



SUBMISSION: *A holistic approach to productivity, liveability and sustainability*

Office of the NSW Productivity Commissioner

Discussion Paper - Kickstarting the conversation

Western Sydney Regional Organisation of Councils

November 2019

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1. Executive summary

Western Sydney Regional Organisation of Councils (WSROC) welcomes the opportunity to provide a response and submission to the *Discussion Paper* titled ***Kickstarting the productivity conversation*** released by the NSW Productivity Commissioner. WSROC supports in principal the preparation and establishment of productivity reform that will set a series of strategic objectives and focused actions that will ensure the productivity, liveability and sustainability of communities across the Western Sydney region. We therefore commend the Government on starting this discussion on how it can support continued growth in living standards in the years ahead. We understand that this is a first step in a longer-term process, and we look forward to ongoing engagement moving forward.

A positive element of the *Discussion Paper*, and specifically the productivity priorities identified, is that it captures issues focused on infrastructure, essential services (and utilities), job growth and land use planning. However, our review has raised concerns that the *Discussion Paper* has not given consideration to any issues surrounding waste and resource recovery as part of this process. WSROC strongly advocates that waste and resource recovery must be identified as an essential urban service, and has prepared a separate, dedicated submission, ***Waste and resource recovery for a productive, sustainable, liveable future***, that focuses exclusively on this critical issue.

WSROC further notes that the *Discussion Paper* provides limited reference to climate change and its connection to NSW productivity. Productivity is being eroded by climate change impacts such as increased extreme weather events and extreme heat, which puts pressures on our people, infrastructure and economy. WSROC recommends that any discussion on productivity improvements across the NSW economy be referenced against the effects and potential outcomes such improvements could have in relation to climate change.

WSROC supports the transition to a low carbon economy but cautions that reducing energy inequity should be embedded in any renewable energy transition. WSROC further recommends for the NSW Government in collaboration with local government to capitalise on opportunities, including through the planning system, to deliver consistent mechanisms across the state for energy and greenhouse emissions reductions.

WSROC urges the Government to ensure that any productivity strategy goes beyond administrative boundaries. What is urgently needed in Sydney is to interconnect regions, jobs, transport and people.

WSROC would support the development of a cohesive, interconnected approach to economic and jobs development for the Greater Western Sydney region that goes beyond relying on the Western Sydney Airport precinct as the sole driver of employment for the region, but one which fosters and builds connections with neighbouring regions including Eastern Sydney, Central West NSW, Central Coast and Wollongong

While we understand the focus on reducing minimum standards and red tape in relation to affordable housing, we strongly argue that the NSW Government has a duty to determine the minimum standard that we are willing to accept for low-income households. WSROC recommends that the definition of affordable housing be broadened to consider the ongoing costs of essential services to a dwelling including: energy, water, waste and transport.

WSROC strongly opposes the suggestion that developers should not have to contribute to 'population-dependent' costs of new developments. Councils are already struggling to keep up with demands for new local infrastructure needed to ensure quality of life for residents. Without reform to local government funding mechanisms, councils have no capacity take on additional funding responsibilities.

WSROC would welcome an opportunity to further discuss this submission. Should there be any questions regarding this submission, please do not hesitate to contact [REDACTED] or 02 9671 4333.

2. About the Western Sydney Regional Organisation of Councils

The Western Sydney Regional Organisation of Councils (WSROC) is a membership organisation representing eight councils in Greater Western Sydney (GWS). Members include Blacktown, Blue Mountains, Cumberland, Fairfield, Hawkesbury, Lithgow, Liverpool and Parramatta.

With a reputation for considered policy analysis and bipartisan advocacy, WSROC brings a collective voice to those issues which are crucial for Western Sydney's growing population. WSROC's primary role is to represent the councils and communities of GWS, as well as developing resource sharing and other co-operative projects between GWS councils. Current projects include the NSW EPA funded [Western Sydney Regional Waste Avoidance and Resource Recovery Strategy](#), [Western Sydney Energy Program](#) and [Turn Down the Heat Strategy and Action Plan](#) which takes a cohesive approach to urban heat adaptation and mitigation in the region.

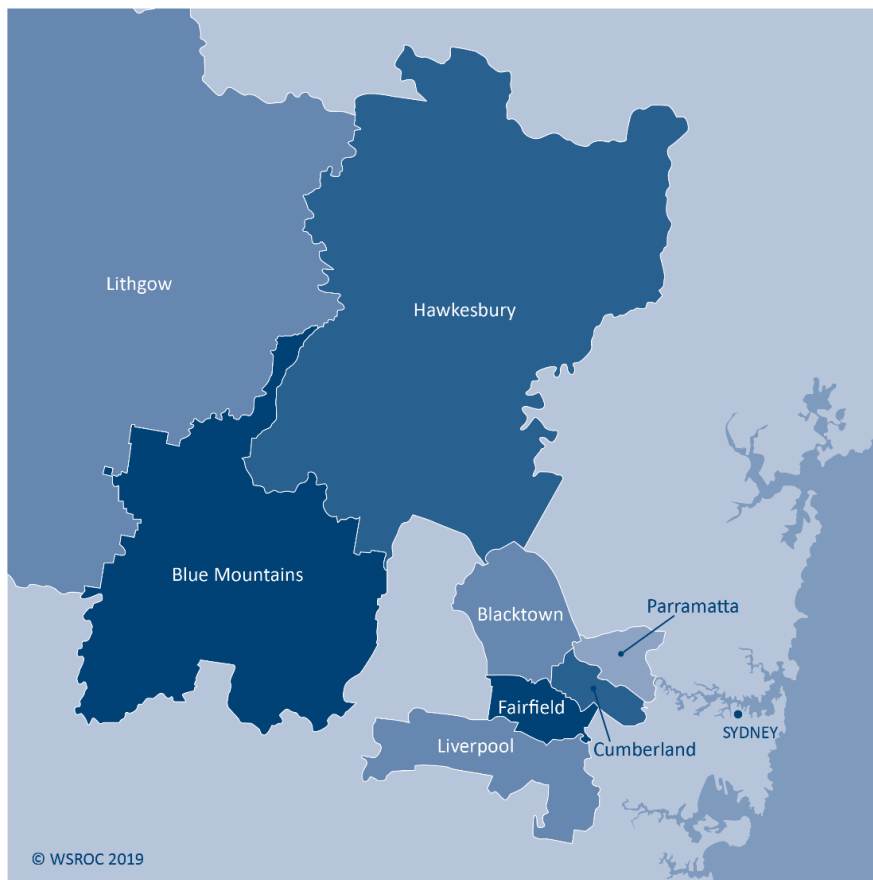


Figure 1. WSROC member councils.

3. General comments

3.1 Equitable and sustainable productivity

WSROC is concerned about the rising social and economic inequality in Sydney, which can lead to reduced workforce participation, reduced skills development, and overall detrimental economic outcomes. We therefore support the paper's key principle of *No one left behind: Enabling all citizens to participate to their full potential*. WSROC recommends the paper include reference to 'equitable and sustainable productivity' in order to deliver equity, fairness and maintain quality of life for the Greater Sydney Basin, Blue Mountains and Lithgow areas.

WSROC recommends:

- That paper include reference to 'equitable and sustainable productivity' in order to deliver equity, fairness and maintain quality of life.

3.2 Climate change and productivity

WSROC notes that the *Discussion Paper* provides limited reference to climate change and its connection to NSW productivity. Productivity is being eroded by climate change impacts such as increased extreme weather events and extreme heat, which puts pressures on our people, infrastructure and economy.

To ensure the NSW Government will achieve its target of net-zero emissions by 2050, and helping NSW to become more resilient to a changing climate, any discussion on productivity improvements across the NSW economy needs to be referenced against the effects and potential outcomes such improvements could make to climate change. WSROC further notes that NSW is in a good position to capitalise on the transition to a low carbon economy provided we align policy and investment across governments.

WSROC recommends:

- That climate change is better integrated in any productivity discussion moving forward.

3.3 Developing an inclusive approach

WSROC advocates for an inclusive approach to productivity. We note that the paper could include a stronger focus on developing pathways to enable those currently underrepresented in the workforce to gain meaningful employment. This should include addressing the challenges of gender equality and better support for introducing those with a disability into the workforce. Improving working conditions and entry points into the paid workforce for these groups could directly contribute to higher productivity levels.

WSROC further asks the NSW Government to increase its support to the non-government sector in helping new arrivals to Australia settling into NSW, gain paid employment in the professional or skills they have been trained for in their country of origin. WSROC councils, particularly in the Cumberland Fairfield and Liverpool LGAs have seen the impacts of this firsthand, with record numbers of new arrivals settling in those LGAs. These councils particularly would welcome collaboration with the NSW Government to ensure the appropriate opportunities are developed and implemented.

WSROC recommends:

- That the paper include a stronger focus on inclusive pathways to employment.

4. Energy

4.1 Reduce energy inequity

Energy inequity is a major concern for Western Sydney and has been collectively identified as an area of regional priority by WSROC councils. While environmental factors contribute to higher energy demandⁱ, Western Sydney's residents often have less access to opportunities and technological improvements compared to other areas in Sydney. Rising electricity prices continue to put strain on the budgets of businesses and communities alike. This can lead to critical health and social issues when residents are unable to run heating or cooling devices due to concern over their electricity billⁱⁱ. Mortality rates amongst vulnerable communities are increasing due to extreme heat, and relief in the form of affordable energy, air-conditioned community facilities and passive cooling design strategies are now a matter of urgency for policy makers.

WSROC is very supportive of a transition to a renewable future, but we stress that all care should be taken to develop inclusive pathways in order to decrease energy inequity and ensure all communities share in the benefits of the transition.

WSROC recommends:

- That reducing energy inequity is a key element in any renewable energy transition. Examples of opportunities to address inequity include:
 - A renewables and batteries program focused on low income households in the Western Sydney region.
 - Expansion of current programs supporting solar and battery installations to include pathways for renters to access solar benefits.
 - Significant expansion of programs supporting energy opportunities and outcomes to tenants of the social and affordable housing sector.

4.2 Remove regulatory barriers to small scale renewable energy

As distributed renewable energy continues to grow in NSW (as forecast), it is important to enable this transition to occur in the most efficient way possible, and at the same time maximise the benefit to all residents. Preparations should be made to redesign the energy infrastructure within NSW to transition to more sustainable, resilient and affordable generation. This will include moving towards the creation of localised low-carbon power generation centres for local distribution of power to supplement renewable energy production.

WSROC is encouraged to see the Government's focus on ensuring the NSW grid is prepared for this transition as per the recently released [NSW Electricity Strategy](#). WSROC recommends the Government include a review of current regulatory barriers that impede the integration of small and commercial scale solar PV. We encourage a regulatory environment that provides incentive for such activities and helps overcome existing impediments to roof mounted solar PV. Such changes would provide multiple benefits, including reduced electricity costs for end users, reduction of peak demand for networks, and a reduction of carbon emissions.

WSROC recommends:

- Implement policies that provide a fair price for electricity supplied to the grid. One that reflects the value of distributed power in reducing network demands and peak electricity prices.
- Review current regulatory barriers for the sale of electricity directly between small generators and consumers and identify opportunities to develop more straightforward mechanisms. This should include the reduction of the cost of registration and compliance for small generators.

4.3 Integrate energy efficiency and renewables at the onset of planning

Sydney's population continues to grow, and with growth comes development. This provides opportunities to build energy efficiency into developments from the outset of the planning process. To ensure NSW will achieve its emission target of net-zero emissions by 2050 and become more resilient to a changing climate, we will need to future-proof developments (e.g. incorporating EV charging infrastructure, looking at reducing energy need and investing in alternative energy opportunities) by integrating low carbon interventions into the strategic planning and infrastructure decisions for the region.

WSROC recommends:

- Deliver consistent, mandatory planning controls across the state for energy and greenhouse emissions, including increased standards for BASIX.
- Continued standardisation of electric vehicle infrastructure and the development of a regional electric vehicle and hydrogen infrastructure program, with supporting pilots in the region.
- Policy and program support for smart energy technologies for precinct-level energy generation storage and management.
- Explore opportunities to accelerate manufacturing and employment planning and incentives for Western Sydney that focuses on accelerating our sophistication in future technologies such as EV's, batteries, energy efficient products and services.

5. Infrastructure

5.1 Waste infrastructure and services

A positive element of the *Discussion Paper*, and specifically the productivity priorities identified, is that it captures issues focused on infrastructure, essential services (and utilities), job growth and land use planning. However, our review has raised concerns that the *Discussion Paper* has not given consideration to any issues surrounding waste and resource recovery as part of this process.

WSROC strongly advocates that waste and resource recovery must be identified as an essential urban service, and infrastructure must be planned accordingly. The *Discussion Paper* must have a focus on waste planning as a priority and should identify the issues currently affecting waste planning across the Western Sydney region. It is critical that any reform agenda achieve a liveable, productive and sustainable future. WSROC supports the expansion of productivity priorities to include waste planning and waste infrastructure, such as in the strategic objectives outlined in the *Metropolis of Three Cities – the Greater Sydney Region Plan*.

The *Discussion Paper* and the premise of a future reform agenda provide a valuable opportunity to escalate the significance of waste and resource recovery. The NSW Government must take leadership role through both policy and action, working with councils and industry in meeting the growing and changing waste profile of our community.

For an in-depth analysis of waste challenges to productivity and future planning please see WSROC's dedicated submission: ***Waste and resource recovery for a productive future.***

WSROC recommends:

- Expanding the productivity priorities to capture waste and resource recovery.
- Identification of waste as an essential urban service.
- A higher-level of attention to issues that are currently being experienced affecting waste and resource recovery.
- Identification of pathways to support local councils in delivering waste outcomes that are safe, efficient, cost effective and maximise recycling, that contribute to the built form and liveability of the community.

- Linkages and support to existing State and Regional strategic plans such as *Metropolis of Three Cities – the Greater Sydney Region Plan* and the Western City and Central City District Plans.

5.2 Infrastructure sequencing

Current sequencing of infrastructure development, particularly in new developments, creates situations where communities move in without having adequate access to infrastructure and services such as transport, education, employment and community services. In particular, infrastructure investment relating to new land releases needs to be better considered. Road and public transport systems should be established first, together with local infrastructure needs such as schools, libraries, health centres, sporting and shopping facilities before housing and industrial parks are developed. In addition, strategic sites for public purposes such as transport corridors and social infrastructure should be identified and protected if we are to make the principle of the 30-minute city a reality for residents across Sydney.

Our residents must be at the centre of any infrastructure strategy with government providing meaningful choices in housing diversity and employment through economic diversification and expanded transport options. Transport should connect labour markets to firms but also provide firm to firm and customer to firm connections. This will require links to Sydney's strategic centres (as identified by the Greater Sydney Commission) from surrounding neighbourhoods as well as fast links between the three cities.

WSROC recommends:

- Better sequencing of infrastructure investment relating to new land releases in order to prioritise delivery of road and public transport systems and services before housing.
- Reservation of strategic sites for public purposes such as transport corridors and social infrastructure.

5.3 Getting the most from our existing assets

The *Discussion Paper* identifies the impact of both road congestion and public transport crowding on city-wide productivity. WSROC agrees that simply building new roads is no solution to this challenge and that improving the capacity of our transport networks will require a more holistic approach that addresses land use planning and Western Sydney jobs growth.

As of the 2016 Census, one third (300,000) of resident workers left the Greater Western Sydney region each day to access employment; largely to the eastern half of the Sydney Metropolitan Region. The mass daily migration of Western Sydney workers has significant quality of life implications and is creating unsustainable levels of pressure on Sydney's transport infrastructure. Parts of Western Sydney's rail network are already operating at peak capacity and this situation is expected to worsen. According to research conducted by Western Sydney University's Centre for Western Sydney, the number of GWS resident workers will increase by 309,695 (30.9%) by 2036, while the number of jobs will grow by just 256,737 (22%). As a result, there will be 210,000 fewer jobs than resident workers. There is an urgent need to deliver more aggressive investment in the growth and diversification of Western Sydney's local employment opportunities in order to reduce the need for long-distance travel.

We must rethink the design of our transport system, with the goal of supporting the development of a true three-city metropolis. This signifies a transition away from the current radial system, to a network that supports more trip destinations and jobs closer to home. One way to do this is strategic investment in north-south public transport routes. Many of our most congested transport routes – the Western Rail Line, Parramatta Road, M4 and M5 motorways – are carrying residents towards the Sydney CBD. This not only makes the CBD a more attractive location for firms to invest, but the saturation of transport services focused on the CBD, makes it a more attractive location for residents seeking work.

Future Transport 2056 goes some way to improving connectivity between our Central and Western Parklands Cities, however WSROC stresses the need to accelerate the delivery of this plan. WSROC wishes to express its grave concerns relating to the planning of transport corridors through Western Sydney and the need to reserve future corridors for an effective and functional integrated transport system.

Finally, the *Discussion Paper* also identifies the need for ‘smart infrastructure’ to address Sydney’s transport challenges. WSROC warns against focusing on new technologies at the expense of addressing underlying inadequacies in current land-use planning and transport investment.

WSROC recommends:

- Acceleration of identified transport routes under *Future Transport 2056*.
- Delivery of north-south transport connections that promote intra-regional connectivity.
- Taking a holistic approach to managing the transport challenge, one which considers the impact of land-use planning and economic development policies on current and future travel patterns.

6. Housing and employment

6.1 Unlocking the potential of Greater Western Sydney's employment zones

As outlined above, 300,000 resident workers left the Greater Western Sydney region each day for work, and this is putting undue pressure on our city's infrastructure and reducing quality of life for residents. There is an urgent need to deliver more aggressive investment in the growth and diversification of Western Sydney's local employment opportunities.

Currently, the hopes for Western Sydney's employment growth are placed on the Western Sydney Airport (WSA), a project the Government estimates will generate 28,000 direct and indirect jobs by 2031ⁱⁱⁱ. While 28,000 jobs is significant, it represents just 13 per cent of the positions needed to meet projected growth. Furthermore, these jobs will be largely concentrated in the far south west of the region with limited accessibility to key growth areas in the Central City (GPOP and the North West Growth Area), and the broader Greater Western Sydney region. Therefore, while WSA will play a central role in future employment and economic development, it cannot, and should not be expected to single-handedly solve Western Sydney's employment challenges.

To deliver the scale of jobs growth Western Sydney needs, future initiatives must also focus on strengthening Greater Western Sydney's network of existing employment zones and build connections with neighbouring regions of Greater Sydney, Central West NSW, Wollongong and the Central Coast. As outlined above, delivering better transport connectivity will be essential to achieving this. Transport (particularly rail), is essential to delivering the agglomeration benefits described in the *Discussion Paper*, including greater access to local labour force, reducing transport and freight costs, and building backward and forwards linkages between firms. The importance of good public transport connections to the locational choices of firms was demonstrated by the [Commonwealth Bank's](#) decision to relocate out of Western Sydney in 2015.

At present, the radial, CBD-centric nature of Sydney's public transport network supports both CBD-centric investment decisions, and the travel choices of resident workers. By contrast, many of Western Sydney's existing employment and industrial hubs have poor public transport linkages making them harder for residents to access (even though they may be geographically closer), and less attractive to new, knowledge-based industries. Therefore, unlocking the potential of Western Sydney's

employment zones will require improving intra-regional connections that link residents to their local strategic centres and employment hubs.

Transport connectivity is also critical for unlocking employment zones for Sydney's regional neighbours such as Lithgow, Hunter and Illawarra. For example, in recent years the Lithgow LGA has suffered significant economic losses due to Angus Place mine being placed on care and maintenance, and the closure of the Wallerawang Power station in 2015. These two events have had a major impact on the region, with flow-on effects for other industries and community wellbeing. WSROC believes improvement of transport and infrastructure connections between Western Sydney and Central West can support Lithgow's move to move towards a more diverse economic mix while at the same time unlocking the potential for new industries to take advantage of Lithgow's affordable housing and semi-rural lifestyle, whilst remaining well connected to Sydney and other national and international markets.

A greater proportion of employment must be created in Western Sydney, with government infrastructure and land use planning deliberately nurturing and exploiting the region's comparative advantages. Employment lands should be as much of a focus as housing, ensuring high-value knowledge jobs are pursued as well as identifying sufficient land for variety of uses needed to support the efficient operation of Sydney. There is a need to develop local employment strategies that will go beyond the focus on the Aerotropolis.

WSROC recommends:

- A cohesive, intensive approach to economic and jobs development be delivered for the Greater Western Sydney region that:
 - Seeks to improve diversity of jobs in key centres across the whole region.
 - Does not rely on Western Sydney Airport precinct as the sole driver of employment for the region.
 - Focuses on the development of existing employment and industry centres.
 - Fosters and builds connections with neighbouring regions including Eastern Sydney, Central West NSW, Central Coast and Wollongong.

6.2 Cross-regional solutions to be prioritised

To ensure equity and increased productivity there is a need to rebalance the city and to do more to redirect the flow of resources across the metropolis. City shaping transport investment and employment strategies can connect Greater Western Sydney internally, as well as to the rest of Sydney and an expanded Greater Metropolitan Region that includes Central NSW, the Illawarra, Central Coast and the Hunter.

The current administrative boundaries of Sydney Metro (LGA, District, City), bring the risk that information and activities become siloed according to those boundaries. An example is the current focus being placed on the economic development of Western Sydney Airport (WSA). While the Airport precinct will deliver significant opportunities to develop the Western Parklands City, this is by no means the limits of its potential. We must seek to maximise the significant investment being made in this precinct by connecting Western Sydney Airport to the significant economies of the Central and Eastern Cities, and seek opportunities for the activation of an expanded Greater Metropolitan Region that includes Central NSW, the Illawarra, Central Coast and the Hunter.

Sydney is greater than the sum of its parts, and all have a role to play in the move to a more productive NSW.

WSROC recommends:

Ensuring any strategy provides direction towards an interconnected region including:

- A focus on knowledge sharing and holistic investment.
- Acceleration of identified transport routes under Transport 2056.

6.3 Building dwellings that better match our preferences

WSROC keenly appreciates the challenge of providing affordable housing to a rapidly growing population. However, we are concerned that the discussion regarding housing affordability has focused almost exclusively on the upfront costs of a dwelling rather than the ongoing running costs of providing energy and water, as well as indirect costs such as the cost of transport from a dwelling to employment, education and services. For this reason, WSROC suggests a more holistic definition of ‘affordability’ be used to assess future housing policy.

For example, Western Sydney households spend, on average, 100 per cent more on cooling than households in the city’s east^{iv}. This is due to the region’s naturally hot climate, but also the Urban Heat Island Effect (UHI) which is contributing to major health, affordability and productivity challenges in the region. All projections indicate that Western Sydney is getting hotter more rapidly than other parts of the city.^v The NSW Office of Environment and Heritage estimates that Western Sydney is set to experience an additional 10 extreme heat days (over 35 degrees) per year due to greenfield development alone.^{vi}

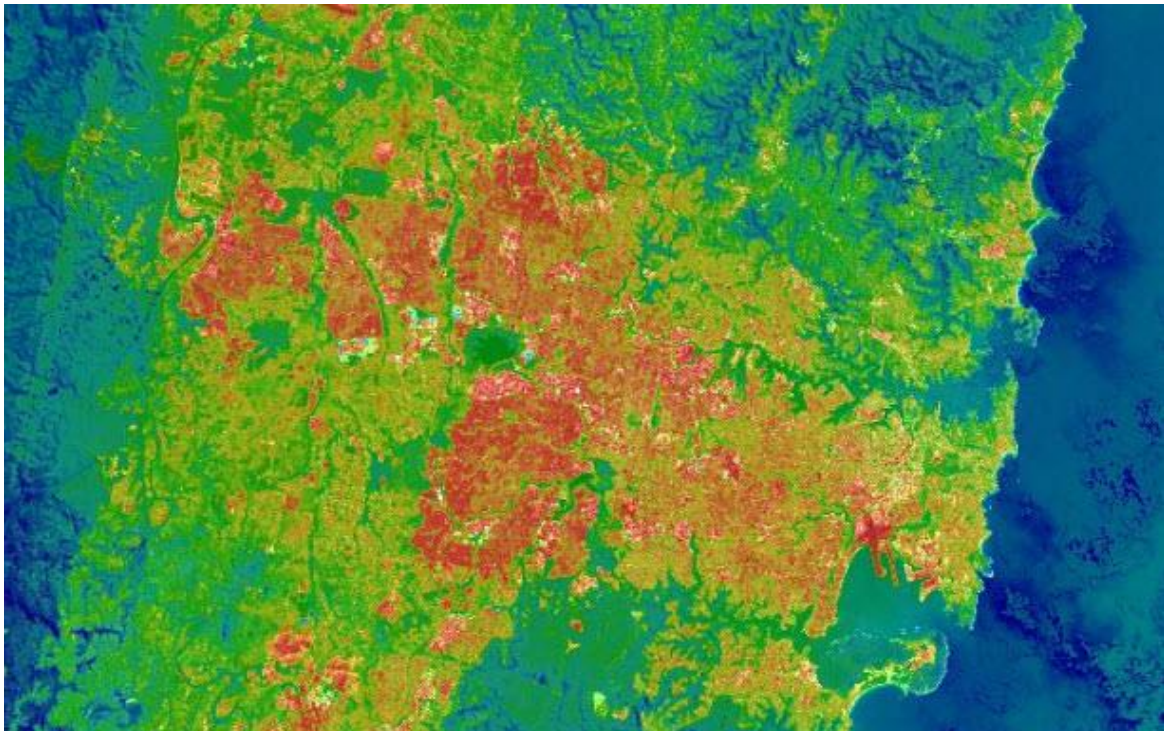


Figure 1. NSW OEH urban heat mapping of the Greater Sydney basin.

WSROC believes that the building standards used in Western Sydney at present are inadequate to mitigate the current and future impacts of heat on its residents, increasing the ongoing cost of living. There needs to be a review of housing standards more broadly, and affordable housing specifically, to ensure that ongoing costs of living are reduced and contributions to the urban heat island effect are minimised. This does not always refer to more expensive construction. Material selection and design choices e.g. specification of lighter colours and cool materials can also have a significant impact. Additionally, specifications of preferred materials can help establish economies of scale, reducing the cost of preferred materials overtime.

While the focus on reducing minimum standards and red tape are understandable in the context of today's real estate market, the homes built now will remain in service for many decades to come. The Government has a duty to determine the minimum standard that we are willing to accept for low-income households which are already highly vulnerable to a range of external influences including interest rate rises, fluctuations in energy prices, transport disadvantage, access to services and ongoing economic restructuring. The quality of our housing also has broader flow on effects for the wider economy manifest as stress on our city's energy grid, water security, health outcomes and productivity impacts^{vii}.

Energy grid:

Western Sydney is expected to grow by 1 million additional residents by 2036^{viii}, including an estimated 230,000 new homes in the North West and South West Growth Centres^{ix}. This has dramatic implications for our city's energy grid which is already under pressure. Energy grid failure has systemic flow-on effects for the rest of the city, impacting public transport, communications and water infrastructure as well as business essentials including refrigeration. Whilst the recently released NSW Electricity Strategy is encouraging, the transition to a more reliable, resilient and future-proof grid will take years to realise. We have a duty of care towards our residents, to provide suitable housing standards that allow people to thrive in current and future climatic conditions.

Water security:

The design and quality of our housing stock also has significant ramifications for our city's water security. New requirements such as the inclusion of water tanks for new homes were a good first step, but there is much more that can be done. Future design should consider water-sensitive urban design

principles that hold water in the landscape, promoting canopy growth and evaporative urban cooling thereby reducing household energy bills.

Health outcomes:

Extreme heat is Australia's number one natural killer, responsible for more deaths than bushfires, storms and floods combined.^x In addition to deaths, heat-related illness puts undue pressure on our public health system due to both heat-related injuries such as dehydration, and the exacerbation of existing health conditions.

Productivity:

Lowering 'non-essential' benchmarks for new homes could also have significant flow-on effects for broader economic productivity. It is estimated that heat stress costs Australia \$6.9 billion each year in lost productivity due to decreased ability to perform physical labour, poorer quality sleep and reduced cognitive function.^{xi} High minimum (night) temperatures resulting in poorer quality sleep are considered to be a major contributor. Studies conducted by Resilient Sydney following the 2016-2017 heatwave highlighted the connections between housing, transport, jobs, education, health services and vulnerability to shock events such as extreme heat suggesting that adaptation measures to reduce heat effects should be adopted widely if severe economic impacts from labour productivity loss are to be avoided when heat waves become as frequent as predicted^{xii}.

WSROC recommends:

- That the definition of affordable housing be broadened to consider the ongoing costs of essential services to a dwelling including: energy, water, waste and transport.
- That all new developments be designed to reduce running costs and increase resilience to the growing impacts of extreme heat including, energy efficiency (internal) and urban heat mitigating design principles (external) including the use of cool materials, greening and water.
- That any decision to allow new dwellings to be constructed without car spaces should consider the potential impacts of transport disadvantage and only be implemented in areas of high public transport connectivity.

6.4 Making the most of our public green spaces

The *Discussion Paper* makes an important link between green open space and community health and well-being. The importance of this link in the Western Sydney context has been reiterated by recent research outlining the impact of greenspace and canopy cover on rates of chronic disease and exposure to extreme heat.^{xiii} While the Paper calls for the need to make greater use of public spaces due to the increase in apartment living, WSROC believes the same principle should apply to medium and low-density dwelling types. The trend towards maximising floor space in new subdivisions has resulted in a reduction in private open space (back yards and front yards), with implications for public health, community cohesion and the Urban Heat Island Effect. In this context, streetscapes and public parks will become increasingly important for all manner of outdoor pursuits.

Other submissions may outline the importance of public open space – which is critical to community well-being and broader productivity, however we would like to draw attention to a highly undervalued public space – the street verge.

Street verges in new housing developments are some of the most highly contested land across Sydney. A lack of minimum road widths and narrow verges have caused significant competition between different land uses including: utilities, footpaths, driveways, street parking, urban canopy and waste bin presentation. In many areas, this competition has resulted in a lack of urban green cover, congested streets (as households jostle for on street parking), and environments which are unattractive and non-conducive to active transport, physical recreation or neighbourly social encounters. Additionally, as indicated by the lack of verge space in Figures 3 and 4, current street design trends also jeopardize the success of the 5 Million Trees Initiative and Premier's Priority of increasing canopy cover by 2030. WSROC believes there are significant opportunities to improve the liveability of new suburbs through widened verges that can accommodate a variety of pedestrian-focused infrastructure, tree planting and other cooling vegetation for residents to enjoy. Doing so will have positive outcomes for urban heat island mitigation, community health, pedestrian safety and overall liveability and amenity. As highlighted in the *Discussion Paper*, this has positive flow-on effects for overall productivity.

Landcom's recently announced Greener Places Schofields development is a promising proposal that we hope will implement best practice and set a standard for heat mitigation in future residential developments. However, to be successful, this development must recognise that greening and water

go hand in hand. The current period of drought speaks to the urgent need to review how water is integrated into our urban system. To support the greenspaces and canopy we need water, and Water Sensitive Urban Design principles should firmly be at the forefront of urban planning.

WSROC recommends:

- That the need to increase access to public greenspace be applied to all housing types (high, medium and low density).
- The Government review minimum verge widths to allow the integration of healthy urban canopy pedestrian infrastructure that promotes active recreation and walking for transport.
- Prioritise the integration of Water Sensitive Urban Design principles that will allow street canopies to flourish, reduce maintenance costs for councils, and reduce strain on our city's water supply.



Figure 2. Comparison of older and newer style housing developments.



Figure 3. New housing developments with little private open space increases the importance of public space.



Figure 4. Example of a new development with little room for green canopy or outdoor recreation.

7. Infrastructure delivery

7.1 Moving toward more efficient and equitable developer contributions

Funding adequate levels of social infrastructure such as sports facilities, community centres, libraries and swimming pools is a major challenge for councils; particularly in rapidly growing areas such as Western Sydney. These facilities are key to liveable communities however, councils' ability to attract funding under the existing arrangements (rates, grants and developer contributions) is limited.

The impact of long-term rate capping on local government financial sustainability has been well-documented and won't be discussed further here. Federal and state grant programs are a second source of funding. Grants provide a valuable source of income for councils however, their short-term nature means they are not conducive to long-term, strategic planning. Grant-funding is also necessarily designed to meet the needs and aspirations of the funding body rather than the needs and aspirations of the local community as expressed through councils' IP&R process. For these reasons, the capacity of grants to deliver community mandates are limited.

Developer (Section 7.11) contributions have been used to cover all necessary works such as roads, drainage and open space. Unfortunately, the latest government policy stipulates that if councils wish to charge more than \$30,000 per lot/dwelling in its contributions plans, it cannot include community and social infrastructure in those plans as they are considered 'non-essential' under the Essential Works List (EWL). For example, it is projected that these recent changes to the Essential Works List will require Blacktown City Council to find an additional \$276 million over the next 20 years to deliver the social infrastructure needed for its growing community. The backlog across Western Sydney is estimated at over \$2 billion over the next 20 years. These shortfalls arise from the limited capacity for councils to attract additional funding and are detrimental to community liveability and amenity in the long term.

An additional challenge is that population increases generated by new developments are often underestimated. In some areas, a rise in multi-generational households due to affordability concerns or norms of certain cultural groups has resulted in far higher numbers of occupants per dwelling than current estimates would suggest. As a result, infrastructure and services may be inadequate by the time people have settled in new areas. We must review how we are estimating population growth in new developments.

Given the funding challenges outlined above, WSROC is concerned that the Productivity *Discussion Paper* suggests that developers should not be required to contribute to ‘population-dependent’ infrastructure or “...infrastructure necessary for a growing population, independent of whether individual developments proceed”. While population growth is inevitable, the capacity to accommodate this growth varies greatly geographically. From a local government perspective, the need for infrastructure improvements can be entirely dependent on whether a development proceeds in a particular location.

Greenfield sites are attractive to developers due to advantages related to site accessibility, less community resistance and site remediation. However, such sites may have little, if any pre-existing infrastructure. Reducing the need for developers to contribute to population-dependent infrastructure in such developments could result in an incentivisation of green-field development over brownfield (in-fill) development, promoting urban sprawl and increasing the cost of infrastructure provision per capita of population growth. This will result in poorer amenity and liveability outcomes for communities, particularly in low income areas.

For the reasons outlined above, WSROC opposes the suggestion that ‘population-dependent’ costs of new developments should be increasingly funded by local government rates, particularly without changes to the current funding mechanisms.

WSROC recommends:

- That community facilities be included on the Essential Works List so that councils can levy funding to build these under Section 7.11.
- That the NSW Government work with councils to review mechanisms for funding both local and regional-scale social infrastructure.
- That the methodology for estimating population growth generated by new developments be reviewed.

8. Enabling councils to deliver better services

To facilitate more coordinated and efficient service delivery by local government, WSROC proposes the development of a Common Digital Operating Environment (CDOE). The aim of such an initiative would be to streamline local government operations and reporting and create efficiencies across the board. A common operating system, under the guidance of the existing Integrated Planning and Reporting Framework (IP&R), could encompass both the front of house and back office functions of a council, providing a consistent experience for the community, increased efficiencies and transparency and consistent datasets and reporting across local governments. Such a proposal was supported at the Local Government NSW Annual Conference 2019^{xiv}, and should be seriously considered by the NSW Government.

WSROC recommends:

That the NSW Government to partner with local government to develop and implement a digital common operating system in accordance with the resolution of the 2019 Local Government NSW Conference resolution.

9. Summary of recommendations

<p>General comments:</p>	<ul style="list-style-type: none"> • That paper include reference to ‘equitable and sustainable productivity’ in order to deliver equity, fairness and maintain quality of life. • That climate change is better integrated in any productivity discussion moving forward. • That the paper include a stronger focus on inclusive pathways to employment.
<p>Waste management</p>	<ul style="list-style-type: none"> • Expanding the productivity priorities to capture waste and resource recovery. • Identification of waste as an essential urban service. • A higher-level of attention to issues that are currently being experienced affecting waste and resource recovery. • Identification of pathways to support local councils in delivering waste outcomes that are safe, efficient, cost effective and maximise recycling, that contribute to the built form and liveability of the community. • Linkages and support to existing State and Regional strategic plans such as Metropolis of Three Cities – the Greater Sydney Region Plan and the Western City and Central City District Plans.
<p>Energy</p>	<ul style="list-style-type: none"> • Deliver consistent, mandatory planning controls across the state for energy and greenhouse emissions, including increased standards for BASIX. • Continued standardisation of electric vehicle infrastructure and the development of a regional electric vehicle and hydrogen infrastructure program, with supporting pilots in the region. • Policy and program support for smart energy technologies for precinct-level energy generation storage and management. • Explore opportunities to accelerate manufacturing and employment

	<p>planning and incentives for Western Sydney that focuses on accelerating our sophistication in future technologies such as EV's, batteries, energy efficient products and services.</p>
<p>Housing and employment</p>	<ul style="list-style-type: none"> • A cohesive, intensive approach to economic and jobs development be delivered for the Greater Western Sydney region that: Seeks to improve diversity of jobs in key centres across the whole region; does not rely on Western Sydney Airport precinct as the sole driver of employment for the region; focuses on the development of existing employment and industry centres; fosters and builds connections with neighbouring regions including Eastern Sydney, Central West NSW, Central Coast and Wollongong. • That the definition of affordable housing be broadened to consider the ongoing costs of essential services to a dwelling including: energy, water, waste and transport. • That all new developments be designed to reduce running costs and increase resilience to the growing impacts of extreme heat including, energy efficiency (internal) and urban heat mitigating design principles (external) including the use of cool materials, greening and water. • That the need to increase access to public greenspace be applied to all housing types (high, medium and low density). • The Government review minimum verge widths to allow the integration of healthy urban canopy pedestrian infrastructure that promotes active recreation and walking for transport. • Prioritise the integration of Water Sensitive Urban Design principles that will allow street canopies to flourish, reduce maintenance costs for councils, and reduce strain on our city's water supply.
<p>Infrastructure and services</p>	<ul style="list-style-type: none"> • That community facilities be included on the Essential Works List so that councils can levy funding to build these under Section 7.11.

	<ul style="list-style-type: none"> • That the NSW Government work with councils to review mechanisms for funding both local and regional-scale social infrastructure. • That the methodology for estimating population growth generated by new developments be reviewed. • That the NSW Government to partner with local government to develop and implement a digital common operating system in accordance with the resolution of the 2019 Local Government NSW Conference resolution.
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ⁱ Sydney Water. (2018). *Cooling Western Sydney: A strategic study on the role of water in mitigating urban heat in Western Sydney*. Available from: https://www.sydneywater.com.au/web/groups/publicwebcontent/documents/document/zgrf/mty4/~edisp/d_d_168965.pdf

ⁱⁱ Resilient Sydney. (2017). *Resilient Sydney Engagement Report*. Available from: https://www.cityofsydney.nsw.gov.au/__data/assets/pdf_file/0007/301120/Resilient-Sydney-Phase-II-Engagement-Report-11-FINAL.pdf

ⁱⁱⁱ Western Sydney International (Nancy-Bird Walton) Airport. Australian Government. Available from: https://buildingourfuture.gov.au/projects/featured/western-sydney-airport?gclid=EAAlQobChMInK7n55H65QIViQsrCh02BQCYEAAAYASAAEgJ5avD_BwE

^{iv} Sydney Water. (2018). *Cooling Western Sydney: A strategic study on the role of water in mitigating urban heat in Western Sydney*. Available from: https://www.sydneywater.com.au/web/groups/publicwebcontent/documents/document/zgrf/mty4/~edisp/d_d_168965.pdf

^v Greater Sydney Commission. (2018). *Greater Sydney Plan: A metropolis of three cities*. p 175 Available from: <https://gsc-public-1.s3-ap-southeast-2.amazonaws.com/greater-sydney-region-plan-0618.pdf>

^{vi} NSW Office of Environment and Heritage. (2015). *Urban heat: Climate change impact snapshot*. Available from: <https://climatechange.environment.nsw.gov.au/Impacts-of-climate-change/Heat/Urban-heat>

^{vii} Western Sydney Regional Organisation of Councils. (2018). *Turn Down the Heat Strategy and Action Plan 2018*. Available from: <https://wsroc.com.au/media-a-resources/reports/summary/3-reports/286-turn-down-the-heat-strategy-and-action-plan-2018>

^{viii} Department of Planning, Industry and Environment. (2019). *2016 New South Wales State and Local Government Area Population Projections*. Available from: <https://www.planning.nsw.gov.au/-/media/Files/DPE/Other/nsw-state-and-local-government-area-population-projections-2016-xls.xlsx?la=en>

^{ix} NSW Department of Planning, Industry and Environment. *North West Growth Area*. Available from” <https://www.planning.nsw.gov.au/Plans-for-your-area/Priority-Growth-Areas-and-Precincts/North-West-Growth-Area>; Sydney Water. *South West Growth Area*. Available from: <https://sydneywater.com.au/SW/water-the-environment/what-we-re-doing/current-projects/servicing-growth-areas/south-west-growth-area/index.htm>

^x Zander, K. et al. (2015). Heat stress causes substantial labour productivity loss in Australia. *Nature and Climate Change*, 5(7), 647 – 651.

^{xi} Zander, K. et al. (2015). Heat stress causes substantial labour productivity loss in Australia. *Nature and Climate Change*, 5(7), 647 – 651.

^{xii} Resilient Sydney. (2017). *Resilient Sydney Engagement Report*. Available from: https://www.cityofsydney.nsw.gov.au/__data/assets/pdf_file/0007/301120/Resilient-Sydney-Phase-II-Engagement-Report-11-FINAL.pdf

Melbourne Institute: Applied Economic and Social Research. (2019). *14th Annual Statistical Report of the Household, Income and Labour Dynamics in Australia (HILDA) Survey*. Available from: https://melbourneinstitute.unimelb.edu.au/__data/assets/pdf_file/0011/3127664/HILDA-Statistical-Report-2019.pdf

^{xiii} 2019 studies include:

- Astell-Burt, T. & Feng, X. (2019). Urban green space, tree canopy, and prevention of heart disease, hypertension, and diabetes: a longitudinal study. *The Lancet Planetary Health*, 3. Available from: 10.1016/S2542-5196(19)30159-7 (*Western Sydney study soon to be published*).
- Pfautsch, S. & Rouillard, S. (2019). *Benchmarking heat across Campbelltown, New South Wales*. Western Sydney University. Available from: <https://doi.org/10.26183/5d81cc131f041>
- Pfautsch, S. & Rouillard, S. (2019). *Benchmarking heat across Cumberland Council, New South Wales*. Western Sydney University. Available from: <https://hdl.handle.net/1959.7/uws:52866DOI:10.26183/5d76e1fa3b31a>
- Pfautsch, S. & Rouillard, S. (2019). *Benchmarking heat in Parramatta, Sydney's Central River City*. Western Sydney University. Available from: <https://researchdirect.westernsydney.edu.au/islandora/object/uws%3A52453/datastream/PDF/view>

^{xiv} Local Government NSW. (2019). *2019 Local Government NSW Annual Conference Resolutions*, p.21. Available from: <https://www.lgns.w.gov.au/files/imce/uploads/90/2019-LGNSW-Annual-Conference-resolutions.pdf>



SUBMISSION: *Waste and resource recovery for a productive, sustainable, liveable future*

Office of the NSW Productivity Commissioner

Discussion Paper - Kickstarting the conversation

Western Sydney Regional Organisation of Councils

November 2019

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1. Executive summary

Western Sydney Region Organisation of Councils (WSROC) welcomes the opportunity to provide a response and submission to the *Discussion Paper* titled *Kickstarting the productivity conversation* released by the NSW Productivity Commissioner. WSROC supports in principal the preparation and establishment of productivity reform that will set a series of strategic objectives and focused actions that will ensure the productivity, liveability and sustainability of communities across the Western Sydney region.

A positive element of the *Discussion Paper* and specifically the productivity priorities identified is that it captures issues focused on infrastructure, essential services (and utilities), job growth and land use planning. However, our review has raised concerns that the *Discussion Paper* has not given consideration to any issues surrounding waste and resource recovery as part of this process.

WSROC strongly advocates that waste and resource recovery must be identified as an essential urban service. The *Discussion Paper* must have a focus on waste planning as a priority and should identify the issues currently affecting waste planning across the Western Sydney region. This is critical for any reform agenda to achieve a liveable, productive and sustainable future across the Western Sydney region.

The lack of recognition of waste and resource recovery forming any part of the future reform agenda and seen as an essential item in achieving long term productivity and liveability goals across NSW is a shortcoming of the *Discussion Paper*.

WSROC would support the expansion of productivity priorities to include waste planning and waste infrastructure priorities, such as in the strategic objectives of a *Metropolis of Three Cities – the Greater Sydney Region Plan*.

The *Discussion Paper* and the premise of a future reform agenda provide a valuable opportunity to escalate the significance of waste and resource recovery. The NSW State government must take leadership role through both policy and action, working with councils and industry in meeting the growing and changing waste profile of our community.

WSROC submits that the following issues need to be adequately addressed as part of any future productivity reform agenda:

- Expanding the productivity priorities to capture waste and resource recovery;
- Identification of waste as an essential urban service;
- A higher-level of attention to issues that are currently being experienced affecting waste and resource recovery;
- Identification of pathways to support local councils in delivering waste outcomes that are safe, efficient, cost effective and maximise recycling, that contribute to the built form and liveability of the community;
- Linkages and support to existing State and Regional strategic plans such as *Metropolis of Three Cities – the Greater Sydney Region Plan* and the Western City and Central City District Plans.

WSROC would welcome an opportunity to further discuss this submission. Should there be any questions regarding this submission, please do not hesitate to contact WSROC's [REDACTED]

Please note: *While this submission focuses specifically on waste, WSROC has prepared a separate submission to the Discussion Paper which addresses a broader range of issues. That submission should be read in addition and is complementary to this submission.*

2. Western Sydney Regional Waste Strategy 2017-2021

The Western Sydney Regional Organisation of Councils (WSROC), representing councils in Western Sydney, has reviewed the *Discussion Paper – Kickstarting the Conversation* issued the Office of the NSW Productivity Commissioner relevant to the waste and resource recovery services provided by councils to its residents.

In 2014, the NSW Environment Protection Authority (EPA) funded WSROC to develop and deliver the Western Sydney Regional Waste Avoidance and Resource Recovery Strategy (Strategy) on behalf of nine councils: Blacktown City Council, Blue Mountains City Council, Cumberland Council, Fairfield City Council, Hawkesbury City Council, Liverpool City Council, Parramatta City Council, Penrith City Council and The Hills Shire Council.

The Strategy was developed to outline future directions for resource recovery practices across Western Sydney, and to explore options for addressing common waste management challenges faced by councils in the region.

The Strategy identifies:

- An estimate of 739, 600 tonnes of domestic waste and recycling was collected from Western Sydney households in 2015/2016.
- Domestic waste and recycling were collected through council services that include kerbside bin services, kerbside bulky waste clean-up collections, council drop-off and mobile services.
- An overall domestic recycling rate of 54 per cent for the region was achieved in 2015/16, however, due to recent changes to NSW regulation, this currently sits around 25 per cent.
- Waste generation is currently increasing at a rate outstripping population growth - Western Sydney's household waste generation has increased over the past years (from 7.3kg/capita/week in 2011/12 to 7.5 kg/capita/week in 2015/16).

A key action in this strategy addresses the linkages between the planning system and provision of waste services to the community. In line with this key action, WSROC has reviewed the *Discussion Paper – Kickstarting the Conversation* submits the following comments and recommendations for consideration.

3. Prioritising waste in productivity reform agenda

WSROC commends the Productivity Commission in preparing a *Discussion Paper* to guide future reform across NSW. WSROC broadly supports reform agenda that would secure the best future for NSW and improve liveability for all communities across NSW including Western Sydney.

The *Discussion Paper* identifies six initial draft productivity priorities for consideration. WSROC understands that these priorities and focus areas will be further refined into a recommended reform agenda following stakeholder consultation.

As previously captured within the submission, WSROC is disappointed that waste and resource recovery was not captured within the reform priorities identified within the *Discussion Paper*.

WSROC recommends:

- **Waste and resource recovery be captured within the productivity priorities; and**
- **Priorities be expanded to escalate the consideration of waste as an essential urban service and reflect the productivity and liveability benefits to the NSW.**

Inclusion of waste within the productivity priorities would provide a platform to implement reform and much needed long-term planning for waste and resource recovery across Western Sydney and New South Wales.

This would also assist the NSW Government in progressing towards its resource recovery targets, which underpin the objectives of our Regional Waste Strategy.

Terms of reference for the submission

The submission has been prepared to utilise the general discussion questions (where relevant) as a term of reference for the submission.

Central to the matters raised in the submission relating to waste management is collaboration. Waste management including waste services and waste infrastructure requires collaboration to appropriately managing the growing population of our community and the changing needs of the

Western Sydney community. WSROC supports collaboration and the support of partnerships across of tiers of government, private industry and the community.

WSROC would welcome the Commission assisting local government in collaboration with relevant state agencies in delivering outcomes that overcome and respond to waste challenges currently being experienced.

4. A conversation about options to improve productivity: Waste matters

Waste needs to be identified as an urban essential service akin to energy and water supply. It is disappointing that the *Discussion Paper* does not give waste and resource recovery any consideration.

4.1 Waste is an essential service

Despite being a function of local government under the *Local Government Act 1993*, the provision of municipal solid waste services needs to be recognised as an essential service at all levels of government. This is a critical service that is essential in maintaining the liveability and health of our communities.

WSROC advocates that waste and resource recovery needs to be identified as an essential service and incorporated into future productivity reform.

It is vital that the productivity priorities be expanded to include and acknowledge waste and resource recovery as an essential urban service. Too often “waste” is just considered in terms of general waste management and local council “kerbside collection” services and the full gamut of activities and issues that are captured within “waste and resource recovery” are never realised and addressed at a strategic level.

However, Western Sydney councils have identified there needs to be provision in strategic planning systems to support councils in delivering:

“Waste outcomes that are safe, efficient, cost effective and maximise recycling, that contribute to the built form and liveability of the community. This must be supported by well-planned waste infrastructure that is responsive to future needs, and provides equitable access to waste, reuse and recycling services.”

The costs to both the economy and the community will only be escalated as a consequence of current issues facing the NSW waste system, if waste and waste related issues are not given due consideration.

WSROC recommends:

- **Expansion of productivity priorities to consider waste management driven priorities that support local councils in delivering waste services across the community.**

4.2 Value of waste to the economy

Productivity reform for NSW needs to reflect the value of waste to the economy.

The value of waste to the economy must be understood. The *2018 National Waste Policy* estimated that in 2014–15, waste management services in Australia were valued at \$12.6 billion, and sale of recovered materials was valued at \$2.9 billion. Waste-related activities added a total value of \$6.9 billion to the economy, accounting for 0.43 per cent of GDP¹.

We also know that recycling 10,000 tonnes of waste produces 9.2 jobs compared to 2.8 for landfill disposal², and with the landfill rate at a recent high, there is much room for opportunity for job creation and environmental benefit.

The economic value of waste management to the economy is clear. Any reform agenda needs to capture the value of waste and recyclable materials and incorporate measures to move towards more

¹ Department of Energy and Environment National Waste Policy 2018

² ACCESS ECONOMICS (2009) Employment in waste management and recycling

sustainable outcomes. This would also be of environmental benefit, as it would assist in meeting the growing waste reduction targets.

Including waste as productivity priority would enable the circular economy principals for waste be included and embedded in any productivity reform and the value of waste to the economy realised.

5. General discussion questions

WSROC broadly accepts the six focus areas identified and supports the central theme of the *Discussion Paper* that the economic performance and liveability of NSW is linked to housing, amenity and job growth.

On this matter, WSROC supports the preparation and establishment of productivity reform that will set a series of strategic objectives and focused actions that will ensure the productivity, liveability and sustainability of communities across the Western Sydney region.

The potential for economic growth and job creation for the broader Western Sydney region is welcomed. Thus, the release of the *Discussion Paper* is a welcomed opportunity to provide a platform for productivity reform that will continue to support Western Sydney.

5.1 Do you agree with the productivity priorities?

Waste services and waste infrastructure as a productivity priority

Waste and resource recovery needs to be considered as an essential urban service and should be captured as a priority area within the *Discussion Paper*. WSROC advocates for Priority 2 to be expanded to capture waste services and waste infrastructure.

The *Discussion Paper* appropriately identifies the importance of water and energy planning to support higher productivity and facilitating better environmental outcomes and sustainable communities. However, the *Discussion Paper* has not captured the need for waste planning and securing sustainable waste infrastructure for all communities across NSW as a priority. This is a shortcoming of the *Discussion Paper*.

While the *Discussion Paper* addresses key issues surrounding essential services such as water and energy, there is no discussion on issues surrounding waste service and waste infrastructure needs of a growing and changing population. This is of concern as it is not an isolated issue affecting for Western Sydney.

As identified on page 55,

“There is also scope to better align water planning and land-use planning. One significant challenge to achieving this is coordinating system-wide water planning conducted at the State Government level with land-use planning at State and local government levels.”

The above holds true for waste planning also. This is of concern and is not an isolated issue affecting Western Sydney.

WSROC advocates for the escalation of waste to be considered as a productivity priority akin to water and energy. This would also align with the planning directions of the Greater Sydney Commission District Plans. The Greater Sydney Commission’s Western City and Central City District Plan establishes planning priorities to manage energy water and waste efficiently.

WSROC recommends:

- **It is vital that consideration of waste and resource recovery is captured as part of the priority areas for productivity reform for NSW.**
- **Productivity reform needs to be linked to existing state government strategic plans such as and support the planning directions contained within the Central City and Western City District Plans. These plans contain priorities to manage energy water and waste efficiently.**

5.2 What other issues should we consider?

The *Discussion Paper* through the inclusion of waste as a productivity priority would be driver for higher-level attention to issues that are currently being experienced affecting waste and resource recovery.

WSROC recommends the following issues be considered for inclusion within the *Discussion Paper* and be included as key points of consideration of any future reform agenda:

- A higher-level of attention to issues that are currently being experienced affecting waste and resource recovery. This includes planning for land use and waste infrastructure;
- Identification of pathways to support local councils in delivering waste outcomes that are safe, efficient, cost effective and maximise recycling, that contribute to the built form and liveability of the community;
- Linkages and support to existing State and Regional strategic plans such as *Metropolis of Three Cities – the Greater Sydney Region Plan* and the Western City and Central City District Plans.

It is vital that above issues surrounding waste management are captured as part of the priority areas for productivity reform. These matters are essential in ensuring that waste services can be provided at a reasonable and sustainable cost to the community as well as ensuring all stakeholders in the community are best placed to achieve appropriate environmental outcomes.

The availability and capacity of existing landfills within Sydney is limited. Furthermore, reliance on landfills to dispose of waste is not sustainable or consistent with the objectives of the *WARR Act 2001*.

Planning for land use and waste infrastructure

WSROC recognises the importance of infrastructure projects and essential services (including utility networks) in delivering a productive community. The delivery of waste infrastructure that responds to community needs and assists local councils in the Western Sydney region is paramount.

On this basis, WSROC advocates that the land use planning and waste infrastructure is just as important issue that needs to be given consideration as part of productivity reforms.

The provision of waste and resource recovery processing and disposal infrastructure is a key component to providing an efficient and effective waste service. Waste infrastructure planning is essential to the success of a productive NSW economy.

Under the current NSW planning system, waste infrastructure facilities are not adequately defined or described.

While the State Environmental Planning Policy (Infrastructure) 2007 currently identifies resource recovery facilities, waste disposal facility and waste or resource management facility and waste or resource transfer station as land-uses they all have the same meaning under the planning instrument:

means a building or place used for the disposal of waste by landfill, incineration or other means, including such works or activities as recycling, resource recovery and other resource management activities, energy generation from gases, leachate management, odour control and the winning of extractive material to generate a void for disposal of waste or to cover waste after its disposal.

Besides the identification of waste management facilities as a land use, there are no other planning guidelines to support the development application process.

While waste management facilities are recognised under the *State Environmental Planning Policy (Infrastructure) 2007*, it is WSROC's view that the current land use categorisation and definitions do not clearly differentiate between the different types of waste infrastructure facilities.

WSROC recommends that waste and resource recovery facilities be more appropriately categorised as infrastructure akin to other essential services in land use planning. There is also opportunity as part of planning reforms to more clearly define the various types of waste infrastructure facilities and the development of a specific planning policy that would assist planning decision making for waste infrastructure facilities.

Local councils would benefit from a clear framework to support decision-making on development applications for waste infrastructure facilities. This would also provide greater certainty to proponents.

Waste being considered within the planning system, as infrastructure and an essential service would assist land being zoned appropriately. This approach would allow for potential and preferred sites

for the development of new waste infrastructure facilities to be identified early in the strategic planning process.

WSROC recommends:

- **The development of a state planning policy (or amendments to the current State Environmental Planning Policy (Infrastructure) 2007) for waste infrastructure.**
- **Supporting guidelines would also assist local government decision makers in the DA process and provide a clear and consistent planning policy framework for the preparation of development applications.**

Waste infrastructure needs

The NSW Draft Infrastructure Strategy 2017-2021 identified that there was a shortfall of 16 waste facilities required to service metropolitan Sydney. With no new facilities in the pipeline, this capacity gap will markedly increase as a result of the planned population growth for Sydney, much of it slated for Western Sydney. We recognise that whilst a large proportion of waste facilities are currently located in Western Sydney, these also service Greater Sydney and the capacity needs cannot be considered in geographical isolation.

Commitment and collaboration across all tiers of government is needed to address the lack of availability of waste infrastructure for the Western Sydney region. This also requires partnerships with the private sector, given that local councils rely in most part on commercial waste operators for the disposal and processing of the majority of domestic waste.

WSROC has routinely advocated for action surrounding the delivery of waste infrastructure for local councils in our region. Failure to deliver and ensure access to a sustainable and efficient waste service will significantly impact on the productivity and liveability for Western Sydney.

Adding to the above challenges is the planned population growth and development for member councils. Increases in the housing and residential population will continue to place increasing pressures on the availability and accessibility of waste infrastructure for all member councils.

A priority for action that should be embedded within the *Discussion Paper* is the identification of suitable land for waste infrastructure and protecting existing facilities from land development pressures.

The majority of waste management facilities located within the Western Sydney are managed by commercial waste operators. Council-owned landfills in operation are limited to the Blue Mountains (Blaxland) and Hawkesbury (South Windsor). The majority of the commercially owned facilities are located within the Western Sydney region.

This highlights that Western Sydney councils rely on the commercial waste operators to dispose and process waste. It also illustrates the need to protect existing waste infrastructure from current and planned growth in securing sustainable waste services for the Region. The demand for land for housing also places pressures on providing appropriately zoned land for future waste infrastructure needs.

Actions need to be embedded within any reform agenda that responds to the challenges of coordinating waste infrastructure and land use planning. Policies and actions that support all levels of government working collaboratively with the community and industry stakeholders to deliver infrastructure in line with the planned growth are needed. The NSW State government needs to take a leadership role in facilitating this collaboration.

WSROC recommends:

- **Waste infrastructure must be planned and delivered for Greater Sydney as a priority.**
- **The development of policies and identification of actions that securing sites for waste infrastructure facilities. This is considered essential in ensuring the growing population needs within the Western Sydney region are met.**
- **Support of land use planning and land use zoning that provides protection of existing waste infrastructure facilities and any potential waste infrastructure sites from urban encroachment.**
- **Priority to be given to strategic planning policies that ensure the availability and protection of appropriate zoned land for waste and resource recovery infrastructure.**

As Western Sydney continues to grow and develop, there is a pressing need to accommodate all forms of land uses and development. Traditionally infrastructure planning and priority has been given to water and energy. WSROC advocates for creating truly sustainable and productive urban communities, these considerations must be expanded to include waste and resource recovery.

Identification of sustainable pathways to support councils in provide effective waste services and progress towards state government waste targets

WSROC advocates for the focus area for future reform be expanded to how sustainable pathways for local councils to provide effective waste services and contribute to waste targets within key waste strategies such as the *National Waste Policy 2018* and the *NSW Waste Avoidance and Resource Recovery (WARR) Strategy 2014-21*.

Local government provides domestic waste services to the community as a responsibility is legislated under the provisions of the Local Government Act 1993. In addition, councils are also committed to working with state government towards WARR Strategy targets for waste reduction and recovery, such as: avoiding and reducing the amount of waste generated per person; increasing recycling rates to 70 per cent for municipal solid waste; increasing waste diverted from landfill to 75 per cent; reducing litter and illegal dumping.

While councils have been working diligently across our community to meet these targets, the ability of councils to progress towards these targets is significantly influenced on the availability of and access to waste infrastructure.

Adding to the complexity of the issue is that, since State Government sold its waste assets in 2010-11, the majority of waste infrastructure for metropolitan Sydney is in private ownership.

While the WARR Strategy has set resource recovery targets, there has been a lack of leadership given from a State level to provide local councils with sustainable pathways for progressing towards these targets. The NSW Government has a key leadership role to play and any reform agenda should mandate the NSW Government taking ownership of this issue.

If State Government wishes to show commitment to its WARR Strategy targets, priority actions and outcomes for waste management should be considered as part of the productivity priorities and be key in any future reform agenda.

WSROC acknowledges that local councils have an essential role to play enabling the community to participate in increasing recycling rates for municipal solid waste. However, the State Government needs to take a strategic and long-term view in identifying and addressing waste infrastructure needs that support and is in line with the significant population growth planned for our region.

WSROC recommends:

That the NSW Government gives priority to:

- **Sydney's limited landfill capacity that is currently being experienced across metropolitan Sydney;**
- **The pressures on existing waste infrastructure from urban development and encroachment be reflected in further reform considerations. These pressures reduce the opportunity for facilities to efficiently operate;**
- **The need for additional waste and recycling infrastructure to service metropolitan Sydney's planned growth and development;**
- **The need for additional construction and demolition waste recycling infrastructure as a waste stream to cater for additional construction and development as a consequence of the planned growth; and**
- **Consideration of reform of current State government waste funding arrangements.**

A key issue identified in the *Discussion Paper* is how to enable local councils to deliver better services. The *Discussion Paper* outlines that *"the NSW Government needs to consider expectations on local government and how reform could improve efficiency."*

It is WSROC's view that an opportunity exists as part of the productivity agenda to reform current funding mechanisms that surround the waste levy. This would improve local councils' ability to provide sustainable and efficient waste services to the local community and also assist in achieving State Government recycling and diversion targets.

The waste levy was introduced to reduce the amount of waste being sent to landfill as well as increasing recycling rates across NSW. The waste levy is seen as the key economic instrument for greater waste avoidance and resource recovery.³

WSROC has previously supported changes and reforms to the waste levy funding. The actual cost of delivery of household waste services including disposal costs, and the landfill levy are paid by ratepayers. Unfortunately, poor planning for waste infrastructure and adverse policy settings result in the costs to the community continually increasing due to increasing distances for waste transport, regulatory uncertainty and lack of industry investment, and market failures.

WSROC will continue to support reform initiatives to improve the effectiveness of the waste levy, reduce reliance on it as an income source for state government, instead leveraging it as a tool to transition towards long-term sustainability for waste and resource recovery. The waste levy and decreasing availability of landfill space in the Sydney region are both drivers to establishment of advanced waste processing infrastructure. A review of the waste levy, consistent with the NSW Legislative Council's report on Energy from Waste would be welcomed, with the recognition that as NSW progresses towards greater resource recovery, the reduced levy income would be a measure of success.

This is key in ensuring progress towards a sustainable waste management industry that manages resources responsibly and is affordable and reliable for the community.

In relation to reform of waste levy funding, WSROC recommends:

- The use of waste levy be targeted to support waste infrastructure projects that would benefit the Western Sydney region;
- That state government strategically explore options for future funding of research and future investment in advanced waste processing technologies; and

³ Environmental Protection Authority www.epa.nsw.gov.au 2019

- That state government invest in education and community awareness campaigns to engage with the community about waste processing technologies, in line with the waste hierarchy.

Linkages and support to existing State and Regional strategic plans.

WSROC advocates for plans and actions within any reform agenda that provide a direct link to and support to existing State and Regional strategic plans. These plans include such as *Metropolis of Three Cities – the Greater Sydney Region Plan* and the Western City and Central City District Plans.

The Western City and Central City District Plan identifies a series of planning priorities and objectives. Most relevant to waste planning is:

- Planning Priority: reducing carbon emissions and managing energy, waste and waste efficiently
- Planning objective: More waste is re-used and recycled to support the development of a circular economy.

Unfortunately, planning direction within the District Plans does not expand on or provide in detail how these specific planning priorities and objectives can be addressed or achieved.

There is opportunity for the Productivity Commission to incorporate these planning objectives and priorities into the reform agenda. The State Government is best placed to instigate partnerships with the commercial sector to support the development and investment into much needed waste infrastructure, including advanced waste technologies in accordance to the waste hierarchy.

The *Draft NSW EPA Infrastructure Strategy 2017-21* identified that the broader Sydney metropolitan area had a shortfall of 16 waste facilities to meet the current population needs. This number would have only increased since the recent NSW EPA decision to curtail the future of Alternate Waste Treatment facilities. This presents a real opportunity the Productivity Commission and would be a significant influence in addressing WARR Strategy targets.

However, it relies upon securing land, investment and appropriate land use zoning controls for these innovate industries and technologies.

The potential for waste and resource recovery industry to positively contribute to employment creation and economic development appears to be a missed opportunity of the plan. Consideration of waste in terms of its value to the broader NSW economy would support existing state government strategic plans. The waste industry is an important contributor to the economy and employment with an estimate of more than 24,000 direct and indirect jobs resulting from waste and resource recovery activities within NSW alone⁴.

WSROC recommends:

- **Reform agenda respond to and support planning objectives and priorities of the Central City and Western City District Plans that give consideration to waste management priorities; and**
- **Productivity Commission work collaboratively with local government and the waste sector to ensure productivity reform capitalizes in the economic opportunity of this sector.**

5.3 Potential for future reforms

Highlighted throughout this submission is the significant challenge of access to and availability of waste infrastructure for member councils across Western Sydney. These pressures are only increased as a consequence of the forecast population growth that will consequently rise domestic waste generation.

Local councils need to ensure that they have access to waste infrastructure to ensure effective and efficient waste servicing. This is paramount to a healthy and sustainable community. In considering any future reforms, a key recommendation is improving the planning system in responding to waste management.

Other areas of reform can focus on partnerships and the development of stewardship programs that priorities waste avoidance and improves resource recovery.

⁴ ACCESS ECONOMICS (2009) Employment in waste management and recycling

Improving the planning system for waste

The *Discussion Paper* outlines, “*planning influences investment and productivity because it regulates what we can build and where we can build it*”. Improvements to the NSW planning system can be undertaken to improve access to waste infrastructure and assist in securing waste infrastructure sites across and for the Western Sydney region.

A major challenge for waste infrastructure facilities across the Sydney metropolitan area is the lack of land as a consequence of land and development pressures and land costs. There is also a challenge with the planning process for getting land zoned and licenced for waste infrastructure facilities and the uncertainty of the development approval process.

Streamlining the planning process would assist in providing greater certainty for the waste sector. It is concerning that the current planning system does not support the required waste management outcomes needed for Western Sydney. WSROC strongly advocates for planning reform that prioritises waste as an essential urban service and the introduction of a specific planning policy that addresses waste planning and waste infrastructure.

WSROC recommends:

- **Supporting strategic planning processes that recognise waste as essential infrastructure and dedicate specific land use zoning for waste infrastructure and facilities;**
- **Identify existing waste infrastructure and provide land use zones and planning controls to provide buffers around existing waste infrastructure to reduce potential land use conflict and development continues; and**
- **Development of specific state planning policies that support waste as essential urban service. This could include the development of a specific State Environmental Planning Policy for waste and resource recovery.**

Supporting local council in service delivery

The *Discussion Paper* correctly identifies that “*the role of local government is changing, with widening community expectations for service provision.*” WSROC strongly agrees with this statement, particularly in consideration of community expectations regarding waste services.

Local councils are currently experiencing significant challenges in providing efficient and effective waste services to their community. A key issue for local councils is that the waste servicing for individual developments is often overlooked at the design development stage. This issue is further magnified as the density of developments are increasing and lot sizes are becoming smaller.

Consideration to any planning reforms that streamline the development and planning approval process needs to ensure that new developments will provide a high level of urban design and protect local residential amenity. This includes ensuring new developments and land release subdivisions are integrated with Councils waste service.

Poor development outcomes have potential to result in developments that are unable to be integrated with councils’ waste service once the developments are operational. Council requirements for waste management need to be strengthened as these are in place to improve service efficiency, increase recycling, reduce illegal dumping, and promote safety. When not prioritised, it results in increasing service delivery pressures for local councils and significant resident frustration from amenity issues, poorer environmental outcomes, additional collection hazards and increasing costs to ratepayers.

Streamlines to the development approval process to increase housing supply and reduce “red tape” for the development industry need to ensure that adequate planning controls are maintained to ensure new developments are capable of being integrated with Council waste service.

More recently, the State Government has pursued introduction of planning policies to simplify the approval process for low-rise medium density developments through the expansion of the State Environmental Planning Policy (Exempt and Comply Code). The absence of design requirements and guidelines that understood waste management issues currently being faced by local councils was a concern raised by WSROC as part of the consultation process.

While WSROC is supportive in principal of increasing housing choice and supply for our residents, it is essential that residential amenity and liveability standards are maintained and supported. The lack of recognition of waste and understanding of Councils waste services to date in planning reform is a concern shared across member councils.

WSROC recommends:

- **Ensuring road design and construction part of new land releases are of appropriate width to ensure that waste collection vehicles (and therefore emergency fire services) can service future housing.**
- **Ensuring planning controls provide minimum widths across medium and high-density developments. This is essential in ensuring developments can function safely and efficiently and that internal roads and laneways are of appropriate dimensions.**

Prioritising waste avoidance and reuse and improving resource recovery

WSROC advocates greater collaboration across all levels of government and with the private sector to prioritise avoiding and reducing waste. Avoiding waste and reducing the quantities of waste generated will be of significant environmental and economic benefit to our community.

Actions are needed that focus reform agenda on providing sustainable pathways for businesses and the community to avoid waste and actions to implement the principals of a circular economy. WSROC contends that the State government must take the lead in shifting behavioral change across the commercial sector. It is essential that businesses be encouraged to maximise the value of all materials across the product lifecycle. This is consistent with the Waste Hierarchy and the National Waste Policy 2018.

Reform agenda could explore the opportunities and challenges in the buying of products containing recycled materials. There is also a role for all tiers of government to play in supporting businesses implementing and developing products that avoid waste and conserve our valuable resources.

WSROC highlights that innovation is needed within the business sector to develop and provide products and services that increase the lifecycle of products as well as maximizing recycling opportunities. However, it is critical that businesses have government support. The State Government is best placed to take this lead.

There is also opportunity for the reform agenda to incorporate policy and implement action to support the expansion of the recycling sector. WSROC has previously identified that changes and reforms to the waste levy funding could be better utilised for larger waste infrastructure projects and investment to further expand the recycling sector.

WSROC recommends:

- **The challenges and issues facing the waste sector to be addressed as part of the productivity reforms. It is WSROC's view that the *Discussion Paper* does not recognise the importance of the waste and resource recovery sector to the NSW economy.**

6. Closing remarks

WSROC welcomes the opportunity to comment on and provide a submission in response to the *Discussion Paper – Kickstarting the productivity conversation* released by the NSW Productivity Commissioner.

WSROC broadly supports the preparation and establishment of priorities that will ensure communities across the Western Sydney Region are liveable, sustainable and productive. While WSROC supports the establishment of a reform agenda with a productivity focus, it is our view that these productivity objectives must be balanced against liveability and sustainability objectives. It is also essential that any future reform agenda also must be critically linked to existing waste strategies and polices and strategic plans to ensure all relevant issues are considered holistically.

This submission has expressed significant concerns that the *Discussion Paper* has not included any emphasis or focus on waste and resource recovery. Specifically, this submission has highlighted that it is our view that it is a shortcoming of the *Discussion Paper* to not consider waste as an essential service, and subsequently waste planning and waste infrastructure have not yet been considered as part of future reform agenda.

WSROC advocates waste infrastructure planning and delivery must be considered and secured on the basis that it is an essential service and a valuable contributor to the NSW economy. It is essential for creating productive, liveable and sustainable communities that waste and resource recovery is incorporated into any future reform agenda and policy.

WSROC urges the Productivity Commission to recognise that waste should be planned on the basis that it is an essential urban service; as essential as water and energy. This submission has outlined the complexity and challenges local councils face in balancing the increased growth and development with essential waste services.