

Submission
No 96

INQUIRY INTO DEVELOPMENT OF THE TRANSPORT ORIENTED DEVELOPMENT PROGRAM

Organisation: The Committee for Sydney

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Introduction

The Committee for Sydney is the city's peak advocacy and urban policy think tank. We are an independent non-partisan organisation with more than 160 members. We are advocates for the whole of Sydney, developing solutions to the most important problems we face. Our goal is to help our city be the best in the world.

A deep research base on the issue of Transport Oriented Development and housing in Sydney

The Committee has developed a significant body of work in the housing and transport-oriented development space, including our reports:

- [Chronically unaffordable housing](#) – determining that a lack of affordable housing is costing Sydney over \$10bn per year, every year, in lost productivity, talent and innovation;
- [Defending Sydney](#) – identifying where and why we need to scale back development to mitigate the impacts of natural disasters made worse by climate change and urbanisation;
- [Rethinking station precincts](#) - examining the opportunity for Transport-Oriented Development in Sydney;
- [Bringing Affordable Housing to Scale](#) – examining options for the delivery of Social and Affordable housing at scale to address chronic unaffordability issues in Sydney.
- [Planning for growth](#) - making the case for the need for approvals of housing to outstrip the expected number of completions we need;
- [Better parking for better places](#) - arguing for reform to parking policy to unlock Density done well, shift the sustainability of our transport system and make housing more affordable.
- [Making great places, density done well](#) - articulating the principles of what 'good' density needs – in terms of connectivity, amenity and affordability.

These major reports relevant to this enquiry are also supported by specific recommendations we have made on issues including:

- [It's time to move people out of the path of the floods](#)
- [The problem of affordability – Four areas of focus to fix Sydney's greatest challenge](#)

We have also engaged deeply on the question of how public space can be improved to deliver better places – including running a [Public Space Ideas Competition](#) and research on [improving](#) and [mapping](#) Sydney's high streets.

TOD – the right way forward for Sydney's housing crisis

[Rethinking station precincts](#) found that station precinct development could deliver up to 45% of the total dwellings required in metropolitan Sydney over the next two decades. This represents the largest and most impactful policy change to Sydney's housing crisis - increasing the amount of housing in well-located places like transport hubs.

We want the Transport Oriented Development (TOD) program to succeed and to deliver great outcomes for the people of Sydney. To do so, it must strike a balance between delivering on its objectives to unlock

housing supply, while building the social license for future expansion through a clear demonstration of the benefits that communities can receive through density done well.

While TOD, and increasing housing supply, is not the only lever to resolve the housing crisis, it is a sensible and critically needed one. It not only offers a chance to increase the supply of housing, but more importantly, increases transport access and equity, reducing car dependency, reducing the need to build on flood prone land, or pristine biodiversity corridors on the edges of Sydney.

Response to the inquiry's terms of reference

The development of the Transport Oriented Development Program policy approach by the Government

The Committee commends the work undertaken by the Department of Planning Housing and Infrastructure (DPHI) in producing such a significant reform program in such a short period of time.

There is a mountain of evidence that points to the reasons why we need to build more housing, and why it is timely. The Committee for Sydney's own research found that Sydney's housing crisis is chronic, and costing our economy over \$10 billion in talent, productivity, and innovation every year. We know we need to build more social, affordable, and private housing at a faster rate than we have ever done before.

The TOD program is not the only solution to this housing challenge, but it is a major part of the puzzle. We support the Government's evidence-based approach to site selection, focused on existing capacity and the objective to increase the number of homes within walking distance of existing public transport.

The Committee also supports the avoidance of industrial lands, recognising the important role that these precincts play in supporting urban and suburban services, including businesses and land uses needed to support high density communities, and providing for a diversity of jobs. While there is a need to focus on delivering housing for all, this cannot come at the expense of job availability.

Given local Councils know their local community and neighbourhood contexts intimately in ways that State Government can't, there will inevitably be elements of the initial TOD program that are imperfect, however in light of the scale and urgency of Sydney's housing challenge, we must not let perfect be the enemy of good.

This is why the Committee supports the Government's approach to commence the TOD SEPP and leave it in place until Councils can complete local master-planning that either meets, or exceeds the capacity unlocked by the TOD SEPP.

We also have the following suggestions for the implementation phase of the program:

- Further clarity is given to councils relating to the opportunity to opt out of the TOD SEPP if their controls meet or exceed the capacity of the TOD SEPP within the train station area.
- The Department should also remain in close communication with Councils once the TOD SEPP comes into effect to ensure they are adequately resourced to assess applications. We suggest a 'flying squad' team is mobilised if required. This is to ensure smooth implementation of the policy. There will be challenges to address once the policy comes into effect that councils may need support to manage.

- Working with councils to understand their local housing needs and where their own housing strategies have identified specific typology demands.

The consultation process

The Committee for Sydney was not engaged in detailed or specific consultation in relation to the development of the TOD SEPP. We had discussions with the Department of Planning, Housing and Industry in relation to our report published in May 2022 'Rethinking Station Precincts' which is aligned with the TOD program – where the Department queried our research and wanted to understand the principles underpinning it.

Heritage concerns

The Committee does not support heritage or character being used as an excuse to stall growth and change in a neighbourhood, however new development and heritage aren't incompatible. There are many examples of density done well where increases in density have responded and respected local character and heritage and achieves great places.

In fact, many heritage conservation areas throughout Sydney already have examples of 1970s three to four story residential flat buildings amongst heritage items, situated within heritage streets with high levels of character. Sometimes, the best-designed density is the density that you don't even notice.

This is why we support the Government's proposal to retain heritage protections for heritage items, and for heritage conservation areas to remain a relevant matter for consideration.

We believe that certainty for applicants and speedier heritage assessment could be achieved if the department were to develop design principles for heritage conservation areas, so that broad principles could be applied across local government boundaries. The inclusion of case studies that show how new density can be achieved within heritage conservation areas would help both applicants and assessors.

Whilst the proposal makes it clear that heritage items will be protected, it will be important to provide further clarity on competing LEP clauses will be required to avoid expensive and lengthy Court delays.

The enabling infrastructure capacity for every station selected or considered as part of the Transport Oriented Development Program Infrastructure capacity

While transport, water and sewerage capacity were considered by DPHI as part of the selection of the 31 TODs, it is the Committee's view that this is the baseline, not the benchmark of achieving 'density done well'. To live full and rich lives, people need to be able to access retail, local services, childcare, schools, public spaces and entertainment, in addition to the baseline infrastructure requirements. It's unclear whether the location of, and adequacy of existing services and community infrastructure has been fully considered as part of the 31-station identification process.

In some cases, schools, retail, services and community infrastructure needs greater population densities to sustain it, in which case the uplift in densities will help facilitate these. However, planning should occur upfront to ensure that rezonings result in uplifts in land values that make the future provision of schools, open space etc. expensive and difficult to stack up.

Our suggestions to DPHI were as follows:

- Prior to finalising the SEPP, work with local council to ensure existing social infrastructure and open space provision is appropriate for forecast levels of development. There could be unintended consequences if the TOD SEPP increases the value of land that is required for public open space or increases local populations beyond the capacity of existing local social infrastructure.
- The Department of Education's planning process is often completely siloed from DPHI's – to ensure that the Department of Education is a key stakeholder from the outset to ensure that schools (current and/or future) have capacity to meet local population growth.
- Work with councils to understand expected future demand for commercial floorspace in centres zoned E1 and E2 to ensure the TOD SEPP does not have negative impacts on needed employment and services floorspace. This information should be readily available as councils were required to do this work through their Local Strategic Planning Statement (LSPS) process.

The impact on localised environment and amenity values caused by the Transport Oriented Development Program

In the committee's 2016 Density Done Well report, there is significant evidence that density done well results in significant environmental and amenity benefits. Most academics across a range of disciplines tell us that urban consolidation is a good thing and offers a number of public goods:

- Health experts tell us that areas with higher density hold healthier and more active populations.¹
- Transport experts tell us that only high density neighbourhoods can support public transport and green travel options like cycling and walking.²
- Environmental experts tell us that higher density neighbourhoods can produce less carbon emissions and help protect our precious biodiversity, however need to be designed with greening in mind.³
- Economists tell us that high density neighbourhoods are more productive, creative and efficient.
- Most importantly, behavioural psychologists tell us that we instinctively like high density, 'people' places. We are essentially social animals and we crave places with lots of other people. That we like to see people, and be seen. Research shows that there is a link between happiness and density, but only when it is done well.⁴

If you take a moment to think of examples of urban places you love, invariably they are dense and vibrant – great places are generally contingent on density to thrive. It is highly likely that by increasing density to a relatively gentle six storeys, the TOD program will have a positive impact on local amenity, and, when taking a city-wide environmental perspective, is far better for the environment than continuing to sprawl

¹ See: <https://www.healthyactivebydesign.com.au/design-features/housing-diversity/evidence>

² See: <https://etrr.springeropen.com/articles/10.1186/s12544-021-00502-5>;
<https://etrr.springeropen.com/articles/10.1186/s12544-021-00502-5>

³ See: <https://besjournals.onlinelibrary.wiley.com/doi/full/10.1002/pan3.10423>

⁴ See: <https://happycities.com/blog/does-density-hurt-happiness>

endlessly into flood plains or critical habitat – or simply in locations far from jobs, services and other people.

While in principle the benefits of policies like the TOD program are clear, our advice to DPHI was to further refine the SEPP to ensure that there are increased opportunities for greening and urban canopy in future TOD areas. One major omission of the TOD Program document was that it did not mention biodiversity, tree canopy cover or landscape, yet these features are critical to achieving 'density done well' and creating a liveable urban environment.

As outlined in the Committee's [Nature Positive Sydney](#) report, there are several benefits from increasing nature in urban areas from reducing heat, improving air quality, resilience, health and happiness.⁵

Nature-positive and urban greening controls are also a critical to ensure equity across Sydney, with a particular need to green Western Sydney which has far less urban tree canopy than the east, despite experiencing far higher temperatures during heatwaves.⁶ Greening our suburbs is a non-negotiable to achieve density done well.

Our suggestions to DPHI were as follows:

- Consideration should be given to how development will improve tree canopy or biodiversity in the neighbourhood – this can be achieved through maximum site coverage controls (70%) and minimum deep soil controls (15% as per the ADG), while removing FSR maximums (noting that deep soil is not likely able to be achieved in wall-to-wall Employment zone contexts).
- Achieving a 3:1 FSR within a 21m height envelope will be difficult to achieve for a lot of sites. Rather than rely on FSR, maximum site coverage controls will provide more nuance and more certainty to achieving tree canopy and landscape outcomes.
- An alternative to compliance with minimum deep soil requirements could be the creation of a tool similar to London or [Melbourne's](#) 'Urban Greening Factor' that helps applicants calculate the UGF score of a scheme and present relevant information as part of their application.⁷ This provides applicants with more choice in how they can achieve a nature-positive outcome such as green rooves, walls, courtyards, tree canopy etc.

The impacts of the proposed Diverse and Well-Located Homes process and program

The Committee for Sydney provided DPHI with a submission into the EIE for changes to create low-and mid-rise housing.

In response to the housing challenge, many of its principles are sound. Building new homes within good walking distance to transport and existing centres is where we should be focusing on building new housing supply. Sydney has a polycentric advantage – it benefits from having a great number of diverse centres.

However, the question is how to best to approach this objective. A consistent approach to upzoning in a city as diverse as Sydney should be carefully examined, taking into account the potential for unintended

⁵ See: [Committee-for-Sydney-Nature-Positive-Sydney-February-2023.pdf \(hostroomcdn.com\)](#)

⁶ See: [Tree canopy data | Planning \(nsw.gov.au\)](#)

⁷ See: [Urban Greening Factor \(UGF\) guidance | London City Hall;](#)

consequences that may arise and ensure they are adequately addressed prior to implementation. Understanding how feasibility changes across the city, how access to good transport and amenity changes along with capacity of existing services (including schools) is critical.

Our recommendations below are principally focused on the proposed mid-rise changes. We are broadly supportive of the low-rise changes that will see dual occupancies and terraces salt-and-peppered across Sydney.

In our view, there are three key issues raised by this proposal that need to be addressed:

1. Not all of Sydney's centres offer the same levels of transport, open space, education, and jobs accessibility. This means that it is likely there would be some cases where six to eight stories in R3 zones may not be appropriate, even within walking distance of a centre. Feasibility can also drastically change depending on the location.
2. This policy has the potential to undermine local council master-planning, in areas where uplift to eight stories is dependent on community benefits – i.e. Affordable housing, creative spaces, good design provisions.
3. This policy approach will spread funding for infrastructure improvements more thinly across an LGA, in some cases councils may not be able to fully predict where and when take-up will likely occur. This may mean needed upgrades to local roads, parks, and other community infrastructure will not be able to keep up with residential growth.

The Committee is one of the loudest advocates for density done well and the suite of policies presented by the NSW Government are a once-in-a-generation opportunity to improve housing access in Sydney. By taking the time to properly collaborate with councils on the Medium Density changes, even if this results in a small delay initially, we will achieve better design outcomes faster uptake, and a more prolonged and enduring impact in the long term.

The capability of Greater Sydney to provide for increased residential dwelling where the existing capacity has been diminished due to the effects of climate change

Sydney is at a crossroads. We're facing a housing crisis and climate crisis. We cannot shy away for building more homes to accommodate for population growth – both via natural growth, and migration – as well as the need to consider the developable footprint of Sydney as we face significant flooding concerns, and biodiversity constraints in different parts of the city.

These challenges mean that we don't really have a choice but to look at how we can maximise the use of finite land far more efficiently and effectively. TODs are a very obvious way to do this. While we believe that the low and midrise proposal needs more careful selection of where it applies (and it is our understanding that DPHI and councils are in the process of working together to do this), the TOD program is not only sound, but critical to help balance the need for more homes in a more constrained environment.

We need to go up before young people move out, and we need to focus on concentrating development in areas that are safe from climate hazards, and limit impact on biodiversity and habitat destruction. Infill development will always be better than greenfield development when it comes to mitigating these impacts.

Other considerations

Increase the supply of Affordable Housing

The Committee supports the government's proposal to mandate a minimum 2% affordable housing contribution in perpetuity on all new developments in the 31 locations. It is a good starting point into inclusionary zoning in a range of places, yet there is further work that needs to be done in parallel to ensure we are maximising the provision of affordable housing.

Our suggestions to DPHI were as follows:

- While 2% is a start, there needs to be significant clarity on different aspects of the proposal, including:
 - What 'affordable housing' means in the context of the TOD SEPP. The Committee supports adopting the definition within the Housing SEPP.
 - Clarity on whether this is affordable housing provided on-site, or to a levy style-scheme, is required. If the housing is provided on-site, it should be managed by a not-for-profit community housing provider (CHP). If the affordable housing is in the form of a contributions levy we need to determine who collects and administers these funds (e.g. Local Government, State Government or CHPs). Similarly, clarity is needed on where this contribution can be spent – should it be within the TOD boundaries, within the LGA or across the state? The Committee recommends further engagement with the CHP sector to understand models that maximise the delivery and maintenance of affordable housing supply.
 - Whether the 2% affordable housing represents housing in perpetuity or is in keeping with the 15-year Housing SEPP provisions. The Committee's strong view is that it should be provided in perpetuity. These locations are also the best locations to house key workers and low-income households – the people that will be doing the essential work needed to keep our city running. If the affordable housing is not provided in perpetuity, we will only be kicking the problem down the road.
 - Whether modelling shows higher rates than 2% can be achieved in some of the 31 centres. It may be feasible to achieve higher rates in high value locations where a clear and certain scheme is outlined from the outset, prior to rezoning.
 - The Committee supports the intention outlined within the document to increase the affordable housing contribution over time to make sure essential workers like health workers, teachers and hospitality workers can live closer to work.
- While not within the remit of the Department of Planning, it's also critical that affordable housing contributions are tracked, transparent and actually affordable, in perpetuity. The Committee suggests working with HomesNSW to establish an affordable housing register so councils and community can easily track whether promised affordable housing is being realised.

Increase supply of family-friendly apartments

Recent research shows that there is a mismatch between the demand for family apartments and supply. A University of Wollongong study found that compared to family preferences, there was an



overproduction of one and two-bedroom apartments in their study area (Liverpool CBD).⁸ They found that over half of Liverpool CBD apartments are occupied by families with children, yet the proportion of family-sized (3bd+) apartments is only falling from 15% in 2011 to 14% in 2021.⁹

Development trends in Liverpool reflect the increasingly high-density community around centres and transport hubs that being created across the 31 TOD locations. Despite growing demand for larger apartments (even without children, work from home means increased need for office spaces), it is unlikely the market will increase the provision of 3bd apartments without regulatory intervention.

Ipsos polling commissioned by the Committee for Sydney showed that attitudes towards raising families in apartments are changing significantly. While only 25% of baby boomers think it appropriate to raise a family in an apartment, this increases to 40% of Millennials and 46% of Gen Z, indicating an increased demand for family-apartments in coming years.

Our suggestions to DPHI were as follows: That the Department increase the ADG guidance for 3bd apartments from 10% to 20% specifically for development affected by the TOD SEPP. This will increase housing diversity across Sydney and provide more options for families to live within proximity to good public transport. This approach also aligns with existing DCP provisions in place at Hills Shire Council which has not seen a decrease in apartment approvals post intervention.

Thank you

Thank you for the opportunity to provide a submission to the Inquiry into the development of the Transport Oriented Development Program.

Should you have any questions or want to discuss our submission in more detail, please do not hesitate to reach out to Estelle Grech, Policy Manager, via

Kind regards,

Eamon Waterford
CEO
The Committee for Sydney

⁸ See: [Suburban densification: unpacking the misalignment between resident demand and investor-driven supply of multi-unit housing in Sydney, Australia: Australian Planner: Vol 59, No 1 \(tandfonline.com\)](#)

⁹ Ibid.