

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

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The Chair  
Legislative Assembly Committee on Environment and Planning  
Parliament House  
Macquarie Street  
Sydney NSW 2000

Dear Mr Rowell

**Re: Randwick City Council Submission: Inquiry into land release and housing supply in NSW**

Randwick City Council welcomes the opportunity to provide a submission to the NSW Legislative Assembly Committee on Environment and Planning on the inquiry into land release and housing supply in NSW.

Randwick City Council is located within the eastern suburbs of Sydney and covers an area of over 36 sq/km, including 29km of coastline and nine coastal beaches. Randwick's population is estimated at 149,276 persons (as at 2016) with a population density of 41.08 persons per hectare. Randwick City's housing stock is diverse across its thirteen different suburbs with higher density housing to the north of the Local Government Area (LGA) in Randwick, Coogee and Kingsford and lower density housing forms and more suburban patterns to the south of the LGA in Matraville, Malabar and Chifley. Randwick also contains a significant proportion of social housing stock (6.4% of Randwick's households live in social housing compared to 4.6% of Greater Sydney's households) within several large social housing estates. Other significant government land holdings within the LGA include Long Bay Correctional Complex, Malabar Sewage treatment plant and numerous educational establishments.

Randwick City also includes the major economic assets of Port Botany, the Randwick Hospitals Complex, the Royal Randwick Racecourse and the education facilities of the University of New South Wales and Randwick TAFE.

In terms of housing supply, Randwick's inner metropolitan location, means that housing supply is typically focussed on in-fill development including the

redevelopment of brownfield sites, in and around the town centres, and the redevelopment of government lands surplus to need. Randwick's housing stock is trending towards higher density housing forms, as shown in the recent 2016 census statistics (from 70.3% of dwellings in medium or high density in 2011 increasing to 73.6% of Randwick's dwellings in 2016). Conversely, the proportion of separate houses during these census periods have declined (from 29.2% (in 2011) to 25.1% (in 2016)).

Since July 2012, there have been 1,910 dwellings completed within Randwick LGA, of these completions, 92% are in multi-unit housing form. Similarly, the overwhelming majority of building approvals in Randwick are in multi-unit form. To date, Randwick is on track to meet the current housing target as set by the current draft Central District Plan for an additional 2,250 dwellings by 2021 and has met the previous housing targets as set by the NSW Government's former subregional plans.

Despite this, Randwick's proximity to the CBD and high amenity values (access to beach, services and shops) have resulted in the area becoming increasingly attractive as a place to live and work which underpins Randwick's high land and house values. So much so, that housing affordability has continued to worsen in Randwick City, pushing out lower to medium income households working in essential services in Randwick City, the income groups needed to support the economic functions of the City.

While it is understood that the principle of the inquiry is to examine mechanisms for delivering land and housing supply as a measure to improve affordable housing in NSW, it is important to emphasise that housing supply alone will not solve Sydney's affordable housing crisis. This is especially the case in locations such as Randwick City, with high land and property values reflecting the desirability of the area. Housing supply needs to consider housing need including diverse and affordable housing backed by a strategic land use and transport network.

The following responds to the terms of reference into land release and housing supply.

***a) The resources and support needed within the Department of Planning and Environment (DPE) for:***

***i) The delivery of a housing supply process***

With the distribution of housing growth across Sydney concentrated in existing urban areas compared to greenfield sites, it is important that planning processes recognise and cater to the complexity of achieving increased housing supply in this context. Currently trends and targets for dwelling growth are articulated in the Sydney Regional Plan and District Plans, and informed by demographic projections from the Department of Planning and Environment's Demography Unit. This body of research is an essential tool at both the metropolitan and local planning level, and



continuation of this resource is strongly supported. However, the process in place to identify locations and plan for urban renewal in established urban areas lacks sufficient clarity and consultation. This is discussed further below.

### **Priority growth areas and precincts**

The Priority Precincts program identifies areas that the Minister for Planning considers have redevelopment potential on a scale that is important in implementing the State's planning objectives. These precincts are to allow for the acceleration of rezoning and fast-track delivery of homes via precinct plans.

Since the program was announced in 2017, two areas within Randwick were identified as a priority precinct, but have since been withdrawn: i) the Randwick Racecourse and ii) the Anzac Parade Corridor. These were announced with no consultation or prior notice to Council, and we expect the Anzac Parade priority precinct may be revisited later this year.

These precincts mirror those of the former Urban Activation Precinct (UAPs) program which was announced in early 2013, and subsequently put on hold later in that same year. Again the announcement of two Urban Activation Precincts in Randwick City (Randwick and Anzac Parade south) occurred without consultation or endorsement by Council. The Council did not support the UAPs, at that stage, because Councils current planning controls were only recently adopted (in 2012) following extensive community consultation.

The experience of both programs to date has demonstrated that it has not been a truly collaborative process. Successful models for renewal and growth should be evidence-based, and involve early collaborations and participation from councils and the community who have in-depth knowledge of the local area. This could support a more considered and creative approach towards increasing housing supply, with a more varied and place-based approach to meet diverse community needs – including, for example, a lower scale/medium density approach which can deliver equivalent or greater overall densities than multiple towers, can accommodate a wider demographic, and is often more sympathetic to the local streetscape and character.

There are also additional concerns in relation to infrastructure provision and funding frameworks in areas which have been identified for large scale redevelopment and renewal. There appears to be a focus on housing growth, without a clear understanding of the associated impacts and increased load on infrastructure, and thus a lack of certainty in the type of infrastructure that will be provided i.e state versus local infrastructure and how they are to be funded i.e via special infrastructure contributions or local development contributions. It appears more reactive rather than proactive and is discussed in further detail below under 'coordination and funding of enabling infrastructure'.

### **Monitoring and forecasting of housing supply and need**

Greater resources and support are needed within the DPE to expand and publish, up-to-date 'real time' data on housing supply including development approvals, development applications under assessment, development completions and potential net dwelling yields in planning proposals.

Currently, the housing data provided by the DPE in its quarterly housing reports are somewhat limited as they are some 3-4 months out of date; categorised only in accordance to detached houses and multi-units; and do not capture dwelling approvals and completions for boarding house applications and secondary dwellings.

The DPE should adopt an open data set of information that is available at all times online. A more up to date data set of dwelling completions and approvals would assist key agencies in: identifying where infrastructure planning and funding is needed to support growth for the short, medium and long term; help identify where potential barriers are in the housing supply pipeline; assist in the preparation of local housing strategies; and provide the evidence base for the DPE and Greater Sydney Commission (GSC) in tracking housing targets set by regional plans.

In addition, there should be scope to better integrate the DPE's housing monitor data with the population and household projections released by the demography unit within the Department to provide a comprehensive evidence base towards a local housing needs and supply assessment.

## **ii) *The coordination and funding of enabling infrastructure***

### **Metropolitan planning and urban renewal**

The establishment of the GSC, as the lead agency in implementing *A Plan for Growing Sydney*, is a step in the right direction towards ensuring the coordination of enabling infrastructure to improve land use and transport networks across metropolitan Sydney.

The commitment of the GSC as outlined in the draft Central District Plan towards coordinating the Regional Plan and District Plans with other strategies, and in particular the updated Future Transport Strategy and NSW Infrastructure Strategy, is commendable. The Greater Sydney Commission should have a stronger role and legislative backing in ensuring that these infrastructure commitments be delivered to support growth in a strategic way as outlined in the regional plans.

### **Infrastructure funding framework**

The infrastructure funding framework in relation to local and state infrastructure provision needs to be urgently reviewed by the DPE and the GSC.



In areas of targeted growth there is a lack of certainty on the infrastructure items that will be provided to support the increased density and how these items are to be funded. For certain growth areas, a Special Infrastructure Contributions scheme may apply which funds regional infrastructure only (i.e schools, hospitals, major transport infrastructure) and as such all other infrastructure items such as local parks will need to be funded by local government and/or the local development contributions framework. As such the existing local infrastructure items (in these areas of targeted growth) will need to work harder in response to increased density without the certainty of increased funding for these local infrastructure items.

The local development contributions framework is a case in point. Randwick City Council has a city wide s94A development contributions plan, which applies a flat-rate levy of 1% of the total development cost towards local infrastructure provision. The maximum levy payable under s94A has not increased since the Minister set the rate payable (at 1%) back in 2006, despite increases in infrastructure costs.

An alternative to s94A development contributions, voluntary planning agreements have been used by Randwick City Council in limited circumstances, to negotiate minor infrastructure items such as townscape improvements and affordable housing in accordance with its policy adopted in 2007. However, given that planning agreements are voluntary, it can make infrastructure provision ad hoc and create misconceptions that planning decisions can be bought.

Value share schemes is another area increasingly being investigated by local councils to help fund infrastructure shortfalls, particularly in areas of growth subject to rezoning. Greater support is needed by the DPE to support councils in investigating and implementing value share schemes in these areas particularly where they are based on a strategic evidence base including financial feasibility assessment and subject to community consultation. There needs to be improved consistency and policy guidance in this area including an 'open book' approach using the Department's Urban Feasibility Model which assesses the financial feasibility of development.

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

Greater consideration should be given on the infrastructure requirements including more detailed transport impact assessments of the proposed development (and the site's environmental capacity to accommodate the proposal) upfront at the rezoning stage, in order to understand the impact on the local and wider transport networks. While the exact dwelling breakdown and/or floor space of the land use components may not be fully determined of the development proposal, a greater assessment of the technical specifications including possible site preparation works at the rezoning

stage would provide a greater level of understanding of the overall cumulative impacts. Moreover, it will also assist in streamlining subsequent assessments of the development proposal at the development applications stage if a more detailed proposal was approved at the rezoning stage.

While this may add additional costs at the rezoning stage (through more detailed technical reports) it will reduce subsequent costs at DA stage. It may also deter the on selling of an approved rezoning where the sole intention is to capture the 'windfall gain' and/or the increase in the land value as the result of the upzoning of the land.

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

The early collaborative efforts as shown by the GSC, in delivering on *A Plan for Growing Sydney* and in developing the draft Central District Plan (with key agencies including local councils and utilities ), is commendable and strongly supported. While it is still too early to see how the Regional Plan and draft Central District Plan is to be fully implemented, an independent body such as the GSC is well placed as the bridge between state agencies and the DPE for coordination of housing delivery.

In relation to utilities, the role of utilities towards growth has typically been reactive, which may not deliver the best outcome in terms of design and function of their infrastructure within the public domain. Often Councils do not receive considered responses from the utility provider at rezoning stage, and only much later in the process the Council (or applicant) receives advice that major augmentation could be required. This substantially adds to the cost of the development and removes the ability for a coordinated design to be provided at rezoning or development assessment stages. A more concerted effort is needed by agencies within the delivery of and augmentation of utilities, specifically in areas of growth.

Please do not hesitate to contact Sima Truuvert, Director City Planning on [REDACTED] [REDACTED] should you require any further information and/or clarification on any of the points raised in this submission.

Yours sincerely

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Sima Truuvert

**Director City Planning**