

Mr Peter Achterstraat
Productivity Commissioner
NSW Productivity Commissioner/NSW Treasury
GPO Box 5469
SYDNEY NSW 2001

By email: ProductivityFeedback@treasury.nsw.gov.au

Dear Mr Archterstraat,

Re: NSW Productivity Commission Green Paper Comments

Liverpool City Council welcomes the opportunity to provide feedback on the draft recommendations contained in the Productivity Commission's Green Paper. Council recognises that productivity growth is vital to the future prosperity of our community and that we have a significant role to play in delivering improved productivity.

Council officers (Council) have reviewed the Green Paper, supports the objective of achieving a more productive and sustainable economy and agrees that many of the draft recommendations have the potential to make a valuable contribution towards increased productivity in New South Wales.

Council supports the following draft recommendations:

- Increase access to quality open space;
- Reduce the complexity of the planning system;
- Review of SEPP 65 and rationalise appropriate SEPPs;
- Review and extend the relaxation of COVID-19 regulations;
- Infrastructure Contributions System; and
- Fast track appropriate Development Applications

Council strongly supports reform to the infrastructure contributions system. More innovation is needed to ensure that Council can adequately fund and deliver local infrastructure such as parks, libraries, bridges, cycleways and sports centres. Arrangements to fast track appropriate development applications, planning proposals and State Significant Development (SSDs) is also welcome and Council is undertaking a similar exercise

Detailed comments on the Green Paper is attached. If you require further clarification or wish to discuss the comments, please contact [REDACTED]

Yours sincerely

[REDACTED]

[REDACTED]

[REDACTED]

Enclosed: Detailed Comments

[REDACTED]

Detailed Comments

Jobs, Skills, Education & Training

Skills formation and pathways to employment are emerging as critical issues in NSW which need addressing. It is pleasing that the Productivity Commission recognise this issue. In January 2020, Liverpool City Council appointed a dedicated Employment Officer to facilitate “Local Jobs for Local People” as a means to create a self-contained city. Liverpool is the first Council in NSW to do so.

Part of the role is to ensure that pathways are developed, established and integrated in the development assessment process, especially for our emerging and growing sectors of transport, logistics, professional services, health, advanced manufacturing and education.

Skilled workers are in short supply in the Liverpool LGA and South West Sydney region. Training and education pathways that require urgent attention include undergraduate engineering, undergraduate cyber security analytics or engineering, and general construction and labouring.

Working collaboratively with the local Careers Immersion Team (CIT) hosted by the NSW Department of Education & Training, has allowed Council to extend its reach to promote employer workforce needs through its series of programs called “Making the Connection”.

CIT comprises Career and Transition Advisors, high school principals and government representatives. Since joining the CIT, several schools have indicated their eagerness to be involved in the program.

It is evident that collaborating with existing and potential employers (or employer and industry organisations) and education providers to determine job profiles and the future workforce is a positive and successful method to promote opportunities to high school students.

It also promotes a self-contained LGA which stimulates economic growth and increased social engagement and reduces reliance on transport networks and congestion. Other levels of government should look to replicate and support such a model.

Energy and Water

Council supports the recommendations to deploy new technologies in the energy sector to enable growth of renewable energy and reduce energy cost. Council recommends consideration of a future grid network design which makes a provision for large scale usage of solar energy generators and future uptake of electric vehicles.

Servicing of employment lands in a timely fashion to meet market demand is a key issue in relation to water and energy reforms. In particular, the Western Sydney Aerotropolis precinct may need servicing sooner to meet existing and future demand. This issue needs to be addressed in more detail.

Relaxed COVID-19 Regulations

Council has been supportive of relaxing local regulations during the Covid-19 pandemic. Council is also supportive of reviewing these regulations and assessing whether they could continue to be implemented in the long term. Experience has shown these to be workable solutions which can stimulate job creation.

Disruption of the market has demonstrated that innovative approaches such as mobile food vehicles, dark kitchens and relaxed DA requirements can be managed and there may be scope for these to be incorporated into future planning instruments.

Extension of relaxed restrictions on retail is also welcome and supported as Western Sydney transitions to an 18-hour economy (24-hour in the Aerotropolis). Impacts on the community in this respect can be carefully managed.

Infrastructure and Contributions

The draft recommendations included in Section 6 of the Green Paper are broadly supported. Reforms that provide for better utilisation of public infrastructure are welcome.

Our goal in the provision of infrastructure is to make good places. This should be the key guiding principal in the decision-making process.

Draft recommendation 6.1 identifies a desire to create additional development opportunities in areas close to transport hubs in underutilised corridors. There are benefits to the densification of land within proximity to transport hubs, particularly deriving greater value out of existing transport infrastructure and providing a wider range of viable transport options for residents.

However, increased density around these nodes would require the provision of additional infrastructure, typically social and recreation, to support greater residential densities. As such, an integrated approach is needed to ensure that there is acceptable level of amenity for future residents.

As identified in the State Infrastructure Strategy and section 6.2 of the Green Paper, there is a goal to continuously improve the integration of land use and infrastructure planning. There have been visible attempts in recent years to improve integration through initiatives such as the place infrastructure compact and growth infrastructure compact led by the Greater Sydney Commission (GSC).

However, good planning is compromised by unrealistic timeframes for delivery of the land use planning elements, to the detriment of infrastructure planning. For example, Aerotropolis land is now zoned well before the full cost of infrastructure, funding mechanisms and the necessary staged state and local government infrastructure plans have been adopted.

The planning for infrastructure must be placed on the same level of importance as the rezoning and land release process. This change will provide greater emphasis on the development of detailed infrastructure plans to ensure we create sustainable communities.

In Section 6.2, there is a reference to increasing housing within reasonable commuting distance from the global economic corridor. This seems to be a dated approach to economic development considering the move to a three cities model as outlined by the Greater Sydney Commission (GSC).

In relation to matters not addressed in the Green Paper, Council would like to reiterate ideas and opportunities raised with the Productivity Commission in its recent Infrastructure Contributions review.

Section 6 has a strong focus on the provision of infrastructure, and in the case of Council, the associated funding mechanism via a local infrastructure contribution. There is a lack of acknowledgment of the parallel review of contributions being undertaken by the Productivity Commission. The Green Paper would benefit from acknowledging the review and confirming the pursuit of reforms in this sector as a part of Section 6.

There is a statement that local government funding deters growth and an assertion that there is a relationship between local infrastructure contributions and rates. Developer

contributions can only be applied where there is an increase in demand based on growth, with the central tenant that the user pays. There is also a fundamental element in the system relating to apportionment, whereby the council will provide funding where a new facility meets an existing, unmet need.

Council agrees with the concept of allowing changes to the local infrastructure framework to run their course. However, Council is concerned about the prospect of a plebiscite and having rate payers subsidise, or pay for, infrastructure to support new developments.

In relation to Recommendation 6.4, any congestion charging measures should consider other factors such as low-income households and poor public transport provision, particularly for residents in areas of Western Sydney.

In order to facilitate smarter infrastructure:

- Infrastructure investment should be made at locations which have the most development potential (including housing supply and economic growth).
- A more flexible working arrangement and policy including deploying new communication technologies should be included as a means of reducing congestion on the transport network, particularly during commuter peak hours.
- Mobility as a service (MaaS) could be developed to complement and provide a more flexible transport option and customer-oriented service, particularly during commuter off-peak hours with some price incentives.

Planning for the housing we want and the jobs we need

The Green Paper indicates that restrictive zoning, including limiting height of buildings and Floor Space Ratio (FSR), is a key determinant of a lack of housing supply and increased housing prices.

Council notes that record housing approvals have been seen in the past five years, and that decisions to act on approvals (i.e. completions) have had a larger effect on restricting housing supply. In Liverpool, supply has not and is not forecast to be constrained by current zoned capacity for the next 20 years. It is also noted that the Green Paper fails to take into account macroeconomic policy that incentivises housing as an asset class as a factor in housing price inelasticity.

Greater consideration should be given to the economic contribution good planning and placemaking can achieve and understanding the economic and social risks that can occur through poor planning and overdevelopment.

Council provides the following comments on the draft recommendations:

7.1 - Ensure planning instruments keep up with housing needs

Council has analysed housing supply capacity for the 6-10-year and 10-20-year periods as part of its Local Housing Strategy. The housing market is cyclical and will sometimes experience peaks and troughs.

Requiring councils to potentially update long-term strategic planning documents on a six-monthly basis to meet targets is not supported, particularly where housing may be curtailed by factors outside of councils' control, such as demand.

Council supports minimum reviews of its Local Housing Strategy, Local Strategic Planning Statements and Local Environmental Plans (LEP) at four-yearly intervals, in line with Community Strategic Plan reviews and local government election cycles.

This will ensure that future demand can be met, while aligning with governance cycles and reducing administrative burden.

7.2 - Review apartment design and car parking regulations

Council supports a review of SEPP 65 and rationalising appropriate SEPPs into a new Design and Place SEPP. However, Council believes that providing flexibility should not be a pathway to reducing the amenity of residential apartment buildings in NSW.

Council believes that current Design Criteria in the Apartment Design Guide (ADG) is appropriate, with Design Guidance within the Guideline providing suitable flexibility for innovation. In its current form, the ADG ensures minimum amenity standards while not significantly affecting housing affordability.

In relation to minimum sizes, the new Housing Diversity SEPP has proposed a number of smaller apartment types that would satisfy demand for alternatives to that currently set in the ADG, and thus changes to the ADG are not required.

Council also believes that any review of minimum parking rates needs to not only account for proximity to public transport services, but the frequency of such services. Liverpool currently has relatively poor public transport frequency and long travel times, which has entrenched car dependency. Without improvements to the public transport network and service frequency, Council does not support further reductions in car park provision requirements.

7.3 - Rationalise zones and restrictions on permissible business activities

Council is concerned that the rationalisation of existing zones will hinder the effective separation of conflicting land uses. It is recognised that the broadening of land use zones may help in facilitating a more diverse mix of commercial, retail and industrial uses.

However, Council remains concerned that amalgamating zones will impact on the operation of uses that may conflict with other uses in relation to noise, traffic, parking, built form and odour. Additionally, the various business and industrial zones employed currently help to ensure that retail hierarchy is enforced, ensuring existing centres are not unduly impacted from new retail developments.

The broadening of permissible uses may have some utility in some instances, however careful consideration must be used to avoid compatibility and amenity impacts. This is especially true for new uses that may be permitted with proximity to existing industrial uses, as this can cause conflicts that compromise the ongoing and efficient operation of industries due to new introduced impacts.

7.4 - Produce strategies to use commercial and industrial land more productively

Council supports the requirement to prepare economic strategies when updating LEPs. As part of its LEP Review, Council recently updated its Industrial & Employment Lands Strategy and Centres & Corridors Strategy. It is Council's intention to review these plans when the LEP is next reviewed, within a five-year period.

7.6 - Cut red tape to make the planning system more effective and reduce assessment times

Council supports moves to reduce the complexity of the planning system, however the planning system as a whole should not be conceptualised as 'red tape'; rather it provides necessary checks and balances to ensure great outcomes for the community.

Council supports processes to streamline the planning system and make it more transparent, while ensuring there is suitable oversight, enough time and resources to ensure good planning outcomes.

Fast tracking of appropriate Development Applications, Planning Proposals and SSDs is welcome and Council is undertaking a similar exercise. However, this process is not

without its challenges and may require dedicated and expanded resources to ensure good outcomes can be achieved. In some cases, additional training may be required to assist assessment officers and referral authorities in the fast track assessment scheme.

7.7 – Develop a consistent way to measure the benefits of open and green space

Council strongly recommends the development of a consistent approach to the provision of open space. Council supports moves to increase access to quality open space, but views that a minimum quantum of open space per resident is also necessary to ensure useability of open spaces.

7.8 – Use the Review of Infrastructure Contributions to find ways to deliver a principles-based, transparent and certain system

Council supports moves to reform the infrastructure contributions system following the Productivity Commissioner's review, to deliver more transparency and certainty, while ensuring that required infrastructure as a result of development is adequately provided.