

LAND RELEASE AND HOUSING SUPPLY IN NEW SOUTH WALES

Organisation: Campbelltown City Council
Name: Mr Jim Baldwin
Position: Director City Development
Date Received: 29 September 2017

25 September 2017

The Chair

Legislative Assembly Committee on Environment and Planning -
Inquiry into Land Release and Housing Supply in NSW

Parliament of NSW

6 Macquarie Street

SYDNEY NSW 2000

Dear Mr Rowell

Re: Inquiry into Land Release and Housing Supply in NSW

I refer to the subject enquiry in respect of this most important matter. Having regard to Council's recent planning experiences and the envisaged challenges ahead the following comments are provided for the Committee's consideration.

1. "Whole of Government" and Land Supply Generally

A critical feature potentially contributing to the current land supply and housing challenges is the somewhat fragmented approach of government instrumentalities. Not all government instrumentalities are aligned early enough during the land rezoning process and even in the final stages full alignment is often slow to emerge.

The process of brokering balanced planning outcomes is often left to Councils, where impasses exist in respect of natural asset and infrastructure outcomes in particular.

Notwithstanding the efforts made so far, the Department of Planning and Environment appear to-date to have not been given the appropriate capacity or overarching power to broker ultimate solutions, across various areas of the Government, a consequence of which is delays in the rezoning of urban release areas for protracted periods, extending to years in some instances.

Perhaps the Greater Sydney Commission and/or some other governance approach has the potential to facilitate a "whole of government" approach in this critical area. In such situations, the Department of Planning and Environment may not need to "resort" to having to engage specialist "rezoners/unblockers".

2. Resourcing Planning of Major Urban Land Releases and Urban Renewal Areas

The major urban land release and urban renewal and approval processes at local government level are typically grossly under resourced.

It is understood that this situation has been acknowledged in the past with significant resource assistance to major Councils in the North West and South West Growth Centres in particular.

Recently both the State and Federal Governments have made commitments to resource Local Government by way of providing financial assistance, however the details of the commitments from both levels of government are not clear.

The public and Local Government continues to voice strongly their collective desires for "hard infrastructure" to be delivered very early in the urban release process, and (in the case of road infrastructure) not after the development and/or the existing surrounding wider road network is grid-locked.

In response, the Government may fully fund or co-funding the required "hard infrastructure", and often makes various announcements, and commitments to the public and development industry about the same. Without such commitment from the Government, the level of certainty and confidence for those who may be looking to invest in those valuable release areas would be limited.

In this regard, the level of certainty and developer confidence leveraged from Government commitments will hinge greatly on the answers to questions surrounding (from a commercial perspective) timing, sequencing and funding of the various items of infrastructure. The timing and provision of various infrastructure is a critical component of the commercial viability question, and will always form the basis of the development industries decision on whether to invest in the area or not as it will similarly, form the basis of Council's decisions on whether or not to allow the rezoning of land that would assist in the delivery of affordable housing and employment.

However, and notwithstanding the usual funding commitments made by Government for the delivery of hard infrastructure, which helps to provide the level of confidence needed for the local Council to progress rezoning applications and for the potential land developer to invest in that area, critical to the important aspects of timing and sequencing of infrastructure and housing, is the question of capacity and resourcing of the more intangible (non-core infrastructure) or unseen ("missing middle") aspect of the development train, being the human resource.

This is one aspect that has been overlooked and relatively underfunded for years (in particular during the housing boom) and is considered to be one of the major causes in the delay of the delivery of land releases and building approvals across Sydney, which by corollary, could be considered to be a significant factor in the acute shortage of housing supply and housing affordability being experienced in Sydney.

The funding of development resources is usually left to the local Council where the development is being undertaken. However, the idea that the location of the development is a suitable nexus for who is responsible to provide the required number of resources to deliver housing at a speed that is in keeping with the State Governments development program, is considered flawed.

There is no question that it is the local Council's responsibility to keep in employment the appropriate number of development related staff that can efficiently and effectively deal with local development matters across the local government area. However, there is a question as to whether it is also the local Council's responsibility (local rate payers included) to finance the resourcing of the additional staff required to deal with additional development matters arising from the State Governments demands and needs to release more lands and

deliver more housing, at a quantum and speed that at least keeps pace with the current housing demands.

In short, there is a chronic disparity between what's required and what's available in terms of qualified and experienced development professionals, within both the Local and State Government arenas, undertaking the numerous forward planning, assessment, approval and certification tasks needed to effectively meet the demands of the current housing market.

Although some may argue that major planning reforms are required to effect real change in the speed and efficiencies in the delivery of land and housing to market (cutting red-tape), relatively speaking and as an interim response, the cost of the additional human resources required across the board, that could have an immediate effect on delivering timely and efficient planning releases and housing approvals, would amount to an extremely small proportion of the total cost of delivering the more tangible/major infrastructure commitments. Such an initiative would result in a major change in the timing and sequencing of delivery of housing and major infrastructure, and expectedly and most importantly, a positive impact on housing affordability.

In this regard, urgent and immediate consideration needs to be given to the supplementary resourcing strategies to assist the chronic shortage of development professionals with local government, especially where those Councils are committed to achieving priority growth area and housing delivery objectives and in particular the delivery of timely, sustainable, high amenity, highly accessible, new communities supported by requisite social and physical infrastructure.

Mechanisms to assist with final master planning and the finalisation of underpinning investigations in all areas (not only Priority Growth Areas) should be vigorously explored, including in particular, the forward funding of resourcing infrastructure design personnel, provision of adequate numbers of building and development assessment staff to a level that effectively meets the current housing demand, and provision of adequate level of engineering professionals that can assist in the timely provision of core regional and local infrastructure, so as not to delay opportunities for housing delivery.

3. "Self-containment" and Infrastructure Provision

It is imperative that in the quest for more sustainable communities that there is a greater commitment to local/district employment provision. In addition to the obvious positive social and environmental outcomes the insatiable demand for transport infrastructure links (and attendant costs) to distant employment nodes may be diminished.

In a regional context, the de-centralisation of Government head offices is considered critical to this, which when done well has a major effect in attracting likeminded markets and/or investors providing supportive commercial/retail offers in the area. This all bodes well for the delivery of a diversity of employment opportunities and a greater level of self-containment for an area.

Strengthening this would be the Government's commitment to innovative and genuine long term tax reforms that incentivise businesses to relocate to regional centres, however, hand in hand with this must be separate tax led incentives for the relocation of skilled workers and new immigrants to also locate to regional centres to both support the relocated industries and to sustain the growing centre. However, the incentives for workers to relocate and in particular new immigrants to initially locate themselves and their families in regional areas must effect long term community association and retention of those people and their families within the regional centres.

It is the sense of community and home that will keep people in those centres. As such, the incentives must be subject to a longer term contract to deepen the connection to the community and therefore, the incentives must be at risk of being lost if a person moves back to the City areas.

4. Land Fragmentation

Any significant degree of land fragmentation (multiple owners of multiple land holdings in a release area, who are rarely aligned in their minds on what to do with their land and when) is often a major constraint to the timely delivery of serviced land and/or housing.

In this regard it may be appropriate that the merits of the establishment of a central land consolidation or coordination authority be investigated.

5. Service Delays

The timely provision of service infrastructure particularly water and sewer is critical to efficient land and housing supply. Experience in the development industry generally suggests that Sydney Water's budget allocations and supply program does not fully align with development expectation.

The subject concern should be addressed strategically through a review of the budget and delivery program.

Should you require clarification of any of the foregoing, please do not hesitate to contact me

Yours sincerely



Jim Baldwin



Director City Development

Electronic copy to:

