

Draft Sydney District Plans and Towards Our Greater Sydney 2056

Submission to the Greater Sydney Commission, prepared by **Urban Taskforce Australia**,
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Foreword

The Urban Taskforce thanks the Greater Sydney Commission for the opportunity to comment on the *Draft Sydney District Plans* and *Towards Greater Sydney 2056*. We provide the following commentary below for consideration.

1. Acknowledgement of the extent of the material

The Urban Taskforce acknowledges the significant amount of work undertaken by the Greater Sydney Commission in preparing the 40 year metropolitan Strategy update (*Towards Our Greater Sydney 2056*) and the six Draft District Plans, as well as the supporting information. We also acknowledge and appreciate the dedication of the Greater Sydney Commission staff and Commissioners in consulting with Urban Taskforce and its members through workshops and discussions.

2. The legal status of the Draft District Plans in relation to *A Plan for Growing Sydney* is uncertain

We believe there is some confusion over the legal status of the Draft District Plans. Under the Environmental Planning & Assessment Act 1979, draft district plans must give effect to the existing Metropolitan Strategy (*A Plan for Growing Sydney*). Yet the amendment, *Towards Our Greater Sydney 2056*, including the adjustment to a 40 (rather than 20) year plan clearly set some very different directions. Presumably a revised Sydney Metropolitan Strategy will become the legal plan prior to the finalisation of the Draft District Plans. We are concerned that there appears to be two different Sydney Metropolitan Strategies in operation at the same time, leading to significant risk, confusion and uncertainty for applicants of planning proposals and development applications that must conform to both *A Plan for Growing Sydney* and *Towards Our Greater Sydney 2056*.

3. The 'three-city' vision for Sydney is supported

The Urban Taskforce supports the 'three city' concept as a framework for the growth Sydney into the future. We are, however, concerned at the dominance of this concept as the key 'game changer' and the apparent lessening of significance of the three Regional City Centres (Liverpool, Penrith, Campbelltown-Macarthur).

4. A clear vision of the future built form of the Greater Sydney area is needed

To some extent the Draft District Plans are 'plans to make a plan' in co-operation with councils and communities. We believe the GSC should take this once in a generation opportunity to promote a realistic vision for the 20 and 40 year future form of Sydney. The extra number of homes and jobs is known and the built form to

contain this growth must go somewhere. The GSC must develop modelling that explains to the community how the growth may look. We also believe that the 40 year version of a metro rail network supplemented by light rail loops should be promoted as the necessary infrastructure framework required for the cities growth.

5. Developers are increasingly becoming responsible for the funding of infrastructure and affordable housing

The Draft District Plans and *Towards Our Greater Sydney 2056* make many references to value capture, infrastructure contributions and affordable housing levies. Much of the funding for these causes comes from private sector developers, through the relevant planning authority trading floor space uplift. When the property market is up, this approach may work financially, but when a down turn occurs, as seems likely, the feasibility of this approach to sharing the uplift in land value may not be possible. As it is likely to take at least two years until the District Plans are finalised and revised Local Environmental Plans prepared across Sydney, Planning Proposals with so called Voluntary Planning Agreements (VPAs) will be the main method for raising funds. Our concern is that the approval body has undue influence in this process and is able to demand onerous and arbitrary financial contributions from the developer. It is essential that double dipping by different government departments and by councils does not kill off development. Any financial advice used by the GSC or by councils must be transparent and be accessible to ensure procedural fairness.

6. Too many planning decisions are delegated to councils

The GSC in the Draft District Plans requires each council to develop a local housing strategy, addressing provision of affordable housing. We have seen a range of proposals from councils for inclusionary zoning with targets ranging from 5% to 15% with some based on Gross Floor Area, and some only placing the target on uplift. There are also varying approaches to phasing the levies in varying for 0 to 5 years. On top of an affordable housing levy councils are adding further levies for local and city wide infrastructure and Transport for NSW is adding further levies for light rail. The GSC must control the large number of well-meaning agencies and councils keen to capture funds from developments.

7. Housing supply must be given higher priority

The Draft District Plans give a greater priority to jobs over housing just at the time that Sydney is facing a housing crisis in terms of supply and affordability. Employment lands must use the precautionary principle to favour preservation of employment lands over housing and this has led to the rejection of a number of rezoning proposals for redundant inner city industrial land. The Draft District Plans

also favour jobs over housing in strategic and district centres by recommending relevant planning authorities preserve commercial cores, at the cost of mixed use or residential development. This shift in emphasis means the Draft District Plans do not align with the legally recognised Sydney Metropolitan Strategy, *A Plan for Growing Sydney*. As Sydney needs much more housing supply it seems strange that the Draft District Plans are working against this.

8. Community involvement must relate to the scale of impact of the proposed development or plan (local, district or metropolitan)

There is much discussion about involving communities in developing plans for their areas but not much clarity on the need to relate involvement to the scale of the strategy or development under consideration. The location of a new metro line, for instance, cannot be based upon the desires of dozens of local community groups. It is important that community expectations are carefully managed so that the extent of their involvement is made clear early in the process.

9. A mixed use cosmopolitan character should be promoted

The Urban Taskforce is concerned that the Draft District Plans reinforce exclusionary zoning where only one activity is allowed to occur. The use of commercial only zoning in centres and the focus on maintaining employment lands as single use areas goes against the trend in global cities around the world towards cosmopolitan mixed-use precincts.

10. Affordable housing should be provided through an incentive-based system

The approach to providing affordable housing adopted in the Draft District Plans is to require developments to include 5 to 10% of the floor space uplift as affordable housing within a development. Affordable housing is defined as being for 'low to very low' income earners. Our concern is that the feasibility of developments will be affected by the financial costs of providing the affordable component and that at the very low level of income that tenants will be required to have this could have an impact on the perceptions of purchasers of the market dwellings in the same building. We believe an incentive system based on the Affordable Rental Housing SEPP 2009 applied to moderate income levels will lead to better overall results. This approach is discussed in more detail later.

Additional commentary and recommendations are provided below.

Issue: The use of affordable housing targets will deter development. Different approaches to the provision of affordable housing must be examined.

The Draft District Plans include a target of providing between 5-10 percent affordable housing on new development projects, rented at below market rates by households on low to very low incomes. We understand that as Sydney grows, the population can experience greater social displacement as a consequence of this growth. Additional housing on the housing market may not necessarily be housing that is affordable to existing lower income households.

However, the impacts of mandating affordable housing targets are generally negative and deter development. Evidence suggests that targets such as these drive up the price of non-subsidized housing in housing markets with high demand and restricted supply, such as the Sydney housing market. In order to ensure the development of new housing is not deterred and housing prices are not driven higher, different approaches to the provision of affordable housing should be explored.

Recommendation: The Urban Taskforce supports affordable housing targets if an incentive-based approach can be adopted.

Issue: No evidence base has been provided to justify the 5-10% affordable housing target range

We have noted that the draft District Plans and associated documents do not provide any evidence for the target range nominated. The Greater Sydney Commission has often cited evidence-based planning as the key to developing successful, well-considered plans which deliver outcomes.

Recommendation: The Urban Taskforce requests that the GSC make evidence around the formulation of the affordable target available for review.

Issue: Inconsistent approaches to affordable housing are emerging from different levels of government

Currently, many councils are looking to introduce their own affordable housing schemes. Examples of these include Randwick Council's [request to add areas in their local government area to SEPP 70](#)¹, Inner West Council's proposal to introduce a [15](#)

¹ Jackson, N. (7 February 2017), [Randwick gets SEPP 70 zoning, starts authorising affordable housing](#), Architecture & Design

[percent affordable housing target](#)² and the [City of Sydney's Affordable Housing Levy scheme](#)³.

The NSW Government should develop a consistent framework for the provision of affordable housing which can be applied consistently across the Sydney Metropolitan Area. Until then, ad hoc approaches by councils to facilitate affordable housing should not be permitted.

Recommendation: The Greater Sydney Commission and the Department of Planning must not allow any ad hoc approaches by council to facilitate affordable housing until the Draft District Plans are finalised and a consistent approach to affordable housing is developed.

Issue: The methodology to identify an appropriate and viable affordable housing targets has not been provided for comment.

The Draft District Plans indicate that identification of an appropriate 'Affordable Rental Housing Target' will be subject to development feasibility testing across the nominated development to ensure that the target will not make the proposed development unviable. Details on what the viability testing assumptions and parameters will be has not been provided by the Greater Sydney Commission. This is of critical importance to developers and other stakeholders. The District Plans indicate a 'Guidance Note' will be prepared by the GSC to determine an appropriate and viable target for a nominated area.

Recommendation: The Urban Taskforce requests that:

- ***The guidance note should be publicly exhibited and relevant stakeholders given the opportunity to provide input;***
- ***Any kind of viability testing must give due consideration to any kind of local or state infrastructure contributions and particularly to any kind of payment made as part of a Voluntary Planning Agreement;***
- ***The developer must be permitted to have input into development of the viability testing relating to their development;***
- ***The methodology and information used in viability testing must be made publicly available, and must be transparent and robust; and***

² Inner West Council (6 December 2016), [Affordable Housing Policy on Public Exhibition](#).

³ City of Sydney Council Transport, Heritage & Planning Sub-Committee (20 March 2017) [Item 5: Affordable Rental Housing Review – Public Exhibition- Planning Proposal and Affordable Housing Program](#)

- **Exemptions must be granted if it is clear these extra costs would prevent the development from proceeding.**

Issue: Affordable housing must be incentivised to deliver substantial numbers of dwellings.

The Urban Taskforce believes that an affordable housing policy which provides financial support to developers to deliver affordable housing would encourage investment in, and delivery of, affordable housing on a large scale.

Affordable housing schemes similar to the approach outlined in the District Plans have failed to provide large number of affordable housing – for example, a scheme in Washington DC created 80 units of affordable housing between 2006 and mid-2014⁴. A San Francisco scheme delivered 1,560 units (approximately 140 per year)⁵.

The Urban Taskforce has developed an affordable housing policy which seeks to incentivise the delivery of affordable housing and could deliver up to 40,000 additional homes over the next ten years. An incentive based system would produce far more affordable homes, encourage productivity and investment in the property sector and will not hinder supply of non-affordable housing. This policy is available [here](#). The policy is based upon providing an incentive through a 20 % increase in Floor Space Ratio and Height controls, in return for dedicating 20% of floor space for affordable housing for a period of 10 years. This approach has the support of the property development industry and can deliver substantial numbers of affordable dwellings.

Recommendation: We recommend that the Commission investigate an incentive based approach to encourage development of, and investment in, affordable housing.

Issue: Infrastructure funding methods must be fair, equitable and transparent

The draft District Plans describes current methods used to fund infrastructure in the Sydney Metropolitan Area and goes on to discuss the concept of value capture as a method to fund future infrastructure. The form of value capture discussed is based on ‘capturing’ from a land owner or developer, a portion of economic uplift in land value which is occurs as a result of the provision of infrastructure, such as a rail line.

⁴ Hertz, Daniel (11 February 2016) [Inclusionary zoning has a scale problem](#), City Observatory, Portland, Oregon

⁵ Hertz, Daniel (11 February 2016) [Inclusionary zoning has a scale problem](#), City Observatory, Portland, Oregon

It is crucial that any infrastructure funding methods used are fair, equitable and transparent.

Recent studies have dispelled value capture as a fair and equitable method of funding infrastructure. Infrastructure NSW⁶ indicates support the use of *special purpose property levies* such as the Gold Coast Transport Improvement Separate Charge. Infrastructure Australia's report from 2016 supports the use of broad based land taxes as the most appropriate mechanism to capture funding for infrastructure⁷.

In addition, a recent paper prepared by the Grattan Institute⁸, titled *What Price Value Capture?* warns specifically against mechanisms such as the value capture taxes, stating

'Governments should generally avoid value capture taxes because better, fairer and simpler taxes are available to them. They would serve their constituents better by imposing broad-base low-rate taxes, such as land-taxes, instead of reaching for narrow-base high-rate value capture taxes''

The Henry Tax Review of 2010⁹ also supports broad-based land tax and considers betterment taxes such as value capture difficult to administer and apply, particularly in relation to land values. If value capture is introduced *'after a developer has bought the land from its original owner, they cannot be factored into the price previously paid for the raw land. In this case, the charge would lower the expected return on investment'*¹⁰.

Any value capture scheme based on the provision of new transport infrastructure must require drawing a boundary around a geographic area, for example the Parramatta CBD, to distinguish between those who must fund infrastructure from those too far away to benefit is inherently difficult to undertake justly and fairly. The provision of additional infrastructure in strategic centres and district centres will provide benefits to all people, businesses and organisations who use, visit and live in these centres and the benefits must be diffused among these people.

Value capture schemes cap development potential, deter development and lead to land being underutilised. These scheme are likely to act a disincentive to develop land to its highest and best use. Owners of land may avoid the charge by not developing the site to its full potential. Taxes of this kind are more likely to have an anti-development effect. The Henry Tax Review notes that introduction of additional taxes such as a value capture tax *'is likely to discourage development activity, which could reduce the overall supply of housing, and raise its price'*¹¹

There are also early signs of the apartment market slowing in Sydney due to a range of factors, such as slowing of foreign capital investment into Australia local banks restricting financing on apartment investments and introduction of additional foreign

⁶ Infrastructure NSW (2014) *State Infrastructure Strategy 2014*, Cited in *City of Parramatta Discussion Paper – Infrastructure Planning and Funding in the Parramatta CBD*

⁷ Infrastructure Australia (2016) [Capturing Value: Advice on making value capture work in Australia.](#)

⁸ Terrill, M. and Emslie, O. (2017) [What price value capture?](#) Grattan Institute

⁹ Treasury (2010) [Australia's future tax system – Report to the Treasurer.](#)

¹⁰ Treasury (2010) [Australia's future tax system – Report to the Treasurer.](#)

¹¹ Treasury (2010) [Australia's future tax system – Report to the Treasurer.](#)

investor fees and charges. Introducing additional taxes at this time will only serve to hasten any downturn in the property market.

No value capture scheme should be introduced until state-level infrastructure funding and proposed affordable housing targets are finalised. For example, Parramatta Council has proposed a 'property uplift value scheme' (value capture) to assist in the funding of new infrastructure in the Parramatta CBD. This scheme may require significant contributions for development within the Parramatta CBD¹².

The application of this scheme has serious financial implications for all property owners and developers affected. No value capture schemes such as the one proposed by Parramatta Council should be introduced until all other taxes, such as affordable housing targets, state infrastructure contributions etc. are finalised, in order to ensure these can be taken into consideration when modelling any proposed value capture scheme.

Recommendation: The Urban Taskforce does not support the introduction of value capture schemes based on perceived land value uplift. Any value capture scheme must take into account all other affordable housing targets, taxes, levies and contributions at all levels of government to ensure an adequately informed scheme can be developed. The property development industry, affected landowners and other key stakeholders must be involved in the development of any proposed value capture scheme.

Issue: Alternative approaches to infrastructure funding must be given appropriate consideration

- **Funding infrastructure through a broad-based land tax**

A broad-based land tax is an alternative way to tax some of the land value uplift that results from government actions. Most recently, Infrastructure Australia has argued that such a tax would be the best way to capture value from new infrastructure investments¹³. A broad-based land tax is highly efficient, because land is an immobile tax base. While it does not zero in on the direct beneficiaries of new infrastructure, it would capture the effects of all infrastructure, old and new, as they impact upon land values. Introduction of land taxes is not within the power of the Greater Sydney Commission, however the Commission could work with NSW government to introduce these changes.

- **Introduction of a 'Special Purpose charge', similar to the Gold Coast Transport Improvement Separate Charge**

The Gold Coast Transport Improvement Separate Charge is a flat amount (currently \$123) added to every annual rates bill in the City of Gold Coast¹⁴. Money raised is used to implement the 'City Transport Strategy, to expand the city's transport

¹² City of Parramatta Council, (March 2017) [Discussion Paper on Infrastructure Planning & Funding in the Parramatta CBD](#)

¹³ Infrastructure Australia (2016, p14) [Capturing Value: Advice on making value capture work in Australia.](#)

¹⁴ City of Gold Coast (2016, p70) [Revenue Statement and Resolution of Rates and Charges 2016-17](#)

infrastructure and enhance its ability to meet the city's growing public transport needs.'

This levy is not intended to match the charge to perceived land value uplift. In fact, land value uplift has only been clearly observed for properties within 400 metres of a stop, which is 1 percent of Gold Coast properties¹⁵.

This is a simple, equitable and transparent method to raise a sustainable and reliable source of funding for infrastructure. This revenue can be hypothecated to be spent on the projects outlined in identified in state and regional infrastructure plans.

Recommendation: The Urban Taskforce recommends the Greater Sydney Commission work with the NSW Government to introduce a broad-based land tax or a Special Purpose Charge to fund infrastructure.

Issue: Towards our Greater Sydney 2056 does not include the important role of high density housing in well-serviced locations

Towards our Greater Sydney 2056 states that regional plans should examine various opportunities to increase housing stock, in particular:

- Urban renewal
- Medium Density infill development
- New communities in land release areas.

No mention is made of well-located high-density development in accessible locations close to jobs, schools and services.

It is important to note that 'medium density infill development' is not likely to be adopted by property developers on a large scale. Due to the cost of land and heavily inflated property prices, and risky and uncertain approval processes, two storey townhouses are no longer a financially viable infill approach to housing in many areas of Sydney.

The need for high-density apartment builds in appropriate areas must be clearly articulated in the draft District Plans and *Towards Our Greater Sydney 2056*.

Recommendation: The Draft District Plans must also focus on delivering high-density residential and mixed use development in well-serviced locations such as strategic and district centres.

¹⁵ Murray C.K. (2016) [Land Value Uplift from Light Rail](#)

Issue: The use of the 'precautionary approach' to rezoning of employment lands will hinder the supply of housing

The Draft District Plans have indicated that a 'precautionary approach will be taken to the conversion of employment lands in the absence of a District-wide assessment of their value and objectives.' Accordingly, relevant planning authorities have been directed through the District Plans to:

'...take a precautionary approach to rezoning employment and urban support lands or additional uses that would hinder their role and function. The exception being where there is a clear direction in A Plan for Growing Sydney, the District Plan or an alternative strategic endorsed by the relevant planning authority. Any such alternative strategy should be based on net community benefit assessment (i.e. analysis of the economic, environmental and social implications) of the proposed exception taking into account a District wide perspective.' (Productivity Priority 1: Protect and Support employment and urban services land)

The use of the 'precautionary approach' to rezoning of employment generating land will prevent the delivery of substantial numbers of dwellings to the Sydney housing market, constraining supply and driving home prices higher. The development of under-utilised and redundant industrial and commercial land for residential and mixed use purposes will revitalise and renew existing areas and provide badly-needed additional dwellings.

The nature of employment and business is changing rapidly. Employment lands are already transitioning to industries which provide a higher 'employment dividend'. This is happening through shared work spaces, remote working, telecommuting and the transition away from manufacturing towards less space intensive industries such as knowledge and serviced based jobs.

Although it is important to evaluate and assess the importance of employment-generating land uses, it is crucial that housing supply is not hindered while this evaluation and assessment takes place.

Recommendation: the Urban Taskforce recommends the 'precautionary approach' to rezoning of employment land is removed from the Draft District Plans. The 'District-wide assessment of their value and objectives' should be undertaken as soon as possible, with input from the property development industry and other key stakeholders.

Issue: Definition of 'Affordable Housing' excludes those on 'moderate' incomes

The Draft District Plans specifically identify 'affordable housing' for those who are on 'low and very low income' and excludes those who are on a 'moderate' income.

This is in direct contrast to existing affordable housing definitions. For example:

The NSW Affordable Housing Guidelines provides the following definition:

'Affordable housing is housing that is appropriate to the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care and education'¹⁶.'p1

This definition has been agreed upon by Australian and NSW housing, planning and local government minister and is a key component of the NSW Affordable Housing Guidelines. For registered community housing providers, failure to comply with these Guidelines is cause for regulatory review under the *Housing Act 2001*.

Community housing providers operating in the Sydney Metropolitan Area currently must target households whose incomes fall within very low, low and moderate income bands. There are substantial numbers of existing tenants on 'moderate' incomes which may be affected by changes made to the definition of 'affordable housing', should the GSC choose to pursue a different definition. Sydney's average house prices are currently 12.2 times average annual household incomes, placing Sydney as the second most unaffordable city in the world after Hong Kong¹⁷. Residents on median-level income must also have access to affordable housing.

Recommendation: The Urban Taskforce requests the definition for affordable housing includes those on 'moderate incomes'. The Urban Taskforce also requests that if the GSC wishes to adopt a different definition, this definition is developed in collaboration with the relevant agencies administering and regulating the community housing providers, as well as other affected stakeholders.

Issue: The NSW Government and the Greater Sydney Commission have a key role in delivering and communicating the benefits, and the necessity, of a growing, higher-density, cosmopolitan and better connected city.

The Greater Sydney Commission has an obligation to embrace the clear trend toward, and the necessity for, higher-density dwellings in the Sydney Metropolitan

¹⁶ Housing NSW (July 2013) [NSW Affordable Housing Guidelines](#).

¹⁷ Demographia (2017) [13th Annual Demographia International Housing Affordability Survey: 2016 –Rating middle income housing affordability](#)

Region. In recent years there has been substantial growth in high-rise apartment developments in the inner suburbs and some middle ring and outer suburbs of Sydney. Sydney's skylines have altered dramatically in the last two decades as a result of Sydney's resoundingly successful economic growth which has encouraged population growth as a consequence. Many people, particularly highly mobile young professionals, overseas students, retirees and small families, are opting to live in these kinds of dwellings by choice – provided these apartments offer other advantages, such as being in a location with excellent proximity to jobs, education and services¹⁸. In 2011, 20.7% of dwellings in Sydney were classified as high density (one in five) and this has increased substantially¹⁹. The proportion of apartment dwellers will only increase.

The language used in the Draft District Plans does not advocate for higher-density development or attempt to explain the need and logic of a more compact urban form.

In particular, *Towards our Greater Sydney 2056* states that regional plans should examine various opportunities to increase housing stock, in particular:

- Urban renewal
- Medium Density infill development
- New communities in land release areas.

The Greater Sydney Commission and the Commissioners must take on the difficult role of championing the many benefits of higher density urban environments to the population of Sydney. Housing must be built at higher densities to preserve bushland, open space and farmlands and parks and preserve space for essential infrastructure such as schools. Such broad-based educational efforts are needed to alter attitudes about higher-density projects. These efforts should emphasize that higher-density projects can be attractive, can be well integrated into the community, and can help accomplish environmental objectives such as preservation of open space and rural farmlands.

Convincing the broader population that there is a need for additional housing, at higher densities is crucial for the continued success of Sydney into the future. Breaking down the need for higher density development, particularly housing, is essential to demonstrate the seriousness of the problem Sydney is facing in the coming years. David Dowall, author of *The Suburban Squeeze: Land Conversation and Regulation*

¹⁸ .id The Population Experts, (29 July 2013), [A look at high density housing in Sydney](#)

¹⁹ .id The Population Experts, (29 July 2013), [A look at high density housing in Sydney](#)

in the San Francisco Bay Area²⁰, provides the following checklist of evidence which demonstrates the need for higher density development:

- Available data and informed opinion indicate that local house prices or rents are higher than in comparable jurisdictions
- Employers report difficulty in finding qualified personnel, partly because of housing cost
- Families have found that children who are now young adults are unable to live in the area, or, alternatively, that the housing situation is forcing such young people to continue to live with their parents
- Community housing providers report increasing difficulty in finding housing for people

Dowall goes on to note the consequences of inaction on this issue – ‘housing affordability becomes a potent political issue. Tenant groups, labor organisations and corporations coalesce into advocacy groups countering neighbourhood and environmental groups that stridently oppose new housing. Local development reviews become highly political and controversial matters.. Most fundamentally, the haves (those who have housing) are pitted against the have-nots²¹’

Development in highly-accessible locations in Sydney must occur at higher densities, and housing must be integrated in centres, close to transport, mixed with other compatible uses such as commercial and retail. These actions would go a long way toward meeting current and future demand for housing without the conversion of environmentally valuable land or open spaces. In order to solve Sydney’s escalating housing crisis, the Greater Sydney Commission must show Sydneysiders, by way of concrete examples, that higher-density development can be both attractive and desirable. Bringing about this change will not be easy, it is possibly the greatest challenge land use planners in Sydney have faced. But it is essential it must be done.

Recommendation: The Greater Sydney Commission undertake a public education campaign and actively champion well-designed high-density precincts and developments.

²⁰ Dowell, David. E. (1984) *The Suburban Squeeze: Land Conversion and Regulation in the San Francisco Bay Area*, University of California Press

²¹ Dowell, David. E. (1984) *The Suburban Squeeze: Land Conversion and Regulation in the San Francisco Bay Area*, University of California Press

Issue: Mixed use cosmopolitan centres must be encouraged

Lucy Turnbull, Chief Commissioner of the Greater Sydney Commission has been quoted as saying "Our ambition is for greater Sydney to be the kind of global city that is home to a mix and variety of places we want to live, work, study, play and visit – places that are close to those essentials like housing choices, smart jobs, great schools, healthcare, open spaces and facilities"²²

In order to deliver on this vision for vibrant, mixed-use centres, which is supported by the Urban Taskforce, the District Plans must encourage residential and mixed use development in strategic and district centres, particularly in 'core' areas around transport nodes such as rail and metro stations. The District Plans encourage the preservation of commercial and industrial land uses, and effectively prevent mixed use developments in key areas.

The benefits of mixed-use development are well known and supported by evidence and research. Urbanist Jane Jacobs strongly supported mixed uses and believed that sustainable urban development with a mix of land uses and increased densities in urban areas with a variety of users is the recipe for successful centres and districts²³. In her book, *The Death and Life of American Cities*, Jacobs argued for a mixing of land uses. She stated the following:

*'The district, and indeed many of its internal parts as possible, must serve more than one primary function; preferably more than two. These must ensure the presence of people who go outdoors on different schedules, and are in the place for different purposes, but who are able to use many facilities in common'*²⁴

There are many benefits of mixed use centres. It is an excellent way to incorporate a mix of housing types on a small scale while enhancing the traditional character of the existing neighbourhood. Mixed use can be used to revitalise struggling neighbourhoods and spur economic development and activity. Additional benefits include:

- Guides residential development towards established infill areas, protecting outlying rural areas, environmentally sensitive resources and preventing urban sprawl;

²² Saulwick, J. (21 November 2016) [Job and housing targets boosted in Greater Sydney Commission District Plans](#), Sydney Morning Herald

²³ Wooten, R. (27 May 2013), [Jane Jacob's ideas on viable cities are more relevant than ever](#), Michigan State University Extension

²⁴ Jacobs, Jane (1961) *The Death and Life of Great American Cities*, Random House, New York

- Enhances vitality of the neighbourhood
- Encourages economic investment
- Promotes a sense of community and a sense of place
- Reduces dependence upon cars, roadway congestion and air pollution through co-locating multiple destinations
- Promotes active centres, through pedestrian and bike travel,
- Promotes revitalisation
- Encourages high-quality, innovative urban design
- Preserves and enhances existing centres
- Promotes the development of a community through mixing retail, restaurant, offices civic uses and housing
- Provides housing opportunities
- Increases revenue streams for council
- Embodies 'Smart Growth'
- Promotes efficient use of land and infrastructure²⁵.

Recommendation: Mixed use zones must be included in all strategic and district centres. A 'Commercial Core only' approach should not be adopted.

Issue: The definitions of 'Strategic Centres' and 'District Centres' has changed to prevent the delivery of housing and discourage mixed use development

The Draft District Plans include a revised definition for a 'Strategic Centre' and a new definition for a 'District Centre'. These are provided below:

Strategic centres: *have one or more of the following characteristics:*

- *A higher proportion of knowledge-economy jobs, principally relating to the presence of major hospitals, tertiary education institutions, standalone office development or a combination of these;*
- *The presence of existing or proposed major transport gateways*

²⁵ Metropolitan Area Planning Council, [What are the benefits of mixed use development?](#) 11 February 2010

- A major role in supporting the increased economic activity of the Eastern, Central or Western Cities.

Strategic centres also tend to have over 20,000 jobs.

District Centres: play a significant role due to the presence of one or more of the following characteristics-

- The scale of retail activity, generally over 50,000 square metres of floor space,
- The presence of health and education facilities that serve the district and the local community
- The level of transport services.

District centres also generally have between 5,000 and 10,000 jobs²⁶.

By contrast, the definition of a 'Strategic Centre' in *A Plan for Growing Sydney* focuses on mixed use, density and diversity. No definition for a District Centre is provided. See definition below:

Strategic Centres

- The largest centres in the Sydney Metropolitan Area, when developed.
- They contain mixed-use activity of an amount, density and diversity that is of metropolitan significance, including commercial (office, business and retail), civic and cultural uses, government services, and higher density housing.
- They are typically on the passenger rail network or serviced by other high frequency public transport. Strategic centres typically contain at least 10,000 jobs, with the potential to accommodate ongoing jobs growth over the long-term.
- They are priority locations for employment and retail activity²⁷.

This definition of a 'strategic centre' provides opportunity for the development of higher density housing, commercial, employment and retail activities and recognises the importance and value of mixed use centres. The definitions provided in the Draft District Plans focus solely upon employment-generating land uses and could lead to the development of sterile centres, devoid of vitality. Often, commercial-only

²⁶ Greater Sydney Commission (November 2016) *Draft Central District Plan, Draft West District Plan, Draft North District Plan, Draft South West District Plan, Draft West Central District Plan and Draft South District Plan* (definition applicable to all District Plans)

²⁷ NSW Government (December 2014) [A Plan for Growing Sydney](#)

developments are not financially viable as there is insufficient return on investment to allow the project to proceed.

Recommendation: The Urban Taskforce recommends that:

- **the definition of a 'Strategic Centre' used in A Plan for Growing Sydney replaces the definition used in the Draft District Plans;**
- **the Definition of a 'District Centre' is amended to include mixed use development and medium-high density housing.**

Issue: District Plans must provide adequate detail to guide development

Currently, relevant planning authorities must consider the draft District Plans when determining a planning proposal, and must give effect to them once they have been made. The Greater Sydney Commission has indicated that the District Plans will:

- Inform the preparation of LEPs
- Inform planning proposals
- Guide strategic land use, transport and infrastructure planning across local government areas; and
- Inform infrastructure planning²⁸.

However, there is insufficient direction and detail in the draft District Plans to drive real change in local and regional planning and development approvals.

This lack of detail and clarity creates confusion and uncertainty for the development industry, and allows local councils to interpret the District Plans in inconsistent ways to suit their own agenda. Without sufficient detail, the District Plans will be ineffective at delivering the desired outcomes and will create confusion and uncertainty.

Recommendation: District Plans must provide clear, unambiguous direction and detail to inform local level strategic and statutory planning.

²⁸ | Thomas, Nick & Dougherty, Tom (8 December 2016) [Long-term strategic vision released for Greater Sydney](#), Clayton Utz