



# Priorities for the next NSW Government

March 2023



Committee  
for  
Sydney

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# Introduction

Whatever the result of the 2023 NSW state election, change is on its way. We will either have an incoming Labor Government ready to make their mark, or a Coalition Government ready to reset following a raft of Ministerial retirements.

After years of lockdown, we now get the chance to look forward. While we still face many challenges – the rising cost of living, ballooning government debt, and accelerating climate change – we must continue to build on the positive momentum we've gained coming out of the pandemic.

In this paper we outline five priorities for the next NSW Government:

- Improve access to housing
- Keep Sydney moving
- Accelerate decarbonisation and climate adaptation
- Unleash the future economy
- Make Sydney the cultural capital of the region.

These priorities are not silos, they are interdependent, so all bear equal importance. To achieve one, we must achieve the others – none can be ignored.

# 1. Improve access to housing

Like many great global cities, Sydney is in a housing crisis. An accumulated historical undersupply of about 96,000 dwellings in NSW has made housing more expensive and difficult to access for thousands of Sydneysiders.<sup>1</sup>

In our view, there are three key moves to improve access to housing in Sydney:

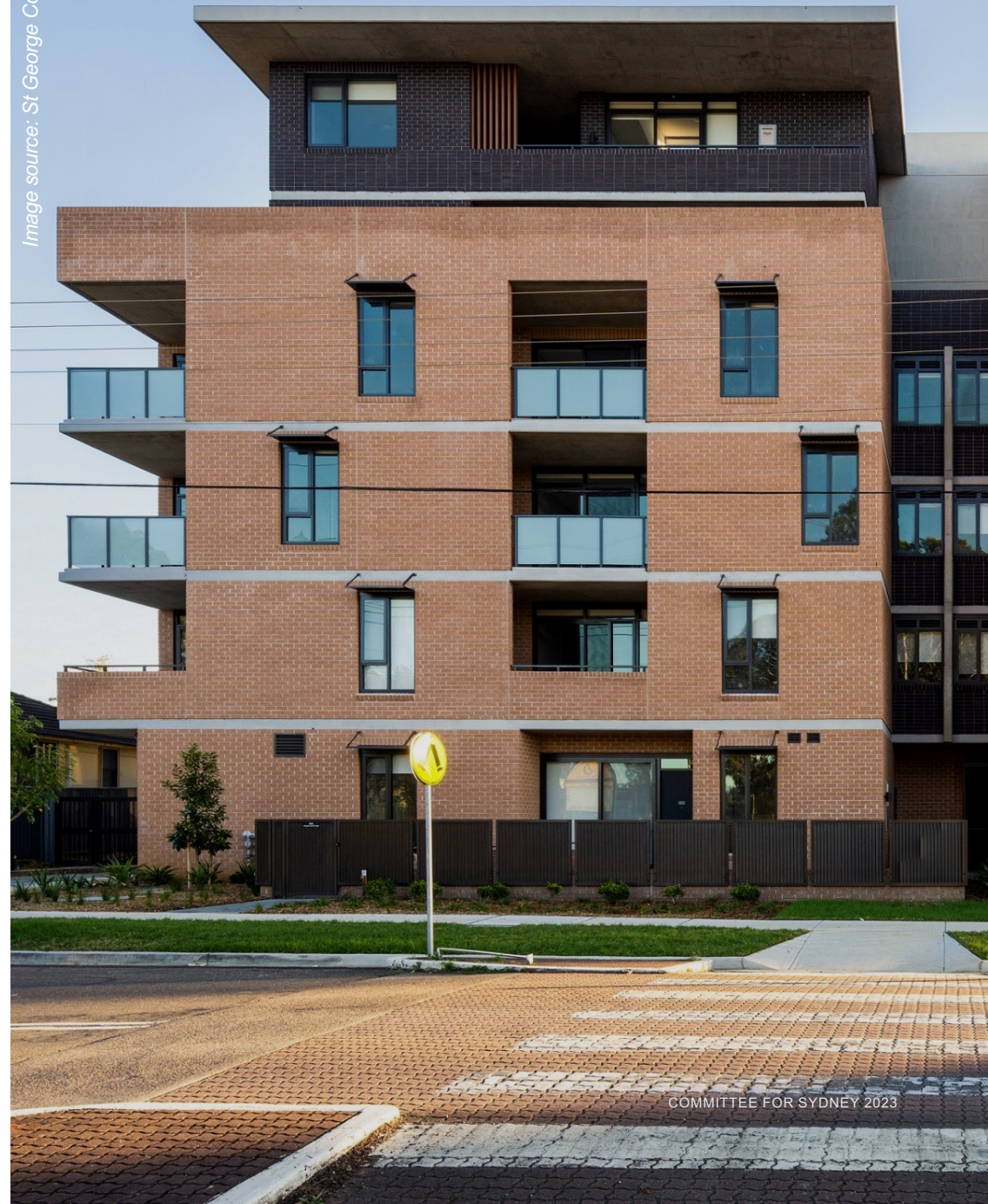
- Fund a social, affordable, and Aboriginal housing program
- Boost housing supply by focusing growth around rail stations
- Put NSW on a path to phase out stamp duty.

Housing affordability is one of Sydney's biggest challenges. It will require many different solutions. But one of them must be building up a supply of social and affordable housing. To make a dent in the numbers, the only way to do this is with government investment.

Currently, social and affordable housing is just over 4% of the housing market in NSW. By comparison, the OECD average is 7.1% and in some European countries it is much higher, for example, 14% in France, 24% in Austria, and 34% in the Netherlands.<sup>2</sup>

Another solution is to focus growth around existing and future rail stations. We estimate that almost half of Sydney's projected population growth over the next 20 years could fit within walking distance of rail stations.<sup>3</sup> While there will continue to be a case for greenfield development, the best place to put much of the growth is around our growing rail network so more people are better connected to jobs and services.

1. [Committee for Sydney](#)
2. [OECD](#)
3. [Committee for Sydney](#)



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Finally, we need to put NSW on a path to phase out stamp duty. Eliminating stamp duty would remove the current disincentive for properties to transact.

It would mean people are more likely to move as life circumstances change, or as they change jobs – eventually leading to more properties on the market and slower price growth. It also means businesses will have an incentive to make good use of commercial property.

Last year, the NSW Government announced First Home Buyer Choice, giving first home buyers looking for a property up to \$1.5 million the choice between paying stamp duty or an annual property tax.

For a moment, the government had a plan to phase out stamp duty for everyone, and this should continue to be prosecuted. The case for change is as strong as ever.

### **Actions for the incoming NSW Government:**

- Set a target for social and affordable housing to increase from 4% to 10% of the total housing stock in NSW – to help achieve this, require 30% of housing stock on government-owned land to be affordable housing.
- Identify more government-owned land – such as TAHE assets – that can be used for affordable or mixed income housing production.
- Reform the planning system to provide a distinct approval pathway for affordable housing projects.

- Develop a large-scale program of procurement for rapid expansion of affordable housing stock to attract institutional capital.
- Create a permanent NSW housing delivery fund that makes both capital grants and long-term rental subsidy contracts.
- Scale up the community housing and Aboriginal housing sectors, in partnership with state agencies – particularly Land and Housing Corporation – to be responsible for delivery, ownership and management of the permanently affordable housing system.
- Set a goal of accommodating at least half of Sydney's population growth over the next 20 years within walking distance of existing and future rail stations.
- Adopt state-led rezoning for a select number of major station precincts.
- Put in place a voluntary, opt-in process for converting to an annual land tax for all residential properties. After an initial opt-in transition period, implement a gradual phasing out of stamp duty and a full adoption of an annual land tax.

### **For more information, see these reports:**

- [Planning for growth](#)
- [Bringing affordable housing to scale](#)
- [Running out of money is a choice](#)
- [Rethinking station precincts](#)
- [The problem of affordability](#)
- [Ten ideas for the next Greater Sydney region plan](#)

## 2. Keep Sydney moving

Over the last decade, Sydney has had a transport infrastructure boom. Sydney Metro and light rail have changed the way we can move around. We've also begun the important task of building out the cycleway network.

We must continue on this path to ensure transport infrastructure connects the six cities region and keeps up with our growing population. In our view, there are four key moves:

- Commit to building fast rail from Sydney to Newcastle
- Continue to develop Sydney's future rail network
- Continue the active transport revolution
- Upgrade Sydney's high streets.

Fast rail is our chance to improve economic and social connectivity across the Sandstone Megaregion (now known as 'the six cities').

Better rail connections will provide nodes where jobs concentrate; places with good rail infrastructure have a different economic structure and density.

The federal government made a small down payment toward a fast rail connection between Sydney and Newcastle, as part of a wider high-speed network.

The NSW Government made a matching commitment. But the next state government must make a real funding commitment and kick off a program of works to ensure fast rail finally gets built.



Image source: Unsplash

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Our current Metro plans end later this decade – but Sydney’s network is not complete. We need to identify and start planning on the next line, and the next one after that.

While Sydney is well on its way to having a Metro spine, complementing an already well-connected heavy rail network, there are gaps in services that need closer attention.

We must ensure the rapidly growing communities across the length and breadth of our city live within walking distance of frequent and reliable public transport options.

We also need to make it easier and more enjoyable for people to walk or bike around Sydney. Active transport has gone from a ‘nice to have’ to an integral part of the state’s policy formulation, with the NSW Government appointing its first ever Active Transport Minister.

Last year there were some big wins for active transport in Sydney, including:

- Doubling of the \$950 million state budget for active transport over the next five years
- A plan for a new 91km waterfront path from Sydney Opera House to Parramatta Park
- Strategic cycleway corridors were identified for the eastern harbour city, and we expect similar plans for western Sydney and the central river city to be released soon
- The release of NSW’s first Active Transport Strategy, which sets the goal of doubling the number of walking and cycling trips over the next 20 years.

It is vital the incoming NSW Government continues this momentum and picks up the goals of the Active Transport Strategy. Better access to inviting and enjoyable active transport routes will have huge benefits for our public health and decarbonisation efforts.

Finally, many of Sydney’s high streets still need upgrading. There are complex trade-offs between movement functions of streets and their public space functions. But on local shopping streets, public space values are the highest priority.

High streets are the beating heart of our neighbourhoods – where we meet friends, buy daily necessities, people-watch, or have a cup of coffee – so we should aim to upgrade these spaces to be more comfortable and inviting to people.

### **Actions for the incoming NSW Government:**

- Commit to fund fast rail from Sydney to Newcastle– contingent on a 50% federal match.
- Develop a concrete strategy and delivery program for Sydney’s future rail network, making clear the next steps in terms of project sequencing and timing, then commit to funding.
- Maintain an active transport division in Transport for NSW to deliver actions set out in the 2022 NSW Active Transport Strategy.
- Commit to funding Sydney’s strategic cycleway corridors and deliver the network by 2033 at the latest.

- Create a high street renewal fund that makes grants to councils for capital improvements such as widened footpaths, raised crossings, and pedestrian crossings.
- Reduce pedestrian wait time at traffic lights.
- Remove clearways on high streets and re-establish 24-hour a day on-street parking.
- Change speed limits to 30 kilometres per hour on key Sydney high streets.

**For more information, see these reports:**

- [Better value transport](#)
- [Better parking for better places](#)
- [Rethinking station precincts](#)
- [Real talk on the cost of living](#)
- [Ten ideas for the next Greater Sydney region plan](#)
- [Improving Sydney's future transport](#)
- [The next transformative project: fast rail to Newcastle](#)
- [Making Sydney a cycling city](#)
- [The Sandstone megaregion](#)





### 3. Accelerate decarbonisation and climate adaptation

In 2022, there were significant steps forward in reducing carbon emissions. The new federal government's commitment to 82% renewable energy by 2030 adds further impetus to bipartisan efforts in NSW to ensure there is enough renewable energy to replace coal (and gas) fired power stations.

Along with this, the NSW Government's Net Zero Cities Action Plan<sup>5</sup> commits to the six cities region being net zero by 2050, and the Greater Cities Commission has proposed reaching net zero by 2030 in six innovation districts within the region.<sup>6</sup> Billions are being invested in making our regions globally-significant renewable energy zones.

But the World Economic Forum's Global Risk Report for 2023<sup>7</sup> lists natural disasters and extreme weather as the second biggest risks over the next two years, after the cost-of-living crisis.

Background heating from climate change has already elevated average Australian temperatures by more than 1.47°C since 1910. Since the atmosphere can hold about 7% more moisture for every degree of warmth, the potential for more severe flooding increases as the planet heats up.

In Sydney, we are already living this reality. 2022 was the wettest year Sydney has ever experienced. In fact, we broke that record on 6 October following devastating floods in the Northern Rivers of NSW and across Greater Sydney.

5. [NSW Department of Planning and Environment](#)

6. [Greater Cities Commission](#)

7. [World Economic Forum](#)





Image source: Unsplash

It is clear the next NSW Government needs to:

- Accelerate decarbonisation
- Commit to meaningful climate adaptation.

Sydney is on the right track to decarbonise. The number of houses with rooftop solar soared past 30% in parts of Sydney in 2022, creating the potential for locally generated renewable energy to benefit households with and without solar panels.

In parts of Sydney, community batteries are already soaking up daytime solar energy and shifting it to the evening peak, sharing the benefits of cheap renewable energy more widely across the city.

The uptake of electric vehicles has increased following federal and state government incentives. This positive step is crucial to reduce the single largest source of emissions in Greater Sydney – road transport. In February 2023, 6.8% of new car sales were electric vehicles, compared to a global average of 8.6%. We are further behind OECD countries like the UK, Germany and Norway, where 19%, 26% and 65% of new car sales are electric.<sup>8</sup>

However, the rollout of electric vehicle charging infrastructure is not keeping up with rising demand. Those living in apartments, or relying on street parking, often don't have easy access to charging solutions close to home.

Despite these, and other efforts, the Committee recently found Sydney is not on track to contribute its share of the NSW 50% emissions reductions target by 2030 or the 2050 net zero goal.<sup>9</sup>

Decarbonisation isn't our only climate challenge. The 2022 NSW Flood Inquiry<sup>9</sup> recommended a complete rethink of how we manage development on floodplains, including in the Hawkesbury Nepean region.

In our view, disclosing hazard risk to households is the first priority. This needs to be coupled with land use planning changes and comprehensive climate risk assessments across all assets.

8. [Australian Financial Review](#)  
9. [Committee for Sydney](#)  
10. [NSW Government](#)

In addition to floods, we also need to be prepared for the return of extreme heat. Sydney's last extreme heat wave, in January 2020, recorded 48.9°C in Penrith.

People's experience of extreme heat is often made worse by poor thermal performance of buildings, lack of air conditioning (or insufficient income to turn it on), and lack of alternative options for refuge. This can have severe implications for people who can't cope with extreme heat due to underlying health conditions.

### Actions for the incoming NSW Government:

- Set a target for all government buildings to be electric and powered by renewable energy by 2027.
- Electrify 8,000 government owned buses by 2030 – rather than the current target of 2035, and create fleet electrification criteria in government tenders for private bus routes.
- Set a target for the 12,000 government owned cars to be fully electric by 2030.
- Increase the availability of EV charging infrastructure, and simplify the planning rules for installing that infrastructure, in new and existing public and private spaces.
- Set a modal shift target for 40% of all trips to be taken by walking, cycling, micro-mobility and public transport by 2030.
- Recommit to NSW reaching its target of net-zero emissions from organic waste landfill by 2030.
- Set renewable energy generation and storage targets for sub-regions of Sydney to multiply the benefits of growing rooftop solar.
- Continue to fund and deliver more renewable energy zones.

- Include embodied carbon as an element of business cases when government is deciding what infrastructure to build and how.
- Increase the transparency of household hazard risk by formally disclosing the total hazard risk to households from fire, flood and storm annually, and at every transaction – both sale and rental.
- Task the NSW Reconstruction Authority with a new flood risk reduction plan for the Hawkesbury Nepean Floodplain – regardless of the decision on raising Warragamba Dam – which responds to the recommendations of the NSW Flood Inquiry.
- Develop an extreme heat mitigation plan for vulnerable residents across Greater Sydney, including emergency services, hospitals and key cooling infrastructure (i.e. shopping centres, heat refuges).
- Include future climate risk in land use zoning, building standards, and NSW Government asset management policies including a requirement for mandatory Climate Change Risk Assessments (CCRA) to accompany each of these processes.
- Set outcome-based targets for tree canopy coverage, vegetation and biodiversity, establish a living infrastructure fund, and adopt a framework for valuing living infrastructure in major projects.

### For more information, see these reports:

- [Six steps to decarbonise the six cities region](#)
- [Decarbonising Sydney - The role of transport, buildings and grid infrastructure on Greater Sydney's path to net zero](#)
- [It's time to move people out of the path of the floods](#)
- [We can learn from Lismore now](#)
- [Stopping the cycle of disaster in Sydney](#)
- [It's time to set our own carbon budget in NSW](#)
- [Priorities for a net zero Sydney](#)
- [Nature Positive Sydney – valuing Sydney's living infrastructure](#)

## 4. Unleash the future economy

A strong knowledge economy is essential to address some of our biggest challenges, such as climate change and economic diversification.

In recent years, the NSW Government has begun the task of growing the innovation economy with investments in key innovation districts like Tech Central and Westmead, along with Investment NSW programs that target R&D and commercialisation.

However, much more needs to be done to truly unleash the future economy in Sydney and Australia. Many of the levers are at the federal level, but the NSW Government can:

- Increase government investment in R&D
- Make it easier to start new companies and create new jobs
- Build education and talent pathways for the jobs of the future.

Direct government investment in R&D is crucial. Many of the industries that will form the basis of the next wave of economic success for Sydney require support to bridge the 'valley of death'.

Sectors like the clean economy, modern manufacturing and med-tech build on our existing strengths, but will need partnership with government to succeed in the face of global competition.

While more investment is needed at a federal level, the NSW Government should expand existing programs that incentivise industry investment in R&D, such as the Future Economy Fund, which includes the Innovation Research Acceleration Program and the Small Business Innovation and Research Program.

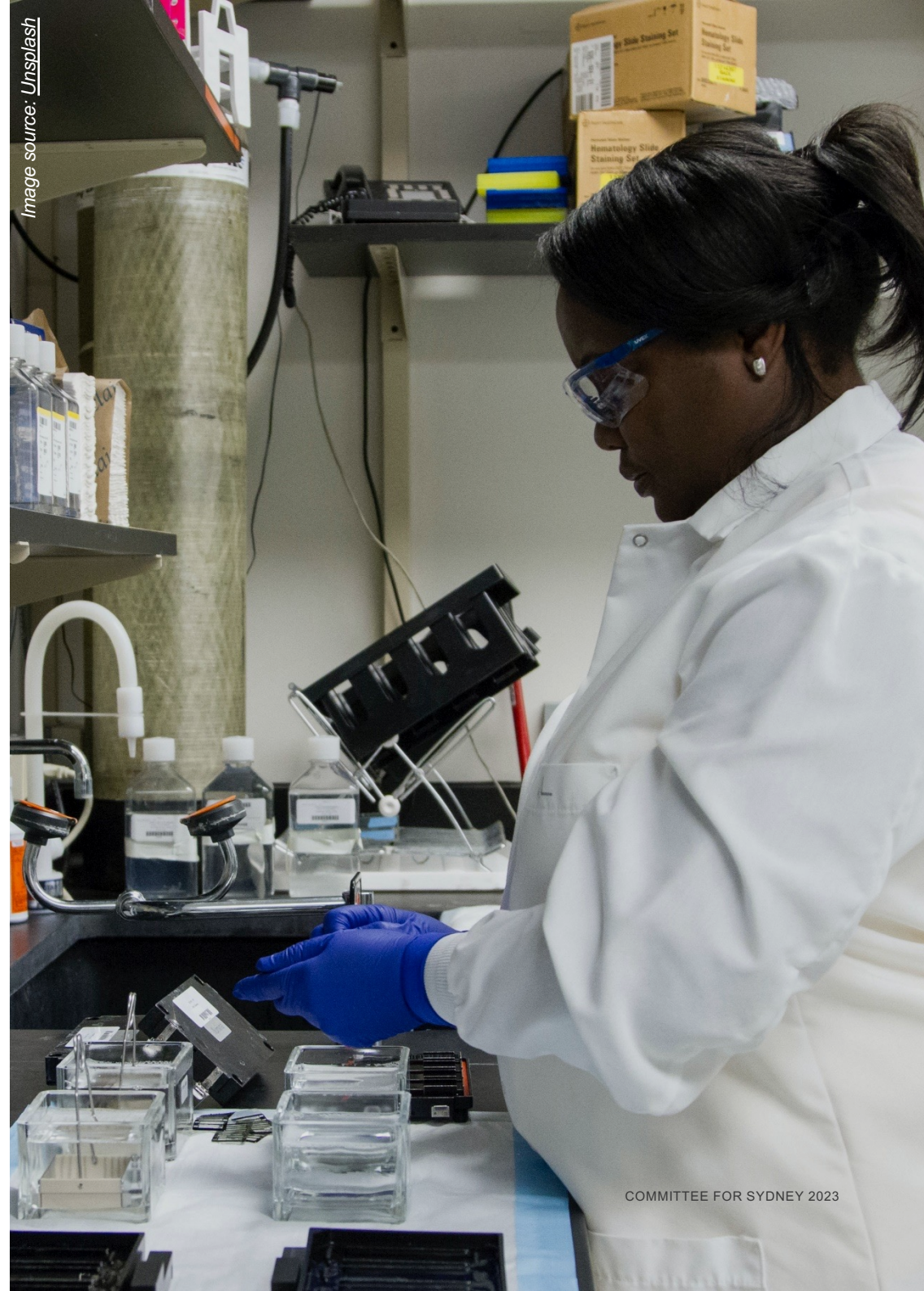


Image source: Unsplash

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In the 2021 report, 'Turning ideas into jobs',<sup>10</sup> the Accelerating R&D in NSW Advisory Council recommended the NSW Government launch R&D Missions aimed at solving governments long-term strategic challenges through R&D translation.

So far, the Bushfire Response R&D Mission is the first and only NSW-based R&D mission. Building off this success, the NSW Government should now propose and fund new R&D missions working closely with our excellent university sector, focused on priorities in the NSW Industry Green Paper:<sup>11</sup>

- Shifting to an increasingly digital economy
- Capitalising on growing consumer markets in Asia
- Transition to net zero emissions by 2050
- Building a circular economy
- Harnessing new opportunities and managing risks in global value chains.

Government also needs to support early-stage innovation companies to survive the pre-revenue stage of growth, leading to a greater survival rate of new companies.

We should increase the likelihood of young companies surviving and growing by filling gaps in funding for high-risk early-stage companies and removing barriers to growth. exempting them from paying payroll tax in NSW, reducing the problem of high costs to build a new company while they grow.

10. [NSW Department of Premier and Cabinet](#)

11. [Investment NSW](#)

### Actions for the incoming NSW Government:

- Expand the Boosting Business Innovation Program and the Future Economy Fund.
- Increase investment in R&D and commercialisation.
- Fund new NSW-based R&D Missions and partnerships with NSW universities.
- Provide payroll tax exemptions for early-stage innovation companies that under three years old.

### For more information, see these reports:

- [High achievers: A plan for unleashing the huge potential of Sydney's universities](#)
- [Unleashing Sydney's Innovation Economy](#)

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## 10. Make Sydney the cultural capital of the region

Over the last few years, Sydney has had record investment in major arts and cultural institutions and events, including Sydney Modern, the new Parramatta Powerhouse and revamped Ultimo Powerhouse, Sydney Football Stadium, Sydney World Pride and South by Southwest Sydney.

While these are part of what makes Sydney a great place to live, we think more can be done to enable the proliferation of smaller-scale arts and cultural institutions and events throughout Sydney.

In our view, there are five key moves to make this happen:

- Develop a new arts and culture plan aimed at growing small to medium sized arts and cultural organisations in Sydney
- Deliver a major Indigenous cultural space at the Museum of Sydney
- Make Sydney a 'Plug & Play' city with flexible and adaptive policies that unlock cultural activities everywhere
- Ensure adequate funding for arts and culture organisations and institutions so we continue to grow a vibrant city
- Fund high quality sporting facilities across Sydney.

The latest strategic document for arts and culture in NSW was the Cultural Infrastructure Plan 2025+. The success of this plan is evident, it's now time to for a new plan that supports smaller arts and cultural organisations.

The NSW Government has announced plans to transform first Government House into an Indigenous cultural space dedicated to the culture and history of Aboriginal people. This must be matched with funding and a timeline to deliver this landmark institution.

12. [Create NSW](#)



Image source: [Unsplash](#)

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For smaller organisations to succeed, we need to create more space for cultural production across Sydney. One way of doing this is by creating a 'Plug & Play' city. This would involve installing infrastructure such as lighting, three-phase power, amenities and amphitheatres in places like parks, town squares and laneways.

Another way of doing this is by continuing to remove red tape that inhibits art and cultural production and consumption. In recent years, the NSW Government has made many regulatory changes to undo mistakes of the past and better support Sydney's nightlife and entertainment. Positive changes include (but are not limited to):

- Ending of the lockout laws
- Temporary outdoor dining rules
- Temporary fast-track pathways for liquor licence boundary changes
- Special Entertainment Precincts
- Exempt development for change of use from a shop to entertainment venue
- The removal of live entertainment conditions on liquor licenses (such as what type of music can be played and what type of decorations can be hung)
- Extended trading for dedicated live music and performance venues

After years of record capital investment in arts and culture, and supporting funding for cultural organisations to make it through Covid-19, we need to now make sure that recurrent investment – i.e. grants, subsidies, wages – does not go backward and stays flexible.

We also need to invest in local sports infrastructure and playing fields. Many facilities are reaching the end of their life or lack lighting or women's change rooms.

Some of the WestInvest funding has gone toward improving local sporting facilities, but a permanent source of funding should be made available to ensure everyone across Sydney can access, and feels comfortable accessing, high quality sporting activities.

### **Actions for the incoming NSW Government:**

- Develop a new strategy for the arts, culture and creative industries.
- Convene an expert panel and local councils to identify existing red tape that can be removed to make it easier and cheaper to organise and host events at various locations and at various scales.
- Create a 'Plug & Play' Fund, offering grants to local councils for the installation of public entertainment infrastructure – e.g. lighting, three phase power, public toilets, water fountains, amphitheatres – in parks, town squares and laneways.
- Maintain and grow the increased funding for arts and cultural organisations made available during the Covid-19 pandemic so we continue to develop a vibrant city.
- Expand funding to renew old sporting facilities, and ensure upgrades include decent lighting and women's change rooms.



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