

Urban Taskforce

AUSTRALIA

LEADING THE DEBATE



2007-2008

GETTING RESULTS IN 2007-2008

The Taskforce's major advocacy wins

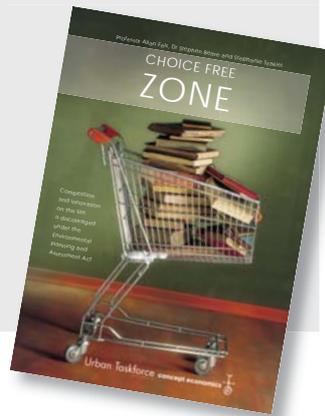
Advocacy	Outcomes
<i>Winning reforms to the planning system</i>	
We sought an expansion of the matters considered as exempt and complying development in NSW; and the introduction of regional panels to take council politics out of larger development applications.	✓ The NSW Government pushed through legislation dramatically widening the scope of exempt and complying development and introducing regional panels, in line with our proposal.
The Taskforce commissioned Professor Allan Fels to prepare a report – <i>Choice Free Zone</i> . The report revealed that shoppers are paying far too much for their groceries because of restrictive out-of-date planning laws.	✓ The Australian Competition and Consumer Commission and the Productivity Commission have both recommended significant changes to State planning laws to make it easier for retail developments to occur.
We campaigned against highly prescriptive provisions in the first eight draft subregional strategies for Sydney.	✓ The last two draft subregional strategies are less prescriptive and the government has promised that none of the subregional strategies will be finalised until the issues raised by the Taskforce are more thoroughly considered.
We highlighted the need for the NSW Roads and Traffic Authority to improve the way they handle their concurrence role in the development assessment process.	✓ The NSW Government, at an Urban Taskforce event, announced a review to streamline the interaction between the RTA and the development industry.
We continued our long-running push for North and South West growth centres to be exempt from the <i>Threatened Species Act</i> .	✓ The NSW Government gave the growth centres "biodiversity certification" removing the need for individual housing developments to address threatened species issues.
<i>Securing federal policies to support urban development</i>	
We addressed Kevin Rudd's National Affordability Summit where we called for a new federal scheme to help finance the construction of new affordable housing by developers.	✓ The Federal Government has introduced a \$603 million National Rental Affordability Scheme.
The Taskforce lobbied for federal financial support for infrastructure in major land release areas.	✓ The new Federal Government announced a \$512 million Housing Affordability Fund and a \$20 billion Building Australia Fund.
We pushed for an overhaul of the Commonwealth Property Disposals Policy to provide for new homes and to boost employment.	✓ Kevin Rudd announced plans to release surplus Commonwealth land to help ease the housing affordability crisis.
<i>Reducing developer charges</i>	
We released our <i>What Infrastructure?</i> report revealing that the total cost of Western Sydney infrastructure charges could hit \$14.1 billion.	✓ The State Government intervened and reduced the council charges for the first growth centres area from \$47,000 to \$30,000 a home. Legislation was passed limiting the matters that could be included in "section 94" plans.
We expressed serious concern at the NSW Government's announcement for a new "Rezoning Infrastructure Contribution" - where 25 per cent of the state and local charges are payable up-front. This upfront payment would have been \$40 million for a 200 hectare development.	✓ The NSW Government announced, at an Urban Taskforce event, that it would not proceed with the proposed new contribution.

Advocacy	Outcomes
The Urban Taskforce revealed that councils are sitting on a \$1.2 billion unspent fortune, funded by developer contributions.	✓ The NSW Government introduced new rules requiring council developer contributions to be spent in a more timely way.
We called for greater infrastructure spending by the NSW Government to facilitate new home development.	✓ NSW government cut its own infrastructure charges and promised an extra \$2 billion of state infrastructure at no cost to Western Sydney homebuyers.
The Taskforce revealed that local councils had lost money collected from developer charges because of their investment in collateralised debt obligations.	✓ An independent review was carried out by Michael Cole, on behalf of NSW Treasury. New rules were introduced for all councils, and money collected in the growth centres will now be held by the NSW Government.
We launched a sustained policy campaign for across the board cuts to development service plan (DSP) charges by water utilities.	✓ The NSW Independent Pricing and Regulatory Tribunal proposed a 20 per cent cut in charges on new homes levied by Sydney Water and a 7 per cent cut in the wastewater charges imposed on new homes by Hunter Water.
We highlighted sharp increases in Sydney Water's development services plan (DSP) charges.	✓ The Government responded by capping the maximum increase in DSP charges.
The Taskforce strongly opposed a NSW Government announcement that it will apply the growth centre levy principles when existing urban areas are re-developed.	✓ The NSW Government subsequently announced that it will not introduce a general levy on infill/brownfield development.
<i>Political donations</i>	
The Taskforce strongly defended developers who had made political donations. We pushed for full public funding of election campaigns as an alternative to a ban on developer donations.	✓ A cross-party parliamentary committee released a report rejecting a developer only ban. The Federal Government has promised a discussion paper on the subject.
The Urban Taskforce protested at new rules that make development applicants declare their donations, but allow those making objections to applications to make undisclosed donations.	✓ The NSW Government revised its proposal - requiring objectors to developments to declare donations, in-line with the new rules for development applicants.
<i>Talking to government on other key issues</i>	
The Taskforce exposed misuse of heritage rules by local councils and called for reforms to stop their blatant misuse.	✓ The NSW Government commissioned a review of the heritage requirements and processes chaired by Ms Gabrielle Kibble.
The Taskforce participated in a review of State Taxation arguing that the reliance of the State Government on stamp duty on property purchases was unsustainable.	✓ The NSW Independent Pricing and Regulatory Tribunal found that stamp duty on property purchases is "inequitable" and that there should be "substantial reductions" in the tax.
We argued strongly for the involvement of private sector developers in the renewal of the NSW government's social housing portfolio.	✓ The NSW Government announced two new urban renewal projects on public housing land to involve private sector developers - at Villawood and Riverwood North.

Driving the reform agenda

This year the Urban Taskforce commissioned former Australian Competition and Consumer Commission chairman, Professor Allan Fels, to examine how state planning law were affecting retail competition.

Professor Fels' report concluded that shoppers are paying far too much for their groceries because of restrictive out-of-date planning laws. The report argues against present planning laws, which effectively restrict supermarkets to established centres, resulting in traffic congestion and restrictive trade.



Key Findings

- An overhaul of planning rules would allow greater competition, leading to consumers paying up to 18 per cent less for food staples and up to 28 per cent less for other household products.
- Reform could amount to \$78 billion in extra income for the NSW economy and \$296 billion Australia-wide.
- It would also be a boom for employment, delivering 147,000 jobs nationally and 47,000 jobs in NSW.
- Major retail landlords in existing shopping centres were taking between 17 and 21 per cent of retail turnover as rent. This compares with 9 to 12 per cent in other countries.
- Current planning policies are not flexible enough to deal with Sydney's projected population increase of 1.1 million people to 5.3 million by 2031.

Impact

Choice Free Zone has had a major impact on the national policy debate.

In August 2008, in two separate reports, the Australian Competition and Consumer Commission (ACCC) and the Productivity Commission concluded that planning rules were hindering competition and forcing consumers to pay more. Both reports recommended sweeping changes.

The ACCC found that zoning and planning laws:

- impact on competition between supermarkets;
- lead to a greater concentration of supermarket sites for major chains; and
- increase the level of concentration in the retail grocery sector

The Productivity Commission found that planning controls

- are limiting competition for retail tenancies;
- give extra negotiating power to incumbent landlords;
- disadvantage businesses that want additional space;
- mean consumers are paying more; and
- make a distinction between bulky goods zoning and general retailing that appears arbitrary.

The Federal Government has undertaken to work with state governments to pursue reform.

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Front cover:

Regent Place, Sydney, by Frasers Property
– 2008 Development of the Year.

Quad Business Park, Sydney Olympic
Park, by the GPT Group, winner of the
2008 Development Excellence Award for
Commercial Development.

Alchemy, Lavender Bay, by Thakral Holdings,
winner of the 2008 Development Excellence
Award for Residential Development.