

18 February 2019

Lucy Turnbull AO
Chief Commissioner
Greater Sydney Commission
PO Box 257
Parramatta NSW 2124

By Email: info@gsc.nsw.gov.au

Dear Chief Commissioner,

RE: Ryde Assurance Review – Stage 1

The Urban Development Institute of Australia (UDIA) NSW is the leading industry body representing the interests of the urban development sector. UDIA NSW advocates for better planning, timely and affordable housing, and the building of vibrant communities to increase local job opportunities.

The Greater Sydney Commission (GSC) and UDIA NSW have a very productive relationship and we seek to work together to resolve common issues. UDIA has previously written about our concerns in relation to the Ryde Assurance Review, and recommended Assurance Reviews should occur as part of the strategic planning and LEP review process. We agree with the sentiment expressed in the preliminary Assurance Review:

Good planning is a shared responsibility between local and State Government, the development industry and the community, with the best outcomes achieved through collaboration, co-ordination and partnership.

As such, we were disappointed to learn about the preliminary report of the Ryde Assurance Review through Victor Dominello's Facebook page. We seek clarification from the GSC that the Facebook release represents the official and full release of documents related to Stage 1 of the Assurance Review. We are also seeking confirmation if there are more documents to be received through the normal GSC protocols.

We are keen to work closely with the Commission on Stage 2 of the Ryde Assurance Review. UDIA believes significant value can be added from our members who have participated in all major urban renewal areas over the past decade and includes developers, planners, engineers, lawyers, and local government.

Our membership believes the Greater Sydney Region Plan is potentially at risk due to the perception of the politicisation of development in Ryde. We make the following comments about growth in the Ryde LGA.

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Ryde LGA Growth Trajectory

UDIA NSW does not believe the growth trajectory in Ryde has been unplanned or unreasonable. The Greater Sydney Region Plan, A Metropolis of Three Cities states:

The 0–5 year housing supply targets are a minimum and councils will need to find additional opportunities to exceed their target to address demand. (GSC, p62)

Therefore, we do not see a concern with a local government area exceeding the minimum housing supply that is necessary. Particularly noting the NSW Treasury estimates a 100,000 dwelling backlog exists in NSW.

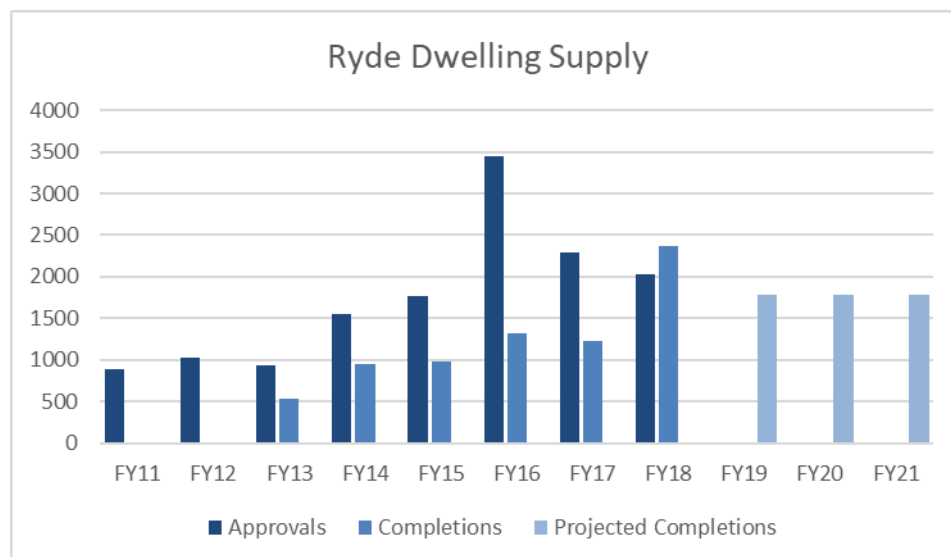
Ryde has been assigned a minimum target of 7,600 dwellings between 2016-2021. UDIA has analysed that there will be approximately 8,950 dwelling completions in 2016-21 period, through a combination of Department of Planning Dwelling Completions and Dwelling forecasts during the period, summarised below:

Financial Year	FY17	FY18	FY19	FY20 (Projection)	FY21 (Projection)	Total
No. Dwellings	1234	2375	1781	1781	1781	8953

Source: DPE Dwelling Completions and DPE Dwelling Forecasts, UDIA analysis

When adjusting for the 100,000 dwelling backlog across the whole of Sydney, Ryde's target would approximately be 8,650. Therefore, Ryde would be only 300 dwellings in excess of its target, this would amount to potentially only one or two projects. Therefore, we believe the growth in Ryde has been reasonable and in line with the dwelling targets.

Further, we note that these forecasts are likely to be out of date with the current state of the market, showing further declines in approvals and a more challenging market environment. We have already reached the market peak for dwelling approvals in FY16, with FY18 showing the peak completions following pent up approvals over the previous five years.



We predict the market will see further declines in completions, which may result in Ryde not meeting the adjusted dwelling target. Therefore, UDIA does not consider the supply in Ryde has been excessive in the context of the Greater Sydney Region Plan.

Ryde is a suitable location for development and growth

UDIA NSW strongly believes the Ryde LGA is a suitable location for growth and development.

The North District Plan (extract below) highlights significant growth along the foreshore centred on Meadowbank and the Urban Renewal Area at Macquarie Park and Ryde. With these areas close to the rail stations we believe there are still transit-oriented development (TOD) opportunities to be unlocked in Ryde.

Extract of Ryde from North District Future Housing Supply



Source: GSC 2018, North District Plan

The GSC's North District Plan states

Where there is significant investment in mass transit corridors, both existing and proposed, urban renewal may be best investigated in key nodes along the corridor.
(North District Plan p. 40)

The North District Plan lists locational criteria for urban renewal investigation, including:

- *Alignment with investment in regional and district infrastructure which acknowledges the catalytic impacts of infrastructure as Sydney Metro Northwest...*
- *Accessibility to jobs, noting that over half of Greater Sydney's jobs are generated in metropolitan and strategic centres.*
- *Accessibility to regional transport, noting that over half of Greater Sydney's jobs are generated in metropolitan and strategic centres.*
- *Catchment areas within walking distance (up to 10 minutes) of centres with rail, light rail or regional bus transport.*
- *Areas of high social housing concentration where there is good access to services, transport and jobs.*

The Ryde LGA meets the criteria listed above, with a key jobs centre at Macquarie Park, the largest non-CBD jobs generator in the country, and connectivity throughout the LGA it makes sense to have maximised urban renewal opportunities.

However, we agree that the growth must be aligned with the appropriate and timely delivery of infrastructure, a responsibility of both state and local governments. UDIA understands that the compact between industry, government, and community is created through the promise of the alignment of growth with infrastructure.

In Ryde, some residents feel that the compact has been broken. UDIA sees the inherent value of urban renewal in the Ryde LGA, as articulated in the District Plan. From UDIA international investigations, we consider Ryde has all the elements and the potential to be a world leading transformative TOD and is one of the first centres to benefit from the new Sydney Metro.

Improving Collaboration and Coordination

The preliminary Assurance Review identifies a key issue has been a lack of coordination in the delivery of infrastructure, stating:

- *The often-limited co-ordination and collaboration between local and State Government agencies and the development sector, resulting in a disconnect between planning and infrastructure deliver.*
- *The lack of coordinated and contemporary planning controls, infrastructure plans and funding mechanisms resulting in a disconnect between planning and infrastructure delivery.*

The lack of coordinated growth planning has led to a misalignment in growth and infrastructure in Sydney. UDIA has advocated for the establishment of an Urban Development Program to align growth and infrastructure over several years.

Since the early 1970's Sydney maintained the supply of new home sites through an urban development program. In 2001, this became known as the Metropolitan Development Program (MDP) and was used to track and manage housing supply. The MDP maintained an indicative 10-year forecasting program that tracked the likely future available land for housing, trying to ensure demand in the market was met and the affordability of housing maintained. This no longer occurs in Sydney and yet with 825,000 homes required in the 20 years to 2036 and Sydney being in the top three least affordable cities in the world for four years running, Sydney cannot afford to operate urban planning without structure, programming, and implementation.

The re-establishment of a UDP is urgently required for metropolitan Sydney and would:

- Coordinate and monitor housing supply and targets in urban renewal areas, infill and new communities in land release areas;
- Coordinate and prioritise the delivery of the necessary supporting infrastructure;
- Signal early identification of blockages;
- Integrate social and affordable housing targets and ensure their programming; and
- Involve a transparent annual program enabling monitoring and input back into policy development and housing supply programs.

Since the Department of Planning ceased the Metropolitan Development Program in 2011/12 a void in strategic planning has emerged, which has impacted most demonstrably on infrastructure delivery agencies. In the absence of 'one source of truth' various growth forecasts and servicing strategies are being produced with differing base data, different assumptions, differing language and differing time horizons.

Throughout 2018, UDIA ran a UDP Pilot in partnership with Blacktown City Council that brought together, council, industry and service providers to identify the key growth that will occur in the Blacktown LGA. A Regional Development Forum was held on 26 November as the final consultation phase that brought together all the relevant development industry, service provision agency and State and Local Council planning Departmental staff (including GSC representatives) into a public forum to finalise the UDP spatial layer. We would be pleased to meet to discuss the implementation of a UDP further.

UDIA believes there is a critical need for this type of truly integrated planning in Ryde. We would be willing to help facilitate an improved alignment between growth and infrastructure in Ryde, leveraging our unique experience of producing a UDP.

Funding Infrastructure with Growth

UDIA recommends a hybrid approach to resolve infrastructure funding in NSW. Our approach is underpinned by three key principles:

1. Infrastructure funding should be efficient, transparent, accountable, predictable, equitable
2. The infrastructure funding regime should support housing supply to support affordability
3. There should be a beneficiary pays approach to infrastructure.

We see three infrastructure funding pathways that would work concurrently to enable the timely supply of housing to support affordability and delivery.

Modelled on the planning reforms from the April 2013 White Paper, *A New Planning System for NSW*, we consider there should be an infrastructure funding system, structured as follows:

1. Local Infrastructure Contributions

These would recover a fair share of the efficient cost of local infrastructure relating to: local roads and traffic management, local open space and embellishment, community facilities, and the capital costs of drainage, where nexus has been established.

2. Regional Infrastructure Contributions

This would contribute a reasonable share of the cost of state infrastructure, such as state and regional roads, transport land and works, education land or work, and embellishment of regional open space, where nexus has been established.

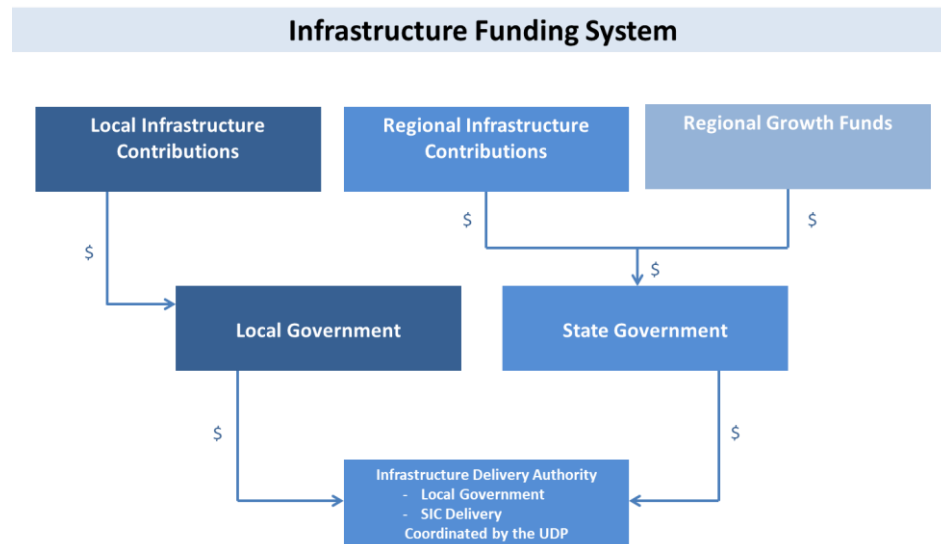
3. Regional Growth Fund

Land costs contribute over 50% of the cost of development contributions. To support a beneficiary pays approach we recommend:

- Land for drainage which improves water quality, provides recreation facilities and supports a broader catchment is funded by broader beneficiaries in the regional growth fund,
- Recreation Facilities including open space and green infrastructure that supports the broader region is included in the Regional Growth Fund.

We recommend charging this as a percentage of estimated DA and CDC value on all DAs and CDCs across the Greater Sydney Region over \$100,000. The rate would be determined on a District basis depending on the district's infrastructure requirements.

The chart below outlines UDIA NSW's proposed infrastructure funding model:



The Regional Growth Fund has been modelled by PwC on behalf of UDIA and would provide a fund that can act strategically to acquire land for infrastructure delivery within Ryde and across NSW.

UDIA is willing to provide a full briefing on the importance of creating a Regional Growth Fund and infrastructure funding reform that enables growth and infrastructure to be aligned. It would be preferable for this to occur alongside an Urban Development Program.

Preliminary Actions

UDIA believes it has the potential to add significant value as part of the Ryde LGA Co-ordination group. UDIA as the leading representative of the development industry shares the responsibility of good planning with the state and local government, therefore, we request the opportunity to join the Ryde LGAS Co-ordination Group. UDIA is in a strong position based on our experience delivering infrastructure coordination to help ensure the alignment of development with infrastructure.

UDIA welcomes the establishment of strategic master-planning for the Macquarie Park Investigation Area, we are concerned about the influence of present-day local politics on long-term strategic planning decisions. Ryde's planning must be visionary and modelled on international TODs such as San Francisco Bay Area, Manchester, and Geneva, which are vibrant global technology and media hubs. The Department of Planning needs to work with the community to ensure Ryde can reach its full potential as a great place to live, work, and recreate.

UDIA looks forward to working with the Council and GSC to ensure the local planning controls and development of the Local Strategic Planning Statement adequately respond to the opportunities and challenges in the Ryde LGA. A strong strategic statement will help ensure the future growth of Ryde is well managed and aligned with growth and infrastructure.

The development of the strategic planning documentation should enable 'missing middle' typologies in Ryde. We note the GSC's North District Plan states:

Design guidelines set out in the NSW Department of Planning and Environment's Draft Medium Density Design Guide show how this infill can promote good design outcomes.

Enabling new typologies will help preserve suburban streetscapes in Ryde, while providing new housing choices for downsizers and young couples as the demographics of the Ryde LGA change.

However, we are unconvinced of moves to pause existing residential planning proposals for 12-months. UDIA considers there to be a clear strategic vision articulated in the District Plan, and much work completed in the development of planning proposals. UDIA recommends planning proposals should proceed along the merit-based assessment pathway, as they align with the District Plan and the existing LEP controls. UDIA considers the 'down-zoning' of any area to be inconsistent with the objectives of the district plan.

Conclusion

UDIA has the potential to partner with the Greater Sydney Commission and Ryde Council to ensure that the future of Ryde is bright, as part of the next stage of the Assurance Review. Our unique experience as the leading development industry association, and through running infrastructure coordination programs makes us a crucial partner for this project.

We would be pleased to meet with the relevant personnel at the Greater Sydney Commission to help support the next phase of the review. Mr Elliott Hale, General Manager Policy, Media and Government Relations is the UDIA contact on this matter and can be reached on (02) 9262 1214 or at ehale@udiansw.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Steve Mann', with a stylized flourish at the end.

Steve Mann
Chief Executive