved in declaring an area to be an Urban Activation precinct will be an exhaustive and protracted process. According to the guidelines, even before a recommendation is made to *investigate* a precinct, the Department of Planning and Infrastructure will need to consult widely with other agencies and an interagency committee will be formed to review nominations for potential precincts. The mere fact that wide consultation and the formation of an interagency committee will be required to simply review nominations suggests a protracted preliminary process.

Furthermore, the form that nominations will take and the necessary strategic justification required are not articulated in the guideline. However, while the Government may be of a mind that the early nomination need not be exhaustive, experience with similar nomination processes including gateway, originally implemented to limit the amount of preliminary studies required, quickly become an exhaustive and time consuming process. That is, overtime the level of detail required in a planning proposal has continued to grow and the process has now become essentially a two stage rezoning process requiring applicants to carry out lengthy investigations simply to garner council support of a planning proposal for referral to gateway. The preliminary consultation process suggested in the guideline is in danger of becoming a slow and cumbersome process similar to the gateway process.

The preliminary consultation must be short and sharp where the Department is encouraged to consult with other agencies, seeking comment on a nomination within a predetermined timeframe. The Department could consider comments and then make a determination on whether the consideration of a precinct should proceed. However, there should be no need for further consultation or the creation of an interagency committee at this early stage, particularly if there is to be further, more comprehensive consultation during the investigation process via the formation of precinct working groups.

Notwithstanding the above, once a nomination for an urban activation precinct has been accepted, a declaration must be made that the nominated precinct is recognised as an urban activation precinct. The role of the working group would then focus on the completion of the detailed studies and eventual preparation of amending local environmental plan/s or SEPP and the drafting of development controls to facilitate development within the precinct. Without a clear declaration early in the process landowners will have no certainty until the end of a protracted investigation process.

Community engagement is important and community input must be actively sought as part of the precinct planning investigations. The community should be encouraged to review and comment on precinct studies and plans. Furthermore, the community should be able to comment on the code based assessment framework developed to enable more streamlined assessment of development within the precinct. However, once the studies have been finalised, a precinct rezoned and assessment codes prepared, there need not be any further community consultation.

4. Government should be more than a plan making authority

The assessment process for Urban Activation Precincts outlined in the guideline is comprehensive. The process will most likely be time consuming. While timeframes for the process have not been suggested, experience would suggest that at the very least, eighteen to twenty-four months will be required from nomination of a precinct to rezoning and assessment code preparation. We urge the Government to set a clear timeframe for the process so as not to permit endless investigation.

Furthermore, we are of the view that If the State Government is to invest so much time and effort into such a process, then it should continue its involvement for the actual delivery of housing and jobs within the precinct. This would be best achieved by maintaining consent powers for significant development within the precinct.

The Victorian Government has adopted a similar, but most likely far superior urban renewal scheme. Recently, the Victorian Government rezoned 240 hectares of Melbourne as a Capital

City Zone to drive urban renewal. This initiative has been declared a project of State Significance under the Planning and Environment Act and the Victorian Minister for Planning will be responsible for major applications which are more than four storeys, more than 60 dwellings, over 10,000 square metres in floorspace, or have a development value of more than \$10 million.

Industry confidence would be buoyed if the Government was to maintain consent powers for development within an urban activation precinct. This would ensure consistency in implementation of the plans and application of development controls when determining development applications. This would be particularly important in cases where activation precincts span a number of different local government areas.

5. Private sector nomination must not be onerous

The guidelines suggest that nominations for potential precincts may come from a number of sources including the private sector. This is a beneficial inclusion provided that the nomination process is not onerous. The guidelines should clearly outline the process to be followed by the private sector when nominating a potential precinct and this nomination process should not require exhaustive strategic argument and/or planning studies. In this regard, a nomination for a potential precinct should not require more than a letter of request to the Government and a preliminary assessment that discusses matters including the:

- strategic importance of the nominated precinct;
- how the nominated precinct satisfies selection criteria; and,
- suitability of the precinct for urban renewal.

The process for nomination must not be onerous and should not impose excessive costs on the nominator

6. Private sector must have access to an equivalent system for sites outside of an activation precinct

Urban renewal and the delivery of housing are reliant upon private sector investment. It is the private sector that will bring about beneficial changes to the private and public domains. This can only happen if development opportunities are provided in all appropriate locations, including single or multiple development sites outside of defined urban activation precincts.

Unfortunately, ideal development sites, in the appropriate locations and of suitable proportions often cannot be developed due to outdated and prohibitive planning controls. The only means of having these controls varied is to seek the support of the local authority to have a planning proposal referred for a gateway determination prior to rezoning. With the removal of ability to have a project declared a Major Development pursuant to Part 3A of the Environmental Planning and Assessment Act 1979, development proponents are forced into a non-appealable rezoning process, controlled by an often ambivalent or hostile local authority. However, if the development site was located within an urban activation precinct, the formulation of new planning controls and the rezoning process would be removed from the local authority to be dealt with by the State Government. It is argued that such an opportunity to have major development sites assessed by the State Government should exist for appropriate sites even if outside of urban activation precincts.

An owner of land should be able to approach the State Government and demonstrate that the development of an appropriately located site would for arguments sake:

- deliver housing in an appropriate location;
- satisfy the objectives of local or state strategic plans; and,
- maximise the use of existing and/or planned infrastructure.

Commitment to urban renewal will require the Government to look for all opportunities to incentivise the market and encourage the production of housing and employment opportunities. This will necessitate more than an urban activation precinct process.

I confirm that the Urban Taskforce supports urban renewal strategies that are economically sound and recognises the important role of private sector investment. We are always willing to work closely with the Government and the relevant stakeholders to provide a development industry perspective on urban renewal strategies and planning controls. Should you require any further clarification of the content of this correspondence, please feel free to contact me.

Yours sincerely

Urban Taskforce Australia



Chris Johnson AM
Chief Executive Officer