

**Submission
No 19**

INQUIRY INTO DEVELOPMENT OF THE TRANSPORT ORIENTED DEVELOPMENT PROGRAM

Organisation: Woollahra Municipal Council

Date Received: 6 March 2024



Council Ref: 24/39199

6 March 2024

Sue Higginson MLC
Portfolio Committee No. 7 - Chair
NSW Parliament
6 Macquarie Street,
Sydney NSW 2000

By email: portfoliocommittee7@parliament.nsw.gov.au

Dear Ms Higginson

Parliamentary Inquiry into the development of the Transport Oriented Development Program

I write in relation to the Parliamentary Inquiry into the development of the Transport Oriented Development Program and supporting *Terms of Reference* (TOR).

Woollahra Council welcomes this inquiry, which will investigate the recent reforms of the NSW State Government that aim to create more housing. In relation to the TOR, we have feedback on the following parts; part 1(o) *impacts of the proposed Diverse and Well-Located Homes process and program* and part 1(r) *any other related matters*.

On 26 February 2024, Woollahra Council's endorsed a submission in strong opposition to the proposed changes set out in the NSW State Government's Diverse and Well-Located Homes reforms through the *Explanation of Intended Effect: Changes to create more low- and mid-rise housing* (EIE). Please find our submission on the reforms attached, which we would like to be considered as part of the parliamentary inquiry.

Our submission identified the following key issues with the Diverse and Well-Located Homes reforms:

- They do not adhere to the requirements of the National Housing Accord;
- Fundamentally abandon best practice, place-based strategy planning
- They erode the planning hierarchy established under the *Environmental Planning & Assessment Act 1979* by introducing confusion and complexity through overriding carefully crafted local provisions that support desired future character;
- The reforms will introduce uncertainty into the planning system;
- Uplift of this scale proposed must be delivered through place based planning supported by an evidence base including extensive site modelling and feasibility testing;
- The consultation is wholly inadequate and does not allow sufficient time, detail (e.g. it is not clear where station and town precincts will be introduced), or the evidence base for the community to meaningfully respond to the content of the reforms;
- They introduce one-size-fits-all non-refusal standards that will create excessive bulk and scale;
- The reforms significantly reduce tree canopy provisions;

- They are accompanied with limited information as to how heritage significance and environmentally sensitive areas will be protected;
- Complexities associated with the assessment of non-refusal standards will delay the processing of development applications;
- Fail to consider the cumulative impacts of unplanned increased density on traffic, parking, heritage, infrastructure capacity, local character and the environment;
- Do not address how the additional infrastructure and essential services, which are the responsibility of the NSW State Government to provide required to support density and population will be adequately funded and delivery; and
- Do not require the onsite delivery of a significant amount of affordable housing in perpetuity.

We request that the above matters and the attached submission be considered by the Parliamentary Inquiry and used to formulate an alternative best practice planning response with a sound strategic planning framework, aligned with state infrastructure provisions, and in collaboration with Councils.

Please do not hesitate to contact
have any questions.

if you

I look forward to a response at your earliest convenience.

Yours sincerely

Anne White
Manager Strategic Planning & Place

Woollahra Council Submission



Department of Planning, Housing and Infrastructure

Explanation of Intended Effect: Changes to create more low- and mid-rise-housing

February 2024



[23/234590]

Contents

1	Executive Summary	3
2	Introduction	6
2.1	Background to the reforms	6
2.2	Affected land in the Woollahra LGA	7
3	Issues.....	13
3.1	Strategic Planning issues	13
3.2	Place-based planning.....	18
3.3	Lack of community consultation	18
3.4	Infrastructure.....	19
3.5	Station and Town Centre Precinct issues	21
3.6	Surrounding precincts	24
3.7	Urban design outcomes	24
3.8	Impacts on Heritage Significance and Environmentally Sensitive Areas.....	36
3.9	Tree canopy	40
3.10	Other issues.....	43
4	Implementation Recommendations	46
5	Conclusion	48

1 Executive Summary

Woollahra Council welcomes the NSW Government's focus on addressing the housing issues the state is facing. However, the Department of Planning, Housing and Infrastructure's (DPHI's) approach to creating new housing under the *Explanation of Effect: Changes to Create Low- and Mid-rise Housing* (EIE) fundamentally undermines the NSW planning framework and local government's role in administering strategies and plans. The reform lacks strategic or economic justification, and has no evidence base to support the one-size-fits-all changes. As such, we strongly object to the low- and mid-rise reforms that will override the *Woollahra Local Environmental Plan 2014* (Woollahra LEP 2014) and *Woollahra Development Control Plan 2015* (Woollahra DCP 2015), creating confusion and complexity in the planning system.

The Woollahra Local Government Area (LGA) is a well-established in-fill area in the Eastern District of Greater Sydney with a land area of footprint 12 square kilometres with higher than average levels of both dwelling and population density compared to Greater Sydney and other comparable Council areas. Further detail is provided below:

- Information produced by the Australian Bureau of Statistics (ABS), dated 30 March 2021, identifies that the Woollahra LGA is the seventh densest LGA in NSW, with a density of 4,363 people per square kilometre and a total population of 53,496;
- The population density is shown to be considerably higher for the suburbs of Double Bay (5,886 people per km²), Edgecliff (8,331 people per km²), Paddington (7,938 people per km²), Woollahra suburb (5,886 people per km²). Recent development activity in the Woollahra LGA confirms density is rising in our area and will continue to do so into the future;
- Dwelling density in our area exceeds many other comparable areas in Sydney, with 76.6% of dwellings being medium or high density, compared to 43.5% in Greater Sydney. This is clear in areas such as Double Bay and Edgecliff, where high density living is the norm comprising of 76.6% and 69.9% respectively; and
- Our area has higher than average dwelling diversity comprising of 55.6% apartments, 21% in terraces and townhouses, and only 22.3% detached houses and 0.9% in other dwelling types. (ABS Census 2021)

Woollahra Council has successfully delivered on the requirements set out in the *Eastern District Plan*, which implements the *Greater Sydney Plan – a Metropolis of Three Cities*. The reforms have no regard for the strategic planning work of Council in delivering additional housing in our area. We exceeded our five year housing target (net additional dwellings) from November 2016 to June 2021 by 70%, and have already achieved 43% of our 6-10 year target from July 2021 to June 2026. We are implementing the region and district plan through best practice strategic planning using a place based approach to inform local plans and strategies with community consultation at every stage of the process.

If the NSW Government proceeds with the reforms and applies them to their full theoretical extent (introduce station and town centre precincts in all E1 Local Centre and MU1 Mixed Use centres), we would see the majority of land across the Woollahra LGA affected,

including impacting on nearly all land with heritage significance (land that is within a heritage conservation area (HCA) and / or is identified as a local or state heritage item).

In a wide scale implementation scenario with the introduction of station and town centre precincts in Edgecliff E1 Local Centre, Double Bay E1 Local Centre, Rose Bay E1 Local Centre, and surrounding centres from other Council areas at Bondi Junction, Bondi Beach and Kings Cross, we would see approximately 6,386 lots affected across the Woollahra LGA with 5,910 lots having heritage significance. The majority of our HCAs are within walking distance of a train station or town centre, and are dominated by a high level of medium density dwellings. Additionally, we would see 3,878 R2 Low Density Residential lots affected by dual occupancy provisions (lots over 400m²) under the reforms.

We are concerned that the proposed changes would fundamentally undermine our carefully crafted, place-based plans developed over the last 20 years in consultation with our community. Our current controls take into account local context, character, heritage conservation and infrastructure capacity. Examples include the recently adopted the Double Bay Planning and Urban Design Strategy (Double Bay Strategy) and the nearly finalised Draft Edgecliff Commercial Centre Planning and Urban Design Strategy (Draft Edgecliff Strategy). This level of place-based planning, which accounts for high amenity and good urban design, will not be achievable under the proposed controls. Growth should be facilitated by long term planning that balances commercial and residential needs with heritage significance and environmentally sensitive areas.

Furthermore, there is no value capture framework for infrastructure or affordable housing contributions from the significant uplift proposed, and the reforms offer no certainty of the impacts on existing infrastructure contributions and affordable housing contributions schemes. Our local infrastructure is already under pressure and density increases must go hand-in-hand with value capture to provide for additional infrastructure demand. We are deeply concerned by the lack of responsibility from the NSW government for additional state level infrastructure required to cater to the needs of increased population such as public transport, infrastructure for water, electricity and sewerage services, schools and hospitals.

In addition to the points above, if a value capture framework is introduced and contributions are provided by dwellings only, in our area, this will further encourage developers to offer a smaller number of units with greater internal floor space. This would only exacerbate the current housing diversity issue and further diminish the supply of smaller, more affordable units in the Woollahra LGA. In areas such as Double Bay, local market conditions often result in apartments comprising a series of large, luxury penthouses. In such localities, larger units sell for more per square metre than smaller units with the same, or a lesser number of bedrooms

Another significant issue with the reforms, is the unintended effect of net dwelling loss and subsequent consequences of creating more expensive dwellings (decreasing affordability) and less housing diversity. This is already an emerging issue being experienced by inner Sydney LGAs including Woollahra, Waverley and Sydney City where high land value land with older apartment buildings are redeveloped or smaller sized dwellings are renovated to create larger dwellings with three bedrooms or more. The NSW Government needs to

recognise and respond to this issue in order to ensure that land for housing is being used efficiently, particularly in the inner metropolitan areas of Sydney where land values are high.

In summary, we have significant concerns with the reforms and strongly object to their implementation. We urge the NSW Government to recommit to a sound strategic planning framework, aligned with state infrastructure provision, and collaborate with Councils on an alternative best practice planning response to meet the five-year housing target under the National Housing Accord (Accord).

2 Introduction

The Woollahra LGA is a well-established in-fill Council area in the Eastern District of Greater Sydney, with a relatively small footprint of just over 12 square kilometres from Rushcutters Bay to South Head, rising from low-lying foreshore areas to a ridgeline along Old South Head Road and Oxford Street. Our area is predominately residential with historic, well-preserved houses, terraces and art deco apartments contributing to higher than average levels of both dwelling and population density compared to Greater Sydney and comparable Council areas, which is supported by our continued delivery of additional housing outlined in **Section 3** below.

Compared to Greater Sydney our area has existing high levels of dwelling diversity with 55.6% of residents lived in apartments, 21% in terraces and townhouses, and only 22.3% in detached houses and 0.9% in other dwelling types (ABS Census 2021).

Information produced by the Australian Bureau of Statistics (ABS), released on 30 March 2021, identifies that the Woollahra LGA is the seventh densest Council area in NSW, with an estimated population density of 4,363 people per km² and a total population of 53,496.

The population density and housing composition of the Woollahra LGA creates significant demand for high quality infrastructure, facilities and services. This is essential for maintaining the amenity, safety and economic vitality of the area and the wellbeing of people who live in, work in and visit the Woollahra LGA.

Woollahra Council fundamentally objects to the proposed reforms. We urge the NSW Government to abandon its implementation and collaborate with Councils on an alternative best practice planning response to meet the five-year housing target under the Accord. We are very concerned that the proposed reforms will erode our place-based plans and the one-size-fits-all changes have no regard for our local character and constraints and how infrastructure will be funded. Our specific concerns are outlined in **Section 3** of this document.

2.1 Background to the reforms

In October 2022, the Accord was introduced with a national five year target of one million well-located new homes by June 2029 to support collaboration across governments, institutional investors and the construction sector in addressing housing supply of well-located homes and affordability issues.

In August 2023, National Cabinet announced a revised five year target of 1.2 million well-located dwellings from mid-2024. The NSW Government committed to deliver at least 314,000 new homes by mid-2029, with a stretch goal of 377,000 dwellings.

On 28 November 2023, a Ministerial press release announced proposed reforms to create more low- and mid-rise housing in well-located areas across Greater Sydney. The press release stated:

- *Sixty percent of R3 Medium Density Residential zones (R3 zone) across Sydney (where multi dwelling housing is appropriate and should be encouraged) presently prohibit residential flat buildings of any scale,*
- *In October (2023) the Government identified a significant gap in the approval of density, with terraces and 1-2 storey unit blocks allowed under R2 zoning in only two of 32 Local Environmental Plans (LEPs) (across Sydney).*

On 14 December 2023, an amendment to the *State and Environmental Planning Policy (Housing) 2021* (Housing SEPP) implemented changes to encourage affordable and social housing. This included introducing floor space ratio (FSR) and building height bonus of up to 30% for projects that include at least 10-15% of gross floor area (GFA) dedicated to affordable housing (AH) for 15 years.

Following the November announcement, on 15 December 2023, an exhibition commenced on the *Explanation of Intended Effect: Changes to create more low- and mid-rise housing* (EIE) to encourage in-fill housing in response to the current housing issues NSW is facing. We understand that the changes outlined in the EIE will apply on top of any Housing SEPP affordable housing bonuses. This submission responds to the matters outlined in the EIE.

2.2 Affected land in the Woollahra LGA

Woollahra Council is fundamentally opposed to the rezoning reforms proposed in the EIE including the introduction of precincts in our area with non-refusal standards, reduced design criteria for residential flat buildings (RFBs) and shop top housing (STH), introducing multi-dwelling housing into the R2 Low Density Residential zone (R2 zone) within precincts and increased planning controls for dual occupancies. Notwithstanding our major concerns, the affected lot information and mapping included in this submission demonstrates the potential impact of the reforms on the Woollahra LGA.

A summary of our methodology is outlined below.

- Research the implications of a broad implementation scenario of station and town centre precincts across the Woollahra LGA by locating all E1 Local Centres and MU1 Mixed Use centres, and centres in adjoining Council areas that may impact on land in the Woollahra LGA, and conduct preliminary mapping investigations (see **Attachment 1**);
- Based on an evaluation of the station and town centre precinct definition conduct investigations on potential precinct scenario being a Edgecliff E1 Local Centre precinct and a wider precinct application scenario consisting of Edgecliff E1 Local Centre, Double Bay E1 Local Centre, Rose Bay E1 Local Centre; and potential adjoining Council precincts of Bondi Junction E1 Commercial Centre and MU1 Mixed Use, Kings Cross E1 Local Centre and Bondi Beach E1 Local Centre;
- Then, conduct mapping investigations to understand potential affected land to understand the implications of increased density in our low and medium density residential areas, particularly impacts on heritage significance;

- Investigate through mapping the impact of introducing multi-dwelling, multi-dwelling (terraces) and manor houses into the R2 zone within station and town centre precincts;
- Consider mapping issues and constraints, and contact the DPHI for clarification where needed on matters such as the walking distance definition, part lot application, resolving how calculate 0-800m walking distance area with software available etc; and
- Investigate the impact of reducing minimum lot size for dual occupancies in the R2 zone through mapping.

2.2.1 Station and Town Centre Precinct – wider application precinct scenario

The reforms propose to introduce station and town centre precincts based on the definitions shown below:

- *800m walking distance of heavy rail, metro or light rail stations, 800m walking distance of land zoned E2 Commercial Centre or SP5 Metropolitan Centre, or*
- *800 walking distance of land zoned E1 Local Centre or MU1 Mixed that contain an appropriate level of goods, services and amenities, such as a wide range of frequently needed goods and services such as full line supermarkets, shops and restaurants.*

Staff consider the above definition of station and town centre precincts is vague and lacks sufficient detail. For example, the definition relies on an 800m walking distance area, not as the 'crow flies' distance. The DPHI has confirmed that they do not intend to introduce mapping with the reforms, which raises significant issues as to where exactly the proposed precincts will apply

The impact of a wider application of station and town precinct is shown in **Figures 1-2** and **Attachment 1**. These demonstrate the extent of the 0-400m and 400-800m walking distance areas on residential and employment zoned land and heritage significance under the Woollahra LEP 2014.

The wider application precinct scenario looks at the introduction of precincts in the following centres; Edgecliff E1 Local Centre, Double Bay E1 Local Centre, Rose Bay E1 Local Centre, and precincts in adjoining Council areas; Bondi Junction E2 Commercial Centre and MU1 Mixed Use (Waverley Council), Bondi Beach E1 Local Centre (Waverley Council) and Kings Cross E1 Local Centre (City of Sydney)

If the wider application precinct scenario was implemented we have used modelling to demonstrate the potential impacts on our area outlined in **Figure 1** and **Attachment 1**, with approximately 6,386 lots that would be impacted and with approximately over 70% of these lots having heritage significance.

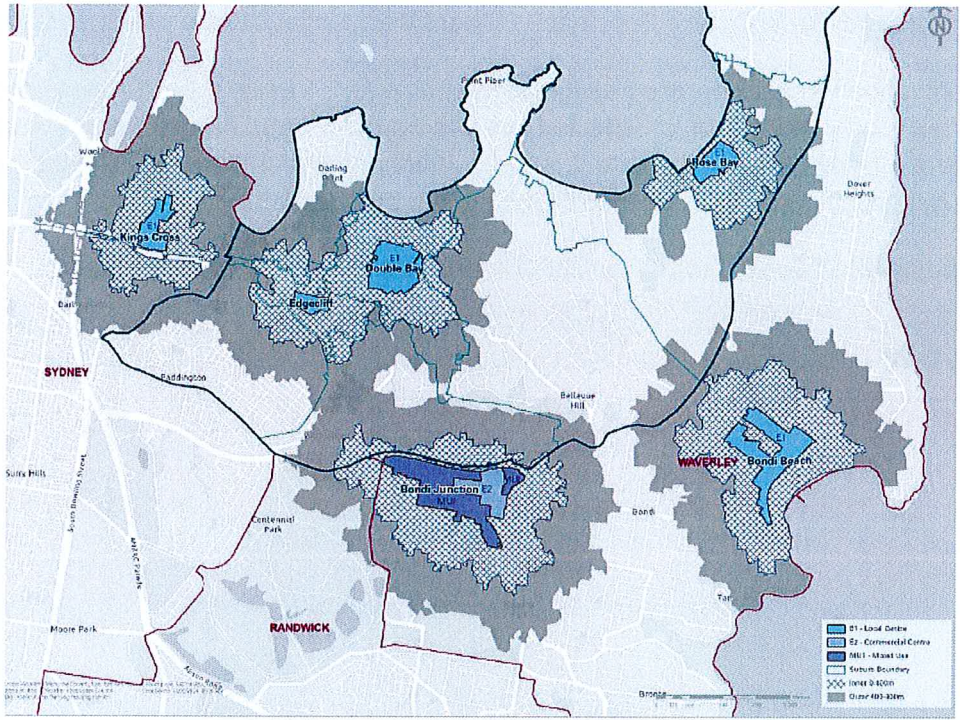


Figure 1: Wider application precinct scenario map – with inner and outer precincts areas

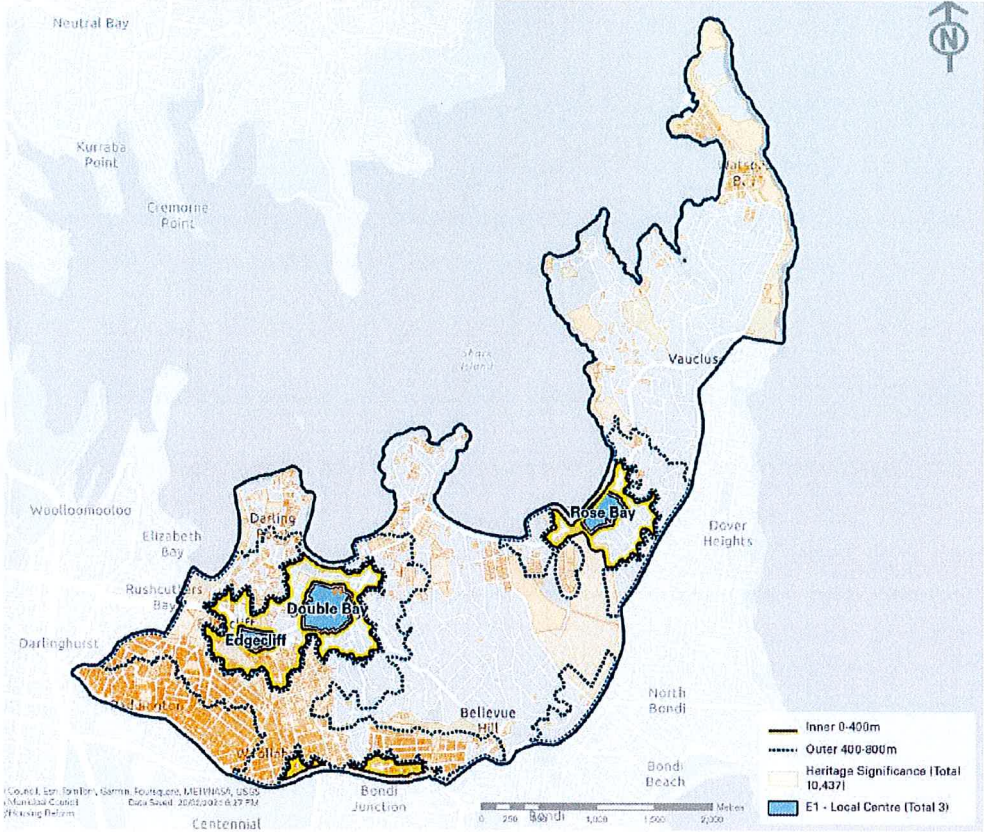


Figure 2: Wider application precinct scenario map with heritage significance –with inner and outer precincts areas

2.2.2 Station and Town Centre Precinct – Edgecliff E1 Local Centre precinct scenario

The impact of the introduction of a precinct in the Edgecliff E1 Local Centre zone is shown in **Table 1** below with information on affected lots and **Figures 3** and **Figure 4** below and **Attachment 1** demonstrating the extent of the 0-400m and 400-800m walking distance areas on land zoning and heritage significance under the Woollahra LEP 2014.

Table 1: Edgecliff E1 Local Centre Precinct Scenario Affected Lots (Indicative Figures Only)

Land type	Total lots affected	Lots affected by Zoning			
		R2= 257	R3= 366	MU1= 75	E1= 10
0-400m walking distance	708	R2= 257	R3= 366	MU1= 75	E1= 10
400-800m walking distance	1,898	R2= 1,094	R3= 665	MU1=5	E1 = 134

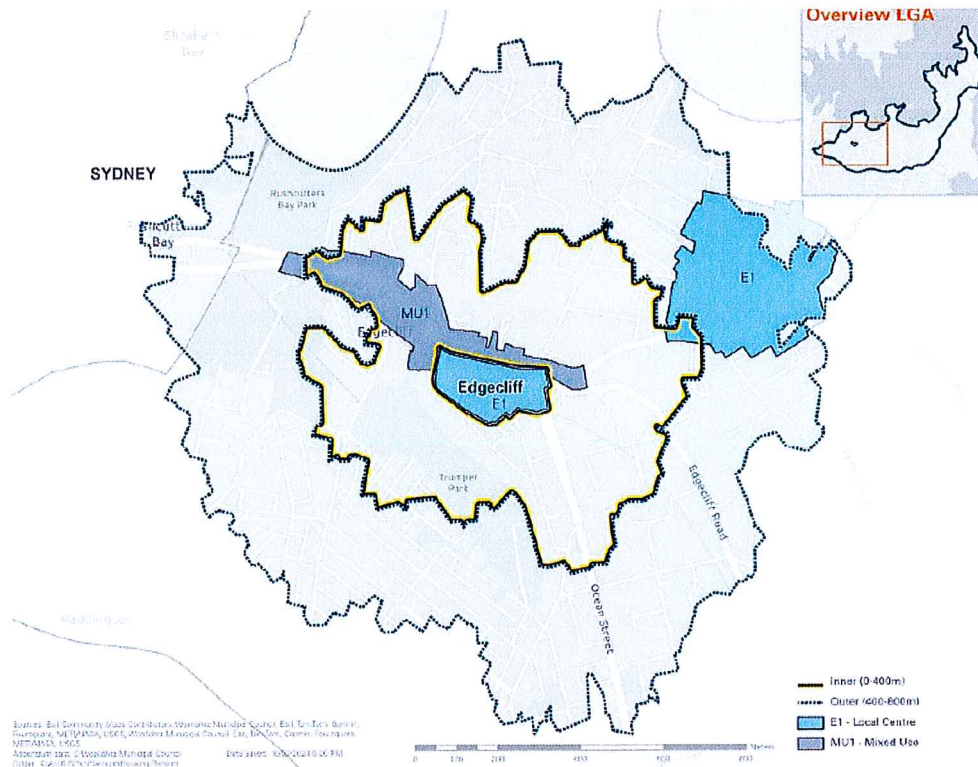


Figure 3: Edgecliff E1 Local Centre precinct scenario map – with inner and outer precinct areas

Table 2: Edgecliff E1 Local Centre Precinct Scenario – Multi-dwelling Housing and Manor Housing in R2 Low Density

Land use type	Total lots affected
Multi-dwelling housing (terraces): minimum lot size 500m ² and lot width 18m	22
Multi-dwelling housing: minimum lot size 600m ² and lot width 12m	30
Manor houses: minimum lot size 500m ² and lot width 12m	37

2.2.5 Dual occupancies

The reforms propose dual occupancies will be permitted in all R2 zoned land and accompanying non-refusal standards including FSR, building height, minimum site area, minimum lot width, car parking and landscaping provisions. Whilst, dual occupancies are already permissible in the R2 zone under the Woollahra LEP 2014 for lots 460m² or more, the changes would apply to lots over 450m² and have increased impacts on amenity due to the non-refusal standards. The changes will impact approximately 42% of the R2 zone in the Woollahra LGA. The findings are outlined below in **Table 3**.

Table 3: Dual occupancy impacts on R2 Low Density Residential zone across the Woollahra LGA

Land use type	Total lots affected
Total R2 lots across LGA	9,182
Total R2 lots across LGA with heritage significance	5,150
Total R2 lots across LGA: equal or greater than 450m ²	3,878 (+52 lots compared to current minimum lot size)
Total R2 lots across LGA: equal or greater than 460m ²	3,826

3 Issues

3.1 Strategic Planning Issues

The contents of the reforms suggest Greater Sydney has a lower population density when compared to other similar international cities, and there is a lack of dwelling diversity and density in inner city suburbs. The EIE suggests this lack of density is caused by current planning provisions blocking low- and mid-rise in-fill housing in inner suburbs. These statements are incorrect for the Woollahra LGA, and there is no evidence at a LGA or suburb level to justify these claims.

The proposed changes are a one-size-fits-all approach and not a justifiable response to the NSW Government's attempts to address the housing crisis. They would create long lasting impacts on local character, through unmitigated density increase with no regards for existing density. Councils are well aware of local capacity constraints for density and have not been approached at any stage to provide feedback on the crafting of the reforms. The reforms show no place-based evidence or consideration for the impacts of additional density from the proposed floor space and building height, as well as the cumulative impacts on additional traffic, parking, heritage and infrastructure capacity.

3.1.1 National Housing Accord

The Accord was announced in October 2022 to support the target of one million new well-located homes over the next five years from 1 July 2024. In August 2023, the National cabinet endorsed a new national target to build 1.2 million homes with New South Wales to deliver approximately at least 314,000 new homes by 20 June 2029, with an aspirational goal of 377,000 new homes. This is equal to 75,400 new dwellings per year over the next five years. In 2022, NSW delivered approximately 48,000 new dwellings.

The Accord requires the NSW Government to work in collaboration with Councils on changes to meet the five year new dwelling target. The Accord states an agreement to, *'commit to working with local governments to deliver planning and land-use reforms that will make housing supply more responsive to demand over time, with further work to be agreed under the Accord.'*

The national five-year target under the Accord of 1.2 million additional houses nationwide has no evidence base to justify the overall figure and the allocation of the individual target for each state and territory. If the NSW target of 314,000 is exceeded, and the aspirational target of 377,000 additional new homes is met, the NSW government will be eligible for large incentives in additional revenue. The national and NSW target is not realistic and will lead to poor planning outcomes in a push to meet individual state and territory targets. We urge the NSW to renegotiate our state's aspirational five-year target of 377,000 to a realistic target supported by an evidence base in collaboration with Councils.

While Woollahra Council is supportive of steps to address the NSW housing crisis and provide more affordable housing in our area, we do not support the reforms which show no

regard for the agreement in the Accord to work in collaboration with Council on creating more housing opportunities through planning and land-use reforms.

Recommendation 1: We urge the NSW government to renegotiate our State's aspirational five-year target of 377,000 additional houses to a realistic target supported by an evidence base in collaboration with Councils

3.1.2 Updated Region and District Plans would be the best practice approach

The DPHI's approach to creating well-located housing in response to the Accord, is at odds with strategic planning under the *Environmental Planning and Assessment Act 1979* (EP&A Act). The unprecedented and excessive one-size-fits-all changes are not best practice planning and completely override the place-based planning our Council has developed over the past 20 years in consultation with our community.

The EP&A Act under Division 3.1 Strategic Planning sets out the requirements for the creation of region and district strategic plans, setting housing targets in collaboration with Councils and includes the preparation, content, implementation and the delivery of strategic plans and local strategic planning statements. There is no supporting Greater Sydney Region Plan and accompanying District Plan for our area with no new housing targets. The reforms set up controls that apply state-wide or to the Greater Sydney region, overriding and sidelining local planning controls. The reforms should be implemented through the planning hierarchy of new or updated region and district plans that are created in collaboration with Councils and the community including alignment with the states long term infrastructure strategies. The plans should encompass all aspects relating to land use planning; not limited to a state-wide housing target figure. This revised approach would enable Councils to review current local strategic plans and strategies, including the Draft Edgecliff Strategy and the recently adopted Double Bay Strategy. Then, prepare and implement any necessary updates to meet growth demands and review housing and employment targets and deliver plans that are responsive to our future desired local character in consultation with the community.

The *Local Environmental Plan Making Guidelines* (August 2023) (the Guidelines) provides a detailed explanation of amending LEPs including the requirements for State-led rezoning for precincts. The Guidelines identify the need to outline a set of specific actions and objectives for areas, with precinct planning in a 'coordinated approach by State and Local government' which helps to ensure 'infrastructure such as schools, parks, community facilities, public transport and road upgrades are delivered to support housing'. Further, the Guidelines explain the role of a Local Strategic Planning Statement to set out the priorities and actions and identifies the need for further local strategic planning work (e.g. precinct planning, local housing, employment strategies and infrastructure strategies), prior to implementing LEP amendments.

In summary, the DPHI's approach with the reforms is not best practice planning. We do not support the reforms on this basis. We strongly urge the NSW government to recommit to a sound strategic planning framework as intended under Division 3.1 Strategic Planning of the EP&A Act 1979 as the best practice approach to setting new housing targets in collaboration with Council.

3.1.3 Lack of evidence supporting the reforms

The reforms are not supported by an evidence base that demonstrates the changes proposed would fulfil the objective of creating more in-fill low- and mid-rise housing to meet the five year housing target under the Accord, nor do they show any consideration for local character. With the enormity of the changes proposed, there should be a publicly available evidence base that demonstrates the non-refusal controls, statewide land-use permissibility changes and reduced *Apartment Design Guide* (ADG) design criteria such as building separation, setbacks, landscaping provisions, car parking, and access requirements that would be achievable and result in good urban design outcomes. For example, industry feedback and staff research has shown the proposed precinct non-refusal standards for building height and FSR are not achievable; with the proposed FSR not achievable with the recommended building height of 16m and 21m. In preparing this submission we asked for this evidence. However, it was not provided. Furthermore, at a Departmental webinar it was suggested that Councils could provide their own evidence base.

There is also no information to demonstrate that infrastructure constraints, both current and those expected as a result of the reforms have been considered either at a local or state level. This issue is discussed in **Section 3** below.

Further to the above, there is no economic research that suggests the reforms will deliver new housing in the proposed station and town centre precincts. According to documents prepared by the DPHI, fewer than 10 percent of homes proposed under the NSW government's TOD program would be delivered during the five-year period up to June 2029¹. We would similarly expect a delayed housing pipeline for the low- and mid-rise changes.

Due to market conditions in our area, the increased FSR and height controls could stagnate dwelling growth for development applications (DAs) with approved RFB and STH buildings in precincts for some time, further interrupting our housing delivery pipeline. The changes will create uncertainty and developers will likely consider options to lodge new DAs with the increased FSR and building height controls, in addition to the Housing SEPP affordable housing bonuses.

The EIE document references two reports from the NSW Productivity Commission; *Building homes where people want to live* (2023) and *Building more homes where infrastructure costs less* (2023) and a 23 year-old report from the Grattan Institute, *The housing we'd choose* (2011). These reports are high level documents with no specific information on how the reforms would work at a local level nor provide any specific justification on the changes proposed.

¹ McGowan, M, *Only 10 percent of one of Labor's signature housing policies to be delivered by end of the Housing Accord*, Sydney Morning Herald, 7 February 2024.

We have reached out to the DPHI during the consultation period to provide the evidence base in response to these issues mentioned above. No information was provided in relation to our request.

In direct contrast to the reform's one-size-fits-all changes, our Council has worked extensively over the past years on the development of the plans and strategies. These strategies were developed with extensive background studies from consultants and Council staff, including planning and urban design studies involving site testing, heritage studies, transport studies and economic studies that have been made available to community through the various stages of consultation. This evidence base was used by Council staff to develop the built form elements of each strategy such as building heights, street wall height, FSR, built form, land use, amalgamation patterns, active frontages, public domain improvements, parking requirements and active transport.

Based on the issues identified above, the EIE does not have an evidence base to support the changes and the changes could impact on our housing delivery pipeline. The scale of the proposed changes is unprecedented and should be the result of robust, place-based evidence that informs planning outcomes, not the arbitrary one-size-fits-all changes seen under the reform.

3.1.4 High levels of population density and dwelling density

The reforms rely on findings in the NSW Productivity Commissions 2023 report, *Building More Homes Where People Want to Live*, that state Sydney 'is one of the least dense global cities' and there being insufficient housing stock of low and medium density in-fill housing in inner suburbs. The report states that terraces, cottages and small apartment blocks account for only 20% of housing stock and also that these housing types are not being allowed under current planning laws. This is not true of the Woollahra LGA, where we have a higher percentage of medium density housing stock, and our local controls already permit dual occupancy in low density residential areas and RFBs are permissible in medium density residential areas.

The Woollahra LGA has density on a global scale. In 2021, the population density was 4,363 people per km², already significantly higher compared to Greater Sydney and comparable to other global cities as shown in **Figure 5** below. The population density is shown to be considerably higher for the suburbs of Double Bay (5,886 people per km²), Edgecliff (8,330 people per km²), Paddington (7,938 people per km²) (Woollahra LGA and City of Sydney), Woollahra suburb (5,991 people per km²)². Recent development activity in the Woollahra LGA confirms density is rising in our area and will continue to do so into the future.

Dwelling density in the Woollahra LGA exceeds many other comparable areas in Sydney, with 76.6% of dwellings being medium or high density, compared to 43.5% in Greater Sydney. This is clear to see when walking the streets of our suburbs including Double Bay

and Edgecliff, where high density, apartment living is the norm comprising of 76.6% and 69.9% respectively.³

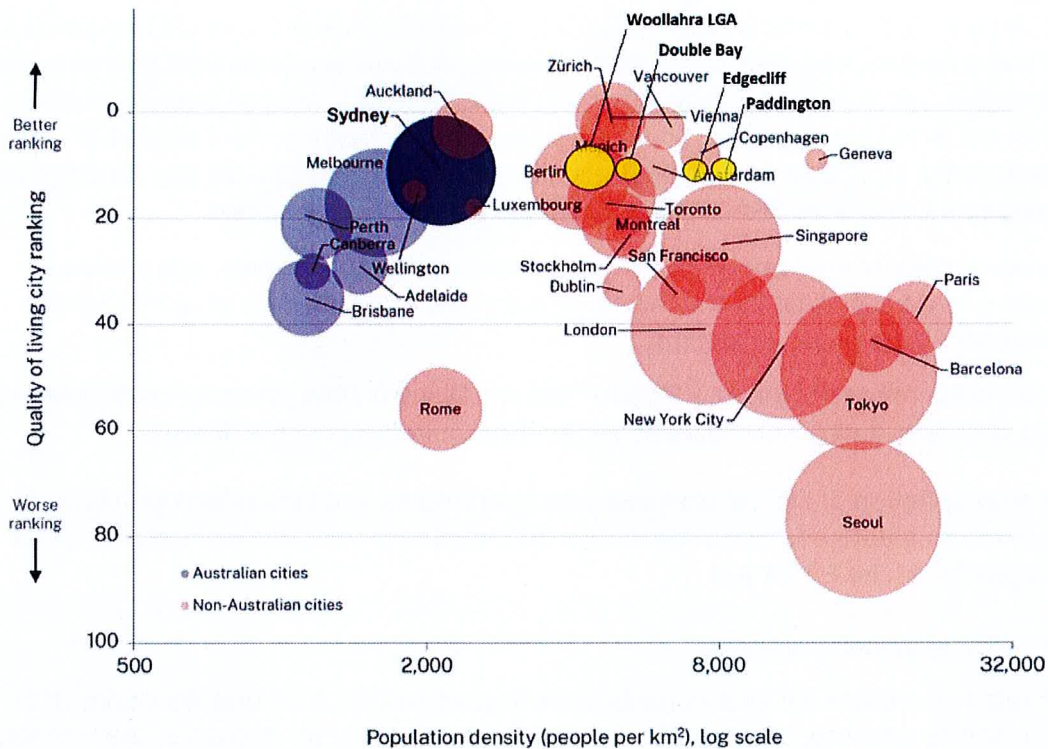


Figure 5: Population density comparison of the Woollahra LGA, Sydney and International Cities⁴

*This diagram has been included to show population density only and is not intended to make assertions on quality of living

3.1.5 Housing target delivery

Woollahra Council has met and exceeded the five year housing target (2016/17 to 2020/21) (+264 new dwellings) and is on track to meet the 6-10 year target. The *Budget Estimates 2023-24, NSW State Government* report showed Woollahra Council was one of the 13 Councils in Greater Sydney and part of the 13% of Council across NSW that met five year housing target (2016/17 to 2020/21).

The reforms do not address the delivery of new dwellings through local plans and strategies in response to housing targets established for the area set through the District Plan and *Woollahra Local Housing Strategy 2022* (Woollahra Housing Strategy). They respectively set a five year target of 300 dwellings for 2016 - 2021 and a 6-10 year target of 500 dwellings for

³ 2021 Census, Australian Bureau of Statistics.

⁴ NSW Productivity Commissions report, *Building More Homes Where People Want to Live* (2023). Note, Council staff have added in information relating to the Woollahra LGA (not to scale) taken from Profile ID data (2024).

2021-2026. However, we exceeded our 2016-2021 housing target by 70%, and we have already delivered over 43% of the dwellings required for the 2021-2026 target.

The reforms discuss generic gaps in existing residential zones and controls to encourage and make feasible new housing. As shown above, we have demonstrated that we have delivered on our five year housing target and have capacity in our existing local controls to deliver our 6-10 year target. Beyond our housing delivery pipeline, our Council has recently worked on the Draft Edgecliff Strategy and the recently adopted Double Bay Strategy. Both strategies will deliver additional housing through place based planning.

Council remains in full compliance with our housing delivery objectives, and we see no reason why we should be disempowered to make important planning decisions for our community by the proposed reforms.

We await the release of the new Region Plan and Districts Plan, with new housing targets created in consultation with Councils, as per the requirements of the Accord.

Recommendation 2: Do not proceed with the reforms and take a best practice approach to create additional dwellings in compliance with the Accord and under Division 3.1 of the EP&A Act

3.2 Place-based planning

The reforms override our local controls in the Woollahra LEP 2014 and Woollahra DCP 2015, and do not account for our local strategies and plans in place such as the Woollahra Strategic Planning Statement 2020 (Woollahra LSPS) and Woollahra Housing Strategy. The reforms have no regard for our vision for Woollahra Council; our future desired character or respect for local issues such as heritage conservation, view sharing and infrastructure capacity.

Council plans for new housing and renewal using a place-based strategic planning approach. This is best practice - delivering new housing in a sustainable and practical way. The proposed changes as exhibited would no longer allow Councils to control development to ensure that growth and development occurs in a planned and coordinated manner consistent with our plans, community expectations and needs. The proposed changes undermines Councils role in considering site-specific planning amendments.

Based on the above, the reforms eliminate Councils from delivering best practice, place-based planning and disregards our work over the last 20 years. The changes will create unnecessary confusion and complexity by overriding local planning mechanisms. We urge the NSW Government to abandon the reforms and collaborate with Councils on alternative measures to deliver the housing targets set by the Accord.

Recommendation 3: Do not proceed with the reforms and work with Councils to continue the delivery of local plans and strategies that create additional housing through place-based planning

3.3 Lack of community consultation

The reforms theoretically adhere to the consultation requirements under the EP&A Act for an update to a State Environmental Planning Policy (SEPP). However, we have significant concerns with the lack of adequate community consultation due to the scale of the changes proposed including an insufficient consultation and implementation timeframe and the lack of specific detail provided in the reforms to understand the final outcomes for our area.

The timing of the consultation period through the end of year and new-year holiday period from late December (2023) leaves little time for Council and the community to adequately respond to the reforms. Due to the consultation timeframe there is no time for the community to consider Council's submission to better understand the implications of the reforms locally prior to the end of the consultation period, which is important due to the lack of clarity, evidence base and final detail provided in the reforms.

To give an insight into the inadequacy of the community consultation. The Guidelines for LEP amendments require planning proposals to follow a step-by-step process with timelines for each stage. The Guidelines outline the specific content required for planning proposals such as the justification of the strategy and site-specific merit, supporting studies on the outcomes and maps to identify the areas to which the changes will apply. The Guidelines set out the process for assessing planning proposals, from reporting to Council's local planning panel for advice, then Council meeting, public exhibition and post-exhibition reporting to a Council meeting. In contrast, the EIE document provides only high level information with no evidence base to support site-specific merit and outcomes, does not provide mapping and does not provide a final plan of the changes so that the community can understand the impacts in our area.

Effectively, Councils have been left to complete their own site-specific research to understand the potential impacts of the reforms in our area. However, without knowledge of the final plan for station and town centre precincts in Woollahra, Council cannot fully respond to the impacts of the changes and share this information with our community.

The reforms are stated to be coming into force by 1 July 2024 or in third quarter of 2024. The DPHI has given no indication that there will be further community consultation prior to the implementation of the reforms, or that Councils will be consulted on a final plan for station and town centre precincts in our area or the drafting of an amendment to implement the reforms.

3.4 Infrastructure

We have significant concerns with the lack of consideration for infrastructure constraints and analysis provided in the reforms. The economic justification is inadequate with the reforms providing no evidence base on the current and projected local or state infrastructure capacity requirements as a result of the changes or a plan to introduce value capture mechanisms to fund additional infrastructure requirements for rapid population growth.

The reforms use a generalised economic justification for introducing more low- and mid-rise housing opportunities in inner suburbs, stating this approach would reduce infrastructure costs by removing an overreliance on Greenfield areas on the fringes of Sydney to provide

new housing. The reforms reference the Productivity Commission's 2023 report, *Building more homes where infrastructure costs less* report which states, 'servicing new housing with infrastructure can be up to \$75,000 more expensive for each home in outer suburbs to the inner suburbs' and assert the overreliance on Greenfield areas has directly led to a lack of affordable housing choices.

We are particularly concerned the reforms show no regard for existing infrastructure capacity and increased demand on infrastructure, such as road traffic network, pedestrian and cyclists, open space provision, schools, utilities, waste collection, which are already under pressure from capacity constraints, and ageing infrastructure. If the reforms proceed, existing infrastructure capacity must form part of the assessment for the implementation of a station and town centre precinct.

Another issue identified is the changes offer no certainty of the reforms impacts on existing infrastructure contributions and affordable housing contributions schemes, and they do not address how the additional infrastructure required by density increases and subsequent growth in population would be funded. There is no value capture mechanism accompanying the reforms. Our infrastructure is already under pressure and density increase must go hand-in-hand with value capture to provide for additional infrastructure requirements and local delivery mechanisms must not be undermined.

A high level summary of some of the other key issues is provided below:

- **Impacts on housing diversity** – In areas such as Double Bay, local market conditions often result in RFBs comprising a series of large, luxury penthouses. In such localities, larger units sell for more per square metre than smaller units with the same, or a lesser number of bedrooms. If contributions are provided by dwellings only, this will further encourage developers to offer a smaller numbers of units with greater internal floor space. This can only exacerbate the current housing diversity issue and further diminish the supply of smaller, more affordable units in the Woollahra LGA.
- **Car parking** - Due to the high level of development activity over the past decade, Council regularly receives complaints from the community regarding car parking and traffic congestion issues. We have significant concerns with the potential car parking impacts including:
 - Lack of parking, with street parking already under immense pressure across our whole Council area from residents and visitors, and there is little opportunity to create more street parking or off-street parking areas;
 - Inadequate public transport options with buses and the train line at capacity in peak times, and with little scope to increase serviceability.
 - Our area is restricted geographically (as a peninsula) with access for buses in and out of the area further constricted by road congestion, particularly at peak travel times;
 - Pressure on parks and community facilities from increased population and lack of adequate car parking to accommodate increased patronage to these places; and
 - Loss of local character and heritage from increased development due to prioritising car parking design in new developments. Due to market conditions in

our area, having minimum car parking rates will increase onsite car parking and put further impact amenity and our heritage significance from more basement parking and street level parking.

Despite these facts, the previous NSW Government repeatedly advised Woollahra Council that no new significant state infrastructure would be provided to support additional density across the area. We note the new Housing and Productivity contributions will require some payments, however these are not linked to new development and may be spent anywhere in Greater Sydney.

Recommendation 4: The reforms must assess existing infrastructure capacity in the application of station and town centre precincts.

3.5 Station and Town Centre Precinct issues

3.5.1 Station and Town Centre Precinct definition

The reforms state the definition station and town centre precincts as being:

- *800m walking distance of heavy rail, metro or light rail stations, 800m walking distance of land zoned E2 Commercial Centre or SP5 Metropolitan Centre, or*
- *800m walking distance of land zoned E1 Local Centre or MU1 Mixed Use but only if the zone contains a wide range of frequently needed goods and services such as full line supermarkets, shops and restaurants.*
 - *The Department is seeking input from councils to determine which E1 and MU1 centres contain an appropriate level of goods, services and amenities to be included.*

Staff consider the above definition of station and town centre precincts is vague and lacks sufficient detail and consideration of place based characteristics. For example, the definition relies on an 800m walking distance area, not as the 'crow flies' distance. The DPHI has confirmed that they do not intend to introduce mapping with the reforms, which raises significant issues as to where exactly the proposed precincts will apply. The most significant issues are outlined below.

Town Centre and full-line supermarket definitions

There is no planning definition for a 'town centre' or a 'full-line supermarket'. There is only the definition of a neighbourhood supermarket that is defined as a supermarket with a floor space less than 1,000m². As a result, the reforms provide no certainty to Council or the community on the precincts where the proposed reforms would apply.

Based on the EIE's definition and the scale of the changes proposed, we recommend the precinct definition should be updated as follows:

- Exclude all land zoned MU1 Mixed Use;
- Exclude all E1 Local Centres – unless:
 - The centre contains substantial infrastructure or a transport interchange such as a train station or bus interchange with existing capacity and additional capacity for planned population growth;
 - The centre contains at least two full-line supermarkets;
 - The centre must contain a wide range of consumer services, such as banks, hairdressers, medical premises and the like.

However, this is just an initial commentary, and staff suggest that the definition for 'town centre' should be developed in consultation with councils, using evidence based research to develop recommended areas for uplift.

Infrastructure capacity should form part of assessment criteria for the application of Station and Town Centres Precincts

Due to the scale of the changes proposed not all town centres would be appropriate (even if they met an agreed definition). Station and Town Centre precincts should only be considered where they are accompanied by sufficient infrastructure to accommodate population growth. Other infrastructure such as road networks, sewage facilities, water supply, schools, hospital and open space is fundamental to support liveability and new housing.

Application of inner (0-400m) and outer (400-800m) precinct areas

The precinct definition does not clearly define whether a 0-800m walking distance area applies from a train station entrance or from the edge of land zoned E2 Commercial Centre, SP5 Metropolitan Centre, E1 Local Centre or MU1 Mixed Use. The DPPI provided information during the consultation period that they intend to apply the inner (0-400m) area precinct controls inside town centres, as well as from the edge of centres (the inner (0-400m) and outer (400-800m) precinct area). This will create confusion and inconsistency, and undermines Councils strategies for centres and their surrounds e.g. active street frontages, recommended amalgamation patterns etc.

Our modelling and mapping has taken the approach that precincts areas apply around the edge of the zone, e.g. around the perimeter of an E1 Local Centre zone, rather than the centre itself. One of the key justifications for this is the significant strategic planning work we have recently been doing in preparing the Edgecliff and Double Bay Strategy.

Recommendation 5: The NSW government update the Station and Town Centre Precinct definition in collaboration with Councils and backed by an evidence base including an employment study

3.5.2 Local and neighbourhood centres

The Woollahra LSPS identifies a clear hierarchy of centres; local and neighbourhood scale business centres that consist of land zoned either E1 Local Centre or MU1 Mixed Use. The local centres of Double Bay, Edgecliff, Rose Bay, Oxford Street, Paddington and Rose Bay North, and other smaller centres of Rose Bay South and Queen Street Woollahra.

The neighbourhood centres across the Woollahra LGA are characterised with smaller scale retail, business and community uses to serve the surrounding neighbourhood. Some of these areas include; Hopetoun Avenue, Vaucluse, South Head Road Roundabout, Vaucluse, Five Ways, Paddington, Darling Point Road, Darling Point. These areas are not appropriate to provide the level of goods, amenity and services for inclusion as a station and town centre precinct.

Based on our research, most E1 Local Centre or MU1 Mixed use centres across our LGA do not meet the level of services or infrastructure to sustain the suggested growth. The Edgecliff Commercial Centre may be considered for uplift in principle, however, the non-refusal

standards are not recommended due to a lack of infrastructure capacity and built form constraints e.g. heritage significance.

Recommendation 6: No E1 Local Centres or MU1 Mixed centres in the Woollahra LGA are suitable for Station and Town Centre Precincts.

3.6 Surrounding precincts

The reforms do not address the impacts of cross-Council precincts - these are station and town centre precincts in an adjoining Council area that are within 800m walking distance of our area. The most likely centres that may impact on the Woollahra LGA, are the precincts surrounding Bondi Beach and Bondi Junction and Kings Cross. We consider it unlikely that any of the other small centres in Waverley Council and City of Sydney would meet the threshold for inclusion as a precinct.

Council staff have contacted adjoining Councils to discuss this issue. Without information on the final precincts, there is insufficient information to fully understand how the changes will ultimately impact on our area. Council staff have created indicative mapping above in **Section 2** of this submission at **Figures 1-2** that demonstrates the potential impacts of cross- Council precincts in our area, particularly on heritage significance in Woollahra and Paddington.

We strongly object to the introduction of cross-Council precincts. Amongst the other issues identified in our submission, cross- Council precincts completely disregard our local plans and strategies developed from extensive studies and place-based planning.

Recommendation 7: If the reforms proceed they must address impacts on cross-Council Station and Town Centre Precincts prior to proceeding and we recommend that precincts are not applied cross- Council boundaries

3.7 Urban design outcomes

3.7.1 Residential flat buildings and shop top housing in precincts

The proposed non-refusal standards for RFBs and STP in precincts are set out below in **Table 4**.

Table 4: Proposed non-refusal standards for RFBs and STH within precincts

Control	Existing controls	Non-refusal standards
Floor space ratio	As low as 0.65:1	<ul style="list-style-type: none">• 3:1 (inner area 0-400m)• 2:1 (outer area 400m-800m)
Building height	As low as 9.5m	<ul style="list-style-type: none">• 21m, 6-7 storeys (Inner area 0-400m)• 16m, 4-5 storey building (outer area 400m-800m)

Staff requested the DPHI provide modelling that demonstrates the proposed non-refusal controls would be achievable and development under the changes would have good amenity and environmental outcomes – no evidence was provided. Staff conducted modelling of the proposed non-refusal standards and researched recent DAs, and made the following findings:

- A building height of 21m (6-7 storeys) is consistent with a maximum FSR of closer to 2:1, not 3:1 as proposed; and

- A building height of 16m (4-5 storeys) is consistent with a maximum FSR of closer to 1.5:1, not 2:1 as proposed.

If the changes proceed, the proposed FSR and height of building non-refusal standards of up to 3:1 and 21m respectively, would at worst represent an over 462% increase on FSR and 221% on building height compared to development standards under the Woollahra LEP 2014. The reforms would be in addition to the Housing SEPP's affordable housing bonuses of up to 30% FSR and building height for mid-rise housing in station and town centre precincts.

Recommendation 8: The NSW government must not proceed with the reforms, as they do not respond to our desired future character and RFB and STH development under the changes will have excessive impacts on amenity and streetscape. If the NSW government proceeds with the reforms the non-refusal standards should be reduced and supported by site-specific modelling and land with heritage significance should be exempted.

3.7.2 RFB development scenario comparative analysis

The development scenarios below demonstrate some of the potential impacts of the proposed reforms in our Council area. The scale of the reforms would have severe and unprecedented impacts on our Council area.

Typical lot scenario 1 – inner precinct area (0-400m)

This example looks at the reforms impact on a typical neighbourhood characterised by two-storey residential development at Wallaroy Crescent, Woollahra. The area is relatively flat and within 0-400m walking distance of a station and town centre precinct. The modelling has been applied to one amalgamated site.

Key information:

- **Current controls** - Under the Woollahra LEP 2014 the site is in the R3 Zone and has a FSR of 1:1 and building height of 10.5m (3 storeys). The site is eligible for the new affordable housing bonus of up to 30% for FSR and building height.
- **Reforms** - The site is within the inner precinct area (0-400m), and would be subject to the proposed non-refusal standards with an FSR of 3:1 and building height of 21m (6-7 storeys). This is a 300% FSR increase and 200% building height increase compared to local controls.
- **Reforms and Housing SEPP affordable housing bonus** - The reforms state the affordable and social housing bonus of up to 30% additional building height and FSR would apply on top of the proposed non-refusal standards. The resultant development standards in this scenario would be a FSR of 3.9:1 and building height of 27.3m (10 storeys). This is a 390% FSR increase and 260% building height increase compared to the current controls under Woollahra LEP 2014.