

Urban Taskforce

AUSTRALIA

Leading the Debate



2009-2010

GETTING RESULTS IN 2009-2010

The Taskforce's major advocacy wins

Advocacy	Outcomes
Reducing development levies	
<p>We campaigned against the Federal Government's plan to levy developers for the national broadband network's off-site infrastructure. We also opposed plans to make developers pay for optic fibre cabling on development sites.</p>	<p>✓ The Federal Government abandoned plans to require new urban development projects to contribute to off-site infrastructure.</p> <p>Developers and property owners will only be required to cover the costs of trenching and ducting on their property.</p>
<p>Our <i>Going Nowhere</i> report showed that NSW had Australia's highest development levies – with 19 local councils given approval to exceed the \$20,000 a home “cap” on levies set in 2008.</p>	<p>✓ The NSW Government announced: a “hard” cap of \$20,000 a home; and a new role for the Independent Pricing and Regulatory Tribunal to supervise council levies.</p>
<p>The Henry report supported our concerns. It said that levies that were complex, non-transparent or set too high: discouraged investment in housing; lowered the overall supply of housing and raised prices.</p>	<p>✓ We sought action on development levies across Australia, from the Henry tax review.</p>
Winning reforms to the planning system	
<p>We continued to highlight how development is inappropriately constrained by an unwieldy 1970s planning system.</p>	<p>The most recent assessment from the National Housing Supply Council warned, that “planning approval and development assessment processes generally add time, uncertainty and costs to the development process”.</p> <p>The Henry Tax Review found, that higher home prices are the likely consequence of restrictions on the supply of housing, that result from zoning, lengthy approval processes and building code standards.</p> <p>✓ The COAG Reform Council's affordable housing report confirmed that, “there is strong evidence of a disconnect between supply and demand in the housing market, resulting in a shortage of supply that has led to an increase in housing costs”.</p> <p>The Council of Australian Governments asked a “Housing Supply and Affordability Reform Working Party” to prepare wide-ranging reforms, for consideration by the Prime Minister and state premiers.</p>
<p>We criticised NSW government plans to limit the role of joint regional planning panels to residential development exceeding \$50 million and commercial development over \$20 million.</p> <p>We said any development over \$5 million should routinely go to joint regional planning panels for decision-making, rather than local councillors.</p>	<p>✓ The government lowered the threshold, for joint regional planning panels to \$10 million.</p>
<p>As a result of the global financial crisis, we called for special legislation to automatically extend the life of all development consents.</p>	<p>✓ New legislation was passed amending planning laws to extend the life of existing development consents to five years and requiring development consents issued up until 1 July 2011 to be for a full five year period.</p>
<p>When the NSW government admitted that its own planning system could not deliver timely approvals and exempted the economic stimulus measures, we campaigned for similar reform to be carried out for major private sector projects.</p>	<p>✓ The NSW government announced that it would consider extending its special approval system for public sector stimulus projects to the private sector.</p>
<p>We have constantly reminded the community that, since the Metropolitan Strategy came into force, annual approvals for new homes in Sydney have plummeted from 20,000 in 2005 to a record low of 16,000 in 2009.</p>	<p>✓ The NSW Government announced the start of planning work for land releases in Box Hill, Box Hill Industrial and Schofields precincts in the North West and North Leppington and Austral precincts in the South West.</p> <p>The NSW Government announced that a new Land and Housing Supply Co-ordination Taskforce was to be established to implement the Government's housing strategy, remove obstructions to the release of land and improve the delivery of infrastructure.</p>
<p>The Taskforce continued making the case for more compact, pedestrian friendly development in the inner and middle ring suburbs of major capital cities.</p>	<p>✓ The NSW Government approved a new zoning plan for Ku-ring-gai, to boost opportunities for compact, pedestrian friendly living, close to public transport, with capacity for an estimated 4,500 new dwellings in Ku-ring-gai.</p> <p>The NSW Government also relaxed development prohibitions on rent controlled and social housing around public transport nodes. We're continuing our push for this increased flexibility to be extended to owner-occupied homes and homes rented out by ordinary mum and dad landlords.</p>

Advocacy	Outcomes
We highlighted the current inability of both local and state governments to deliver on complex regionally significant projects.	✓ The NSW Government has announced plans for a Sydney Metropolitan Development Authority.
We continued our fight against the inflexible use of development control plans.	✓ The NSW Government released a report foreshadowing a new requirement, for councils to be more flexible in applying floorspace ratios in such plans.
Cutting the taxes on new homes	
We pushed hard for the NSW Government to emulate Victoria by introducing stamp duty concessions for off-the-plan home purchases.	✓ The NSW Government launched the Housing Construction Acceleration Program which ran over the 2009/2010 financial year. In June 2010, the NSW Government announced two new "zero stamp duty" initiatives.
Talking to the NSW Opposition	
We've worked hard to communicate the developers' perspective to the NSW Opposition.	✓ The Opposition has said that getting the housing supply restarted is NSW's greatest economic challenge and they asserted that we must match the performance of other states. The Leader of the Opposition declared that the government projection of an extra 27,000 Sydney homes annually by 2012/13 will be completely inadequate. The Opposition has demanded more action to release enough greenfield sites, more investment infrastructure and action to reduce the impact of levies, on investment decisions.
Campaigning for new infrastructure	
We reacted strongly when the NSW Government axed the South-West Rail Link in the 2008 mini-budget and pushed strongly for the project to be re-instated.	✓ The NSW Government re-instated the 13 kilometre South West Rail Link. This project helps make the case for more land release in the region.
We've maintain our strong support for road network enhancements to support urban growth.	✓ The NSW Government announced a \$550 million investment in the M2 motorway upgrade, that will make it easier for the North West 'growth centre' to absorb the extra 70,000 homes, expected in the next two decades.
We resisted arbitrary caps on car parking and opposed efforts by Parramatta Council to set a precedent by capping car parking spaces in its central business district.	✓ Parramatta Council withdrew its proposal in response to the Urban Taskforce's objections.
Supporting jobs	
The Taskforce consistently raised the fact that Western Sydney is home to some 1.6 million people and that more jobs in the area would radically improve the lives of those who reside in the region.	✓ The NSW Government released a further 800 hectares of new employment lands, at Eastern Creek and Horsley Park located at the intersection of the M4 and M7.
We've argued that land use restrictions that apply to land in the vicinity of the Badgerys Creek Airport site are limiting development and carry a high economic and social cost.	✓ The Federal and NSW government launched a Joint Study, to report by mid 2011, which will consider the future planning, zoning and release of land at the Commonwealth's Badgerys Creek.
Tackling anti-competitive planning laws	
We pushed for the reform of anti-competitive planning laws that prevent new retail development when there's potential for existing retail outlets to lose business.	✓ The Federal Government released a policy statement declaring that planning laws "hinder" new supermarkets and act as an "artificial barrier to entry and expansion". The Government asked the Business Regulation and Competition Working Group, established by the Council of Australian Governments (COAG), to prepare reform proposals - a Productivity Commission inquiry has been launched. The NSW Government moved to rescind rules expressly restricting the number of supermarkets, convenience stores and other retail outlets in an area. Rules that require retail outlets to be a minimum distance away from any competitor are also to be scrapped.
We've strongly argued that threatened species legislation was unnecessarily dragging down the development of new housing and employment areas.	✓ New laws were passed to make it easier for threatened species legislation to be 'turned-off' when biodiversity issues have been dealt with on a regional basis.

Driving the reform agenda

This year, the Urban Taskforce commissioned BIS Shrapnel to prepare *Going Nowhere*, a ground-breaking report illustrating the collapse in NSW property development since 2002. It shows how the breakdown in NSW has not been mirrored in other comparable states. It explains how the development of new housing, well-located workplaces and quality retail precincts will continue to fall short of NSW's requirements, as long as the planning system is unreformed. It reveals that, without reform, the NSW budget would lose up to \$2.5 billion in revenue by 2020, and up to \$10.5 billion in revenue by 2028.

Going Nowhere was complemented by *Deny Everything* a report detailing how the NSW planning system can be made to work once again. The report shows how the planning system in NSW is chaotic, random, dictatorial and irrational. It explains how extremely difficult it is for any business to buy land and invest in NSW, with any certainty about the likelihood and timeliness of any planning approval.

Both *Going Nowhere* and *Deny Everything*, advocate a 12 point plan for reform.

Impact

Our research prompted the NSW Government to promise new measures to stimulate housing development in the June state budget. This led to substantial new stamp duty concessions, new restrictions on development levies and the establishment of a Land and Housing Supply Taskforce to tackle ingrained problems in the planning system.

Following our report, the NSW Opposition promised to exceed the housing targets laid out by the NSW Government and declared that fixing the state's housing supply is the state's number one economic challenge.



Urban Taskforce AUSTRALIA

Urban Taskforce Australia
GPO Box 5396 Sydney NSW 2001

Level 12 32 Martin Place
Sydney NSW

Level 6 39 London Circuit
Canberra ACT

Tel: 02 9238 3955
Fax: 02 9222 9122

ABN: 21 102 685 174
E-mail: admin@urbantaskforce.com.au

www.urbantaskforce.com.au



Noel Hemmings QC
Chairman



David Tanevski
Secretary/Treasurer



Aaron Gadiel
Chief Executive Officer

Front cover:

Ark, North Sydney, by Investa Property Group
– 2010 Development of the Year.

Point Cook Town Centre, by Walker
Corporation, winner of the
2010 Development Excellence Award for
Retail Development.

Sydney Harbour YHA, by YHA Ltd, winner
of the Development Excellence Award for
Tourism Development 2010.