



23 June 2016

The Director
Cities Division
Department of the Prime Minister and Cabinet
1 National Circuit, Barton ACT 2600

By email: cities@pmc.gov.au

Dear Director

Re: Smart Cities Plan

The Southern Sydney Regional Organisation of Councils (SSROC) is an association of local councils in the area south of Sydney harbour. SSROC provides a forum for the exchange of ideas between our member councils, and an interface between governments, other councils and key bodies on issues of common interest. Together, our member Councils cover a population of over 1.6 million, one third of the population of Sydney.

The SSROC area covers central, inner west, eastern and southern Sydney. The urban challenges of this area, that contributes much of Sydney's gross domestic product, presents a potential City Deal opportunity. SSROC and other stakeholders are keen to explore, develop and articulate a City Deal for southern Sydney.

The SSROC Secretariat appreciates that the Department of the Prime Minister and Cabinet has called for submissions on the Smart Cities Plan (the Plan). We strongly support the concept of Smart Cities based on *smart investment*, *smart policy* and *smart technology*, and are very keen to engage with the Commonwealth to make Smart Cities a reality in southern Sydney. The work we are currently engaged to make southern Sydney a vibrant place where people genuinely want to live is very pertinent to the Plan: there are great synergies between it and our work. I am therefore pleased to offer the following comments and ideas on the Plan.

1. Collaboration and cooperation

SSROC agrees that collaboration between levels of government, as well as other stakeholders, will be both critical and fundamental to enabling Smart Cities. Our plans for working with the Greater Sydney Commission (GSC) are very well aligned with Smart Cities. We are working with the District Commissioners of the GSC in relation to all aspects of the District Plans for the Central and South Districts. SSROC urges the Cities Division to consider our approach in identifying and developing City Deals.

While Australian major cities set metropolitan plans to guide urban growth, infrastructure development, economic and environmental sustainability aspirations and strategies, locally responsive district plans are important. As state-driven metro plans set out growth targets and espouse concepts such as 20-minute or 30-minute city, key stakeholders such as local councils need to be effectively engaged as collaborative partners.

Australian cities such as Sydney and Melbourne are bound for more growth. While some of the growth in housing and jobs are expected to occur in outer suburbs and greenfield areas, much of the growth will take place in inner cities and well established areas.

In Sydney, SSROC and its member councils are pro-active in their resolve that cities of the future will require more effective, open-minded collaborative partnership between state governments (and their agencies) and local councils. So SSROC welcomes the Smart Cities Plan emphasis on coordinated approach involving all tiers of government in achieving liveable, accessible and productive cities.

SSROC member councils have taken this further by developing the concept of Memorandum of Understanding (MOU) on District Plans and urban intensification. SSROC's position is based on the concept that urban growth and intensification can and should correspondingly improve liveability.

We would suggest that City Deals could be brokered through a stakeholders' summit or collaborative engagement on issues, priorities and ways forward. Pathways and engagement approaches to resolving competing and sometimes conflicting interests of tiers of government, business and community will be helpful. Evidence-based international adaptable models for initiating and progressing City Deals would be useful to inform this process.

The Plan indicates that City Deals will focus on economic growth, jobs, housing affordability and environmental outcomes. These are impressive. It will be important to understand the local priorities and dynamics relative to these factors, and allow these to shape specific City Deals for different cities. For example, in areas where growth is reflected in urban intensification, liveability, as articulated by SSROC member councils, could become the focus of a City Deal (see section on liveability below).

2. Putting the “smart” in the Smart Cities

SSROC emphatically supports the Street Lighting and Smart Controls (SLSC) Program of the Institute of Public Works Engineering Australasia (IPWEA), which has enormous potential for transformation of Cities. In abstract, street lighting is an interconnected network of poles, with power connections, that already exists throughout the urban areas of Australia. They are ideal locations for many outdoor digital devices, and this existing investment could be further exploited in many ways for the benefit of the smart city. For example:

- Remotely monitoring and controlling street lighting could enhance safety, improve operational efficiency, and increase energy efficiency.
- Parking-space sensors could be mounted on them, linked to smartphone apps that could be used for payments, infringements, and to direct drivers to a vacant space.
- The power supply could be used for electric vehicle parking stations.

All represent enhancements to the amenity of the smart city, but would also be new sources of revenue. SSROC urges the Cities Division to consider IPWEA's SLSC Program.

Enabling technologies have the potential to dramatically transform cities. The possibilities for smartphone apps are endless: essentially a remote control for the internet of things. Apps already exist for controlling energy consumption at home from anywhere, and for building management systems.

The Plan correctly acknowledges the importance of universities and research institutions. These play crucial role in insights and evidence-base as well as exploring innovative ideas. Unfortunately, recent funding cuts to research institutions and university fee increases could make it increasingly difficult for these institutions and students to participate or optimise their potentials in the knowledge economy.

The Plan's emphasis on improving collaboration between universities, research institutions and business is well received. The collaboration should extend to councils and non-governmental organisations. It is also important to recognise the role of medical knowledge precincts such as the Royal Prince Alfred, Prince of Wales Hospital and others around Sydney and the Australia in medical research and innovations for community wellbeing.

3. Defining the Liveable Smart City

SSROC welcomes the Plan's recognition of liveability as a key element of smart cities. Cities like Sydney compete for local and international skills/talents with international destinations such as London, Singapore and New York, and liveability is one of the factors for a city's competitiveness.

SSROC member councils' concept of liveability refers to the well-being of a community and represents the characteristics that make a place where people want to live now and in the future. Liveability is seen as the sum of the aspects that add up to the quality of life of a place, including its economy, amenity, environmental sustainability, health and wellbeing, equity, education and learning, and leadership. It is well aligned with the 30-minute city concept.

SSROC advocates that urban intensification should result in a measurable improvement of the liveability of the district and renewal precinct. The quality of public spaces, sustainability, walkability, access to transit and a functioning retail, entertainment and community services centre are very important at the precinct scale. These are important issues for Smart City Plans and "City Deals" in Sydney and major Australian cities.

We would urge that principles that guide urban intensification and liveability should be recognised in the Smart City Plan. For example:

- urban intensification linked to infrastructure capacity for improved amenity.
- benchmarks for affordable housing, education, health, community services, open space and place making as elements of the capacity of an area to accommodate growth.
- Improving walking, cycling and active transport as key elements of the sustainability, accessibility and liveability improvements expected alongside urban intensification.
- Commitment to planning and infrastructure provision for employment growth in centres.
- Innovation in energy supply and waste management to reduce community costs and environmental impacts.
- Strengthening centres as hubs for local services.

4. Benchmarking Smart Cities

Smart Cities Plan's proposal to use performance indicators is supported. SSROC suggests that it will be necessary to explicitly identify universal benchmarks and targets at the state, national and international levels.

SSROC member councils have done a lot of work in this area and would be keen to contribute to this process. The concept of "liveability" emerged when considering the implications for southern Sydney of NSW government's *A Plan for Growing Sydney*. Councils felt that there was a need to articulate what it meant for a place to be somewhere that a community would thrive, particularly in areas of urban intensification. As a result, we began to explore the characteristics that make a place "liveable", and to identify specific benchmarks that would inform process of planning for liveability. *The Liveability Benchmarks for central and southern Sydney*, (attachment 1) developed by SSROC with the assistance of SGS Economics and Planning, sets out benchmarks for liveability dimensions, and has been shared with the Greater Sydney Commission. SSROC councils are currently working on Liveability Mapping, based on a set of

indicators for central and southern Sydney, that will enable Councils to form a view of the degree of liveability of places.

Liveability indicators are important city performance benchmarks and SSROC will welcome the opportunity to share these concepts and to work collaboratively with NSW and Australian Governments on innovation-driven and community-responsive city performance benchmarks.

5. Urban intensification – an opportunity for a Smart City

Collaboration in shaping and implementing urban development that is responsive to innovation in productivity, accessibility, liveability and resource use is important in major urban developments and renewal precincts. The opportunity the planning for urban intensification brings is huge and unlikely to reoccur for many years: SSROC strongly urges all levels of government to exploit this opportunity by building in all the dimensions of liveability, together with enabling infrastructure including technologies.

In order to exploit this tremendous opportunity, there will be a need for an agreed process between state, local and federal governments, especially in relation to major infrastructure and potential disruption to established systems. There will need to be a shared process for identifying, measuring capacity, funding and delivering infrastructure and planning and approving precinct development – especially where there is potential for disruption to legacy infrastructure. The process for identifying and delivering urban renewal precincts should be transparent and enable proactive council and community involvement.

A working group could be established to determine the appropriate level of community infrastructure to maintain acceptable standards of liveability for urban renewal precincts. It could benchmark the provision of open space, affordable housing, key community infrastructure and services. Sustainability is a key component of liveability as it relates to walkability, habitat, vegetation, efficient use of resources and climate change mitigation and adaptation. Developing an integrated local, state and federal government investment strategy linked to the timing of urban intensification for the augmentation of cost-effective community services are important elements for City Deals.

6. Affordable housing

The Plan acknowledges the need for affordable housing, which is a major concern for southern Sydney. Affordable housing is required to attract and retain knowledge economy workers, and is important to Australian major cities' central business districts in order to attract and retain high quality staff and to compete for labour with other Australian cities and regionally and internationally.

Smart Cities will need to research how stakeholders such as state and local governments have collaboratively worked together to overcome impediments to housing delivery and opportunities. They could adapt successful international affordable housing models and the approach and practice of inclusionary zoning that has worked to encourage affordable and liveable cities. This will be particularly important in urban renewal corridors and precincts to ensure that specific percentages of dwellings are targeted for affordable rental housing.

Innovative models for affordable housing finance are important. It will be necessary to identify and deploy the best coordination mechanism for the three tiers of government on policy and strategy levers that affect affordable and diversity of housing. Options for local council-state and non-government housing provider partnerships will need to be worked through, including engaging with affordable housing stakeholders on local-response financing. The National Rental

Affordability Scheme has been discontinued and an alternative incentive based scheme is necessary.

7. Moving around the Smart City

There is a serious need for a collaborative approach to shaping and funding public and active transport, and to changing our existing transport systems to a more sustainable model. Active and public transport have enormous cost, liveability and health advantages. Hydrogen and electric vehicles offer much lower carbon and particulate emissions, bringing a healthier environment with reduced pollution. A smart city is a liveable city and Australian cities should plan for active, public and less polluting transport lifestyles. These are arguably necessary to attract workers in the knowledge economy.

Traffic congestion has been rightly identified in the Plan as an issue. The most cost-effective way to address congestion is to reduce traffic by improving public transport. While increasing road capacity through the construction of new motorways may appeal to many, it can result in increased traffic, further congestion and reduced liveability.

SSROC strongly endorses the Plan's statement of the need for substantial investment in public and active transport. Currently, most transport funding in Sydney is directed to new roads and motorways infrastructure instead of public and active transport. Public and active transport should be prioritised.

The Smart City of the future needs to be planned for now, and this will involve disruption to existing transport systems. We need to start to allow for electric vehicles by providing charging stations, and consider how to exploit the new hydrogen-powered vehicles such as by replacing fleets of buses, trucks and taxis and installing hydrogen fuelling stations at their depots.

8. Funding the Smart City

The proposed \$50M to accelerate planning and development works on major transformational infrastructure projects (including urban rail) is welcome. The funding is likely to fall short of what is required to explore, plan and scope work on major and middle transformational infrastructure, but is a very positive contribution that we hope will leverage further investment from other stakeholders.

The Plan's intention to improve value capture mechanisms would be supported by SSROC member councils in principle, and we would be keen to explore the options further and to consider a future Australian Government discussion paper on its approach to value capture. We urge the government to ensure that Councils are collaboratively engaged the process of working out the mechanisms, frameworks and options for the use of value capture to fund smart city initiatives. It would be helpful for the discussion paper to give guidance, after consultation with Local Government NSW and Local Government Australia, on ways in which councils can better leverage value capture for social and economic development.

9. Jobs in the Smart City

SSROC is keen that in developing a Smart City we acknowledge the need for protection of affordable industrial and other employment lands in the inner cities and established parts of the city. This is particularly important for those areas that are already accommodating start-up knowledge-based enterprises, example, the Marrickville-Sydenham industrial area.

10. Building the Smart City

The Plan acknowledges the need to improve the sustainability of buildings through mechanisms such as building rating systems. This is welcome. It is important to emphasise well targeted federal-level policies that are needed to boost the renewable energy sector. It is necessary to have a considerable level of engagement amongst the three tiers of government.

Rating systems need to be kept up to date as materials and technologies improve and change. In the NSW the BASIX rating system has been important in improving the design and construction of buildings, but our member councils are now concerned that it has not evolved over time to reflect changing expectations and ever-improving potential for energy and water efficiency. In developing urban areas new construction and renovation could be done to a much higher standard of efficiency that is required under BASIX.

New technologies such as solar power, solar hot water, heat pumps, vacuum waste disposal systems, solar-powered smart bins, and energy-from-waste facilities could all be incorporated into new buildings rather than retrofitted later. Enabling technologies, such as smartphone apps that enable real-time control anywhere of energy consumption at home, can greatly improve energy efficiency. But widespread deployment is hindered by the barriers presented by existing systems.

For example, the installation of solar power on a suitable roof-top to offset consumption at a different – even a neighbouring – site is not possible with the regulatory system of the National Electricity Market. Developing a secondary network to distribute renewable energy is cost-prohibitive and economically inefficient. A smart city would need to find a way to overcome such barriers, to enable the economically efficient deployment of renewable energy across neighbourhoods and precincts, dramatically reducing our carbon emissions.

The technology for generating energy from waste has existed for some years, and is widely deployed around the world. These facilities can be located within an urban environment, minimising the need for trucks or trains to transport waste. A facility can even be integrated within a precinct to receive waste automatically by a vacuum system installed to connect it with neighbouring buildings. With population growth in the city, increasing per capita rates of waste generation, and the scarcity of facilities for processing waste and landfilling residues, such facilities will become important infrastructure for the smart city.

The Clean Energy Finance Corporation (CEFC) and the \$250 million energy efficient housing fund to reduce emissions and energy costs for low income tenants are supported.

11. Addressing the social challenges

SSROC welcomes the Plan's recognition of the role and need for a growing cultural economy. Councils, state agencies, business and community can work together to explore options to grow the sector, including planning and funding support for low financial profit artistic enterprises. Professional and amateur theatres and night-time music venues, artists and the visitor-economy sector can be engaged with and supported.

Cities arguably have four key dimensions - economic, environmental, social and cultural. There is no mention in the Plan of the fundamental community and social principles that underpin successful cities. These are relative equality, equity, inclusion, social connectivity and social justice. Nor is there any reference to some of the social challenges experienced in our cities such as safety, homelessness and violence (including domestic violence). The smart city will need to be designed to take account of these realities, to recognise the need for ethical governance in achieving the objectives of the plan, and ensure that it is enabled in delivery.

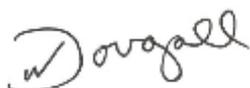
Conclusion

SSROC applauds the government's acknowledgement that Smart Cities are organic in nature, comprising multiple threads and layers of social, economic, environmental and operational factors. The elements cannot be separated and planned in isolation, but must be planned as a cohesive whole, and allowed to evolve. We strongly support the approach that is outlined in the Plan, and look forward to contributing to making southern Sydney a Smart City.

In order to make this submission within the timeframe of the review, it has not been possible for it to be reviewed by councils or to be endorsed by the SSROC. I will contact you further if any issues arise as it is reviewed.

Thank you for the opportunity to provide comments on the Smart Cities Plan. If you have any queries please do not hesitate to contact me or Vincent Ogu, SSROC's Strategic Planning Manager, on 8396 3800.

Yours faithfully,



Namoi Dougall
General Manager
Southern Sydney Regional Organisation of Councils