

**Submission
No 1**

LAND RELEASE AND HOUSING SUPPLY IN NEW SOUTH WALES

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Date Received: 24 July 2017

24 July 2017

Submission to the Parliamentary Inquiry – Land Release and Housing Supply

Wingecarribee Shire Council welcomes the Parliamentary Inquiry into Land Release and Housing Supply in NSW. Housing supply in the Metropolitan catchment of Sydney and surrounds has in recent years become critical. Out of all the associated issues of housing supply has been the aspect of affordability. housing affordability has become critical within our society both in terms of purchasing and rental.

Whilst Government policy and action has tried to keep pace in terms of making more land available for new housing, it has placed significant strain on the availability of critical infrastructure and support services delivered by local councils to cater for new populated areas.

In areas such as Wingecarribee Shire located approximately 120 kilometres from the Sydney CBD and 70 kilometres from the edge of South West Sydney, there is a fast growing trend of an aging population. According to the 2016 ABS Census, the Shire currently has approximately 26% of the population over 65 years of age compared to a state average of 16%. This is expected to reach 33% in 10 years. In rural and semi-rural areas such as Wingecarribee Shire, there are limitations in terms of infrastructure and services required to support an aging population.

The following suggestions are made for consideration as part of the Parliamentary Inquiry.

1. Housing and Land Monitor

The establishment of Housing and Land Monitors for regional and rural areas is critical. The vast majority of housing stock being constructed in such areas is predominantly detached housing. Despite this the demographic profile of a number of rural and regional areas shows increases in aging populations. In terms of Wingecarribee Shire more than 90% of the existing housing stock is detached housing. There is a growing demand for a greater choice of housing which enables older residents to down size and younger residents to move out of home in more affordable accommodation.

It has been reported that the Wingecarribee Housing market is the seventh most unaffordable across the world according to Demographia's 13th annual International Housing Affordability Survey.

The intent of the Housing and Land Monitors is to assist in councils and state government agencies to coordinate new housing and land supply with adequate infrastructure within the council areas and regions.

2. Assistance to Councils who are responsible for critical infrastructure

Rural and small regional councils carry additional responsibilities in terms of critical infrastructure provision compared to Metropolitan and large regional councils.

The provision of adequate water and sewer infrastructure is paramount to ensuring new release areas are liveable. Many councils outside of the Sydney Water supply network incur significant costs for water and sewer amplification works catering for new land and housing developments. The upgrading of such infrastructure is significant in terms of cost and regulations/licencing. Whilst some of the costs are sourced via rates charged by councils on all rateable properties, the developer also has to contribute to the costs which in turn impacts on cost of the land/housing purchased. Councils due to the limited availability of funding cannot afford to forgo such development charges unless alternate State Government funds are provided to assist councils fund such infrastructure.

In addition to the critical water and sewer infrastructure, rural and regional councils also incur significance costs in the provision and maintenance of community infrastructure such as roads, parks, community halls, car parks, libraries, swimming pools and so on. Where councils build or have built via new developments additional community infrastructure, it creates additional long term maintenance responsibilities for the councils to forward fund.

The ongoing funding of infrastructure by councils is and has been significantly constrained due to the prolonged State Government Policy of rate capping. Without the ability of councils to secure increased rates via Special Rate Variations, councils would not be able to see their way clear in meeting industry benchmarks for maintenance and backlog ratios as were recently required to be demonstrated by NSW councils as part of the Fit for the Future reforms.

There is a clear need to enable councils to secure long term funding to both provide and maintain infrastructure for housing growth.

3. Development Application and Planning Proposal Referrals to State Government Agencies

Many forms of development of a larger scale including large subdivisions, rezoning and large residential developments require referrals to state government agencies for conditional approval or concurrence. Examples of referral agencies include Roads and Maritime Services, WaterNSW and Rural Fire Service.

Delays are often experienced in receiving the necessary approval or concurrence before Council can determine the applications. In the proposed reforms to the Environmental Planning and Assessment Act released for comment in early 2017, it was flagged that the Secretary of the Department of Planning and Environment would assume approval to determine or issue any necessary conditions of approval or concurrence where the responsible authority has failed to do so in a timely manner. Council fully supports this initiative which will assist in the timely approval of new land releases and housing developments.

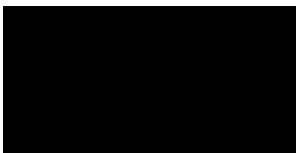
4. Initiatives for Housing Choice

As mentioned in 1 above, many rural and regional areas have a very limited supply of housing choice. As populations age, a greater variety of housing choice is required for older residents to be able to downsize thus freeing up their family sized dwellings for families. For many smaller communities, the incentives for land owners or developers to build medium density housing, small lot housing or the like are insufficient.

Compounding this issue is the potential for such developments to be challenged by surrounding property owners adverse to such development occurring within their neighbourhood making submissions to the council objecting to the proposal. Unfortunately many such developments end up in the land and environment court on appeal of refusal or deemed refusal which costs the developer in funding legal expenses. The end result is that developers/land owners resort to submitting developments which would likely meet the least point of resistance which usually entails like for like development.

It is suggested that in addition to the complying development provisions for medium density developments proposed as part of the reforms for the Environmental Planning and Assessment Act, the State Government investigate other incentives to assist with the provision of more housing choice in rural and regional areas to address the lack in supply of housing choice.

Council commends the initiate by the NSW Parliament of establishing this Parliamentary Inquiry. Council also offers itself to assist in participating in any forum that may be established as part of this work and would be happy to provide further information or evidence in support of this submission.



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