

21 February 2012

Mr Ross Woodward
Chief Executive
Local Government
Department of Premier and Cabinet
L9, 323 Castlereagh Street
Sydney NSW 2000

Dear Mr Woodward

Re: Destination 2036

OVERVIEW

The Urban Taskforce represents the development industry and the large number of jobs that spin off development. While the media often portrays a conflict between development and communities we believe this has been exaggerated to the point that it is having a detrimental effect on the economy on New South Wales. One way to see this negative effect is the fact that while NSW represents 33% of the population of Australia we only represent 24% of building activity. In the 10 years up to the 2000 Olympics NSW represented 27% of the national GDP. In the 10 years since the Olympics our share of GDP has dropped to 14.5%.

A growing gap has been occurring between state government and local government in NSW and this is to the disadvantage of both levels of government. The Productivity Commission Report into planning across all states and territories in Australia identified Sydney as the city most against change and growth, and identified the relationship between state and local government as being the worst in the country. Clearly a better system of governance is required for the benefit of all residents in NSW.

SIMILARITIES WITH THE UNITED KINGDOM

The United Kingdom has recently instigated a Localism Act to give a stronger role for local communities. The significant debates around the act has focussed on the need for a "big society". Our interpretation of this is the concept that both the national level and the local level understand the importance of the national agendas for prosperity and the important roles communities play in achieving this. In a similar manner the Draft National Planning Policy Framework in the UK defines the importance of local communities taking on responsibilities for national growth targets.

Clearly, the United Kingdom has a different governance structure to Australia and New South Wales, but the principles of working together to improve the nation and therefore each small component are similar.

DESTINATION 2036 DRAFT ACTION PLAN

The Urban Taskforce acknowledges the significant effort that many people in both local and state government have contributed through your Dubbo conference and the numerous papers and action plans. There are many priorities in the action plan that we support in principle. We will go through those we feel are relevant to our interest.

1. GREATER RESOURCE SHARING AND CO-OPERATION BETWEEN COUNCILS

The Urban Taskforce begins with an economic and governance question about the appropriate and sustainable size of local governments. Clearly this will be different in highly urbanised areas and more rural areas. We believe there are far too many councils in NSW but we also understand the political realities against forced amalgamations.

We believe that Regional Organisations of Councils are an effective way to get a more appropriate scale of council. Currently however the ROC's seem to be symbolic and are not leading to resource sharing in a major way. The Taskforce believes that an appropriate size for a sharing of resources should determine the size of ROCs. In urban areas this could be between a half and one million people similar to Brisbane Council. In country areas the population would be less possibly between 100,000 and 200,000 people.

2. FACILITATING INNOVATION (action 3)

The Urban Taskforce would be very supportive of innovation coming from local government but the experience of our members is often of a conservative risk adverse approach. The Planning Institute of Australia (NSW) in its submission to the planning review made a particular point about risk aversions in the area of planning and development assessments. It would appear that local government planners are increasingly relying on guidelines and overly detailed controls that lead to a simplistic tick the box approach.

The Urban Taskforce does support the use of codes and of a code assessable approach to determinations but the codes need to be substantially about bulk and form and not about micro design detail.

Clearly there are examples of innovation by NSW councils. Some of the initiatives in the area of e-planning by a number of councils are to be applauded in their own right. What is needed however is a consistent approach across 152 councils to electronic planning.

3. REDUCE RED TAPE (action 6)

The Urban Taskforce agrees fundamentally with the need to reduce red tape and regulatory burdens across all levels of government. In planning, red tape can occur in having overly complex planning instruments and in the lack of consistency where each council develops their own approach. We are seeing more and more complex LEPs and DCPs in some cases amounting to thousands of pages. The trend seems to be for every council to hire their own consultants to develop massive local planning documents that use different language to state documents.

A good example of a move in the right direction is the NSW Housing Code and the Codes SEPP which is now used for 67% of complying development certificates up from 42% last year. Councils must support simpler approaches to the assessment of development applications as has occurred in Queensland. In NSW 18% of applications are through complying codes while in Queensland 80% of applications are through a code assessable path. This cuts enormous amounts of red tape out of council systems. 94% of development applications in NSW are under \$500,000 which means the majority are relatively small projects and assessment should be quite straight forward.

4. FINANCIAL SUSTAINABILITY (action 9 & 10)

It is well known that many of the 152 councils in NSW are not financially sustainable and this is clearly not a desirable reality for the nation, the state and for local communities. The Urban Taskforce, whose members run as sustainable businesses, understands the importance of business modelling and ensuring services fit within budgets.

We believe that bigger local government structures, like Brisbane City Council, are more likely to be financially sustainable. This means in the NSW context that councils will need to operate in clusters as regional councils of 10 or so existing councils. This can lead to a rationalisation of say 10

planning departments into one and to negotiating services with private suppliers with much bigger work opportunities.

We also believe that councils are often undertaking activities that communities may well like but that are not economically viable. Communities will need to be involved in trade-offs to ensure costs can be controlled. The work by Percy Allen, and others, into the financial viability and sustainability of councils should be used to get better systems and accountability.

5. DIFFERENT STRUCTURAL MODELS (action 11)

The Urban Taskforce believes it is essential to develop a number of structural models for the local government sector. We believe that models should look at cost benefits of 152 local councils, 70 restructured councils and 15 to 20 regional councils. Another model could be to look at a metropolitan regional council structure with populations of around 500,000 people and rural regional councils of around 200,000 people.

The success of the Joint Regional Planning Panels could be used as an approach to regionalising other services for the benefit of regional communities.

6. ENCOURAGE VOLUNTARY AMALGAMATIONS (action 12)

The Urban Taskforce is a great advocate of the amalgamation of councils into larger structures to improve service delivery. We understand the community and political concerns about amalgamation and incentives may be required to encourage this. This could be in the form of rate rises and extra grants to help those councils going through a change process.

7. MORE CLEARLY DEFINE THE FUNDING, ROLES AND RESPONSIBILITIES OF LOCAL AND STATE GOVERNMENTS (action 13)

The United Kingdom Localism Act and the National Planning Policy Framework clearly define the roles and responsibilities of the various levels of government. In Australia the national government has clear responsibilities for immigration, shipping, health and other areas. Increasingly the national government has become involved in cities, planning issues and many rural issues. The state governments must work with the national policies and funding models and so must local councils work with state government policies and funding models.

As NSW becomes more urbanised in large coastal urban areas the role of the state increases particularly in setting planning targets for regional areas. The Urban Taskforce believes that the expectations of local councils have been wrongly raised in relation to their authority over regional and state wide issues.

In the area of planning, for instance, the state must set real targets for growth for regional councils that must be realistically incorporated into local planning. We believe that for the benefit of the citizens of the state and for their future prosperity that state and local governance must work as one integrated system.

8. ALIGN STATE AND LOCAL GOVERNMENT PLANNING FRAMEWORKS (ACTION 14)

The Urban Taskforce believes that the state has a very important leadership role to get a better planning system for NSW. A major review is underway and we are inputting into this process. Essentially we see local government and local communities as being involved in more detail upfront in strategic planning of neighbourhoods where the built form and character is determined within growth targets. Computer visualisation tools need to be used widely and the full community needs to be involved not just the activists.

With the involvement of communities at the front end of the planning process comes the necessity to limit involvement at the detailed assessment stage. The Urban Taskforce is supporting a much greater take up of code assessable decision making for major projects.

The Urban Taskforce believes that the Joint Regional Planning Committee model is heading in the right direction. The recent data on performance monitoring demonstrates some significant reductions in time for assessing large projects compared to councils. If the code assessable approach used for 80% of Queensland projects, and was more widely applied in NSW and determinations for major projects were made by JRPPs then we could have a far more effective planning system.

SIX IDEAS TO IMPROVE LOCAL GOVERNMENT IN NSW

The Urban Taskforce has developed a list of six key ideas that we believe could improve local governments in NSW by 2036. These are fairly provocative ideas, and we have kept them as simple statements at this stage. We would be keen to discuss the ideas further with your Destination 2036 team.

- 1. ESTABLISH 10 REGIONAL URBAN COUNCILS OF 500,000 PEOPLE**
- 2. ESTABLISH 10 REGIONAL RURAL COUNCILS OF 200,000 PEOPLE**
- 3. EXISTING COUNCILS TO REMAIN AS SUB SETS OF REGIONAL COUNCILS**
- 4. INCENTIVES FOR REGIONAL COUNCILS TO BECOME ECONOMICALLY SUSTAINABLE**
- 5. ESTABLISH JOINT REGIONAL PANELS FOR PLANNING, ECONOMIC PERFORMANCE, TRANSPORT ETC**
- 6. REDUCE RED TAPE AND IMPROVE BUSINESS SERVICES THROUGH E-BUSINESS AND E-PLANNING**

Should you require any further clarification of the content of this correspondence, please feel free to contact me.

Yours sincerely
Urban Taskforce Australia



Chris Johnson
Chief Executive Officer