

## **LAND RELEASE AND HOUSING SUPPLY IN NEW SOUTH WALES**

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**Date Received:** 8 September 2017

5 September 2017

Jai Rowell MP  
The Chair, Committee on Environment and Planning  
Parliament House, Macquarie Street  
SYDNEY NSW 2000

Dear Mr Rowell MP,

**Re: Strathfield Council Submission – Inquiry into Land Release and Housing Supply**

Thank you for the opportunity to comment on the Committee on Environment and Planning's inquiry into land release and housing supply in NSW.

Strathfield Council acknowledges that significant population growth will continue to occur within NSW. However, housing supply must be delivered simultaneously with adequate services and infrastructure to deliver positive planning outcomes. To assist the Committee in its inquiry, Council has responded to the terms of reference below.

- a) The resources and support needed within the Department of Planning and Environment for:**
- I. The delivery of a housing supply process**
  - II. The coordination and funding of enabling infrastructure**

The Strathfield Local Government Area (LGA) has been identified for significant growth by the State Government through the *Parramatta Road Corridor Urban Transformation Strategy* (PRUTS) by UrbanGrowth NSW, the recent announcement of Strathfield and Homebush as Priority Precincts and housing targets established in the *Draft Central District Plan*. Through the implementation of these strategies, Council has consulted with the DP&E and the Greater Sydney Commission (GSC) on the Priority Precincts and *Draft Central District Plan* respectively. However, each strategy and organisation appears to be run in isolation with Council attempting to coordinate the organisations to implement the strategies.

Through Council's involvement with the Department of Planning and Environment (DP&E) on planning proposals and the Priority Precincts, it is considered that the DP&E has adequate resources and support for the delivery of housing supply. However, these resources may not be directed into the required areas, such as ensuring adequate consultation with Council and other organisations, including the GSC to ensure a clear, streamlined and coordinated approach to housing supply.

Strathfield Council believe that with the delivery of housing, the provision of adequate infrastructure, including educational and health facilities, community facilities, open space and transport is required. It is recognised that often housing targets and rezoning strategies are imposed on councils in the absence of policies for the provision of infrastructure.

Council note the State Government's recognition of the mismatch between housing supply and infrastructure with the release of the *Greater Parramatta Interim Land Use and Infrastructure Implementation Plan*. However, greater recognition of integrated land use planning by the State Government in other growth and infill development areas is required.

Transport infrastructure projects, such as the Parramatta Light Rail Stage 2 and the Sydney Metro West, are proposed in the Strathfield LGA. However, the planning for this infrastructure appears to be occurring concurrently rather than collaboratively with housing supply projects, including the Priority Precincts and Parramatta Road Corridor Strategy.

The mechanisms available to local government to fund infrastructure is limited. The main source of funding is Section 94 contributions, which for most areas, until recently has been capped at \$20,000. The recent changes to the thresholds for contribution rates in the Local Infrastructure Growth Scheme transition areas are noted. However, Strathfield Council does not benefit from the amendments. In future, Council should be afforded a lift in caps where significant growth is planned, particularly under the PRUTS and Priority Precincts. The resulting population growth will create a greater demand for infrastructure and services in excess of what can be funded by a \$20,000 cap contributions plan. Furthermore, the process for councils to have their contributions plans reviewed by the Independent Pricing and Regulatory Tribunal (IPART) when they wish to exceed the cap or seek a funding gap requires significant resources and time that most councils do not have.

Council's ability to provide public benefits through voluntary planning agreements and value capture policies is also limited when they are not mandatory and the negotiation power of councils is restrained when planning proposals refused by council are recommended to proceed to Gateway by planning panels.

Given the restraints on councils to fund infrastructure, the DP&E should direct resources and support to councils to fund and deliver infrastructure at the local level. This may involve reviewing caps on Section 94 contributions, reviewing the IPART process to modify the cap, and mandating planning agreements and value capture policies.

The DP&E also has a responsibility to provide infrastructure at the State level and coordinate with councils and other State Government authorities to ensure the appropriate funding and delivery of infrastructure. Council note the proposed State Infrastructure Contribution and Precinct Support Scheme for the Greater Parramatta Priority Growth Area. However, further consultation with Council is required before Council can be assured the required infrastructure will be provided in appropriate locations and in a timely manner.

**Strathfield Council recommends:**

- *The Department of Planning and Environment direct resources to support councils to fund and deliver infrastructure at the local level, such as lifting caps on Section 94 contributions, reviewing the Independent Pricing and Regulatory Tribunal Process, and mandating planning agreements and value capture policies; and*
- *The Department of Planning and Environment direct resources to providing infrastructure at the State level and coordinate with councils and other State Government authorities.*

**b) Delivery mechanisms following the rezoning of land through to construction**

The Premier's priority for faster housing approvals with a target of 90 per cent of approvals to be determined within 40 days by 2019 is noted. This involves simplifying the State policy for exempt and complying development, including a new Housing Code and Medium Density Housing Code. As raised in Council's previous submissions on the Codes, Council raises

concerns regarding the adequacy of the development standards and reliance on private certifiers to undertake assessments to ensure the protection of local streetscapes and character. Accordingly, exempt and complying development should only be permitted for minor development that is unlikely to significantly impact on the local character of an area and the private certification system should be more highly regulated.

**Strathfield Council recommends:**

- *The Department of Planning and Environment simplify exempt and complying development with consideration to the impact on local character; and*
- *The strengthening of the private certification system to regulate the complying development process.*

**c) The complementary roles of state authorities, local councils and utilities**

A collaborative approach is required between state authorities, local councils and utilities in the delivery of housing and infrastructure. However, as discussed above, pressure to rezone land for housing and achieve housing targets is often placed on councils without the required level of support from state authorities and utilities to accommodate this growth. This issue is evident in the *Draft Central District Plan* which sets housing targets with little guidance on the provision of infrastructure. It is imperative that the State Government accompany housing targets with directions on how to achieve the targets and provide infrastructure.

Council is also provided with limited support from state authorities in the planning proposal process whereby council rejected planning proposals are referred to planning panels through the pre-Gateway review and the panels recommend they proceed to Gateway with conditions. Some of the conditions imposed by panels on planning proposals are unclear and the process for progressing them is uncertain, along with council's ability to request amendments or planning agreements, particularly when council is the responsible planning authority.

Accordingly, Council believes that the DP&E and planning panels should form a more complementary role in the processing of planning proposals. For example, councils should be provided with more opportunity to present their case and review the DP&E's assessment report prior to a panel meeting.

**Strathfield Council recommends:**

- *Greater transparency and collaboration between state authorities, local councils and utilities to inform the provision of housing and infrastructure; and*
- *Greater transparency in the planning proposal process.*

**d) The different characteristics of Greater Sydney and non-metropolitan NSW**

Council recognises the different characteristics of Greater Sydney and non-metropolitan NSW in land release and housing supply. Although pressure to rezone land for housing occurs in Greater Sydney and non-metropolitan NSW, it is considered that the extent of pressure is greater in Sydney where the majority of population growth is occurring. Furthermore, the issues with releasing land for housing differs with predominantly the rezoning of greenfield areas and resulting loss of agricultural land in regional areas, and rezoning brownfield areas and the loss of employment land in metropolitan areas.

Similar to many metropolitan councils, the loss of employment land for residential development is of particular concern to Strathfield Council. Despite the precautionary approach to rezoning employment land in the *Draft Central District Plan*, some planning



proposals contrary to this are being supported by planning panels and the DP&E. The State Government and GSC need to ensure a clear and consistent approach through the development of a policy framework to guide councils in the protection of employment land from development pressure.

Given the different issues with land release and housing supply between Greater Sydney and non-metropolitan NSW, a one size fits all approach across NSW to land release and housing supply should not be taken.

Furthermore, within Greater Sydney and non-metropolitan NSW the characteristics of council areas differ. For example, the Strathfield LGA contains a number of significant heritage conservation areas and heritage items that reflect the area's history and garden suburb character. In rezoning land, it is necessary to preserve and protect the heritage and low density residential housing that contributes to the local character.

Nevertheless, whether land release and housing supply occurs in metropolitan or non-metropolitan areas, governments and utilities need to ensure adequate infrastructure is provided before land is released. As discussed above, state authorities need to provide funding for additional services, infrastructure and transport to accommodate such growth.

**Strathfield Council recommends:**

- *State authorities to ensure that the different characteristics of local government areas are protected in the approach to land release and housing supply in NSW; and*
- *State authorities adopt a consistent approach to rezoning employment land and develop a strategic framework to protect employment lands.*

**e) Other related matters**

Another issue affecting the supply of housing is short-term holiday letting (STHL) which limits housing for traditional residential tenancy and potentially affects housing affordability as they are increasingly used for short-term rental accommodation. This issue is evident in the Strathfield LGA where a cursory review on Air BnB identified more than 300 rentals in Strathfield and surrounds, including a significant number of "private room rentals".

The Options Paper released by the DP&E in July 2017 on the regulation of STHL is noted. It is also noted that the Options Paper states that the limited evidence available suggests that the impact of STHL on rental availability is negligible. Further investigation should be undertaken and a policy framework established. Council will also be making a submission on the STHL Options Paper.


**Strathfield Council recommends:**

- *The State Government investigate the impact of short-term holiday letting on rental availability and develop a policy framework in response.*

Thank you for your consideration of Council's submission.

Should you require clarification in relation to any matter discussed, please contact Joanne Chan, Strategic Planner on [REDACTED] during business hours.

Yours faithfully,



Silvio Falato

**Manager Planning & Development**