

**ITEM 2. SUBMISSION ON SYDNEY CITY DRAFT SUBREGIONAL STRATEGY****FILE NO: S036155****SUMMARY**

The Department of Planning has placed on public exhibition the *Sydney City Draft Subregional Strategy* (draft Strategy) which applies to the City of Sydney Local Government Area and Sydney Harbour. The draft Strategy is intended to act as a broad framework for the long term development of both areas, guiding government investment and linking local and state planning issues. It is also intended to guide the preparation of the City's Principal Local Environmental Plan (LEP), the *City Plan*. The Department of Planning has invited submissions on the draft strategy by 5 September 2008.

The draft Strategy is generally supported, much of it being in alignment with the City of Sydney's vision, *Sustainable Sydney 2030*. Some of the key issues arising from the draft Strategy are the subject of ongoing discussions in relation to the *City Plan*. Other key issues where the Subregional Strategy could be better aligned to *Sustainable Sydney 2030* relate to future redevelopment opportunities, the identification of centres, affordable housing, transport, environmental sustainability and implementation. The attached draft submission sets out the key issues for the City of Sydney and provides comment on specific actions and matters of detail.

In brief the key issues which need further emphasis in the draft Strategy are:

- Affordable Housing: the Department of Planning has not provided adequate guidance on how affordable housing may be provided through planning instruments. Further the draft strategy should state an affordable housing target, similar to the Sustainable Sydney 2030 Strategy together with mechanisms under investigation for delivering the targets;
- Transport: given the projected growth in inner city housing and jobs and the current state of the public transport system serving the inner city the strategy should commit to the provision of City Centre and Green Square street level public transport loops; and
- Environmental Sustainability: even though this issue is referenced through out the strategy the generality of their expression and an absence of a separate section convey a sense of uncoordinated action. Environmental sustainability should be addressed in a specific section.

**RECOMMENDATION**

It is resolved that:

- (A) Council endorse the submission, shown at Attachment A to the subject report, for issue to the Department of Planning as the City of Sydney's submission on the *Sydney City Draft Subregional Strategy*; and
- (B) authority be delegated to the Chief Executive Officer to make minor amendments to the submission that may be necessary following consideration by Council.

**ATTACHMENTS**

**Attachment A:** Draft submission on *Sydney City Draft Subregional Strategy*

**BACKGROUND**

1. The 2005 Metropolitan Strategy, *City of Cities*, is the State Government's plan for managing the growth of the Sydney Region to 2031. Amongst other things, it established targets for the City of Sydney of an additional 55,000 dwellings and an additional 58,000 jobs by 2031.
2. *City of Cities* introduced the concept of subregional planning to translate the metropolitan planning aims and directions down to a local level. Its nominated subregions comprise geographic groupings of Local Government Areas, with the exception of the Sydney City Subregion which coincides with the City of Sydney Local Government Area.
3. Representatives of the Department of Planning met with Council staff on three occasions between March 2006 and March 2007 to consult on the preparation of the *Sydney City Draft Subregional Strategy* (the draft Strategy). As well, the Department has provided Council staff with access to the Subregional METRIX Planning Tool, an internet-based tool for monitoring the achievement of the residential targets under the Metropolitan Strategy.
4. On 3 July 2008 the Department of Planning placed the draft Strategy on exhibition for public comment. In addition to providing a framework for planning in the City, the draft Strategy addresses planning for Sydney Harbour and associated waterways.
5. The draft Strategy sets a broad planning framework for the subregion by nominating seven key directions and 32 key actions. The key directions are:
  - (a) *Reinforce global competitiveness and strengthen links to the regional economy;*
  - (b) *Ensure adequate capacity for new office and hotel developments;*
  - (c) *Plan for sustainable development of major urban renewal projects;*
  - (d) *Plan for housing choice;*
  - (e) *Develop an improved and increasingly integrated transport system that meets the City's multiple transport needs;*
  - (f) *Improve the quality of the built environment and aim to decrease the subregion's ecological footprint; and*
  - (g) *Enhance the City's prominence as a diverse global cultural centre.*
6. The draft Strategy also articulates objectives and detailed actions for the subregion under the headings of:
  - (a) *Economy and Employment;*
  - (b) *Centres and Corridors;*
  - (c) *Housing;*
  - (d) *Transport;*

- (e) *Environment, Heritage and Resources;*
  - (f) *Parks, Public Places and Culture;* and
  - (g) *Implementation and Governance.*
7. Once adopted by the State Government, the *Sydney City Subregional Strategy* will guide the actions of State Government agencies, informing their investment decisions and influencing the composition and priorities of the State Infrastructure Strategy.

## KEY IMPLICATIONS

### Strategic Alignment

8. Generally, the draft Strategy is in alignment with Council policies. *Sustainable Sydney 2030 (SS2030)* was informed by the Metropolitan Strategy and preliminary discussions on the Subregional Strategy. In turn, *SS2030* has informed the draft Strategy. However, *SS2030* generally has a broader ambit than the Subregional Strategy and there are a number of areas (discussed below) where the draft Strategy falls short of the 2030 vision.

### The *City Plan*

9. The State Government requires the City's new Principal LEP and DCP, the *City Plan*, to be consistent with the final *Sydney City Subregional Strategy*. Hence, the City is liaising with the Department of Planning on an ongoing basis to resolve issues as they arise. In the event of any inconsistencies between the *City Plan* and the final Subregional Strategy, detailed justification will need to be submitted to the Department of Planning with the draft LEP.
10. Issues that are currently under discussion or investigation include:

- (a) Residential and employment targets

Preliminary analysis for *SS2030* suggests that the City will meet the Metropolitan Strategy targets of an additional 55,000 dwellings and an additional 58,000 jobs by 2031. However, detailed capacity analysis is underway to validate this. The *City Plan 2008* is intended to provide for 10 to 15 years of development growth and ensure future development potential is preserved. Some of the City's longer-term planning initiatives, such as the projects proposed in *SS2030*, cannot be reflected in the *City Plan* as they are contingent on issues that are yet to be resolved. However, it is anticipated that the City will be able to meet the requirement set out under the draft Strategy Action C1.3.1 of demonstrating "*that there is sufficient zoned capacity to meet the 10 year dwelling targets (to 2013) and that the longer term targets to 2031 will be achieved*".

- (b) Rezoning of employment land

Consideration is still being given to the proposed zoning of several parcels of land that are currently zoned industrial under *Leichhardt Local Environmental Plan 2000*.

### Future Redevelopment Opportunities

11. SS2030 identifies opportunities for redevelopment of land currently occupied by the Western Distributor, Darling Harbour Sydney Convention and Exhibition Centre, the Sydney Entertainment Centre and the air rights above Central Station. This land currently accommodates uses and functions that constrain the economic development of Sydney and it is considered that the sites have potential for employment or some equivalent economic benefit.
12. The Subregional Strategy should acknowledge these opportunities for new shared, intensified and complementary uses.

### Identification of centres

13. The draft Strategy establishes a centres typology which identifies more than 60 centres in the City of Sydney within a hierarchy of six levels, with some of the lower level centres comprising little more than a corner shop. It is questioned whether this level of detail is necessary given that the future role of local centres is to be determined by local government over the life of the Subregional Strategy. SS2030 has two tiers - activity hubs and villages. The hubs are intended to recognise the economic role of the key job centres outside the City Centre and nurture the conditions for further development. It is recommended that the Centres Map is reviewed to be better aligned with SS2030 activity hubs.
14. Of particular concern is the identification of the Planned Major Centre at Green Square. Figure 24 of the draft Strategy shows the Green Square Urban Renewal Area (which is consistent with the City's documents), the Green Square Town Centre (which is consistent with the City's documents) and the 'Planned Major Centre' boundary, which includes the Town Centre, Victoria Park, Crown Square and other major residential sites. The need to establish another separately defined area for the 'Planned Major Centre' is strongly questioned, particularly in the context of defining appropriate targets for jobs and dwellings. The additional 'Planned Major Centre' boundary creates confusion, especially in discussing targets and the strategies/actions identified in the draft Strategy that refer to the 'Planned Major Centre'.
15. The Planned Major Centre target for 14,000 jobs by 2031 is considered artificially high given that the Town Centre will be the focus of substantial employment. The rest of the Planned Major Centre area comprises areas that are, or are proposed to become, predominantly residential with very limited employment uses envisaged.
16. It is considered that the Planned Major Centre boundary should be deleted and either the term used to describe the wider Green Square Urban Renewal Area or the Green Square Town Centre.

### Affordable Housing

17. SS2030 establishes a target that by 2030 7.5% of all housing in the City will be social housing and 7.5% affordable housing delivered by 'not-for-profit' or other providers. Achieving this target requires that 20 per cent of all new dwellings in the LGA to 2030 be provided as subsidised rental dwellings. Realisation of this target will depend largely on the policies of other levels of government to increase the capacity of the not-for-profit sector and encourage private sector investment in affordable housing. It is important that the draft Strategy describes mechanisms under investigation to achieve targets.

18. Despite its commitment to action C4.1.2 in the Sydney Metropolitan Strategy to “*prepare an initial NSW Affordable Housing Strategy by mid 2006*” which will include, but not be limited to, “*making better use of planning laws and regulations to encourage the growth of affordable housing stock*”, the Department of Planning has failed to provide guidance to local government on how they may facilitate affordable housing through planning instruments, nor does the Standard LEP Instrument include provisions relating to affordable housing.
19. If the City is to achieve the SS2030 housing target, a significant portion of the anticipated residential development in the next five to ten years must be provided as affordable housing. It is imperative that the draft Strategy action C4.3 to “*consider potential planning mechanisms to provide affordable housing*” be completed in the short term so that the City may include provisions within *City Plan 2008*, rather than in a later amendment after the bulk of development has already occurred.

### Transport

20. The City generally supports the State Government’s proposals for improving transport between Sydney’s centres, improving the existing transport system, influencing travel choices to encourage more sustainable travel, improving transport decision-making and improving freight movements. However, suggested refinements to the draft Strategy include:
  - (a) the West and South-East Metros should be planned concurrently with the planning and construction of the North West Metro;
  - (b) the existing light rail network in the CBD should be extended to service the Barangaroo site and the western edge of the CBD along Hickson Road as part of a possible CBD loop between Central and Circular Quay;
  - (c) a second transport loop should serve the Green Square urban renewal area and link to the city centre;
  - (d) all stations in the Sydney City area should be provided with easy access lifts as a matter of priority in line with the Federal Government Disability Standards for Accessible Public Transport;
  - (e) the proposed Metropolitan Parking Strategy should not only encourage use of public transport, walking and cycling but also include car sharing as a sustainable transport alternative;
  - (f) the Sydney Region needs an integrated transport plan that focuses especially on the Sydney City Subregion and includes all transport modes including pedestrians and cyclists;
  - (g) expanded rail freight facilities are needed to carry the significant additional container activity estimated to be generated to 2031 at an expanded Port Botany and freight should increasingly be carried on rail facilities serving Port Botany; and
  - (h) the implications of Port expansion activity on the road transport network within the City of Sydney should be assessed and travel demand and traffic management measures included as an integral part of Port Botany expansion.

### Environmental Sustainability

21. In response to mounting evidence of a warmer, more unstable climate, SS2030 adopts ambitious greenhouse gas emission reduction targets. However, for the City to achieve the SS2030 target of reducing greenhouse gas emissions by 50% compared to 1990 levels, other tiers of government, the private sector and the community must also play a role.
22. Since the 2005 release of the Metropolitan Strategy, a concern for sustainability and climate change has accelerated. However, sustainability and climate change is not identified as a separate topic in the draft Subregional Strategy, merely as a component of general environmental concerns that include heritage and resources. Even though sustainability references are embedded throughout the draft Strategy, the generality of their expression and an absence of a separate treatment convey a sense of uncoordinated action, or worse, a lack of sufficient concern.
23. The Subregional Strategy should demonstrate a far greater commitment to addressing sustainability and climate change. In part, this should be remedied by developing a separate analysis of sustainability issues and the inclusion of relevant actions from SS2030.

### Implementation

24. The implementation chapters of SS2030 and the draft Strategy are largely comparable. However, the governance relationships mooted in the draft Strategy are essentially top-down and thereby fail to acknowledge the partnership opportunities unique to this subregion.
25. This contrasts with relationships directly proposed in SS2030, including the following actions:
  - (a) *10.1.1 – Investigate and establish place making arrangement for effective delivery of SS2030 strategic directions...*
  - (b) *10.1.2 – Establish project – and locality – based partnerships with senior officers from state government.*
  - (c) *10.3.5 – Establish criteria for better agreements with state government agencies regarding funding obligations for City works and projects.*
  - (d) *10.4.1 – Establish and ratify a Charter between City of Sydney and state government for delivery against Metropolitan Strategy, State Plan and other state policy objectives.*
26. It is considered that there is an opportunity for expression in the Subregional Strategy of greater State reciprocation of the City's SS2030 initiatives.
27. Given that the Council adopted SS2030 at its meeting on 30 June 2008, it is now appropriate for the final version of the Subregional Strategy to be brought into greater alignment with SS2030 as per the draft Strategy action "G2.1.1: *The NSW Government and City of Sydney Council to work together to align core objectives and targets in their strategic plans*".
28. **Attachment A** is a draft submission to the Department of Planning on the draft Strategy which addresses the above key issues as well as providing comments on specific actions and matters of detail.

**RELEVANT LEGISLATION**

29. It is proposed that the Minister for Planning will issue a new direction under section 117 of the *Environmental Planning and Assessment Act 1979* to ensure that Principal LEPs respond to the planning objectives and targets set out in Subregional Strategies.

**CRITICAL DATES / TIME FRAMES**

30. Submissions on the draft Subregional Strategy close on 5 September 2008.

**PUBLIC CONSULTATION**

31. The State Government placed the *Sydney City Draft Subregional Strategy* on exhibition for public comment from Thursday 3 July 2008 to Friday 5 September 2008.

**MICHAEL HARRISON**

Director City Strategy and Design

(Glenda Goldberg, Senior Planner/Nicholas Knezevic, Specialist Planner)