

SPEECH BY  
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PLANNING FOR SYDNEY'S FUTURE  
TOWARDS A METROPOLITAN STRATEGY  
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Premier, Laurie Rose, President of the Planning Research Centre, Professor Ed Blakely, Chair of Urban and Regional Planning at Sydney University and Chairman of the Metropolitan Strategy Reference Group, Ladies and Gentlemen.

Thank you and good morning.

I asked Laurie and Ed to get the members of the Planning Research Centre together so I could outline plans for the preparation of the Metropolitan Strategy for Sydney and to give a few leads about the Government's thinking on some of the key issues...things like urban transport, land release, opportunities for urban renewal, funding and finance and the need to manage growth in a sustainable fashion.

The backdrop to this is facing the fact that Sydney will continue to grow:

- ❖ Over recent years we've been growing at a rate of about 1,000 people a week.
- ❖ We get the bulk of Australia's migration...that will continue.
- ❖ Families are getting smaller (it's been a long time since the typical household in Sydney was mum, dad and the two kids). In fact, the reduction in household size means about 110,000 more homes in the past 20 years simply to accommodate the same number of people.
- ❖ Forecast demand for new housing is about 25,500 homes each year for the next ten years...a city the size of Canberra every ten years.
- ❖ There will always be more demands for more infrastructure...we can't just continue to draw on the infrastructure dividends of our grandfathers and great grandfathers especially in the areas of rail, water and wastewater services...on water use alone we are already in deficit when it comes to the supply/demand equation...per head of population we use more water than most...yet we live on the driest continent.

Nonetheless, Sydney remains the economic powerhouse for the nation.

It's the big employer.

The global city...and despite many of the obvious pressures on infrastructure...on the impacts of growth, this is a great city to live in. We know that instinctively.

Our job is to keep it that way...to keep Sydney competitive, sustainable and liveable.

Previous attempts to plan for Sydney's growth have been little more than a developer's street directory.

In the truest sense, they were speculative documents about what might happen because there was never a real requirement on the various infrastructure agencies to stick to the plans and they weren't linked to achievable budgets.

But that has now changed.

Since the last election, all infrastructure agencies (like the RTA, Transport, etc) are required to have their budget bids assessed by the Department of Infrastructure, Planning and Natural Resources as part of the overall budget process.

That's why, if for no other reason, the new Metropolitan Strategy for Sydney can be fundamentally different to its predecessors.

The land release program, the sustainability targets, environmental standards, the transport solutions, the provision of social infrastructure like schools and hospitals are progressively being tied...very formally...to the budget process.

The Metropolitan Strategy will be the tool to link the big spending infrastructure agencies to a set of agreed strategic objectives.

Equally, the Government will be in a better position to identify those infrastructure projects which we are willing to see provided by the private sector.

There are no easy answers but as a Government and as a city we have always been able to come up with solutions...we will do so again...we will have to, because at a rate of 1,000 people every week the problems won't go away.

It's like a tale of two cities.

The city I want to live in is one which continues to provide opportunity and access to the world...to do that, the fundamentals of equity, sustainability and economic viability must be in place.

We all want to hand something better on to our children and we don't want to lump them with insurmountable problems.

The alternative is a slow decline as the pressures of growth gnaw away at the fabric that we have woven over the last 200 years.

So this is about choices.

It is about a willingness to accept that things have to change.

The steamroller-like prospect of being flattened by 1,000 new residents every week needs to be turned around.

I want to use the steamroller as part of the building effort...building new services, new opportunities, not only for existing Sydney residents but for the ones who are yet to come...our children and their children.

So today we begin that dialogue with the people of Sydney.

A dialogue about the shape of the Sydney of the future.

How people live.

Where people live.

How we maintain our world-class status.

How we pay for the things we want...

And how we do all that in a sustainable fashion that protects what we've got and builds a beneficial legacy for future generations.

Over the remainder of this year, most of you here today, and hopefully thousands of people like you, from experts to ordinary mums and dads, will be invited to participate in series of discussions about the future of our city.

Assisting the process will be a panel of industry experts led by Professor Ed Blakely and I would just like to thank Ed and the group for agreeing to participate in the Forum.

The Sydney Futures Forum will be a chance for people to have a real say.

Not just one meeting but a series of about a dozen around the city and suburbs...the Hunter, the Illawarra, Central Coast...led by some of the best and brightest but open to all views.

Because of the important partnership we need to have with local authorities we will conduct extra sessions specifically designed for local councils.

The Futures Forum will tease out the issues, work on the options, the costs, the inevitable tradeoffs in an open and transparent fashion.

It will look at things like:

- ❖ sustainability
- ❖ transport
- ❖ employment
- ❖ urban renewal and regeneration
- ❖ funding and financing

At the end of the process we will have developed a set of strategic directions for Sydney...our communities will have been involved and their views respected.

The implementation can then proceed with greater certainty...budget-linked...community linked-in.

The first of the Sydney Futures Forums will be on the 18th and 19th May...more on that later.

For today though, to assist those discussions, the Premier and I want to give a couple of pointers...throw a few ideas into the ring...on some of the key issues.

Much of what we can do as a community depends on what we can afford.

How we fund and finance our infrastructure will underpin much of the work associated with the development of the Metropolitan Strategy.

The recent mini-budget and the very substantial changes to some of the areas of government...most particularly in my portfolio areas of land use and natural resource management...demonstrated the Government's desire and ability to think outside the square.

We are continuing to do so.

The changes to the structure of the budget should be seen as symbolic and not overlooked in terms of its implications for future programs.

Debt has to be managed sensibly in the context of the State's overall financial objectives.

The proportion of income-earning debt to overall investment funding must be balanced by the requirements of ratings agencies and the long-term surety of the State's economy.

Of our \$30 billion, four-year program for infrastructure, \$6 billion is already made up of income-earning debt.

The additional program announced by the Premier and Minister Costa to air-condition the CityRail fleet further demonstrates our willingness to explore innovative funding sources.

For example, I want one of the Futures Forums to look at the potential for superannuation funds to invest in infrastructure.

Preliminary work suggests that the market has the potential to respond well here.

Long-term, stable returns by either the standard development levies or the price-path guarantees set by IPART on infrastructure such as water supplies should provide an attractive investment option which, frankly, could be made more attractive by the Commonwealth actively participating in, and addressing tax implications for such investment.

A second and more immediate option for new funding pools is to more directly link the costs of the provision of services and infrastructure to the enhanced value of the properties in the North West and South West sectors of Sydney when they are rezoned for development.

In simple terms this means that the developer pays for the benefit of a massive value boost as a consequence of rezoning cow paddocks into house blocks.

Instead of pursuing super profits, developers may have to settle for just substantial profits.

If people want their land released then they need to understand that it will only be released on the basis that the future growth meets sustainability and self-sufficiency objectives...that will come at a cost and the public interest will come first.

By that I mean things like re-using water, energy conservation, and reducing our dependency on cars, especially for getting around our own neighbourhoods.

This is not only possible, it is essential.

We simply can't open up two new development fronts on the fringe of Sydney...or indeed anywhere else...without tight control on both the front end servicing and the ongoing monitoring of the quality of development and growth.

I won't stand by and let more people move into the South West or North West of Sydney without tangible benefits to them and existing residents.

The Government is rapidly coming to a determination on the overall scale of development in the South West and North West sectors.

The concluding components which I want to settle over the next month or so, particularly with the local government authorities in the regions, is the potential to create Development Corporations to oversee the orderly provision of infrastructure and services and to control the pattern of development in both regions.

The Corporations will have the active involvement of local councils and will provide assistance as the vehicle to raise the capital against the increased value of the land to accelerate the provision of all necessary infrastructure.

Like the very successful Western Australian models, they will have sunset clauses limiting their life...there will be progressive handover to local authorities as work is completed...when their work is done they will disappear.

The price of entry for land owners who want to see their land rezoned is to work within this model.

But, of course, Sydney's future growth patterns will not be restricted to the urban fringe.

Urban renewal projects must be a major focus for the Futures Forum and the Metropolitan Strategy.

I want to see discussion around the potential to concentrate on transport corridors and town centres which are ripe for renewal.

So for example, the proposal to extend the M4 to the East should bring with it more than just a transport benefit.

With the prospect of that proposal reducing traffic by up to 30% on Parramatta Road, it is a good chance to look at how we can coordinate the revitalisation of that presently shop-worn strip between Annandale and Strathfield.

The M4 proposal will be assessed in that context.

We will do this with the local authorities but it is work that must be done.

A precinct more than 12 kilometres long, flanked by an arterial road on the north and a rail line immediately to the south, must be the focus for substantial revitalisation.

It has the potential to accommodate more people in village-style precincts, close to good transport facilities.

Done properly it can provide new opportunities for public open space and a return to the concept of High Streets...walking distance and localised services and amenities rather than the plethora of whited-out windows and 'to let' signs that presently exist.

Similar opportunities exist in the corridor south of Central Railway Station through Green Square to the Airport, and equally, the same parallels exist along sections of Canterbury Road through Wiley Park, Lakemba and Punchbowl with the parallel transport corridors of the M5 East and the Bankstown line.

On centres, the Government will renew its focus on places such as Penrith, Parramatta, Liverpool and Blacktown.

We want to work to boost employment opportunities and maximise the utilisation of substantial amounts of infrastructure already in those places.

Better integration of land use with transport...for example, the air space above and around the railway stations...should be part of the discussions we will have as part of a new centres policy.

These will be tough jobs...but we have to face up to the fact that some parts of our city are in desperate need of rejuvenation and the only way of achieving that rejuvenation is by creating the economic incentive of enhanced values by expanding the use potential of the land and buildings in these locations.

The alternative...doing nothing...will continue to see the hotch-potch of one-off development applications, the replacement of once viable village High Streets with \$2 and bargain basement shops and the inevitable decay of these important precincts for the future of our city.

On transport...perhaps the toughest task...the Government has already announced that the immediate priorities for public transport will be to improve the existing rail and bus network.

The unscrambling of the current rail system with 14 lines into five independent clearways will vastly improve the efficiency and reliability of the rail system.

Air-conditioning our train carriages, establishing more than 50 strategic bus corridors are all part of the agenda.

But of course we continue to plan for the longer term.

In the North West we have finally resolved the route of the North West Rail Link through one of the more difficult areas through the Balmoral Estate at Rouse Hill.

This allows the design work to progress on that long term project.

In the South West, planning is well advanced for the expansion from the Glenfield Railway line to the Leppington transport corridor.

Funding the acquisition of the corridor will be part of the funding model which I outlined earlier.

This means that under this model, rail and other transport services can come on-line as the population grows.

Acquiring and preserving the corridors allows a variety of transport solutions linked to the ongoing growth and demand.

On trams in the CBD, I will put on exhibition at the first Futures Forum the details of the private sector proposals to extend the trams through the CBD to Circular Quay...including the preferred routes and possible subsequent stages.

I intend to do this in cooperation with the Sydney City Council and our new Lord Mayor as part of a joint effort to revitalise CBD transport and access.

The Government has made it clear that there should be no additional burden to taxpayers as a result of this initiative.

Any proposal for a new tram system must demonstrate substantial benefits to the city, including the potential to viably extend the system elsewhere in the inner suburbs.

These are just a few of the issues that will be discussed in detail over coming months.

I know the Premier will touch on one or two others, particularly the need for a sustainable city. There is clearly much to be done and it will take a bit of time.

But a strategic plan for Sydney that sets in train more certainty for solutions for the next 20 years should take time at the front end to involve its citizens, respect their views...to get it right.

But:

- ❖ revitalising our suburbs
- ❖ returning some of them to the High Street
- ❖ exploring fresh ideas for funding of our infrastructure needs; and
- ❖ a determination to build in sustainability in all that we do gives us the best chance of keeping Sydney competitive and liveable for generations to come.

Ladies and Gentlemen, can I conclude on that point and introduce the Premier of New South Wales, Bob Carr.