

Submission
No 44

INQUIRY INTO NEW SOUTH WALES PLANNING FRAMEWORK

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The Director
Standing Committee on State Development
Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Sir,

Submissions to the Inquiry into the NSW Planning Framework

Council wishes to thank your committee for the invitation to prepare a submission to the Inquiry into the NSW Planning Framework. Please find Council's submission attached. The submission addresses only those Inquiry Terms of Reference that were considered to be of most relevance or concern to Blacktown Council. Those terms of Reference that have been addressed are:

1. The need, if any, for further development of the NSW planning legislation over the next five years, and the principles that should guide such development.
4. Climate change and natural resources issues in planning and development controls.
5. Appropriateness of considering competition policy issues in land use planning and development approval processes in NSW.
7. Inter-relationship of planning and building controls.
8. Implications of the planning system on housing affordability.

Council hopes that the attached submission is of interest to the Inquiry and would be happy, if required, to further assist the Inquiry by attending any meetings or clarifying any aspects of our submission. Should you require any further information regarding this matter, please contact Council's Strategic Planner, Jasmina Skoric on 9839 6215.

Yours faithfully,
Ron Moore
General Manager

Per:



1. The need, if any, for further development of the NSW planning legislation over the next five years, and the principles that should guide such development

Blacktown Council's response to this Term of Reference provides:

- suggestions for further changes to NSW planning legislation; and
- comments on some of the most recent planning reforms to have been implemented.

A. SUGGESTED FURTHER CHANGES TO THE NSW PLANNING SYSTEM

The following suggestions for how the NSW planning legislation could be further changed over the coming 5 years focuses on the plan making process, rather than the development assessment process. However, in the next part of the response to this Term of Reference, parts of the development assessment process are addressed in the context of some of the most recently implemented planning reforms.

i. Reclassification of land

Council would like to suggest that the process for the reclassification of land be separated from the LEP making process, as the reclassification process requires additional procedures that increase the overall LEP processing time. Furthermore, the classification of land does not affect the zoning or development controls that relate to a parcel of land, as stipulated in a planning instrument.

The *Local Government Act 1993* notes that the purpose of classifying land is to identify clearly that land which should be kept for use by the general public (community) and that land which need not (operational). The major consequence of classification is that it determines the ease or difficulty with which land may be alienated by sale, leasing or some other means.

The purpose of selling or leasing Council land is often separate and additional to the intent of an LEP amendment that seeks to regulate land via a rezoning. A separate and more simplified procedure should therefore be established to reclassify land.

ii. Three-tiered system of environmental planning instruments

A key object of the *Environmental Planning and Assessment Act 1979* provided in Section 5(b) is "to promote the sharing of responsibility for environmental planning between the different levels of government in the State". The current 3 tiered hierarchical system of environmental planning instruments (EPIs) outlined in Part 3 of the Act is consistent with this objective.

The original intent of Part 3 was to provide councils with responsibility to regulate matters of local environmental planning significance via LEPs, and matters of State and regional planning significance to be regulated by the State via State Environmental Planning Policies (SEPPs) and Regional Environmental Planning Plans (REPs). On this basis the recommendation would appear to be contrary to the

object of the Act as it proposes to incorporate State or regional issues in LEPs as opposed to SEPPs and REPs.

However, the idea of consolidating multiple EPIs into a single EPI applying to each LGA is supported. This would require an amendment to Part 3 of the Act to provide for a single EPI applicable to each LGA (similar to the current Standard Instrument LEP) that incorporates all matters of local, regional and State environmental planning significance. Under such a structure, the State would retain responsibility for State and regional issues, and councils retain responsibility for local issues.

This would also enable more reliance on the Metropolitan Strategy, sub-regional strategies and local strategies to set strategic planning direction that would be implemented through the single EPI. This approach would provide greater flexibility to the planning system.

As an example, there are currently in the order of 32 SEPPs, 7 draft SEPPs, 8 REPs, and 1 LEP applying to the Blacktown LGA. An improved system would provide for 1 standard EPI (in a form similar to the Standard Instrument LEP) that incorporates State, regional and local provisions extracted from these plans.

iii. *The need for a new Environmental Planning and Assessment Act*

As the inquiry would be aware, the *Environmental Planning and Assessment Act* was introduced in 1979 to address a number of deficiencies in planning law that had existed since the post-war years. These related to the need to delineate planning responsibility between State and local government, and the need to promote the "public interest" through participatory planning and the recognition of environmental, social, and economic concerns.

However, it is suggested that since the mid 1980s the continued and sporadic reform amendments have undermined the original intent of the Act, and resulted in a disorganised system of environmental planning and assessment in NSW. In order to restore the important role of environmental planning, it is suggested that there is a need to replace the EP&A with new legislation that takes a holistic view of regulating land use in NSW. This is particularly important given the environmental, social and economic changes that have occurred since 1979. Any new legislation should build on the positive aspects of the original intentions of the EP&A Act.

One suggestion would be a wholesale review of plan-making to provide for a single statutory EPI that applies to each LGA that incorporates matters of State, regional and local environmental planning significance. Such an EPI would implement State, regional and local strategies. This can be achieved through a partnership approach between State and local governments as stated earlier in this submission.

B. COMMENTS REGARDING MOST RECENT PLANNING REFORMS

During the course of 2008, the NSW Government embarked upon an aggressive and broad ranging series of reforms to the planning and development system in NSW. The reforms (that have, or are due to be implemented) that are likely to have the greatest impact on local government are:

- changes to developer contributions;
- the NSW Housing Code and complying development; and
- the introduction and function of Joint Regional Planning Panels (JRPPs).

Council's views on these reforms are outlined below.

i. Changes to Developer Contributions

On 17 December 2008, NSW Premier Rees announced a package of reforms to infrastructure levies that involve:

- Cutting state infrastructure charges in the South West and North West Growth Centres from \$23,000 to around \$11,000 per lot until June 2011 (and \$17,000 from July 2011 onwards).
- Removing rail infrastructure and bus subsidies from State infrastructure contributions.
- Abolishing infrastructure levies payable to the Sydney Water Corporation and Hunter Water.
- Establishing a threshold for infrastructure contributions **payable to local councils at \$20,000 per lot** – with all contributions exceeding \$20,000 requiring approval from the Planning Minister.
- Encouraging Councils to defer the payment of contributions to the point of sale (rather than the current practice of requiring payment upon the issue of a plan of subdivision or Construction Certificate).

Council understands that the above changes are aimed at stimulating housing construction and make housing more affordable. However, Council has significant concerns about the social costs of these cutbacks, particularly in light of resultant delays in the provision of:

- public transport; and
- locally funded, community-building infrastructure such as parks and community facilities.

Such infrastructure is essential for creating and engaging communities in urban areas. It encourages healthy communities – both in a physical and psychological sense, by encouraging people to be active (by walking to open space areas and exercising or playing within these areas) and to interact socially. The creation of healthy, well-provided for communities is a key planning priority.

The imposition of a threshold on the Section 94 contributions that can be levied for essential local government funded infrastructure, particularly in light of other limitations placed on local government revenue raising, will undoubtedly see a return to new housing being developed several years before the arrival of infrastructure such as parks and community facilities. Or in the worst case scenario, new residential areas will never be provided with community facilities.

The following example of Council's Contributions Plan for the North West Growth Centre Precincts of Riverstone and Alex Avenue is provided to illustrate the likely magnitude of the funding shortfall Blacktown Council will experience as a result of these recent changes to Section 94.

Draft Section 94 Contributions Plan No. 20 – Riverstone and Alex Avenue Precincts provides for an estimated \$869 million worth of local infrastructure to service an estimated 44,000 future residents in the Riverstone and Alex Avenue Precincts. The

Plan provides for a levy across these precincts of between \$49,000 and \$56,000 per lot, depending on what drainage catchment the lot is in.

As the Contributions Plan is in excess of the announced \$20,000 per lot limitation, the Contributions Plan will now require Ministerial approval to maintain the proposed level of local infrastructure provision. Should the Minister determine to cap the Contributions Plan at \$20,000 per lot, Council will either have to fund the estimated shortfall of \$568 million from other revenue sources or substantially scale back its level of provision.

For example, the \$20,000 per lot will enable Council to provide drainage land and drainage infrastructure to the Riverstone and Alex Avenue Precincts, but nothing else. Council will be unable to buy land for parks or playing fields, will be unable to build sub-arterial roads and will be unable to provide baseline community facilities to support the incoming population.

If this shortfall of \$568 million was to be recovered through a rate increase over 20 years (the anticipated life of the Contributions Plan) on all existing residents in Blacktown, the rating increase required would be 38%. Alternatively, if the shortfall of \$568 million was to be recovered through a rating increase over 20 years on only properties in the Riverstone and Alex Avenue Precincts, the rating increase required would be 459% for the anticipated 15,000 properties in both precincts.

More alarmingly, the above scenario is only based on 2 future Growth Centre precincts, Riverstone and Alex Avenue. The future residential precincts in the North West Growth Centre within the City of Blacktown are anticipated to create a further **44,000 residential dwellings**, over and above the estimated 15,000 dwellings in the Riverstone and Alex Avenue Precincts, which will require similar baseline local infrastructure.

The above example clearly illustrates:

- the magnitude of the local government funding shortfall that has been created by the State Government's changes to Section 94;
- the limited means with which Council can generate funds for infrastructure provisions from other sources; and
- the urgent need for the State Government to reconsider its Section 94 changes.

ii. NSW Housing Code and Complying Development

As of 1 July 1998, under a first stage of significant reforms to the *Environmental Planning and Assessment Act 1979*, all building work required Development Consent to be obtained (usually from Council) and a Construction Certificate to be obtained (from an accredited certifier or Council). The provisions created a two-stage approval/certification process for all development involving building work, which created additional complexity and delays in the overall approval process.

Complying Development provisions were subsequently introduced to provide an alternative to the lodgement of a formal Development Application and Construction Certificate. Complying Development is essentially work carried out to a defined set of standards (eg. height limits, floor space ratio, distances to boundaries, compliance with the Building Code of Australia) which may be certified and constructed without any neighbour notification or local government involvement.

The Department of Planning has commenced its introduction of new Codes for Complying Development that aim to achieve a State-wide target of 50% of all development approved as Complying Development. The first of these Codes, the NSW Housing Code (the Code), was gazetted on 12 December 2008, to take effect from 27 February 2009.

The Code provides for approval of residential developments including detached single and double storey dwellings, home extensions and other ancillary development on lots of greater than 450m² as Complying Development with either Council or accredited certifier sign-off. Approximately 87% of all of Blacktown's residentially zoned land is 450m² or greater. Other Codes addressing industrial, commercial, retail and medium density residential development are also being developed.

In general terms, "fast tracking", particularly of residential development, is strongly supported by this Council, however it is not considered that the complying development path is the best way to achieve balanced community outcomes. A fast approval is not necessarily a good approval. Furthermore, the creation of a uniform set of standards across NSW, is seen as an unrealistic understanding of development at a local level. Development standards suitable for Brewarrina may not be so for Blacktown, nor Blacktown's for Bondi.

Another concern Council has with the State Government's Complying Development provisions is that the resultant increase in privately certified work may significantly increase Council's regulatory role, to ensure that the community is not disadvantaged by some certifiers failing to address their concerns and legitimate expectations. **Such an increase in our regulatory role is not currently funded within the proposed reform regime and may not be able to be adequately funded from Council's current revenue sources.**

The revenue issue is exacerbated by the fact that an increase in Complying Development must, by definition, mean a decrease in Development Applications and Construction Certificates. Blacktown Council has a strong presence in the local development industry, issuing approximately 67% of all Construction Certificates within the City. **An increase in Complying Development, with a much higher percentage of Certificates issued by Private Certifiers will significantly deprive Council of its current DA and CC revenue.**

iii. Joint Regional Planning Panels (JRPPs)

Joint Regional Planning Panels (JRPPs) are to be established by the Minister for Planning (around mid year) and will consist of 5 members – 3 appointed by the Minister and 2 by councils. They will have the powers of a consent authority and will effectively replace local government as the approval body for certain types of development.

JRPPs were first mooted by the State Government in a draft package of reforms placed on public exhibition in November 2007. At this time the proposed thresholds for Development Applications to be referred to them were \$50 million and \$20 million for residential/mixed use and commercial development respectively. The current proposal, announced by the Minister by way of press release on 6 November 2008, is for any development in excess of \$10 million to trigger a referral to JRPP. Where the Applications are for public or private infrastructure (eg. schools, child care facilities, community halls), the threshold has been lowered to \$5 million.

The Minister for Planning estimates that the operation of the JRPPs within this threshold will account for 90% of coastal and "major" urban projects in NSW. The Urban Development Institute of Australia indicates that the proposals will include all Applications where Council is a proponent, or has a conflict of interest, and where development standards are proposed to be varied by more than 25%. However, no available documentation confirms this assertion at this stage.

Significantly, JRPPs have the legislative authority to effectively "second" Council resources to conduct their assessments, and for their costs to be paid for by local government, which may have implications for revenue projections, as well as internal staffing arrangements and processes. As currently proposed, Council strongly opposes the formation of JRPPs on the grounds that they will further erode local government planning powers but also place a greater strain on local government resources.

4. Climate change and natural resources issues in planning and development controls

Land use planning and development control have for some time tried to achieve a sustainable balance between development and the conservation of our natural resources. Trying to achieve this balance in the context of climate change issues has proved to be even more challenging.

To date, the focus of public attention on climate change has tended to be on agricultural production in rural areas and coastal development. Whilst the impacts of climate change on these areas is not to be discounted, it is important to note that most of NSW's residents live in Sydney and most of those residents live a considerable distance from the actual coastline. The home environments of these populations, and their response to environmental changes, will be crucial to successful climate change adaptation by the community.

In particular, greater regard needs to be given to the issues of:

- balancing sustainability objectives with development pressures;
- flooding;
- water usage;
- the impact of temperature rises on the built environment (including bush fires);

a. Balancing sustainability objectives with development pressures

Blacktown, like many other Western Sydney LGA's is required to accommodate a significant increase in population and employment over the coming 25 years. Under the Department of Planning's draft North West Subregional Strategy Blacktown is expected to accommodate a total of 63,500 new dwellings by 2031, of which:

- 21,500 new dwellings will be in established areas close to transport and facilities; and
- 42,000 new dwellings will be in greenfield release areas.

Natural areas and resources (eg. water, biodiversity, air quality) are key features of urban environments and the management of these resources will have an impact upon the quality of life for the population and the ability of the community to positively adapt to climate change.

The NSW planning system and land development processes need to give adequate regard to the potential impacts of new development on natural resources and environments. Fast tracking new development in the interests of addressing housing supply issues and stimulating the economy needs to be balanced with the longer term impacts on climate change and natural resources.

The NSW planning system needs to be reworked to reflect a sustainability framework that identifies appropriate goals, strategies and monitoring mechanisms.

b. Flooding

The urbanisation of catchments, particularly as a result of urban consolidation, is increasing the proportion of land that is impervious to water (ie. asphalt, concrete and

buildings) which is increasing runoff into watercourses, increasing the risk and extent of flash flooding and causing erosion. Accordingly, catchment yield monitoring under extreme storm events for anticipated changed climatic conditions needs to be carried out. At present, predicted flood heights and areas of inundation for significant rainfall events and consequent catchment yields are based on past experience and extrapolations, with no apparent regard given to changing climatic conditions.

Therefore, there is a need for the State Government to:

- review flood height predictive tools and modelling of catchment yields and flooding/inundation patterns under a range of likely climate change scenarios in order to inform development planning for flood prone, or likely to be flood prone areas;
- better support local government to research and plan for local area flooding patterns that are likely as a result of redevelopment and climate change; and
- model tidal river/creek systems under climate change scenario(s), including changes to littoral vegetation community patterns.

c. *Water usage*

With regard to water usage, there is concern that the BASIX scheme may not be adequate in reducing water use in new developments and redevelopments. As it is not known whether the arbitrary reductions in water use required for BASIX compliance will be sufficient to ensure sustainability under changed climatic conditions, it would be prudent to facilitate or encourage local initiatives to secure above-BASIX savings where local innovation is developed. This is apparent in recent initiatives of a number of councils in the Sydney Metropolitan Region which have sought to raise the bar through development approval guidelines.

The planning and regulation system should facilitate the development and adoption of continuous improvement in standards and "best practice" rather than a minimalist approach based on basic, arbitrary levels. The system should encourage developments to "compete" on resource use and sustainability, as development standards and community expectations change.

Water sensitive urban design (WSUD) and stormwater retention decentralises the management and maintenance of water, which in itself has numerous environmental benefits (ie. biodiversity and vegetation cover) as well as better utilisation of available water. It is understood that other states are much further advanced in the promotion and resourcing of WSUD principles.

d. *Temperature Rises and the built environment (including bushfires)*

Data collected and analysed by Greening Australia shows a significant warming of the local climate in Western Sydney in terms of increased frequency of high temperature days over the past 50 years. This data shows a 200% increase in number of days per year over 35°C and an average summer maximum temperature increase of 2°C.

These changes are believed to be attributable to:

- Climate change/global warming; and

- the loss of tree cover and the creation of large areas of heat absorbing surfaces and buildings in Western Sydney over this period.

The latter of these contributing factors is a phenomenon has been referred to as an "urban heat island effect" that has been widely recognised and measured in cities across the world.

Higher average temperatures and an increase in the occurrence of extreme temperature days are impacting on peoples' health, on energy consumption levels and, it can be argued, on the severity of bush fires. The health and energy consumption impacts of higher temperatures could be ameliorated by large scale revegetation programs and the development of regulation measures that improve the temperature environment in urban areas. Design and materials used in houses to cope with high temperature conditions in more energy efficient ways could be better developed, promoted and regulated.

In light of the recent devastation caused in Victoria by bushfires, there is also a pressing need for NSW to re-evaluate its bush fire protection guidelines relating to everything from back burning to permissible development and building requirements on/near bushfire prone land.

The capacity of local councils to affect changes such as those suggested above, is limited by the current planning system and available funds. Revegetation and local environment improvements are expensive and currently unbudgeted, apart from the limited "Greening Western Sydney" program. The BASIX scheme, as noted earlier in this submission, operates through stipulating "maximum" impositions on development rather than minimum requirements that councils can vary according to local circumstances. There is a lack of flexibility for councils to impose appropriate conditions on development to effectively ameliorate these impacts.

In light of the above constraints to local government action in this area, the following recommendations are made:

- The State Government commence detailed research and modelling of the regional level temperature and rainfall changes that could be anticipated under climate change scenarios. It is noted that Greening Australia and the University of NSW have already begun this task and could be approached to form a partnership with the NSW government and local councils.
- The State Government pursue a partnership with the Federal Government for the purpose of directing significant financial resources to researching and modifying urban environments, with a view to both limiting greenhouse gas production and ameliorating climate change impacts for urban populations.

5. Appropriateness of considering competition policy issues in land use planning and development approval processes in NSW

In 2008 there was much debate regarding the impact of planning policies on retail competition, generated largely by the Urban Taskforce/Professor Allan Fels report, *"Choice Free Zone – Competition and innovation on this site is discouraged under the Environmental Planning and Assessment Act"*. The Fels report argued that "planning restrictions... are an impediment to commercial investment" and recommended "abandoning the separation of retail land uses from other land uses". This action, it was argued, would help to stimulate investment and innovation in the urban environment (specifically in the area of retail development), improve the ability of the planning system to respond to changes in the marketplace and even result in cheaper grocery prices!

Fels' recommendation conflicts with the **State Government's centres-based policy** regarding retail and commercial development. This policy is reinforced by the current Sydney Metropolitan Strategy which encourages urban consolidation around those centres on major transport nodes. **This is a sound planning approach that is supported by Blacktown Council as:**

- it reinforces the status and relevance of long established centres and may act as a catalyst for the revitalisation of these centres, in a business and/or urban design sense;
- it promotes the increased use of existing infrastructure and transport in and around these centres; and
- it encourages/justifies further infrastructure improvements in these centres such as traffic or transport improvements or urban design revitalisation.

Conversely, Fels' suggestion that planning controls should be relaxed to allow retail development to occur in out-of-centre locations could result in:

- increased or sustained retail/commercial vacancies in existing centres and the subsequent decline of these centres and the significant investment in infrastructure in these centres;
- the potential for conflict between traffic generating activities such as supermarkets in residential areas; and
- The need for more parking given the distance of out-of-centre retailers from high concentrations of residents and higher order public transport.

The Fels report is significantly biased towards retail competition and gives no regard to the fact that effective land use planning attempts to achieve a balance between a series of environmental, social and economic objectives. It is considered to be highly inappropriate for retail and commercial development to be scattered throughout urban areas, without any regard given to the environmental, social and economic implications on the wider community.

7. Inter-relationship of planning and building controls

Commencing in October 2009, Council Officers involved in issuing Certificates under Part 4A of the EP&A Act (Construction, Complying Development, Subdivision, Compliance) will be required to hold accreditation with the Building Professionals Board (the Board). Following a series of workshops with primarily local government officers in late 2008, the Board is currently receiving submissions on the final legislative framework to manage this process. Council Officers have significant concerns with the draft proposals from the Board, notably in relation to:

a. Complaints against Council Officers

Further to receipt of a complaint, given the Board's extensive history of lengthy and drawn out investigations, most councils will have long considered and determined complaints against its officers before the Board will have commenced any action. Council officers are already accountable to their Supervisors, Managers, Directors, the Council, ICAC, the Ombudsman, the Department of Planning, the Department of Local Government and ultimately their communities. Clarity on the need to add yet further potential punitive measures is required.

b. Conflict of Interest Provisions

Application of the complete suite of conflict of interest provisions, as applicable to private accredited certifiers, has been proposed, which is considered unreasonable. Aside from any of its other functions, council acts as a community advice and service body, with constant streams of people attending council offices every day to seek advice and assistance. In this sense, councils will constantly be in a state of potential conflict of interest for every application presented to an officer at a front counter where advice is sought. Any subsequent receipt of a Construction or Complying Development Certificate application, sometimes 6 or 12 months later, may mean our initial advice may be construed as design advice (even were we able to record and track the literally thousands of such pieces of advice given every year at Blacktown, some by effectively anonymous telephone and email enquiries), thus voiding the ability to receive applications for development.

The original conflict of interest provisions were clearly written for a private certification market, to stop "self-certification", where a certifier could offer increasingly expansive cuts to building construction and services, on the promise of being able to then certify his or her own work, thus ensuring a direct and significant financial gain, whilst also potentially impacting on building safety. Council officers do not operate in this environment. Their remuneration is in not tied to the number of certificates they issue, and they are not paid by the development proponent, making this provision completely irrelevant and redundant for local government. Application of this design vs certification component of the conflict of interest provisions has the potential to halt council certification of development work completely.

c. Accreditation Assessment Requirements

The proposed assessment provisions are unnecessarily complex. Councils for many years have been conducting assessments of their staff for the purpose of conferring appropriate delegations to conduct work. It is understood that a consistent approach will assist in the transfer of staff across councils, however numerous small and regional councils may not have sufficient staff to meet the assessment provisions, making them reliant on appointments by the Board to assess their staff, with cost and time implications, and removing the ability of councils to determine the appropriate levels of delegation for their employees.

d. Cost

Councils will initially be charged \$250 to accredit each individual, however the Board is not restricted in how it can escalate fees. It is anticipated that at least the accreditation amount will also be required to meet the Board's Continuing Professional Development requirements for each individual per year. At Blacktown this will equate to in the order of \$15,000 per annum. This is not a currently costed fee that can be readily recovered, and as our fees are required to be set some 12 months in advance in our Management Plan, nor by moving with market rates.

In summary, it is not understood how the current suite of accreditation proposals in any way meets the intent of the findings of the Campbell Inquiry into the Quality of Buildings, nor how it assists with the Government's stated aims of streamlining and reducing the cost of a construction certification and inspection regime.

As proposed, and indicated above, the amendments have the very real potential to completely remove local government from the certification marketplace, which has significant issues across a number of areas. Certification plays an important role in Council's Development Control and assessment processes in ensuring the quality of the built environment for local communities. Together with community expectation of councils representing and defending their legitimate concerns in this regard, removal of local government from the certification marketplace is not considered to promote quality community or development outcomes.

In rural areas, lack of local government certification may result in the complete cessation of all certification activities, as private certifiers tend to work in the immediate vicinity of capital cities and regional centres only, or result in significant cost (to both councils and developers) in importing certifiers for specific projects. In areas where private certifiers are more active, the effective fettering of a viable, cost effective and impartial competitor in the marketplace has the most likely result of permitting a higher percentage of poorly certified development, at much greater cost to consumers and ratepayers. In return, this will require an increased council regulatory response to complaints from both building owners and neighbours to rectify poorly certified or constructed projects, without any associated funding to do so.

8. Implications of the planning system on housing affordability

Housing stress amongst low to moderate income renters and home purchasers in the Blacktown LGA has risen considerably since 2001, in accordance with wider trends.

Local government's capacity to influence the delivery and retention of affordable housing stock is largely limited to planning related initiatives. It is noted, however, that Councils also have a role to play in terms of information provision, advocacy, research and facilitation of stakeholders in affordable housing projects.

As well intentioned as planning-related initiatives (such as increasing land supply, inclusionary zoning and encouraging cost-effective construction and diversity in housing types) may be in encouraging housing affordability, their impact will be quite limited at best. The NSW government's Sydney Metropolitan Strategy recognises that macroeconomic factors have the largest effect on affordability and as a consequence, "it is clear that **the planning system alone cannot solve Sydney's housing affordability problem**".

Addressing housing affordability will therefore require a range of policy responses and practical initiatives from all tiers of Government. Hence the state and federal governments' support and initiative is seriously needed in its areas of responsibility including policy, funding and taxation reform. Recent federal government initiatives that have been supported by the state government, such as the Housing Affordability Fund (HAF) and National Rental Assistance Scheme (NRAS) are considered to be a step in the right direction.