

17 October 2019

Executive Director
Compliance, Industry and Key Sites
Department of Planning, Industry and Environment
GPO Box 39
SYDNEY NSW 2001
Via online portal

Dear Executive Director,

PIA Submission to the Draft Activation Precincts SEPP

Thank you for the opportunity to provide comment on the Draft Activation Precincts SEPP. PIA also notes that the Parkes Special Activation Precinct Master Plan is on exhibition and will make brief comment on this master plan as it illustrates the principles of the Activation Precincts SEPP.

PIA supports the innovation and opportunity to deliver a strong regional economic development boost via the SEPP. We support the standards-based assessment approach in this context, and trust that it can be designed to deliver sustainable precinct development outcomes.

PIA strongly supports the intention of enhancing industry engagement with regional communities. The recent NSW Productivity Commission Discussion Paper *'Kickstarting the productivity conversation'* listed obstacles to investment and economic growth in regional NSW as a key barrier to productivity. PIA has engaged with key rural and regional member stakeholders to inform this submission.

Emphasis on strategic planning is welcomed

PIA has consistently maintained that a robust strategic planning process upfront is best practice when planning for the growth of new or existing communities. There are many features of the strategic planning process under Activation Precincts that PIA support in a regional setting, including strong economic, social and environmental planning and assessment. This establishes a clear line of sight which enables a more rapid standards-based assessment pathway within the upfront planned precincts. This should save development costs and reduce delays for investment in the activation precincts. The planning effort clearly readies the precincts for development to leverage economic development opportunities to arise from inland rail freight hubs.

PIA notes that a thorough community statement has been provided as part of the Parkes Master Plan, however the scale of community engagement is not set out in the Explanation of Intended Effects for the Activation Precinct SEPP. The draft SEPP should ensure that

community/stakeholder engagement is a core and iterative process in the master plan development process, especially given future opportunities for community to comment on proposals will be limited under a standards-based exempt/complying development model. The strategic planning process would gain legitimacy with a strong community mandate.

Opportunity to deliver exemplar sustainable precincts

PIA supports the shift to a standards-based development model in the Activation Precincts SEPP, however the arrangements represent an important opportunity to drive innovation and best practice approaches to sustainability. These master plans are unique in implementation given the access to government funds for their development and as such the government should commit to delivering exemplar industrial precincts. PIA would like to see the framework for development standards further developed to spell out what sustainability objectives should be achieved. Examples such as Barangaroo South demonstrate that innovative approaches to energy consumption and water use can be cost effectively built into performance standards for a precinct.

Details on infrastructure delivery should be transparent upfront

PIA notes that the Explanation of Intended Effects states the following: “The Activation Precincts SEPP may also include appropriate mechanisms to facilitate the collection of a contribution or infrastructure levy should they be required by the Regional Growth NSW Development Corporation”.

The details of infrastructure provision are key and should be clearly outlined in the future SEPP to set landowner and developer expectations. A future industrial precinct as large as the Parkes Special Activation Precinct requires clear funding mechanisms and delivery details for infrastructure from the outset, especially as the structure plan signals significant new connections and other infrastructure needs. This consideration should also extend to pressures that will be placed on existing infrastructure in Parkes and surrounds and what funding mechanisms will be implemented to ensure a fairly-shared burden among new and existing communities.

Councils must be adequately resourced – including for assessment of any hazardous industry

The Explanation of Intended Effect signals that Councils will be responsible for certifying complying development (including Potentially Hazardous Industry and Potentially Offensive Industry), regulating the *Protection of the Environment Operation Act 1997* for non-scheduled activities and assessing applications that do not meet exempt or complying thresholds. These will likely be significant tasks for regional Councils that have not seen the influx of development likely once this instrument and master plans are operational. It is therefore critical that Councils have the capacity and resourcing to perform their obligations under the Activation Precinct SEPP, including important roles such as assessing and managing potentially hazardous industry.

Respect the unique conditions of regional development

PIA's conversations with regional members indicate that growth of this type is supported by many in regional communities, however, PIA believes that streamlined development pathways of the type proposed in the Activation Precinct SEPP may not yet be supported by many urban

communities. A high level of community buy-in to the strategic goals is a prerequisite for a standards-based exempt or complying assessment pathway.

A policy shift of this scale requires ongoing review

The Activation Precincts SEPP will signal a large policy shift in rural and regional planning in New South Wales, more closely aligned with the Minister's desire for a principles-driven rather than a regulation-driven planning system.

A shift of this scale will require ongoing review, reassessment and refinement. PIA supports the five-year review of the Master Plans, but also recommends that a review of the SEPP itself be undertaken concurrently with the review of the first Master Plan. This process will determine where shortfalls exist in the drafting of the future environmental planning instrument and its operation. This process should prioritise stakeholder and community engagement to understand how the impacts of this policy have played out on the ground.

PIA's key recommendations

1. The commitment to community consultation must be guaranteed in the Activations Precincts SEPP and be spelled out clearly in the instrument itself.
2. The Delivery Plan include robust mechanisms for infrastructure funding and delivery. Changes to staging of documentation may be considered so that Master Plans and Delivery Plans are exhibited concurrently, ensuring development and infrastructure provision are delivered hand in hand. These plans should also consider how pressure on existing infrastructure in surrounding communities will be managed.
3. Development standards and governance arrangements that guarantee exemplar sustainable precincts should be investigated and integrated in the Precinct governance arrangements.
4. Government should ensure Councils have the capacity and resourcing to deliver on their obligations under the new Activation Precinct SEPP, including significant oversight of any potentially hazardous industry.
5. The Activation Precincts SEPP is seen as a unique response to promoting economic development in regional conditions.
6. A review of the Activation Precinct SEPP should occur with the five-year review of the first Master Plan to understand the refinements needed of the instrument itself.

Again, thank you for the opportunity to provide a submission on the Activation Precincts SEPP. If you wish to discuss our submission further, please do not hesitate to contact John Brockhoff, National Policy Manager, by email at [REDACTED] or phone on [REDACTED].

Yours sincerely



Juliet Grant RPIA (Fellow)
NSW President