

Attachment 1 – Responses to Questions taken on Notice

1. Council's approach to upzoning around railway stations in the Blacktown Local Government Area

Question from Mr Stephen Bali MP:

"The only thing I'd say to that is Mount Druitt—old Mount Druitt, south side of the railway tracks—there was no change there. You only went to north side and the commercial side, and that's what I'm saying. You've got Doonside, you've Mount Druitt—the residential area—Quakers Hill, and Marayong were four stations designated by Blacktown council in 2010 that every two years you upzone. Nothing has happened there, and the stuff that you've done in Seven Hills and Toongabbie was a result of the previous government—Minister Roberts, who put funding towards it. It seems like, if there's no funding then Council won't do the upzoning or looking at it."

Response:

We acknowledge the historical context referenced regarding the planned sequencing of upzoning around railway stations, identified as 'urban renewal precincts' in our Local Strategic Planning Statement 2020. Our approach to implementing transit-oriented development has evolved significantly since 2010 in response to changing market conditions, infrastructure capacity constraints, and strategic planning priorities established through both the Greater Sydney Commission's District Plans and Council's Local Strategic Planning Statement. The revision of planning controls at urban renewal precincts is undertaken as part of a comprehensive precinct planning approach, rather than isolated and ad-hoc rezoning. This ensures that increased residential density is supported by:

- Adequate infrastructure capacity (particularly transport, water, and sewerage)
- Appropriate community facilities and open space
- High-quality public domain improvements
- Viable development typologies that meet market demand.

The northern side of Mount Druitt was prioritised because detailed feasibility studies indicated development viability, with active market interest. The commercial areas were prioritised to stimulate economic development and create employment opportunities, aligning with the Mount Druitt Transformation Strategy and the significant investment into community infrastructure delivery. We were successful in obtaining \$273.3 million in grant funding from the NSW Government's Western Sydney Infrastructure Grants program (formerly WestInvest) for 7 transformational projects, many of which are located in the northern side of Mount Druitt.

Council has received \$1,500,000 in funding from the Commonwealth Government as part of the Housing Support Program Stream 1 to progress further masterplans for the urban renewal precincts, to identify capacity for a further 50,000 dwellings. One of our key challenges in undertaking these studies is engaging with state agencies regarding infrastructure capacity constraints, particularly with Sydney Water and Transport for NSW, which have identified significant upgrades needed before additional density can be accommodated in several of these locations. Whilst these plans are progressing,

the NSW Government's Accelerated TOD precincts program and the Low and Mid Rise program, have taken valuable internal resources away from progressing these key projects. Now that these State-led programs have been completed, we can dedicate internal resourcing to prioritising precinct planning.

We remain committed to implementing transit-oriented development around all railway stations in the LGA in accordance with our Local Strategic Planning Statement. The sequencing of this implementation is necessarily guided by infrastructure capacity, coordinated planning with state agencies, and the need to ensure that rezoning leads to actual housing delivery rather than speculative land banking.

2. Section 7.11 development contribution rates compared to other Councils

Question from Mr Stephen Bali MP:

"The other thing, the third question for maybe costs of developing housing developments, and trying to entice—because we've identified there's a housing crisis, we need more people. If I use the contribution plan, so section 7.11 is a charge for developers, to get developers to come in, that gets then passed on to the ultimate consumer to pay for it. Now for Blacktown, and the health and education precinct, for instance, looking at around there, it's something like roughly 5 per cent of the development contribution charge of construction. When I look at Parramatta, it's generally 1 per cent. If you look at Willoughby, Penrith, Campbelltown, all are 1 per cent. Sydney City is about 2 per cent. Liverpool is 3 per cent. Northern Beaches is about 1 per cent. Blacktown's at 5 per cent. Are we loading up section 7.11 on developers, which is then going to impact on the ultimate price to sell these units, which prices developers and consumers out of the market?"

Response:

We acknowledge the importance of ensuring development contribution rates are set at levels that support housing delivery while providing essential infrastructure. The comparison of contribution rates as a percentage of construction costs across different Local Government Areas requires careful consideration of several key factors as follows.

1. Different growth contexts and infrastructure needs

Blacktown is one of the fastest-growing LGAs in Australia, with our population projected to increase to over 600,000 people. This growth requires significant new infrastructure, unlike established areas that may already have well-developed infrastructure and transport networks. Whilst development contributions can help to fund much-needed road upgrades and new connections, they cannot be used to fund community facilities.

2. IPART-reviewed contribution plans

All of Council's Section 7.11 contribution plans have been thoroughly reviewed and endorsed by the Independent Pricing and Regulatory Tribunal (IPART), confirming they meet the "essential works" criteria and represent efficient delivery of necessary infrastructure. Our contribution rates reflect the actual cost of providing essential infrastructure to support new development, rather than arbitrary percentages of construction costs.

3. Diverse development typologies

The figure cited for the Health and Education Precinct reflects a specific development scenario and should not be considered representative of all development across the Blacktown LGA. Contribution rates as a percentage of construction costs vary considerably based on location, density, and development type. Different precincts within our LGA have different infrastructure needs and contribution requirements, making direct percentage comparisons potentially misleading without considering the specific context.

4. Alternative delivery mechanisms

Council has implemented innovative approaches to reduce the burden of upfront contributions, including:

- works-in-kind agreements
- planning agreements for alternative infrastructure delivery
- contribution deferrals for qualifying projects
- staged payments aligned with development cash flows.

The fundamental principle guiding our approach is that development should contribute fairly to the infrastructure needed to support new communities. Without adequate contributions, the financial burden of providing infrastructure would fall entirely on existing residents, resulting in increased rates or reduced service levels.

We continually review our contribution plans to ensure they remain appropriate and do not unnecessarily constrain housing supply.

3. Council's position on planning changes to allow residential development on SP2 land

Question from The Chair (Mr Alex Greenwich MP):

"Before I hand over to the Member for Manly, I have one final question. Feel free to take this on notice. In terms of the planning limitations on SP2 land, church-owned land, we've had submissions from Faith Housing and others about the limitations that prevent them from actually being able to deliver affordable housing on their sites and lands. Do either councils have a position on planning changes to allow SP2 land to have residential development on it?"

Response:

Planning reforms relating to residential development on SP2-zoned land, particularly places of public worship, should be considered on a case-by-case basis. Many places of public worship are critical social infrastructure, providing low-cost and inclusive community space for gathering and social cohesion. Any planning reforms would need to carefully balance the potential for affordable housing with the preservation of these essential community functions.

We would consider several key factors in assessing the appropriateness of residential development on specific SP2-zoned sites as follows.

1. Community and social impact

The primary consideration would be whether the proposed residential use would complement or compromise the site's existing community function. Places of worship often serve as vital community hubs, providing spaces for social services, community gatherings, cultural activities, and support networks that extend well beyond religious services. Any planning changes must protect and enhance these community functions.

2. Scale and compatibility

The scale, design, and location of the proposed residential development on the site would need to be compatible with both the primary community use and the surrounding neighbourhood character. Residential development should not overwhelm or diminish the community function of the site.

3. Preservation of community space

Any proposed development should maintain or enhance the quantity and quality of accessible community space. The current shortage of affordable community meeting spaces across metropolitan Sydney makes preserving these spaces particularly important.

4. Genuine affordability provisions

If residential development were to be permitted, there would need to be robust mechanisms to ensure genuine affordability, potentially including:

- requirements for partnership with registered community housing providers
- legally binding affordability covenants in perpetuity
- clear eligibility criteria and transparent allocation processes.

5. Community consultation

Comprehensive consultation with both the organisation that owns the land and the broader community would be essential to understand the full range of existing and potential community uses of the site.

6. Financial sustainability

Consideration of whether the addition of residential uses would support the financial sustainability of the primary community use, particularly for organisations struggling with maintenance costs of aging facilities.

7. Public benefit test

A clear demonstration that the proposal would deliver a net community benefit compared to the existing use of the site.

We recognise the potential for some SP2-zoned sites to contribute to affordable housing supply while maintaining their primary community purpose. However, we emphasise that a standardised approach would not be appropriate given the diverse functions and community roles these sites play across our LGA.

Rather than a broad rezoning of SP2 land, we would encourage a planning framework that enables site-specific consideration through a comprehensive assessment process, prioritising community benefit and protecting essential social infrastructure, while potentially allowing for complementary affordable housing in appropriate circumstances.

4. The sale of 40 Kildare Road, Blacktown, and Council's approach to working with community housing providers

Question from Mr Stephen Bali MP:

"Congratulations on what I just heard Parramatta Council saying: that you have affordable housing that you've worked on with the sector. I'm just trying to explore that and what more councils can do. For instance, Blacktown also has a budget approaching \$800 million, has large land reserves and, as I noticed just next door, the major shopping centre at 40 Kildare Road. Council decided to sell that for approximately \$2 million or \$2.5 million. Why wouldn't Council consider working with housing providers? Because what's \$2 million in an \$800 million budget, in a council with \$6 billion in assets? Why wouldn't Council consider working—or does Blacktown Council have affordable housing stock that it works with community groups? If it doesn't, that would have been a prime example in an R4 zone that you could have provided to the social housing organisations."

Response:

No, we did not explore the possibility of working with a Community Housing Provider (CHP) to develop affordable housing at 40 Kildare Road, Blacktown, prior to its sale.

The property was identified as surplus to our operational requirements through our standard asset management processes. The decision to dispose of the asset was made in accordance with our Asset Management Policy and Long-Term Financial Plan, with proceeds directed toward our capital works program for community infrastructure projects.

We acknowledge the opportunity to better integrate our asset management strategies with our affordable housing objectives. However, this must be balanced against a range of other competing decisions to benefit our community.