

# IS THE *CITY OF CITIES* STRATEGY THE ANSWER FOR SYDNEY?

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The new *City of Cities* metropolitan strategy is probably the most comprehensive planning strategy that Sydney has had since its first strategy over fifty years ago. And in many ways it reads more like that plan than any of the other ones since then. It has, or has set in motion, an old-fashioned level of planning detail that recent strategic planning around the world has forsaken. New employment zone locations, hierarchies for 1,000 old and new shopping centres, new urban sector structures, subregional dwelling targets, and more give the strategy an almost heroically detailed pathway for the government's intended future for Sydney. This is not a bad thing in itself. The developer sector, led by the Property Council, called for the new strategy to provide sufficient detail on future land use and transport to give greater certainty for development than a rolling menu of one-off ministerial announcements of new release areas, tunnels, water plants and so on. So the plan harks back to the old Cumberland Plan of 1951 that spelt out exactly how Sydney should grow over the 1950s and 1960s, with its Paddington and Surry Hills slum clearance and all the rest.

But there is a danger that the mass of detail seduces us into thinking that, therefore, the strategy has thought through all the issues facing Sydney and planned for them. What are the challenges facing Sydney over the next 25 years? Does the strategy fail to properly plan for these challenges? Sydney is a special city with its own distinctive challenges and problems that need creative planning in association with the right political will to overcome them. I will argue that the *City of Cities* strategy, while having a number of worthy features, nevertheless falls short of the framework the city needs to maintain its liveability.

Let me begin my critique by setting out what I think the main problems facing Sydney are, and that a strategic plan should come to grips with:

- Significant air and water pollution
- A water supply crisis
- Inadequate public transport, especially light and heavy rail services
- Lack of housing affordability for those on low and moderate incomes
- Areas of socio-economic stagnation and decline, and associated problems of crime and family disfunction

- Related to this, lack of skills access or locational access to decent jobs for much of the workforce
- Lack of regional open space, and inadequate local open space, in many areas
- Complacency about the future of Sydney's global economy
- Lack of community participation in strategic plan-making

## **Pollution**

Although general air pollution levels in Sydney have fallen over the last decade or so, the situation is still serious. Carbon monoxide levels are above recommended national standards on a number of days each year. Particulate air pollution, such as diesel emissions, remains at an unhealthy level. It was the air pollution problem that stopped major urban expansion in the early nineties, after an expert study showed that this expansion brought the risk of much worse air pollution in western Sydney if car usage levels remained the same. Since then new car emission technology and the like has caused air pollution to mostly trend down, with the worrying exceptions of carbon monoxide, particulates and unmeasured carcinogens like benzene. The strategy seems to be relying on a continuation of this trend, along with a transit-oriented land use structure in the new north-west and south-west urban sectors designed to reduce polluting car use, and the hope that its public transport initiatives will do the same.

The big problem here is that the new expansion sectors are in the worst part of the Sydney basin for air pollutant dispersal. They are in the lowest area of the basin and receive pollution from the rest of Sydney via the nor-easterlies in summer. To this will be added new pollution generated by car use in the new sectors themselves. New air pollution in the NW and SW sectors seems likely to be considerable, even if the transit-friendly sector structures in the strategy lessen car use levels from those currently prevailing in fringe suburbs. The strategy (Table 6) includes the maintenance of (existing) air quality as one of its sustainability criteria for new urban release areas. This implies zero air pollution from new sector development, or at best a new sector pollution level equal to the Sydney-wide reduction in air pollution from new car technology and any other such mechanism. This seems a supremely unrealistic scenario. A major issue here is that the relatively low densities in the new sectors will require public subsidies for bus and rail services to economically operate at frequencies sufficient to attract the car-owning households that will inevitably make up the entire sector population. At present the state Treasury is firmly set against any increase in existing public transport subsidies, despite the health and other benefits these can bring.

The picture for water pollution is a little more optimistic. Water quality in the harbour and coastline is slowly improving, thanks to stronger controls and spending on stormwater infrastructure. The strategy reinforces this with actions to reduce stormwater runoff in new developments. However, the new NW and

SW sectors both drain their runoff into the Hawkesbury-Nepean River. This is where the greatest water pollution problems, notably toxic algal growth, are found. Achieving near-zero run-off from the new sectors to prevent worsening of algal bloom will be very difficult, even with stringent planning controls. The strategy supports existing policy to improve environmental flows to the river to improve water quality. But this policy will be strongly contested if climate change causes long term reductions in Sydney's water availability, as Tim Flannery suggests.

## **Water supply**

This leads to the way in which the strategy deals with Sydney's water supply crisis. The strategy sees the Metropolitan Water Plan, prepared in the lead-up to the strategy, as adequately answering the long term water supply problem. Soon after the strategy was released, the key desalination plant proposal in the Water Plan was dropped after public outcry at the greenhouse emissions required to produce potable water from the plant. Since then, new underground reserves of water have miraculously been found in western Sydney to replace the desalinated supply in large part. However the strategy says nothing about the potential to recycle sewage from the ocean outfall treatment works as a new supply of water. It seems that Sydney Water objects to this because it claims that costs per kilolitre would be greater than that of existing sources. A recycled sewage strategy would do much to improve Sydney's sustainability. Higher water charges and a public education campaign would be reasonable costs to make this happen: a more sustainable city is not going to happen without some cost to its residents and businesses.

## **Public transport**

The strategy presents itself as a public transport-oriented plan for the future. The major new project is a rail line from the NW sector through to central Sydney and then on out to the SW sector. A new busway from the NW sector to Parramatta, and new strategic bus routes connecting major centres, are also part of the strategy. For the first time, a Sydney strategy includes substantial proposals for increased freight transport capacity, particularly by rail.

Yet overall the strategy disappoints in terms of delivering adequate public transport. The SW and NW rail links are not proposed to be completed until 2012 and 2017, respectively. By 2017, the NW sector will have had almost 30 years of development, meaning a whole generation of residents will have had to put up with almost non-existent public transport services. Visionary schemes such as that of the Warren Centre for a fast train link between Parramatta and central Sydney, which has the potential to substantially lift Parramatta's role as a regional centre, are not included. There is nothing on how the strategic bus routes will be funded, or conversely any evidence of studies that demonstrate the routes will be able to be fully funded by users. There is also no recognition of the

role of light rail for shorter journeys in denser inner areas. This contrasts with recent planning for new tram routes in other global cities such as London and Paris, and fails to recognise consumer preference for light rail over buses, and light rail's greater carrying efficiency. Overall, the strategy has no target for public transport use. This is despite a preliminary strategy paper seeing this as a major issue, with motor vehicle kilometres per person in Sydney continuing to rise inexorably.

A positive feature of the strategy is the focusing of urban consolidation and employment around public transport routes. However, with around 650,000 or more extra people proposed to be housed in the existing urban area, it is very questionable at best whether the public transport proposals in the strategy have the capacity to move all this extra traffic. The strategy seems to assume that there is much untapped capacity in the existing rail system that will do the job, despite surveys showing that 20 per cent of all train passengers have experienced full trains they could not board. The Parramatta-city corridor, one of three that will be required to house around 200,000 people, is explicitly stated as having spare infrastructure capacity to accommodate new intensified development. This must come as a surprise to those familiar with the corridor and its congested traffic on Parramatta Road, and existing rail track capacity problems east of Strathfield. Indeed, this corridor seems ripe for Curitiba-style high density along Parramatta Road as advanced in early concept planning several years ago, but only if a new high frequency light rail line along the road is also built. The strategy makes no mention of such extra public transport, but without it, a high density Parramatta Road promises a nightmare future dystopia.

The very light treatment of other forms of transport in the strategy is also a major concern. There are no new initiatives to encourage walking or cycling, despite the obvious sustainability and health advantages. I could venture the suggestion that this is in no small part due to the domination of the RTA (which controls walking and cycling policies) by traffic engineers, who have a lifetime mission to maximise road traffic speeds and who believe in their heart of hearts that Sydney will always be a car-based city. The strategy doesn't put forward any new major road proposals, but this doesn't mean they won't happen over the 25 year lifetime of the strategy. Already the new state infrastructure strategy, released yesterday, has already stated that a link between the M4 and Citylink will be built by the end of the decade. This was a firm proposal at the time the metro strategy was written. One suspects that its omission from the metropolitan strategy, and other similar confirmed schemes such as the F3-M2 link, was aimed at giving the metro strategy a more sustainable appearance than real state road projects will actually produce.

### **Housing affordability**

The *City of Cities* strategy generally reinforces existing approaches to increasing the supply of affordable housing. The focus is on providing incentives and

requirements for developers to provide a proportion of affordable housing in their schemes. Here, the notion of 'affordable' is elastic. The pioneering affordable housing scheme in Pymont-Ultimo defined affordability to denote a price that could be paid by those on average Sydney incomes, not those with below average incomes. Extra assistance for renters is also mooted in the strategy. This approach sees housing affordability as an issue to be mainly solved through the planning system on the supply side, or else through supplementary payments for private renters on the demand side. The extra affordable housing that planning requirements are able to extract seems to have settled at about 3 per cent of total housing development, well short of the traditional 7 to 10 per cent of the population that required public housing in the old days. In general, the current approach ignores the housing needs of those with the lowest incomes, whose requirements are assumed to be met by the existing supply of public housing, albeit renewed and upgraded as state finances permit. With long waiting lists for state public housing, those who cannot obtain such housing are commonly forced to pay well above the norm of 30 per cent of their income for private rented properties. Rent supplements would have to substantially increase to reduce rent payments to 30 per cent for many of those receiving assistance. Extra public housing is an obvious answer, but in the present climate of neo-liberal ideology and strained state finances (and lack of Commonwealth funding for public housing) it is probably utopian to expect to see a metro strategy that includes a significant supply of new public dwellings. But at least we could hope to see affordable housing targets in each sub-region, as in the 2004 London Plan, where 'affordable' would include housing for the lowest income quintile of households.

There is a more general problem for housing affordability in the strategy. That is the policy to require 75 per cent of all new infrastructure to be paid by developers, as set out in the new plans for the NW and SW sectors. This levy is claimed to add around \$70,000 to the cost of each housing lot and make housing in the new sectors unaffordable to first time buyers. It is justified on the grounds that it represents a capture of some of the increase in the value of each lot when it is rezoned to urban use and which requires such infrastructure. While such capture of rezoning windfalls can be justified in a general sense, the application of such a policy in the way the strategy proposes means that the windfall is captured up front from new house buyers, with negative affordability results. In theory, the windfall should be captured incrementally over the lifetime of the new infrastructure required to make the sectors work as urban areas. This implies that a public agency should be set up to borrow the required amounts for new infrastructure in each sector, and recover the loan repayments from residents over time. This is exactly what happens in infrastructure benefit assessment areas in the US. The Growth Centres Commission has the power under the Growth Centres Act to do this. So I am proposing tonight that the Growth Centre Commission responsibilities be expanded to fund and recover infrastructure costs in the NW and SW sectors via benefit assessment, as a means of improving housing affordability in new suburbs.

## **Areas with socio-economic problems**

This is one of the black holes of the metro strategy. The existence of spatially concentrated pockets of socio-economic deprivation and associated problems is not acknowledged, let alone responded to via policies and actions. That such pockets of deprivation exist is clear from recent research. Academics at the City Futures Centre, UNSW have confirmed the correspondence of public housing concentrations with precincts having the lowest household incomes in Sydney. Other research from the NIEIR has shown a decline in average household incomes in the Canterbury-Lakemba area in the 1996-2001 period, at a time of general prosperity.

To a significant extent the causes of such relative deprivation are not spatial, but rather the result of wider socio-economic forces generating deprivation. Housing markets, social kinship and public housing policy then act to concentrate deprived households in particular areas.

But this does not mean that planning has no role in alleviating the negative effects of such concentrations. The place-based nature of planning means that it is an appropriate vehicle for handling the spatially focused nature of these negative effects. Special plans for designated regeneration areas could be developed, along the lines of UK cities, which use special central government regeneration budgets to fund action plans for deprived areas. Regeneration area planning will need to take full account of the local context of deprivation. Public housing areas are likely to need different solutions to NESB concentrations. The Redfern-Waterloo Authority has been set up with a primary purpose of regenerating Redfern-Waterloo to address high unemployment associated with a high level of public housing. Whether the RWA is the best mechanism to regenerate the area is open to question, but it is striking that the Authority is not listed in the metro strategy as a major agent of change. Where deprivation is NESB-related, there are opportunities to draw on the global networks of different ethnic communities to develop new globally connected small enterprises, with appropriate business skills assistance. It might be appropriate to set up NESB oriented development corporations in areas such as Lakemba. The strategy proposes the provision of business sites in enterprise corridors along Canterbury and Parramatta Roads, seemingly based on premises blighted by heavy traffic. This is a modest start, but it will not properly address the particular economic problems of ethnic communities in those areas.

## **Lack of job access related to skills and transport**

Labour skills development is scarcely touched on in the strategy, which limits actions here to the enhancement of development-related skills in major projects. This is a particular issue for western Sydney. It has a lower skill base overall

than eastern Sydney, and is struggling to provide enough jobs at the lower skill end of production as these jobs are lost to Asian countries.

A program of up-skilling vulnerable sections of western Sydney's labour force would allow these workers to compete for higher skill jobs in eastern Sydney (for example, in IT), and would help attract such jobs to western Sydney. The strategy has a target increase of 450,000 jobs in western Sydney, but sees the provision of an adequate supply of employment land, plus public domain improvements in western Sydney's three regional river cities, as being the ways to achieve this increase. The neglect of labour skills ignores recent research on the importance of highly skilled creative workers for globally competitive industries. A skills program for western Sydney will require micro strategies that build on local TAFE and industry strengths, and on local opportunities in particular sectors.

Western Sydney's workers are also disadvantaged by their lack of access to the global Sydney arc. The strategy's public transport actions will marginally improve the west's access to global Sydney, for example if and when the inter-centre strategic bus corridors are implemented. But completion of the Epping-Chatswood rail line, and the resulting increase in office development at Macquarie Park as part of the strategy's strengthening of the North Sydney-Macquarie Park corridor, will involve longer journeys to work for western Sydney residents. Completion of the abandoned Epping-Parramatta line and a fast train link between Parramatta and central Sydney would both significantly improve access to global Sydney jobs.

## **Open space**

The new, higher density Sydney will require more public open space per person than now. The hundreds of thousands of new apartment dwellers will not have back yards in which to play, paddle, sit under a tree, or allow pet dogs to feel free. Instead, more public open space will be needed. Putting the extra open space into areas targeted for significant additional population will require careful planning and considerable spending on land purchases. If the new population is housed in 100 square metre two-person apartments in five storey blocks covering two thirds of each site, each new person would require about 15 square metres of site area for their apartments. However, a lot more than this amount of open space would be needed for every person if we applied the 28.3 square metres standard in the Environmental Planning and Assessment Act. At the very least, the inclusion of adequate open space to meet new residents' needs would roughly double the area needed to accommodate the extra population. If an extra 700,000 persons are to be fitted into existing suburbs, we would need to find 1,050 hectares of land to be cleared for local open space if 15 square metres were provided for each person.

The Metropolitan Strategy barely canvasses this issue, just suggesting the need for an open space strategy for the Parramatta-city corridor. But continuing present policies will result in ghettos of dense apartment blocks unrelieved by local parks and playing fields. Without adequate local open space, the attractions of high density living will pall, putting in serious question the government's assumptions behind the Metropolitan Strategy. Apartment developers need to be levied for decent open space, certainly well above the token levels now prevailing in areas like the City of Sydney, and the levies need to be spent on supplying the necessary new spaces.

The metro strategy also fails to increase the supply of major regional open space, thus cannibalising past good planning. The visionary example of the 1951 Cumberland Plan, which established a fund to acquire regional open space for an increasing population, stands in stark contrast. It resulted in land along the harbour and coast, and other sites like Sydney Park, being bought for regional recreation needs. Current planning for Redfern-Waterloo shows the folly of seeing these needs as a second order problem. Cabinet papers leaked to the Sydney Morning Herald indicated that the thousands of new residents proposed to be housed in Redfern-Waterloo could have their regional open space needs met by the provision of buses to Centennial Park. The proponents would not have been allowed to sit the Planning 101 exam at UTS. It is not as if there are no opportunities to increase regional open space. For example, the strategy has failed to continue the Western Parklands corridor of the 1968 strategy into the NW sector. This would have stopped what will now become continuous sprawl from Erskine Park through St Marys and on through new suburbs to Rouse Hill and then Kellyville. Like much else in the strategy, it has ignored such opportunities because it has assumed the Treasury will not make funds available for public purposes outside the supposed core functions of bureaucracy, health, education and law and order.

### **Sydney's global economy base**

The *City of Cities* strategy takes a complacent view of the long term strength of Sydney's global economy base. The exceptions are actions to support innovation and industry cluster development across Sydney, though there is a conspicuous lack of funding proposed for these initiatives. Accordingly, economic development arising from these actions is likely to be limited in the face of the hundreds of millions of dollars invested by the Queensland and Victorian state governments in innovation infrastructure and industry clusters such as biotechnology and multimedia.

More generally, the strategy does not address the issue of what is needed to retain and enhance Sydney's global advantage in industries such as high order finance and advanced producer services, and in tourism. For example, infrastructure and land use policies needed to support Sydney Airport's number one ranking in international air traffic, a key facilitator of Sydney's global services,

are not discussed. Neither are actions to ensure that central Sydney remains an attractive destination for global workers, not choked by cars and buses, and not overdeveloped with new high rise housing that destroys the ambience of older near-city areas for creative, value-adding workers.

### **Community participation**

The *City of Cities* strategy has seen the strongest attempt yet to consult with the community in the production of a metropolitan strategy for Sydney. About 1,000 randomly chosen people took part in 12 community forums on the strategy. They were asked their views on what they valued about where they lived, to identify things that would improve Sydney, and to give their vision for Sydney in 25 years. The strongest views at the forums concerned the natural environment (protection critical), urban consolidation (less unrestrained high rise development), and public transport (service improvements and system expansion needed). These views served to legitimate some aspects of the strategy, such as the urban consolidation focus on public transport routes. But there is little sense that this consultation had real influence in altering the strategy. A much more extensive consultation process, involving meetings in all suburbs with a budget running into the millions – like that for the latest Melbourne 2030 strategy – should have been held to give Sydney’s residents more ownership of the strategy. This should have involved giving the community real choices between different types of strategy, along the lines attempted in humble fashion for the recent Perth strategy.

The Sydney metro strategy is intended to serve as a primary input into state government infrastructure decisions and asset management, and to provide a framework for state government planning of significant places and significant development. It sets tight residential targets and centre sizes that limit the planning freedom of local government. It does not propose a metropolitan governance agency. It is not clear that such an agency would be any less political or any more democratically accountable than the state government itself, which operates as a de facto metropolitan government. Rather, a more democratic, better resourced and less opportunistic metro planning process requires several things:

- Planners and their allies in the media to raise the community’s awareness of why certain kinds of development and plans are or are not beneficial to metropolitan society;
- The development of forums and channels through which an informed community can maintain a full and ongoing dialogue with state politicians;
- The proper resourcing of continuous metropolitan planning; and
- A well publicised annual report card monitoring the metro strategy as a first step to holding the state government accountable for the strategy.