

# A new planning system for NSW

Sydney Water submission to the White Paper  
June 2013

# Executive summary

Sydney Water welcomes the release of *A new planning system for NSW: White Paper* by the NSW government. The White Paper proposes a range of laudable reforms to the current legislative framework for planning in NSW.

Sydney Water provides enabling infrastructure that delivers essential services to urban growth areas in Sydney, the Illawarra and the Blue Mountains. We support the direction of the White Paper, and believe that many of the changes it proposes to the planning system will be beneficial for growth in NSW. Most of these changes will also provide investment and development certainty for our organisation. This provides us with confidence that there will be connection to our infrastructure, which helps us demonstrate that our investment is well placed.

This submission outlines Sydney Water's current role and our processes that support planning and urban growth servicing, then presents some detailed comments with regard to certain aspects of the White Paper.

## Key White Paper proposals for Sydney Water

The goal of the new planning system is to achieve better outcomes by delivering infrastructure alongside growth. As a major infrastructure provider, Sydney Water supports measures that strengthen this linkage. To maximise the benefits, it is important for Sydney Water to be involved in all steps of the planning process. This includes the creation of strategic plans through to inclusion of our requirements within Local Plans.

Sydney Water strongly supports the development of the Growth Infrastructure Plans as this will help to embed the linkages between infrastructure and land use planning. In fact, Sydney Water recommends that the plans are prepared for the entire Sydney region, and published. This will provide investment certainty and transparency for the development industry.

The mandatory contestability assessments proposed as part of the Growth Infrastructure Plans are also a worthwhile measure. Within the water industry, significant levels of contestability are already embedded into the procurement processes of Sydney Water and other agencies. This enables us to regularly test the market for the best value, which keeps prices for our customers as low as possible. We have also supported the development of a range of private schemes.

The contestability assessments should create scope to build on this approach. However, some practical issues of integration arise, between Sydney Water's water infrastructure planning role and the contestability assessments. Sydney Water is a key input to the earliest stages of the government's own planning processes, and our information enables the government to make decisions on land release schedules and development priorities.

It is unclear how Sydney Water would continue to provide substantial information to the government, and then compete in an open market process to be selected to deliver infrastructure and services. To develop arrangements that are fair for the entire water sector will require working through some complex regulatory issues such as postage stamp pricing.

The contestability assessments will achieve the best outcomes if there is clarity on which bodies are the decision-makers and the processes by which decisions are made, and on how the assessments are implemented. Sydney Water can work closely with the government to ensure the framework addresses the relevant issues, if we are meaningfully involved in the development of the Guidelines for contestability assessments. This will also provide clarity on the role that Sydney Water can play.

Sydney Water also recommends that an Integrated Water Management Policy be included in the streamlined hierarchy of Planning Policies and Plans. The integration of urban planning and water management is increasingly critical with weather extremes such as flooding, heatwaves and increasing urban densities. The transformation of the NSW planning system provides a once in a generation opportunity to address such fundamental issues and deliver better planning outcomes that lead to more liveable cities.

One priority water planning issue is flood risk, and recent incidents have highlighted the importance of flood risk planning. Urban flooding can be managed efficiently and cost-effectively through combinations of catchment-specific land use planning, development control and infrastructure upgrades. It is critical that the new planning system build flood risk planning into the early stages of the planning cycle, to avoid increased costs and delays.

Sydney Water also sees an opportunity for a streamlined environmental assessment process covering the full suite of impacts from all enabling infrastructure, including water and wastewater. This could prevent duplication and delays, and hence accelerate housing development. The proposal to move to a risk-based environmental assessment regime is supported and will align well with Sydney Water's management system procedures for environmental impact assessment.

We support the proposal to channel 80 per cent of development through the complying or code assessed pathways. However, Sydney Water has a number of legal processes that may be impacted, and this may require amendment of the *Sydney Water Act 1994*. A transitional period of several years will be needed for this to occur. Sydney Water will work with the Department of Planning and Infrastructure to develop the process, while ensuring that important referrals from consent authorities to Sydney Water are retained. These referrals are critical as they enable us to protect our assets and service new and existing customers.

The proposed e-Planning platform has the potential to greatly enhance the efficiency and useability of the planning system. Sydney Water has a number of web based development applications that could potentially be integrated or linked to the NSW Planning portal to further streamline the process. Sydney Water is keen to support and enable development of the E-planning platform, and requests involvement in developing the platform.

Sydney Water would also like to work with the government to identify additional activities that could be classified as exempt, to minimise the environmental assessment burden. However we believe that some developments within flood zones should not be exempt given the potential impacts of urban flooding.

Sydney Water also supports the principles of the Community Participation Charter, and the planned cultural change to create a more cooperative system.

The next critical step for Sydney Water in this process is to see how the proposals will be translated into actions. We look forward to participating in the development and implementation of the new planning system.

## 1.1 Recommendations

Below are Sydney Water's recommendations in response to the White Paper. These are detailed throughout the submission.

1. Growth Infrastructure Plans should be prepared for all areas within the greater Sydney Region that are forecast to experience significant growth, such as infill sites and the urban activation precincts. The plans should be released to the public to provide investment certainty and transparency.
2. Ensure that any Intellectual Property that is used to develop the Growth Servicing Plans is protected.
3. Sydney Water to be included in a working group charged with the development of the Guidelines for the contestability assessments.
4. Provide further clarification on the role Sydney Water will have in supporting the government's planning stages, and how this aligns with the proposed contestability assessments.
5. Creation of an Integrated Water Policy and Plan to set out the need, priorities, responsibilities and requirements for integrating water planning to support urban planning for all growth areas and existing areas.
6. Development of Integrated Water Cycle Management Plans for growth and existing areas.

7. The government should facilitate preparation of flood risk management plans by all Councils. The resulting plans should inform Regional Growth Plans, Regional Delivery Plans, Local Plans and building codes.
8. The application of infrastructure contributions proposed by the new Planning Act, or alternative sources of funding, for amplification of Sydney Water owned stormwater assets to facilitate growth requires further consideration by Government.
9. The new Planning Act should allow for a streamlined environmental assessment process under the new Part 5, where the infrastructure is being delivered in line with a 'strategic plan' but is not classified as a Public Priority Infrastructure project.
10. Sydney Water should be involved in the development of further measures for environmental impact assessments under the new Part 5, and offers to support this process by providing access to and learnings from its risk based approach, assessment procedures and planning templates.
11. Require regular reviews of the Metropolitan Strategy and ensure consistency between the Strategy and strategic plans set out in the White Paper.
12. Establish a cross agency working group, including Parliamentary Counsel, to work through the design of processes and controls for the increase to 80 per cent complying and code assessed development, and the related impact on referral and concurrence powers under state agency legislation.
13. Sydney Water should be consulted in the development of NSW Planning Policies.
14. Existing provisions of the State Environmental Planning Policy (Infrastructure) 2007 should be captured in state or regional planning documents, to ensure consistency across local government areas.
15. Release further detail on how partnerships between the NSW Government, state agencies and local councils will be implemented to deliver planning outcomes.
16. Sydney Water should be included in the newly proposed Chief Executive Officers Group and Subregional planning boards.
17. Sydney Water should be included in the Culture Change Action Group and any training sessions for the roll out of the new planning system.
18. Future documentation on the planning reform should recognise all funding mechanisms, including IPART's periodic determinations for water utilities, which have a different time cycle to government budget allocations.
19. As part of the development of the NSW Planning portal, information requirements of linear infrastructure providers need to be considered and catered for.
20. Clarify how information about utility infrastructure, such as water and wastewater services, will be included in electronic information systems. In particular, the location and requirements for works and development over and near this infrastructure needs to be easily accessible.
21. Sydney Water to be involved in developing and enabling the E-planning platform, including assisting in developing the approach for managing and accessing spatial data.
22. Sydney Water should be consulted about opportunities for increased use of exempt development provisions for water, wastewater and stormwater infrastructure.
23. Some developments within flood zones should not be eligible for the exempt or complying development paths.
24. Utility infrastructure providers such as Sydney Water should be included in the working group that leads the review of the planning culture.
25. Further information should be provided about the transitional period as soon as possible, to enable infrastructure providers such as Sydney Water to identify any resourcing implications.