14 September 2012

New Planning System Team
Department of Planning and Infrastructure

Dear Sirs

University of Sydney comments on the Planning System Green Paper

The University of Sydney is pleased to make a brief submission in response to the NSW Government’s recently released Green Paper: “A New Planning System for NSW”. Our comments are intended to complement the more detailed submission the NSW Vice Chancellors’ Committee (“NSWVCC”) has made on behalf of all NSW universities, and its various earlier submissions to the Planning Review process.

As the NSWVCC has emphasised, the state’s universities face particular challenges in relation to:

1. The need for planning instruments to recognise the unique character of universities and the contribution they make to the State and local economies and ensure that appropriate zonings and definitions are in place to cover all core and incidental university developments.
2. Recognising student accommodation as a special type of affordable housing, integral to the functions of universities, with exemption from development contributions in order to encourage their development.
3. Clarifying the status of universities both as Crown authorities and public authorities in regard to planning matters.
4. Expanding Exempt and Complying Development provisions for development by universities.
5. Recognising the public character of universities and their significant contribution to community facilities and infrastructure, and justifying their claim to exemption from development contributions.

These matters have been raised by NSWVCC in previous submissions and we believe it is critical that they are appropriately addressed before the detail of the new planning system is finalised.

New South Wales has not been the beneficiary of the “mining boom” to nearly the same extent as most other parts of Australia. While the gloss may now be wearing off the resource sector, the financial services sector remains under pressure due to continuing uncertainty since the Global Financial Crisis. Manufacturing is also under pressure due to a confluence of factors. In its various submissions to the Review the NSWVCC outlined the critical contribution that the education and research sectors, and in particular universities, make to the state’s economy, and the potential for them to make an even greater contribution in the future if supported by appropriate planning and other laws.
While the provision of educational services to international students represents a relatively small proportion of the overall activity of NSW’s universities, consideration of the economic impacts of international education points to the scale of the contribution that the university sector makes to the state’s economy. International education is the second largest source of export revenues in NSW, with in excess of 90 per cent of international higher education students enrolled in the state’s universities. At the University of Sydney alone, we have some 10,000 international students, representing more than 20 per cent of our total student population and contribution many hundreds of million dollars annually to Sydney’s economy. Yet the sector currently faces significant challenges due in part to the rise of the Australian dollar and various other well-publicised recent developments. The Australian Bureau of Statistics recently estimated that export revenue from international education will be around $15.7 billion in 2011, a decline of 12.4 per cent or $2.2 billion on 2010 levels. Further declines of a similar magnitude have been predicted for 2013, with the university sector showing greater resilience than the non-university sector, though it has not been immune.

The impact of the expansionary changes that are currently underway across the Australian university sector as a result of recent deregulatory Commonwealth policy reforms should also be recognised by the NSW Government as it finalises its new planning system. As a result of these reforms the NSW university sector is currently experiencing levels of domestic student enrolment growth not seen since the early 1990s, while international student enrolments are also expected to increase over the coming five to ten years.

The relevant impact of this significant policy focus is that universities in NSW will need to substantially increase their teaching, research, student housing and other support infrastructure over the coming decade and beyond to cater for large increases in student numbers and deliver graduates to underpin a knowledge and services-based economy. At the University of Sydney alone we have plans to double the number of student beds available in and around our main campus to 6,000 by 2015. We currently have four students competing for each available bed that we or our affiliated colleges and partners offer. This level of unmet demand for student housing placing upward pressure on rental costs in many suburbs surrounding our Camperdown campus, and can impact negatively on the quality of the overall university experience of our students. Students are now consistently reporting paying more than $200 per week for a room in private share accommodation. We also have a major new capital development and renewal program underway and planned for the next decade, which will make a substantial short (in the construction phase) and long term contribution to the economy.

The Planning Review has provided the state with a once in a decade opportunity to demonstrate, in a meaningful way, a progressive approach to strengthening and diversifying the state’s economic base by facilitating sustainable and socially responsible development at and around its public universities. As the Government finalises the design of the new planning system, it has an opportunity to establish itself as the national leader in supporting the higher education sector and the broader knowledge economy as fundamental economic pillars in a state that clearly needs to diversify its economic base.

We hoped that this opportunity will not be missed and urge the New Planning System Team to engage with NSW universities through the NSWVCC about the substantive matters that have been raised repeatedly in its submissions. We would welcome the opportunity to meet with the Department separately to discuss matters of particular relevance to the University of Sydney, its various campuses and surrounding communities.

Yours sincerely

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Stephen Garton

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