

LAND RELEASE AND HOUSING SUPPLY IN NEW SOUTH WALES

Organisation: Camden Council
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Council Ref: 17/296103

25 September 2017

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

Attention: David Hale

Dear Mr. Hale

**RE: COUNCIL SUBMISSION TO THE PARLIAMENTARY INQUIRY ON LAND RELEASE
AND HOUSING SUPPLY IN NEW SOUTH WALES**

I am writing to you regarding the parliamentary inquiry into land release and housing supply in New South Wales as announced by the Legislative Assembly Committee on Environment and Planning.

At its ordinary meeting of 12 September 2017, Council considered a report on this matter and endorsed this report to be forwarded to the Legislative Assembly as Council's submission.

Should you require any further information on Council's submission, please contact Heath James, Acting Manager of Strategic Planning on [REDACTED] or email [REDACTED]

Yours sincerely,

Nicole Magurren

DIRECTOR PLANNING & ENVIRONMENTAL SERVICES

Attachments:

1. Council report and resolution – 12 September 2017

ORDINARY COUNCIL

ORD05

**SUBJECT: SUBMISSION TO PARLIAMENTARY INQUIRY ON LAND RELEASE
AND HOUSING SUPPLY IN NEW SOUTH WALES**

FROM: Director Planning & Environment

TRIM #: 17/263839

PURPOSE OF REPORT

The purpose of this report is to advise Council of a Parliamentary Inquiry on land release and housing supply in New South Wales (the Inquiry) and to seek Council's endorsement to forward this report as our submission to the Inquiry.

BACKGROUND

Terms of Reference for Inquiry

The Legislative Assembly Committee on Environment and Planning has resolved to undertake an Inquiry to examine land release and housing supply in NSW.

The terms of reference of the Inquiry are:

That the Committee on Environment and Planning inquire into and report on land release and housing supply in NSW, with particular focus on:

- 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;*
- b) *delivery mechanisms following the rezoning of land through to construction;*
- c) *the complementary roles of state authorities, local councils and utilities;*
- d) *the different characteristics of Greater Sydney and non-metropolitan NSW;*
and
- e) *other related matters.*

The Committee has sought submissions from interested parties to assist in undertaking the Inquiry. The deadline for submissions is 5 September 2017 however Council has been granted an extension until 15 September 2017 to finalise its submission.

MAIN REPORT

Council has significant experience in the challenges surrounding the rezoning and release of land and the subdivision and development process in urban release areas and precincts within the South West Priority Growth Area (SWPGA). Given the majority of the SWPGA is located within the Camden LGA, Council will continue to play an important role in land release and housing supply.

This report considers the major impediments to land release and housing supply in the context of the SWPGA which is where the majority of current and future land releases are planned many of the issues also apply generally to all future urban release areas.

Land release process

The rezoning of land within the SWPGA known as the “precinct planning process” currently takes between two to three years to be finalised. A substantial portion of this time involves liaising and negotiating between DPE/Council officers and State government agencies to agree on outcomes and priorities.

The precinct planning process could be expedited if these matters were resolved faster, or if a central agency had authority to make binding decisions and establish a clear governance structure on the roles and responsibilities of stakeholders. This approach could be similar to the former Growth Centres Commission which oversaw the rezoning of the Oran Park and Turner Road precincts in 2007.

Recommendation

That the Inquiry consider the establishment of a central agency to oversee the precinct planning process, coordinate input from State government agencies and other key stakeholders, and act as a decision-making body to resolve conflicts and expedite the precinct planning process.

Furthermore, a governance structure should be established as part of future land releases and precinct planning that clarifies the roles and responsibilities of all stakeholders, including State and local government. State matters should be managed by State government, whilst local matters, including matters such as the local road network and local open space design etc. should be determined and managed by Council.

Managing the development of fragmented land holdings

Land ownership patterns impact on the time taken for a precinct to transition from the rezoning phase to the development phase. Precincts which are owned by a single landowner/developer can be developed quicker and more efficiently than precincts with fragmented owners.

As an example, approximately 7,000 of the 10,000 lots planned within the Oran Park and Turner Road precincts (including Gledswood Hills and Gregory Hills) have been developed since 2010 due to these precincts having lead developers. Larger developers can commission detailed designs for their landholdings and plan the development and release of lots in a sequential manner.

In contrast, there have been no new residential lots released within the Leppington Stage 1 and Leppington North precincts (which are highly fragmented) since their rezoning in November 2015 and March 2013 respectively. There are no lead developers in these two precincts.

The establishment of a central land consolidation or coordination authority in the land release process (such as Urban Growth NSW or the Office of Strategic Lands) could assist in resolving the issues which result from highly fragmented land holdings.

The strategic land acquisition and facilitation of development for the Rouse Hill town centre (North West Priority Growth Area) by the Office of Strategic Lands is an example where a central authority assisted in facilitating development in a timely manner.

The role of these authorities could extend to the coordination of landowners or developers within local catchments to increase the feasibility of development and enable the cost-effective provision of local infrastructure.

Recommendation

That the Inquiry investigates the establishment of a central land consolidation or coordination authority to address the impacts of land fragmentation on the release and development of land.

Level of detail at precinct planning stage in fragmented precincts

The specialist studies undertaken at the precinct planning stage inform the broad master planning process however additional fine detail studies are required before DAs are prepared.

Often the detailed studies need to be undertaken across large areas of land or catchments e.g. detailed drainage studies, and it is often not feasible for smaller developers to fund this work. This impacts on the ability of smaller landowners to attain development approvals.

Recommendation

That the Inquiry reviews the level of detail required at the precinct planning stage and investigates mechanisms for undertaking and funding detailed design studies in precincts with fragmented land ownership.

Forward Funding of Infrastructure Design

Section 94 Contribution Plans (CPs) collect money for the design of higher-level infrastructure, such as collector roads and drainage basins. These plans provide funds for Councils to undertake designs and construct infrastructure. However this work is often required to be undertaken prior to the development of the land.

Councils however do not have a mechanism to collect s94 contributions prior to the development of land. This can result in Councils needing to forward fund the design and construction of key infrastructure that is required to unlock land for development. This places a financial burden on Councils who may need to borrow money. The ability to repay the money is dependent on the collection of the monetary contributions from developers.

Recommendation

That the Inquiry investigates financing options that reduce the financial risk and burden on local Councils, for the provision of essential enabling infrastructure.

Coordination and provision of essential infrastructure

The timing and provision of infrastructure for precincts in the SWPGA is an impediment to the supply of housing, affecting both the release and rezoning of new precincts, and development within existing released precincts.

There is often a significant delay between the rezoning of precincts and the availability of essential infrastructure such as water, sewer, gas and electricity services, and detailed plans which outline the sequencing and timing of infrastructure delivery are not publicly available. The delay and uncertainty means that whilst some precincts have undergone the precinct planning and rezoning process, the land within those precincts is unable to be developed.

The lack of certainty regarding the timing of infrastructure to service the Leppington precinct has resulted in Leppington being rezoned in stages, with Stage 1 (2,500 lots) being released in November 2015, and the remaining Stages 2 to 5 (a further 7,000 lots) being delayed until essential infrastructure becomes available.

An opportunity exists for greater coordination of infrastructure delivery throughout the SWPGA to ensure infrastructure is provided within an appropriate timeframe.

Recommendation

That the Inquiry investigates the establishment of an infrastructure coordination authority, which oversees the planning and delivery of essential infrastructure within the identified growth areas and priority precincts.

FINANCIAL IMPLICATIONS

This matter has no direct financial implications for Council.

CONCLUSION

Council has considerable experience in the rezoning, land release and development process in SWPGA precincts and urban release areas, and will continue to play a key role in housing supply. The key issues affecting land release and housing supply in the Camden LGA include:

- the land release process;
- the fragmentation of land holdings;
- the level of detail required at precinct planning stage for fragmented precincts; and
- the coordination and provision of essential infrastructure.

It is recommended that this report be forwarded as Council's submission to the Parliamentary Inquiry on Land Release and Housing Supply in New South Wales.

RECOMMENDED

That Council:

- i. endorse this report as Council's submission to the Parliamentary Inquiry on Land Release and Housing Supply in New South Wales;**
- ii. forward this report to the Parliamentary Inquiry on Land Release and Housing Supply in New South Wales; and**
- iii. forward a copy of Council's submission to the State Member for Camden, Mr Chris Patterson MP.**

Resolution:

Moved Councillor Fedeli, Seconded Councillor Morrison that Council:

- i. endorse this report as Council's submission to the Parliamentary Inquiry on Land Release and Housing Supply in New South Wales;
- ii. forward this report to the Parliamentary Inquiry on Land Release and Housing Supply in New South Wales; and
- iii. forward a copy of Council's submission to the State Member for Camden, Mr Chris Patterson MP.

ORD193/17 THE MOTION ON BEING PUT WAS **CARRIED**

(Councillors Sidgreaves, Symkowiak, Campbell, Fedeli, C Cagney, A Cagney, Farrow, Mills and Morrison voted in favour of the Motion. No Councillors voted against the Motion.)