

28 June 2013

Draft Metropolitan Strategy for Sydney
Department of Planning & Infrastructure
GPO Box 39
Sydney NSW 2001

Via email: metrostrategy@planning.nsw.gov.au

Dear Madam/Sir

RE: Draft Metropolitan Strategy for Sydney to 2031

Thank you for the opportunity to provide comment on the draft *Metropolitan Strategy for Sydney to 2031*. The GBCA applauds the steps taken to incorporate all land use and transport planning into one comprehensive strategy.

The GBCA supports the objectives of this high-level, aspirational strategy however, more importantly; we look forward to seeing how the strategy will be put into action at the sub-regional, departmental and local government levels.

At this point in the strategic process, the GBCA recommends six actions to ensure the five strategic outcomes are delivered through suitable delivery tools or policy mechanisms, whilst drawing upon existing industry knowledge throughout the delivery process.

About the GBCA

The GBCA is the nation's authority on sustainable buildings, communities and cities. Our mission is to accelerate the transformation of Australia's built environment into one that is healthy, liveable, productive, resilient and sustainable. We work together with industry and government to encourage policies and programs that support our mission. We educate thousands of people each year on how to design and deliver sustainable outcomes for our buildings, communities and cities. And we operate Australia's only national, voluntary, holistic rating system for sustainable buildings and communities - Green Star.

The GBCA is also a founding member of the World Green Building Council (WorldGBC), which was established to provide a federated 'union' of national green building councils with a common goal to support the sustainable transformation of the global property industry; there are now 97 such councils worldwide, and Australia plays a leading role both worldwide and around the Asia Pacific.

The Green Star rating tools

Green Star is a national, voluntary rating system that encourages, recognises and rewards best practice and innovation in the property industry. The first Green Star rating tool was released in 2003 in response to market demand for a rating tool that would evaluate the design and construction of buildings as well as establish a common language for best practice buildings.

There are currently nine Green Star rating tools which address a range of building types and over 590 projects have now achieved Green Star certification across Australia, with a further 480 projects registered. The Green Star rating system is designed to take an holistic approach within each class and building sector, addressing nine categories in total; Management, Indoor Environment Quality (IEQ), Energy, Water, Materials, Land Use and Ecology, Emissions, Innovation and Transport; and defining 'best practice' in each.

Recommendations

The GBCA advocates for a coordinated approach to raising standards in the planning, design, and construction of the built environment. We do so to ensure all parts of the community have the best possible opportunity to access healthy, efficient, prosperous and liveable places and spaces. The GBCA's six recommendations regarding the draft metropolitan strategy are detailed below.

Encourage best practice:

As outlined in the strategy, good land use, built environment and transport planning and design can lower the cost of living and doing business, increase productivity, liveability, connectivity, and community resilience to the impacts of climate change. Despite this, there is nothing in the strategy to directly encourage or incentivise best practice planning, design or development – to support projects that go beyond 'the bare minimum'. The GBCA encourages the Department of Planning and Infrastructure (DP&I) to consider how a state policy offering a range of non-financial and/or financial incentives for best practice development can assist the Sydney metropolitan area achieve outcomes such as balanced growth, increased liveability and a healthy and resilient environment.

As made clear throughout the draft strategy, Sydney's population will grow significantly over the next 18 years. Given this, we face a significant challenge in housing our growing population in areas with close access to employment, amenities and public transport. While the GBCA supports, in principle, the actions outlined to address this, such as Urban Activation Precincts (UAP), Centre Design Guidelines and working with local government to identify centres for growth, the GBCA recommends that the DP&I achieve balanced growth in Sydney through a state government incentive policy for best practice development. Please note that incentives can include both financial and non-financial instruments.

Government penalties exist for those who demonstrate unwanted behaviours, such as the generation of high levels of waste. However, there are currently no NSW State Government policies or programs in place to incentivise or encourage best practice community-scale development, or office, retail and industrial development at the design and construction phases. Encouraging industry to deliver best practice built environment outcomes will increase industry innovation and generate flow on benefits for the wider community.

Incentive policies for demonstrated best practice new development currently exist all over the world, some examples include:

- At least 10 governments throughout the United States offer density or height bonuses contingent on Leadership in Energy and Environmental Design (LEED) certification or proof of incorporating best practice Ecologically Sustainable Design (ESD).

- The Queensland Government's Green Door Policy offered streamlined development approvals for projects that committed to achieving best practice sustainable development
- At least 16 governments in the United States offer priority processing, fee reductions or waivers to developers that achieve a LEED Silver rating or equivalent, or to contractors that commit to verifiable ESD and construction.
- The State of Illinois, USA has a *Green Neighbourhood Grant Act*, which directs the Department of Commerce and Economic Opportunity to fund up to 1.5% of total development costs for up to three applicable best practice neighbourhood developments per year.

Buildings and community-scale developments that are designed and built to a best practice standard deliver clear productivity, health, liveability and environmental benefits. Examples include:

- An increase of around 15 per cent in perceived productivity has been achieved since staff moved into the 6 Star Green Star – Office As Built v2 certified One Shelley Street in Sydney. Research by the University of Technology Sydney tracking more than 2,500 Macquarie Bank employees over 15 months demonstrated a direct link between sustainable building design and employees' assessment of their ability to work.
- The City of Melbourne has found a 10.9 per cent increase in staff productivity after moving into a Green Star certified office building, equating to an estimated annual cost saving of \$2 million
- Fujitsu Australia has experienced a 42 per cent reduction in absenteeism following a Green Star - Interiors fit-out of their office.
- ANZ estimates a \$200,000 per annum saving on electricity bills after moving into their Green Star certified building in Melbourne.

Given that the metropolitan strategy is aiming to achieve better outcomes in terms of balanced growth, productivity, liveability, health and the environment, it is vital that government encourages and supports industry to achieve best practice design and construction benchmarks that are known to deliver the outcomes NSW Government is looking to achieve. It is also vital that state and local governments work jointly to remove barriers that prevent industry from achieving beyond minimum standards.

Recommendation 1: Implementation of a state government policy that provides incentives for development that:

- Commits, at a building scale, to achieving measureable and independently certified best practice ecologically sustainable design (ESD) and construction outcomes
- Commits, at a community-scale, to achieving measureable and independently certified best practice social, urban design, economic and environmental outcomes for all types of projects, including greenfield development, brownfield development, infill development and urban renewal projects.

Use existing knowledge to inform delivery tools:

The Sydney Metropolitan Strategy outlines a score of actions to be delivered by DP&I and a number of other lead agencies. We encourage all agencies to draw on the work and experience of the GBCA over the past 11 years to inform many of the actions and delivery tools identified in the strategy.

In 2008, the GBCA began a journey to define what makes a 'sustainable community'. Over a period of several years, the GBCA held workshops across Australia and posed the question, 'what is a sustainable community?' to over 4,000 government and industry stakeholders such as urban planners, social planners, designers and developers.

From this consultation emerged five key principles that are thought to define a 'sustainable community', these are: good governance, design excellence, liveability, economic prosperity and environmental sustainability. These five principles now form the Green Star – Communities National Framework. This National Framework can be used in its own right to help guide planning strategy.

Following on from the development of the National Framework, government and industry, including Urban Growth NSW and the City of Sydney, sponsored the GBCA to build upon existing government and industry expertise and international neighbourhood rating tools, to develop benchmarks that enable Australian communities to be assessed and rated against the identified five National Framework principles. As part of this process, the GBCA consulted across Australia and more closely with 135 technical reference group members to identify 38 credits that now form the Green Star – Communities rating tool. With the development of the Green Star – Communities rating tool, community-scale developments, such as greenfield and infill developments, can now be measured, assessed and certified as demonstrating Best Practice (4 Star), Australian Excellence (5 Star) or World Leadership (6 Star). The rating tool can be seen online at www.gbca.org.au/green-star/green-star-communities/

Given that Australian best practice benchmarks now exist for buildings and also communities, the GBCA believes that there is no reason why development projects planned, designed and led by the NSW Government as part of this strategy should not be fully aligned with, and achieve, best practice benchmarks. A Harvard Business School study shows that government procurement policies that require government buildings to meet a best practice standard accelerate private-sector adoption of best practice building. According to the study, this in turn stimulates suppliers to invest in best practice expertise and the cumulative effect is a reduction in the cost for private sector developers to build a best practice building. The GBCA can provide support to the NSW Government to assist in ensuring that best practice development outcomes are targeted in tender processes and delivered by the NSW Government as part of this strategy. We would welcome the opportunity to engage with the relevant lead agencies to provide any information and resources necessary.

In addition, the GBCA strongly encourages DP&I and the identified lead agencies to draw on, reference and build on established best practice benchmarks and metrics when developing 'delivery tools', and throughout the delivery of the strategy outcomes. Specifically, the GBCA invites DP&I to use the Green Star rating tools to inform the Land Release Policy, the Urban Activation Precincts program, Subregional Delivery Plans, Design Guidelines for Medium Density Housing, the Centres Design Guidelines and the online resource to be developed to showcase excellent urban design.

To provide an example of how this could be done, Objective 20, Action 20.2 states DP&I will develop guidance on resilient neighbourhood and building design. As outlined above, the Green Star – Communities rating tool contains 38 credits that represent benchmarks for achieving a best practice sustainable community. Many of these credits relate to urban design and resilience. In particular, the *Gov-6 Adaptation and Resilience* credit sets out how developers can ensure their new development is resilient in the face of natural disasters such as bushfires, floods, cyclones and the long-term effects of climate change. The GBCA encourages DP&I to use the Green Star rating tools, which have been developed by industry and government for industry and government, to inform the 'resilient neighbourhood and building design guidance'.

As another example, the Urban Activation Precincts (UAP) program can refer to and use the Green Star – Communities rating tool to inform UAP planning reports and changes to local government Development Control Plans and Local Environment Plans to ensure planning and densification in these precincts is aligned with best practice and provides social, economic and environmental benefits to existing and new residents.

Given that many of the NSW Government initiatives mentioned above are already underway, we encourage DP&I and the other lead agencies to engage with the GBCA as soon as possible to ensure these initiatives are delivered on the basis of existing industry knowledge.

Recommendation 2: That the NSW Government lead by example; development projects planned, designed and led by the NSW Government as part of the Sydney Metropolitan Strategy should be fully aligned with, and achieve to the point of independent, third-party certification, established best practice benchmarks. This will not only deliver better outcomes for the community but also stimulate industry expertise and investment in better building practices.

Recommendation 3: Lead agencies draw on and reference existing industry knowledge, such as that contained in the Green Star – Communities rating tool, to inform actions and 'delivery tools'. Green Star – Communities is particularly relevant here as the NSW Government invested funding and intellectual property in the development of this rating tool.

Ambitious targets and appropriate measures

Objectives and measures are important elements in any strategy to ensure action takes place. The GBCA commends DP&I on including Appendix C Monitoring and Evaluation Plan in the strategy. However, as the strategy aims to drive action for the next 18 years, the GBCA believes the strategy should set and measure against ambitious quantitative targets where possible. Setting clear targets for 2031 will send a clear signal to the community and industry regarding what the Government is committed to deliver, and where they, as stakeholders and in some cases drivers, are able to get involved.

To provide an example, we know Australia's population is ageing and Objective 6 is to 'deliver a mix of well-designed housing that meets the needs of Sydney's population'. However no target has been set to drive housing and spaces to cater for an ageing population. The Green Star – Communities Liveability credit – *Liv-7 Accessibility and Adaptability* – could be used as a target or measure here. The credit states that for new housing developments a minimum of 50% of dwellings should achieve a Silver level in accordance with the *Guidelines for Liveable Housing 2010*.

Furthering the argument for better measures, the GBCA recommends specific amendments to the measures outlined under Objective 18: 'use energy, water and resources efficiently'. Appendix C outlines that NSW Government will track progress against this objective by measuring the 'number of new commercial and industrial buildings demonstrating design stage consideration of energy, water and resource efficiency'. The GBCA would recommend this measure be amended to state: 'number and percentage of new commercial and industrial buildings achieving Green Star – Design certification'. We recommend this amendment as the current measure is ambiguous and would be difficult to report on.

To drive progress against this measure we would also recommend an ambitious 2018 target be set for the number of new commercial and industrial buildings the NSW Government would like to see demonstrate design-stage efficiencies (Green Star – Design certification), for example, by 2018, the NSW Government would like to see 75 per cent of all new commercial and industrial buildings achieve Green Star – Design certification, demonstrating best practice design-stage efficiencies. Lastly on this point, the GBCA would be pleased to work with DP&I and the Office of Environment and Heritage to provide annual Green Star – Design certification data to enable DP&I to report on the measure.

Recommendation 4: Set ambitious targets in Appendix C to demonstrate real commitment and to drive action through to 2031.

Recommendation 5: Strengthen Objective 18 by amending the fourth measure to state: ‘number of new commercial and industrial buildings achieving Green Star – Design certification’.

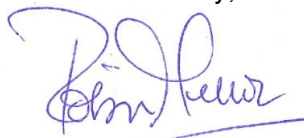
Recommendation 6: Building on Recommendation 4, set a target for the number of new commercial and industrial buildings the NSW Government would like to see demonstrate ‘design stage efficiencies’ or Green Star – Design certification; the recommended target is 75 per cent of relevant new buildings.

Next steps

The GBCA strongly encourages DP&I to consider the GBCA’s six recommendations, particularly our first recommendation regarding an incentives policy for best practice development. As mentioned throughout this submission, the GBCA calls on DP&I and the other lead agencies to engage with us to access information and resources developed in collaboration with industry and government.

The GBCA would welcome the opportunity to provide briefings to NSW Government staff regarding the Green Star – Communities rating tool, noting that the NSW Government contributed funds for the development of this rating tool. For further information on the points discussed in this submission please do not hesitate to contact Emma Kelly, Advocacy Coordinator, by phone on 02 8239 6288, or via email at emma.kelly@gbca.org.au.

Yours sincerely,



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