

INQUIRY INTO DEVELOPMENT OF THE TRANSPORT ORIENTED DEVELOPMENT PROGRAM

Organisation: Blue Mountains City Council

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Blue Mountains City Council

Submission To the NSW Parliamentary Inquiry into the Transport Oriented Development Program

March 2024

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1. Terms of Reference Addressed in this Submission

This submission by the Blue Mountains City Council responds to the following Terms of Reference of the NSW Parliamentary Inquiry into the Transport Oriented Development Program:

1. *That Portfolio Committee No. 7 – Planning and Environment inquire into and report on the development of the Transport Oriented Development Program (TOD), and in particular:*
 - (a) the analysis, identification or selection undertaken by the Government, the Premier's Department, The Cabinet Office or the Department of Planning, Housing and Infrastructure (Department) into:*
 - (iii) any of the 305 Sydney Trains, Sydney Metro and Intercity stations within the Six Cities Region which were considered as part of any of the Transport Oriented Development Program locations.*
 - d) consultations undertaken with councils, joint regional organisations and communities during the preparation of the Transport Oriented Development Program State Environmental Planning Policy*
 - (e) ongoing opportunities for review and input by councils, joint regional organisations and communities, including consultations with renters, key workers and young people needing affordable housing in relation to the Transport Oriented Development Program State Environmental Planning Policy*
 - (i) the heritage concerns with the Transport Oriented Development Program including but not limited to the concerns of the Heritage Council*
 - (j) the enabling infrastructure capacity for every station selected or considered as part of the Transport Oriented Development Program*
 - (k) the impact on localised environment and amenity values caused by the Transport Oriented Development Program*
 - (l) the existing or potential measures and programs analysed, considered or implemented by all NSW Government agencies to support additional housing density, including the housing series reports published by the NSW Productivity Commissioner*
 - (m) the ten measures outlined in the National Cabinet's National Planning Reform Blueprint*
 - (o) the impacts of the proposed Diverse and Well-Located Homes process and program*
 - (p) 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*
 - (q) the adequacy of measures to deter and punish the misuse of confidential market sensitive government information and the future processes that should be put in place*
 - (r) any other related matters.*

2. Executive Summary

Blue Mountains City Council is subject to the *diverse and well-located homes program*, with the housing reforms proposed under the Department's *Explanation of Intended Effect: low – and mid – rise housing reforms* intended to apply to the Blue Mountains Local Government Area. There are no locations identified under the Transport Oriented Development SEPP in the Blue Mountains.

Council's submission to the Department of Planning, Housing and Infrastructure in response to the *Explanation of Intended Effect*, raised serious concerns regarding the range of significant adverse impacts that would arise in the Blue Mountains LGA from the proposed imposition of the blanket approach to increasing height and density. These reforms would affect the proposed Station and Town Centre Precincts, but also extend into all R2 Low Density Residential zoned areas, in the case of dual occupancy development. Council's submission on the *Explanation of Intended Effects* forms appendix A to this submission to the Parliamentary Inquiry.

Council's key concerns are summarised below. Individual responses and recommendations are also made in relation to each term of reference at the conclusion of that section of the submission.

Council submits that as a City within a World Heritage, with the unique characteristics outlined in this submission, particularly high bushfire risk, the proposed *diverse and well locating housing* changes as outlined in the *Explanation of Intended Effect* document are completely inappropriate and should not apply to the Blue Mountains.

The specific constraints and values of individual train stations, town centres and localities need to be taken into consideration. In particular, due strategic consideration must be given to natural disaster risk, such as bushfire, and that those areas subject to these risks be excluded from the application of blanket uplift and density increase as currently proposed under the *Explanation of Intended Effect*.

The underpinning Productivity Commission Housing Reports referenced in the *Explanation of Intended Effects* clearly identify inner – middle ring Sydney metropolitan locations as the focus of the housing reforms. The application of the proposed housing reforms needs to be refined and tightened to only apply where intended, in well located metropolitan areas. As such, a more targeted application of the *Station and Town Centre Precincts* definition is required, which is consistent with the intended location of *diverse and well located housing*. The definition of *Station and Town Centre Precincts* must clearly exclude train stations served exclusively by intercity lines and both E2 Commercial Centres and E1 Local Centre zones in Metropolitan Rural Areas beyond the Metropolitan Urban Area, as established by the Sydney Region Plan and District Plans.

In addition, the proposed changes to Dual Occupancy densities across in R2 Low Density Residential zones outlined in the *Explanation of Intended Effect* should only be applied to Metropolitan Urban Areas of Sydney, and exclude areas within the Metropolitan Rural Area, or areas where there would be significant environmental impact or increased risk from natural disaster. Specifically, the Blue Mountains should be excluded from the application of these changes in acknowledgement of the impact of the sensitive World Heritage National Park receiving environment and the increased densification in areas at risk from bushfire that would

result from the proposed changes, as well as the limited infrastructure capacity to accommodate such changes.

Blue Mountains City Council is supportive of the need to increase housing availability across the Greater Sydney Region in an appropriate way. Council is meeting its State agreed housing targets approved through the Blue Mountains Local Housing Strategy 2020 and remains committed to providing sufficient housing diversity and affordable housing to meet the needs of the local population, while protecting this unique and sensitive environment for the benefit of all. This approach was endorsed by the State Government through Local Strategic Planning Statements.

Council is also exploring options for increasing affordable housing and is open to working to explore additional housing options outside of the proposed housing reform framework, using its longstanding fine grained place-based strategic planning approach, to ensure new development is suitable to the unique and sensitive environment, the tourist based economy and infrastructure limitations which exist in the Blue Mountains LGA, and responds to the bushfire risk .

If the planning reforms proceed as proposed in the *Explanation of Intended Effect*, it will risk not only the safety and wellbeing of local residents, but the water security and environmental health of the Greater Sydney region, as well as threatening the international and domestic tourist market in the Blue Mountains. In the Blue Mountains LGA, the level of environmental, economic and social impact of this one size fits all mandated changes, greatly outweighs the extent to which the LGA can contribute to Sydney's Housing Growth.

There must be greater consideration of the unique characteristics of a locality, rather than applying a one size fits all planning approach to the entire Six Cities Region. There are many alternate options which could be explored at the local and regional level to address housing supply, and we ask that the State government genuinely engage with local government to collaborate on these solutions, rather than continually seeking to impose top down, one size fits all solutions, that do not adequately account for local conditions, and which will ultimately lead to a new set of housing and environmental problems.

In addition to the recommended changes to the proposed *diverse and well located homes program*, Council also requests that the draft SEPP proposed to enact any reforms be publicly exhibited before being made, to give Councils and the community the opportunity to comment on the detailed legislation and changes made in response to the current public exhibition.

3. Response to the Terms of Reference

3.1 Term of Reference (a)(iii):

the analysis, identification or selection undertaken by the Government, the Premier's Department, The Cabinet Office or the Department of Planning, Housing and Infrastructure (Department) into:

(iii) any of the 305 Sydney Trains, Sydney Metro and Intercity stations within the Six Cities Region which were considered as part of any of the Transport Oriented Development Program locations.

There does not appear to be any evidence of detailed analysis, identification or a selection process of train stations suitable for inclusion in the *diverse and well located housing program* was undertaken before proposing the designation of train stations within the Blue Mountains LGA as *Station and Town Centre Precincts*.

The underpinning Productivity Commission housing series reports on which the *diverse and well located homes program* is purportedly based, identify that housing growth can be and should be achieved in inner to middle ring areas of Sydney, close to jobs, services and transport. They explicitly recommend avoiding development in the fringe areas and beyond, yet this is the effect of the proposed planning reforms.

Any consultation with local government, study of train and bus timetables, or examination of local land use patterns would have revealed that the assumptions of the underpinning documents could not apply across the entire six cities region. The designation of *Station and Town Centre Precincts* applies broadly, including areas served by infrequent intercity train services only, with many stations only servicing small towns and villages with few shops and services that do not meet day to day needs of residents. This indicates strongly that no detailed analysis was conducted to inform the proposal to uplift development in residentially zoned areas across the entire Six Cities Region, via a one size fits all set of standards.

The *Explanation of Intended Effect* also assumes that any railway station in the Six Cities Region will be part of a wider well- connected public transport system, providing easily accessible links to existing well serviced town centres and infrastructure. This vision is based on a metropolitan transport network, with frequent train services. This is not the case in the Blue Mountains LGA which is served by an intercity rail network, with a service frequency at best of 1 train per hour for most of the day. By comparison most metropolitan heavy rail train stations have a service frequency of 1 train every 15 minutes. In addition, many of the targeted train stations are not co-located with well serviced town centres and infrastructure; and the limited Blue Mountains train services are not augmented by an extensive or frequent bus service between towns and villages. As a result, most residents rely on private cars to access services and employment located outside their small town or village. This demonstrates the lack of analysis undertaken to inform the identification of *Station and Town Centre Precincts* and the extent of the application of the proposed reforms.

For further detail on the limited public transport services and town centre facilities within the Blue Mountains LGA, please refer to section 3 (pages 18-26) and Attachment 1 of the Council submission on the *Explanation of Intended Effect*. Pages 5-8 of that submission, which is

appendix A to this document, provides further illustration of the disconnect between the stated intent of the proposal and its application to Metropolitan Rural Areas beyond metropolitan Sydney.

Further consultation and strategic consideration is required in relation to the proposed designation of all E2 commercial centres and railway stations as *Station and Town Centre Precincts*. While the *Explanation of Intended Effect* seeks input on the suitability of the E1 Town Centre location and the availability and funding of infrastructure; no such avenue for input has been built into the designation of railway stations or E2 Commercial Centres as *Station and Town Centre Precincts*, which are proposed to be designated without any examination as to their suitability.

In its submission to the Department on the *Explanation of Intended Effect*, Blue Mountains Council proposed a revised definition for *station and town centre precincts*, that appropriately captures the nuance in how standardised planning controls are utilised and the capacity for growth across the Six Cities Region.

An alternative definition should include parameters for suburbs, towns or villages within the Six Cities Region that would be excluded from the Station and town centre precincts based on availability of service, infrastructure provisions and environmental constraints. The following definition is provided as a suggestion:

Within the Six Cities Region, designation as a *Station and Town Centre* should exclude suburbs, towns or villages constrained by the following factors

- Served only by intercity train services; or
- Limited access to frequently needed goods and services; or
- Adjoining or within a national park; or
- High proportion of bushfire prone land and bushland interface; or
- Limited infrastructure including no planned improvements to Sydney water services; or
- Located within a drinking water catchment.

Under these new proposed definitions, it is clear that no location train station, E1 zone or E2 zone within the Blue Mountains could be considered as an appropriate location for provisions associated with the station and town centre precincts.

3.1.1 Recommendation

The designation of Station and Town Centres under the diverse and well located homes program should be based on analysis and assessment of suitability, and should not apply to any train stations exclusively serviced by intercity train lines and located in Metropolitan Rural Area.

3.2 Term of Reference (d)

Consultations undertaken with councils, joint regional organisations and communities during the preparation of the Transport Oriented Development Program State Environmental Planning Policy

The lack of consultation with Councils and communities during preparation of the housing reform program was not confined to the TOD program. It also extended to the formulation of the *diverse and well-located housing program*.

No Council consultation has taken place in the process of defining *Station and Town Centre Precincts*, or to validate whether the proposed Sydney Metropolitan based definition for these precincts was appropriate for a blanket application across the entirety of the six cities region, with its diversity of train services, topography, land use patterns and employment opportunities. Nor was any consultation or assessment undertaken regarding the suitability of the proposed built form, height and densities within *Station and Town Centre Precincts*, in areas outside of the Sydney Metropolitan Area. All illustrations of built form within the *Explanation of Intended Effect* document are designs which might be common in inner suburbs of Sydney without consideration of the urban form which characterises areas such as the Blue Mountains. There is concern that any 'pattern book' for development design, which has been flagged to accompany the implementation of the reforms, will also be Sydney centric in its designs.

In the months preceding the quiet release of the *Explanation of Intended Effect* document, media and website releases had foreshadowed some elements of the changes proposed in the document, prompting two Mayoral Minutes of Urgency at the 28 November 2023 Blue Mountains City Council meeting to highlight concerns with rumoured proposed changes to state planning and housing policy and their potential application in the Metropolitan Rural Area, which includes the Blue Mountains. At that time, the proposed changes had been suggested via media release from the Department, but with little detail provided to Council.

In contrast to the policy by media release approach, the *Explanation Of Intended Effect* was quietly published on the Department of Planning, Housing and Infrastructure's website on 18 December 2023, just before Christmas and without formal notification to Councils or media release to the community, with a February 23 deadline for comment. It was particularly concerning that there was the ability to subscribe to received project updates, yet no notification was set via this channel.

While the public exhibition of the *Explanation of Intended Effect* provided some opportunity for input from Local Government and the community, the timing of the document's release in the week before Christmas caught many by surprise. A number of organisations, which understandably have holiday shut downs or staff leave, only became aware of the proposed changes after the Christmas break in mid-January, leaving little time to fully understand the implications of the *Explanation of Intended Effect*, and then prepare a submission.

3.3.1 Recommendation:

Planning policy development, particularly in the midst of a housing crisis, must be subject to genuine and robust community consultation processes with levels of Government and the community working together to find solutions, and to develop sound place-based local planning controls, rather than the planning policy announcements by media release and a sweeping one size fits all approach taken in this case.

3.3 Term of Reference (e)

ongoing opportunities for review and input by councils, joint regional organisations and communities, including consultations with renters, key workers and young people needing affordable housing in relation to the Transport Oriented Development Program State Environmental Planning Policy

Ongoing opportunities for review and input by councils and communities are required not only in relation to the TOD State Environmental Planning Policy, but also for the refinement and implementation of the *diverse and well located homes program*.

Blue Mountains City Council is committed to providing locally appropriate housing and acknowledges the widespread housing crisis. Council is on track to achieve its current housing targets, which serve to accommodate local growth, consistent with the role recognised role of the Blue Mountains LGA in the Greater Sydney Region.

Housing uplift beyond current approved housing targets should only occur after working with Council and the community to properly investigate opportunities for additional housing, taking into account the identified constraints, character, and role of individual LGAs and suburbs. This work would develop new housing targets identified in conjunction with the Councils, to be implemented via Council's fine grained LEP controls, rather than as part of a broad brush uplift without consultation or consideration of infrastructure planning or environmental values.

As outlined elsewhere in this submission, extensive planning reforms which pushes strategic planning considerations to development assessment does not solve the housing crisis. It will simply create delays to later in the planning process, creating uncertainty and increasing cost to the developers and Councils in preparing and determining development applications that need to address both the widespread and inappropriate SEPP controls, with Council's fine grained locally tailored planning controls.

Of particular concern in terms of future consultation, is that the Department of Planning advised during a forum to discuss the Explanation of Intended Effects document in late January that there was no time scheduled for the public exhibition of the draft SEPP enacting the proposed changes prior to its commencement. Given the substantial adverse impacts arising from the one size fits all approach outlined in the Explanation of Intended Effects, further consultation with individual councils is essential in determining the applicability of the proposed reforms in their LGA and the subsequent preparation of controls to implement the changes via a State Environmental Planning Policy (SEPP).

Prior to preparation of a draft SEPP, genuine consultation with Councils and the community first needs to identify the suitability of the *diverse and well located homes program* in areas outside of the Sydney Metropolitan Urban Area.

Any draft SEPP proposed to implement the *diverse and well located homes program*, needs to be publicly exhibited so that Councils and the community have the opportunity to understand how the broad brushed concepts outlined in the *Explanation of Intended Effect* are proposed to be implemented. The 'devil is always in the detail' and the opportunity to understand and provide

feedback on this detail is crucial, with adequate consultation times provided and a thorough and transparent notification process, including formal notification to Councils.

3.3.1 Recommendations:

- ***The one size fits all approach proposed under the Explanation of Intended Effect: changes to low – and mid- rise housing must be reconsidered. The Department of Planning must work with Councils to develop housing targets and locally appropriate strategies to addressing the housing crisis, through evidence based strategic planning and community consultation .***
- ***Any progression of the current initiatives must include further community consultation, not just on the broad concepts as outlined in the Explanation of Intended Effects, but of the draft planning controls, such as a draft SEPP intended to implement the housing strategies in their local area.***

3.4 Term of Reference (i)

the heritage concerns with the Transport Oriented Development Program including but not limited to the concerns of the Heritage Council

It is not just the TOD program that raises heritage concerns, but also the changes proposed by the *Explanation Of Intended Effect* proposed under the *diverse and well located homes* program, which included only a general comment as to how heritage would be considered under the program, as discussed below.

The *Explanation of Intended Effect* states only that '*local heritage and environmental controls will continue to apply to the extent that they are not inconsistent with the new provisions*'.

However, no detail is provided as to what this means in practice and to what extent is it envisaged that local controls would continue to apply. It is difficult to envisage how 6 storey high density development can be consistent and compatible with the predominantly single story heritage items, and heritage conservation areas which characterise areas such as the Blue Mountains. These type of considerations must be addressed at a strategic level when setting height and density controls, and not pushed to the development assessment stage, which would result in case by case debates, creating significant uncertainty for developers and angst for the community.

In the case of the Blue Mountains LGA, most towns and surrounding areas are rich in heritage, containing many heritage items and extensive heritage conservation areas. These areas have been listed for more than two decades and the heritage items and heritage conservation areas are fundamental to the character of the Blue Mountains. It is that character which is a key tourist drawcard. Council's current planning controls have been developed strategically to work within the heritage values of the area and should not be overridden by blanket controls that create significant uplift and change in built form, with no regard to heritage or the built character of an area.

Council's submission on the *Explanation of Intended Effect* recommended that the proposed reforms do not apply in heritage conservation areas or to heritage items (local or state listed). Refer to pages 14 -17 of Council's submission in appendix A, which details the heritage concerns

and associated adverse impacts on the both the domestic and international tourist and visitor economy, which is reliant on the heritage character of the towns and villages impacted by the proposals outlined in the *Explanation of Intended Effect*.

3.4.1 Recommendation:

The proposed diverse and well located homes reforms to not apply in heritage conservation areas or to heritage items (local or state listed).

3.5 Term of Reference (j)

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

In relation to the *diverse and well-located homes program*, which is also focussed on development around railway stations, its widespread application to the entire six cities region is in complete contrast to the findings of the Productivity Commission's 2023 report *Building more homes where infrastructure costs less*. This report found that the costs of servicing new housing with infrastructure can be up to \$75,000 more expensive for each home in the outer suburbs compared to the inner suburbs.

The *Explanation of Intended Effect* states that the most transparent and efficient way to build Sydney's housing from now on is to build the homes where infrastructure such as roads, rail, water, schools and open space costs less. Yet the changes proposed in that document ignore the Productivity Commission report on infrastructure. Instead its provisions are intended to apply to areas well beyond the locations identified in that report, including to the Blue Mountains LGA, which sits within the designated Metropolitan Rural Area, on the fringe of the Greater Sydney Region, well beyond the outer suburbs identified in the Productivity Commission report.

In the Blue Mountains LGA infrastructure costs are likely to be even greater than the \$75,000 per dwelling estimated in the Productivity Commission report for the outer suburbs of Sydney, due in part to the additional cost associated with building in bushfire prone areas.

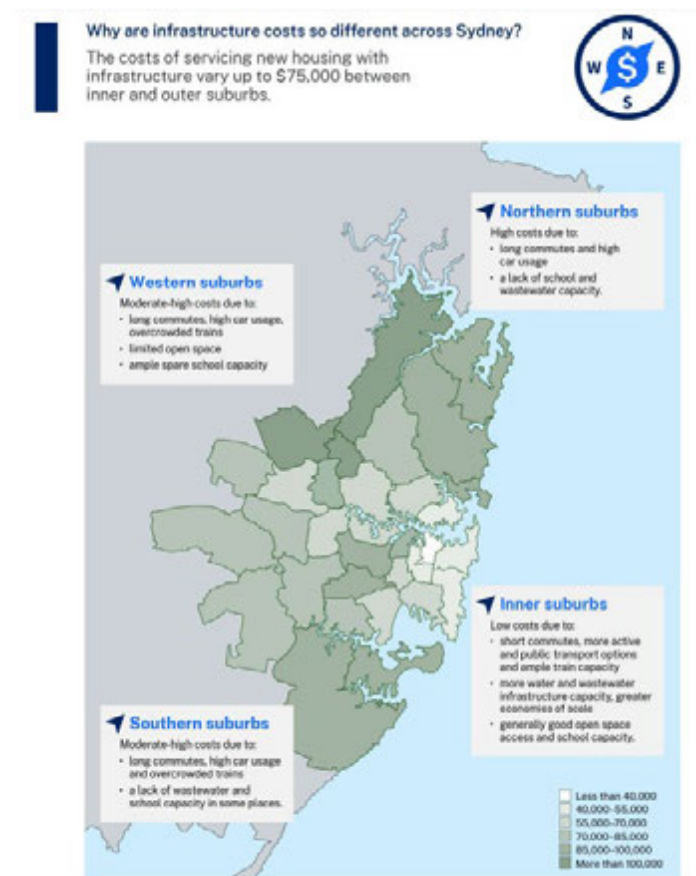


Figure 1 – Map from Productivity Commission’s 2023 report *Building more homes where infrastructure costs less* report, showing areas considered in that report focussed only on Metropolitan Sydney, and did not consider infrastructure costs beyond these areas in LGAs such as the Blue Mountains

The urban area of the Blue Mountains LGA consists of a string of 27 small towns, villages and localities mainly spread along the Great Western Highway and railway line, over a distance exceeding 100km. To accommodate the growth around railway stations and within local centres proposed in the *Explanation of Intended Effects*, significant augmentation and duplication of infrastructure would be required. This would result in the Blue Mountains, an LGA with a relatively low population of 80,000 people, having to fund a greater infrastructure program than larger population inner City Councils, because the proposed uplift would be spread over a much broader area due to the length of the LGA, the number small towns and villages that would be impacted, and the limited capacity of existing infrastructure.

Council’s long held strategic planning approach has established a hierarchy of towns and villages, which is underpinned by local statutory planning controls; locating areas for higher density development and providing services accordingly. The proposed diverse and well located homes program as proposed in the *Explanation of Intended Effects*, overrides this hierarchy, allowing increased residential development in small, poorly serviced towns based solely on the presence of an intercity railway station. The current s7.12 infrastructure contributions plan focuses on the provision of community services to the towns and villages and levies 1% of

development costs. This or any other current funding source, could not cater for the scale of infrastructure improvement required as a result of the proposed reforms.

In addition, water, sewer and electricity supplies are limited, as outlined on page 11 of the attached Council submission on the Explanation of Intended Effect located in appendix A, with no major upgrades planned in the Blue Mountains within the next 10 years. Recent advice from Sydney Water is that the sewage system is at capacity in some locations, and the entire system only designed to cope with a 10% increase over its original capacity, some of which is already taken up with dual occupancy and secondary dwellings. Water supply is also limited and there are no plans by Sydney Water to augment services within the Blue Mountains LGA.

Inadequate stormwater infrastructure is of particular concern in the Blue Mountains LGA, as approximately half of the urban area within the Blue Mountains (southern side of the Great Western Highway) drains into the Sydney Drinking Water Catchment. Runoff from the City as a whole, flows into the sensitive receiving environment of the Greater Blue Mountains World Heritage National Park.

Stormwater treatment is therefore fundamental to the management of urban land within the Blue Mountains and is primarily addressed through local planning controls for on-site infiltration and treatment. The current large minimum lot sizes and lower residential densities are an important part of this strategy, allowing sufficient pervious area and stormwater treatment to minimise the impact of stormwater on the surrounding sensitive receiving environments.

The proposed significantly smaller lot sizes for dual occupancy, manor houses and terraces houses, combined with larger building footprints and lower landscape standards will result in substantially less pervious area, and the potential for significant adverse environmental impacts within the Blue Mountains and its receiving environments.

This is of particular concern for the dual occupancy controls proposed in the *Explanation of Intended Effect*, with their application extending far beyond the station and town centre precincts. In this dispersed settlement context of the Blue Mountains, the housing changes proposed in the *Explanation of Intended Effect* will not focus increased residential development into a few well located and easily serviced areas, but would result in increased density and stormwater impacts throughout most of the towns and villages. With such widespread potential changes, it will not be possible to fund or construct the necessary public stormwater management infrastructure to mitigate these impacts. The stormwater treatment works required could not be met by the current s7.12 levy.

Council's assessment is that there is insufficient infrastructure capacity to allow for housing beyond the currently agreed housing targets, based on the accommodation of local growth, while protecting this unique and sensitive environment for the benefit of all.

Refer to section 2.3.2 (page 11-12) and section 3.2 (page 26-28) of the attached Council submission on the *Explanation of Intended Effects*, for further detail on infrastructure issues associated with the proposed *Station and Town Centre Precincts* and dual occupancy changes. Terms of reference (o) and (p) in this current submission also raise concerns in relation to the costs of construction, rebuilding and insurance in the high bush fire risk environment that is the Blue Mountains.

In summary, it appears that no assessment of infrastructure capacity informed the proposed application of the *diverse and low rise housing program* across the entirety of the 6 Cities Region.

The *Explanation of Intended Effect* did ask for feedback on infrastructure capacity in the proposed *Station and Town Centre locations*. Therefore, before proceeding beyond the *Explanation of Intended Effect* stage, the Department of Planning, Heritage and Infrastructure, in conjunction with affected Councils, Water NSW and Transport for NSW, must ensure that the final selected locations have the infrastructure capacity to support the proposed housing.

3.5.1 Recommendations:

- ***Before proceeding beyond the Explanation of Intended Effect stage of the Diverse and Well Located Homes program, the Department of Planning, Heritage and Infrastructure, in conjunction with affected Councils, Water NSW and Transport for NSW, must ensure that the final selected locations have the infrastructure capacity to support the proposed housing.***
- ***Based on current data (and no additional planned State infrastructure), there is inadequate infrastructure with the Blue Mountains to accommodate uplift beyond that already planned. Accordingly, areas like the Blue Mountains LGA without sufficient infrastructure capacity must be excluded from the proposed reforms.***

3.6 Term of Reference (K)

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

Significant environmental and amenity impacts also arise from the *diverse and well-located homes program*, through the changes proposed in the *Explanation of Intended Effect* within the Blue Mountains LGA.

The key concern is the stormwater runoff impacts on the Blue Mountains World Heritage Area and Sydney Drinking Water Catchment, as identified in response to Term of reference J, above.

Council's LEP and DCP contain detailed environmental controls which appropriately respond to the unique and environmentally sensitive location of the City of the Blue Mountains within a World Heritage Area and within the Sydney Drinking Water Catchment.

These controls work with the carefully crafted place-based controls on development permissibility, and density, seeking to ensure that development does not adversely impact on the sensitive receiving environment of the Sydney Drinking Water Catchment and World Heritage Area.

The development densities proposed in the *Explanation of Intended Effect* are entirely incompatible with this sensitive environment. A nebulous statement regarding the continued application of local environmental controls where not inconsistent with the proposed changes in the *Explanation of Intended Effect*, ignores the fact that the Blue Mountains LEP firstly uses place-based land use and density controls to manage environmental impact on this unique environment. The damage will already be done, through non refusal standards resulting in higher density development and increased hard surfaces, leading to reduced groundwater infiltration and more polluted runoff. Council's environmental standards, requiring a neutral or beneficial impact on stormwater from development, if *inconsistent with the new provisions*, will likely not be able to be applied.

It is also unclear how the provisions of the *Explanation of Intended Effect* will interact with stormwater requirements for the Sydney Drinking Water Catchment under the Biodiversity SEPP. The Codes SEPP already allows for medium density development to bypass the Biodiversity SEPP provisions that require a Neutral or Beneficial Effect on stormwater runoff into the Sydney Drinking Water Catchment. The proposed changes and likely extended application of the Codes SEPP to facilitate development, will increasingly bypass these important provisions.

Of particular concern with the proposed changes under the *Explanation of Intended Effect* is that the increased density is also accompanied by landscaping specifications in the form of a minimum deep soil planting 'target' and tree planting requirements. However, it is not clear whether in the event of any inconsistency, the proposed deep soil planting target will replace local landscaping and previous area controls. Further, the proposed minimum lot sizes for dual occupancy 450m² reduce the area available for treatment of stormwater within the site. In addition, the landscaping targets for tree planting are incompatible with the bushfire canopy cover required under *Planning for Bushfire Protection 2019*. As over 40% of lots in the Blue Mountains potentially affected by the proposed reforms are currently identified as bushfire prone, the tree canopy targets proposed in the *Explanation of Intended Effect* will not be met. More houses on smaller lots under this policy will also result in the loss of even more canopy than anticipated due to the bushfire requirements requiring an APZ around each dwelling in bushfire prone lands.

In terms of amenity, the application of *Station and Town Centre Precincts* in the Blue Mountains will result in poor amenity outcomes for both existing and future residents, due to the dispersed settlement patterns and travel distance to services and facilities, limited employment options, and lack of public transport. In essence the proposal will create dormitory commuter suburbs, while impacting on the amenity and bushfire safety of existing residents.

Refer to section 2.3.4 (page14) and sections 3.1 and 3.2 of the attached Council submission on the *Explanation of Intended Effects* for further detail on the environmental impacts and amenity concerns.

Poor planning outcomes in terms of amenity and environmental impacts which would arise from one size fits all housing reforms will be with the community for decades, unnecessarily creating new social and environmental problems.

3.6.1 Recommendation:

Any housing reform must be designed in co-operation with Local Government, so that its application takes into account and avoids adverse impact on the environment and amenity, and avoid forms and locations of housing that will create even greater long term problems.

3.7 Term of reference (l)

The existing or potential measures and programs analysed, considered or implemented by all NSW Government agencies to support additional housing density, including the housing series reports published by the NSW Productivity Commissioner

The changes proposed in the *Explanation Of Intended Effect* ignore existing agreed housing targets and accepted housing supply principles embedded in the Greater Sydney Region Plan, which confirms that Metropolitan Rural Areas, which includes the Blue Mountains, are not suitable to accommodate Sydney's housing growth.

They also ignore the recommendations made in the housing series reports published by the NSW Productivity Commissioner, which identify the inner and middle rings of Sydney as the suitable location to accommodate Sydney's housing growth.

3.7.1 Housing Supply Principles for Metropolitan Rural Areas

The Greater Sydney Region Plan and Western City District Plan recognise the important and different role areas like the Blue Mountains play for Greater Sydney. This is captured by the Metropolitan Rural Area classification under the Greater Sydney Region Plan. In the case of the Blue Mountains, maintaining and managing the impacts of urban development on biodiversity and environmentally sensitive areas is vital to providing a drinking water supply for the population of Sydney, and recreation space that serves Greater Sydney.

That Greater Sydney Region Plan states that:

- *Urban development is not consistent with the values of the Metropolitan Rural Area.*
- *Greater Sydney has sufficient land to deliver its housing needs within the current boundary of the Urban Area, including existing Growth Areas and urban investigation areas associated with the development of the Western Sydney Airport (refer to Figure 51). This eliminates the need for the Urban Area to expand into the Metropolitan Rural Area.*
- *Restricting urban development in the Metropolitan Rural Area will help manage its environmental, social and economic values, help to reduce land speculation, and increase biodiversity from offsets in Growth Areas and existing urban areas.*
- *While from time to time there may be need for additional land for urban development, future regional plans will identify if additional areas of land in the Metropolitan Rural Area are needed.*

The recognition that Greater Sydney's growth should not be accommodated in Metropolitan Rural Areas, and specifically the Blue Mountains is a longstanding principle, predating the Greater Sydney Plan by over 20 years. Such an approach was expressed in correspondence from the Department to Council of 30 December 1999, in which the Director of Sydney Region West stated that:

My view is that the Blue Mountains is a unique local government area with sensitive areas of environmental significance and on the fringe of the Sydney metropolitan area. It therefore should not be expected to accommodate metropolitan growth pressures. Planning for the area should have regard to the housing requirements of the population of the Mountains and provide as far as possible for this, having regard to the area's environmental limitations.

The comparatively small contribution the small towns and villages of the Blue Mountains LGA could make to solving Sydney's housing crisis are far outweighed by the disadvantages of its high bushfire risk, remote location from jobs and services, its poor public transport options, high infrastructure costs and the impact of the proposal on the Blue Mountains World Heritage Area and Sydney Drinking Water Catchment, as well as the adverse impacts on the tourist economy.

Similarly, other Metropolitan Rural Areas make unique and important contributions to the health and economy of the wider region, and quite rightly contribute little to Sydney's housing supply. These important contributions should not be overlooked by the broad brushed approach of Sydney Metropolitan focused planning strategies being applied such areas.

3.7.2 Underpinning Productivity Commission Housing Reports

The Productivity Commission documents underpinning the low and mid rise housing changes proposed in the *Explanation of Intended Effects*, all identify that housing growth can be and should be achieved in inner to middle ring areas of Sydney, close to jobs, services and transport, and explicitly seek to avoid development on the urban fringe areas and beyond. There have been no strategic studies that have identified that urban growth needs to extend beyond the urban area into Metropolitan Rural Areas on the fringes of Metropolitan Sydney.

These underpinning assumptions relate to inner metropolitan areas which are markedly different to the Blue Mountains LGA. As an example, the below summary extracted from Council's submission on the *Explanation of Intended Effects* demonstrates how the stated intent of the housing changes would not be achieved in the Blue Mountains and would result in outcomes contrary to the stated intent, creating dormitory suburbs with substantial bushfire risk and adverse environmental impacts.

Stated intent of <i>Explanation of Intended Effect</i> and Underpinning Documents	Reality of proposal for Blue Mountains
Respond to housing crisis	<p>There is no social or affordable housing component in the proposal.</p> <p>The additional height and floor space will only increase development and land speculation, not affordability.</p>
Development 5-10km of Sydney CBD; not urban fringe	The Blue Mountains is located outside of metropolitan Sydney beyond the urban fringe, designated as Metropolitan Rural Area (MRA) in the Western Parkland City District Plan.
Located near public transport, employment and services	<p>Blue Mountains villages are only served by hourly train services on an intercity line with limited alternative public transport</p> <p>High level of car dependency due to small villages with dispersed settlement and service pattern and to limited public transport.</p>
Lower Infrastructure costs	<p>Current infrastructure is inadequate for increased density.</p> <p>The proposal in the <i>Explanation of Intended Effect</i> to disperse development across a broad area means that adequate infrastructure will not be able to be planned or funded.</p> <p>Higher infrastructure costs at urban fringe and beyond.</p>
Climate Resilient Communities	<p>Increasing densities in area of highest bushfire risk in Sydney</p> <p>Increased stormwater runoff to Sydney Drinking Water Catchment and World Heritage Area</p> <p>Impacting climate resilience</p> <p>Increasing car dependency by increasing densities in areas within infrequent public transport service</p>

The discrepancies between the background Productivity Commission Reports identification of suitable areas for increased housing supply, and the broader areas to which the *Explanation of Intended Effect* has been applied, including the Blue Mountains LGA, are further discussed in response to Term of Reference (j) of this submission.

In summary, the proposed broad application of the findings contained in the Productivity Commission to the entire six cities region will result in outcomes completely contradictory to the recommendations of those reports. The proposal also ignores the planning principles for Metropolitan Rural Areas outlined in the Greater Sydney Region Plan and Western District City

Plans, which recognise that not all areas are suitable for accommodating the housing growth of the Sydney Region, and indeed, protection of their natural resources is itself a key factor in providing sustainable, climate resilient growth for the region.

3.7.3 Recommendation:

Any planning reforms to create blanket uplift should not apply in areas designated as Metropolitan Rural Areas, and instead be confined to suitable locations within Metropolitan Urban Areas of Sydney.

3.8 Term of Reference (m)

The ten measures outlined in the National Cabinet's National Planning Reform Blueprint

The sustainable application of National Cabinet's National Planning Reform Blueprint first requires proper evaluation of the capacity of areas to accommodate increased housing, balanced also with the other ways in which a local government area contributes to the health and wellbeing of the wider community. However, the one size fits all approach to the provision of *diverse and well located housing* proposed by the *Explanation of Intended Effect* has not achieved this, in that:

- There has been no evidence-based review or updating of regional and local strategic plans. Instead, existing strategic documents, studies and plans, based on thorough research and community consultation have been ignored or overridden.
- No housing targets have been identified for the proposed reforms in the *Explanation of Intended Effect*.
- Without adequate planning and analysis of where housing demand is best accommodated, planning for infrastructure and community services vital to support residential development cannot proceed.
- That in failing to adhere to a proper planning process, the *Explanation of Intended Effect* is recklessly ignoring the recommendations of all major bushfire inquiries to avoid increasing population in areas of high bushfire risk.
- The analysis has assumed a housing supply issue, without adequate evidence that this is the case. It has not taken into account the rate at which development approvals have been taken up, other market factors, especially the fiscal policy settings.
- There are no social or affordable housing provisions in the *Explanation of Intended Effect*; and
- Community consultation processes have been completely inadequate as outlined in response to term of reference (d) and (e) above.

3.8.1 Recommendations:

- ***Where identified housing targets, developed in conjunction with local councils identify a need for increasing housing supply in a locality, any changes should be implemented through the fine grained Council LEP and planning controls. They should not be subject to a one size fits all approach.***
- ***The provision of affordable housing must form a key part of the diverse and well located housing program, or any future housing reform proposals.***

3.9 Term of Reference (o)

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

Council's submission to the Department of Planning, Housing and Infrastructure on the *Explanation of Intended Effect*, which forms appendix A to this submission, comprehensively identifies the impacts of the *diverse and well located homes* process and program on the Blue Mountains LGA, a unique location and one of only two cities in the world located within a World Heritage Area.

In summary, the Blue Mountains LGA is completely unsuitable for the proposed substantial uplift in population and density. In the Blue Mountains LGA, the level of environmental, economic and social impact of these one size fits all mandated changes, greatly outweighs the extent to which the LGA can contribute to Sydney's Housing Growth.

Council has serious concerns with the process by which these reforms have been developed and communicated, as well as the nature of the reforms themselves and their potential impact. They represent a significant overreach of State Government planning powers with out due consideration to strategic considerations which Council is legislatively required to consider for much more minor proposals. It is noted that the terms of reference of the Parliamentary inquiry relate primary to the TOD program. However, as detailed in the submission, there are similar issues with the *Diverse and Well-located Homes process and programs*. These issues are outlined in response to the respective terms of reference concerning the TOD program and summarised below to ensure they are captured in relation to the *Diverse and Well-located Homes process and programs*.

The assumptions on which the *Explanation of Intended Effect*, (intended to implement the *diverse and well located homes program*) are based relate to metropolitan Sydney, not the Blue Mountains LGA. Proceeding as proposed in the *Explanation of Intended Effect*, risks not only the safety and wellbeing of local residents, but the water security and environmental health of the entire Sydney Metropolitan Area; as well as threatening the international tourist market that is the Blue Mountains.

The Blue Mountains LGA is a unique and special part of the Greater Sydney and the wider Six Cities Region. The unique circumstances of the LGA are recognised by its designation as a Metropolitan Rural Area and Protected Area in the Greater Sydney Regional Plan. These plans and the Metropolitan Rural Area designation appear to have been ignored or set aside by the low and mid-rise housing reforms proposed in the *Explanation of Intended Effect*.

The LGA consists of a string of small towns, villages and localities, spread along the Great Western Highway and Bells Line of Road; and surrounded by steep bushland which forms the Blue Mountains World Heritage Area. While the towns along the Great Western Highway are located on an intercity railway line, services are limited and do not provide a viable public transport option for most of the population, as detailed further in response to Term of Reference (a) above.

As discussed further below, and in response to Term of Reference (p), the Blue Mountains is also one of, if not the most, bushfire prone areas of Australia. It is particularly concerning that there is no consideration of bushfire risk in the changes proposed in the *Explanation of Intended Effect*,

despite the proposal to significantly increase densities in bushfire prone areas. To house more people in areas at risk from bushfire is reckless and dangerous.

To rely on the small, scattered towns and villages of the Blue Mountains to provide the form and density of housing envisaged in the *Explanation of Intended Effect* will create car dependent satellite commuter towns, remote from employment opportunities, shops and services. The amenity impacts are detailed further in response to term of reference (k). Infrastructure limitations within the Blue Mountains associated with this proposal are discussed in response to term of reference (j) and summarised for each affected town and village in Attachment 1 of Councils submission on the *Explanation of Intended Effect* (appendix A of this submission).

The value of the Blue Mountains LGA to the region lies in its natural systems, acting as the lungs and water supply catchment for the Greater Sydney Region, as well as providing unparalleled recreational opportunities. This value is recognised in the Greater Sydney Regional Plan and Western Sydney District Plan. An increase in urban density within the Blue Mountains LGA and associated reduction in pervious areas, would have significant downstream impacts for stormwater runoff into the Blue Mountains World Heritage Area and Sydney Drinking Water Catchment, a water catchment – the primary water supply for the Sydney Metropolitan Area. The environmental impacts are detailed further in response to term of reference (K) and (p).

The tourist based economy of the Blue Mountains is reliant on the natural environment and the leafy, low density and heritage character of its towns and villages, the bushfire risk which is projected to significantly increase due to climate change, and the sensitive natural environment of the Blue Mountains World Heritage area and Sydney Drinking Water Catchment. The proposed changes to built form and loss of character resulting from the *Explanation of Intended Effects* places the tourist economy, which includes both domestic and international visitors at risk. Refer to sections 2.3.5-2.3.6 and section 3 of the attached Council submission on the *Explanation of Intended Effect* for further detail.

Many of the impacts summarised above are further detailed in Council's response to other terms of reference to this Parliamentary Inquiry.

The following sections identify particular impacts to the Blue Mountains not addressed within the remaining terms of reference, but which are key issues with the *diverse and well located housing program*.

3.9.1 Bushfire

The *diverse and well located homes program* – as described in the *Explanation of Intended Effects* proposes broad brush changes to permissibility, height and density in high bushfire risk areas, without first considering the bushfire risk of such changes. This approach bypasses the usual checks and balances which are fundamental to strategic land use planning at a local level. These include the Ministerial direction on bushfire risk, and the provisions of *Planning for Bush Fire Protection 2019* (PBP 2019), which require consideration of bush fire risk up front as part of any strategic planning proposal by Local Government.

Every bushfire inquiry in the last 20 years has identified the importance of considering bushfire risk in strategic land use planning schemes and processes. For example:

- Recommendation 19.3 – of the 2020 Commonwealth Royal Commission into National Disaster Arrangements was titled *Mandatory consideration of natural disaster risk in land use planning* and recommended that:

State, territory and local governments should be required to consider present and future natural disaster risk when making land-use planning decisions for new developments.

- Recommendation 27 of the NSW Bushfire Inquiry into the 2019-2020 Bushfires was:

That Government commit to shifting to a strategic approach to planning for bush fire and develop a new NSW Bush Fire Policy similar to the NSW Flood Prone Land Policy in order to accommodate changing climate conditions and the increasing likelihood of catastrophic bush fire conditions; to build greater resilience into both existing and future communities; and to decrease costs associated with recovery and rebuilding.

The key message has been not to put more people in areas at high bushfire risk. Yet the *Explanation of Intended Effects* ignores such key findings, introducing planning controls to facilitate widespread population increases, without any detailed consideration of risk as outlined below.

Cumulative Impact

Particularly, in the Blue Mountains which has the highest bushfire risk of any LGA, it is essential that the cumulative impact of proposed widespread increases in population density be properly considered with regard to risk to life, before changes are made to planning controls.

Key issues which must be considered include the limited evacuation routes in the Blue Mountains, the extent of current and future bushfire impacts on areas where increased density is proposed, the availability of firefighting water supply, additional construction costs arising from bushfire requirements (further reducing affordability), and the potential for widespread displacement of larger communities following catastrophic bushfire impact.

Further, while PBP 2019 might apply on a case by case basis to development applications, its lack of Evacuation Routes provisions don't take into account the cumulative impact of multiple developments on water supply, emergency evacuation, firefighting access to narrow spine road developments, or the impact of climate change. For example, the current bushfire prone land designations only apply to areas within 100m of the bush. It is recognised that even under current modelled bushfire conditions, ember attack may be experienced well beyond this distance, and buildings destroyed 350 metres away from the bush. With the Blue Mountains linear development pattern, there are few places that are not within 350m of bushland and at risk under current conditions, at distances where bushfire planning controls do not currently apply.

Attachment 1 to Council's submission on the *Explanation of Intended Effects* contains maps and analysis of the current extent of bushfire prone land in and around the proposed *Station and Town Centre Precincts* and other R2 Residential Zones subject to increased height and density controls for dual occupancy development. Bushfire prone lands extend into the heart of most town centres, and further, and all areas subject to the proposed changes are within the 350m ember attack zone. Climate change increases the current bushfire risk, as detailed further in response to Term of Reference (p) below.

A critical bushfire consideration at strategic planning stage is the ability of residents to evacuate safely during a bushfire emergency. The Blue Mountains LGA consists of a series of isolated ridge

top towns and villages, surrounded by bushland. Development has spread on narrow spine roads out from the highway and railway lines, and from most locations the only safe evacuation route is to return the Great Western Highway. As is frequently demonstrated, it only takes one accident in the wrong location to block the highway in both directions, potentially blocking the only escape route for visitors and residents alike as there are stretches of the Great Western Highway where there is no alternate back road route.

The increase in population resulting from proposals contained in the *Explanation of Intended Effect* (both within a *Station or Town Centre Precinct*, or in remaining R2 areas through the proposed dual occupancy controls) would exacerbate evacuation difficulties. Such a high level of potential risk needs to be fully investigated as part of any changes to the scale and density of development in high-risk areas such as the Blue Mountains. The risks are from cumulative impacts and cannot be adequately assessed on a case-by-case basis at DA stage.

Overriding Local Planning Controls

Blue Mountains current planning controls have been carefully developed in response to the local environmental conditions. They take into account the bushfire risk to communities, allowing for forms of development and a level of population density suitable for a setting characterised by ridge top development in small, isolated towns and villages, all of which are surrounded by bushland.

The view of the State government, expressed in various media releases, that bushfire risk does not have to be considered at this stage, as local planning controls will continue to apply to developments, is at best an over-simplification of the process and at worse a reckless disregard of the risk to life and property from bushfire and the need for it to be considered as part of strategic planning. As detailed above, key existing local planning controls respond to the bush fire prone nature of the LGA, including permissibility, height, lot sizes and building density. These are the controls that will be overridden and will not continue to apply under the changes proposed in the *Explanation of Intended Effect*.

3.9.2 Dual Occupancy Provisions of the *Explanation of Intended Effect*

The other key aspect of the housing reforms proposed in the *Explanation of Intended Effect* as part of the *diverse and well located homes* program is the proposal to expand the permissibility of dual occupancies through reduced minimum lot sizes, and to increase dual occupancy floor space and height across all R2 Low Density Residential areas throughout Greater Sydney (or potentially the Six Cities Region as quoted at the 31 January 2024 Department Webinar).

These proposed changes again fail to consider bushfire risk or take into account the impacts on tree canopy and pervious area, which has the particular impact in the Blue Mountains of increasing stormwater runoff into the World Heritage Area and Sydney's Drinking Water Catchment.

The proposed changes will not deliver housing diversity as they allow for larger dual occupancies. This simply allows for more large houses, just on smaller lots. This fails to improve housing choice or affordability, at the cost of the environmental impacts and no consideration for the potential increased population in bushfire prone areas. The proposed increase in dual occupancy size and density are not appropriate in the Blue Mountains

While dual occupancy development is widely permissible under the Blue Mountains LEP 2015, Council has employed a fine grained approach to the establishment of planning controls, height and FSR controls for dual occupancy development. The planning controls vary across the LGA, based on an assessment of the character and land use patterns of the location, the bushfire risk, environmental and heritage qualities of the area.

Minimum lot sizes are also carefully calibrated to ensure that population density is appropriate to the bushfire risk and that stormwater impacts can be managed on site. However, the proposed changes detailed in the Explanation of Intended Effect would override this proposed provision, reducing the minimum lot size for a dual occupancy development. The fine grained FSR and height controls would also be set aside, allowing a density and height of development that is completely out of character with the lower density surrounds. The statement in the Explanation of Intended Effect, that the proposed standards can fit within the character of existing low density area, may apply to Sydney Metropolitan localities, but is an incorrect assumption in the Blue Mountains LGA. The lower density character of its residential areas is not just a community preference, but an essential component of retaining sufficient pervious area to minimise and manage the adverse impacts of development on the surrounding environment.

Many of the R2 Low Density Residential zoned areas in the Blue Mountains are already designated as bushfire prone land, and there are dwellings located beyond the designated bush fire prone area are also subject to ember attack, even under current conditions. As outlined in the bushfire section above, most residential areas are also difficult to evacuate in the event of a bushfire due to the ridge top development pattern providing single spine road access points to many locations, and the railway line and limited highway entry points creating further barriers to evacuation via the Great Western Highway. In addition, the spine road development pattern means that households in the lower density C3 and C4 zones beyond the R2 zoned land also have to evacuate through the same routes. Any increase in population density in the R2 zones, places more people at risk from bushfire, both within the development, and by increased congestion for those residential areas beyond the R2 zone.

3.9.3 Recommendations:

- ***The proposed reforms should be amended or reconsidered to ensure they only apply where they are appropriate and would make a meaningful contribution to addressing housing need without increasing environmental impacts or exposing more people to risk from natural disaster. This should be based on robust strategic planning, aligned to agreed housing targets, and developed in consultation with local government and the community, with a fine grained planning approach responding to local context.***
- ***Any housing reforms must consider the current and future bushfire risk as required by Local Planning Direction 4.3 Planning for Bushfire Protection, issued by the Minister for Planning to under section 9.1(2) of the Environmental Planning and Assessment Act 1979, in line with the findings of the 2020 Commonwealth Royal Commission into National Disaster Arrangements and the NSW Bushfire Inquiry into the 2019-2020 Bushfires.***

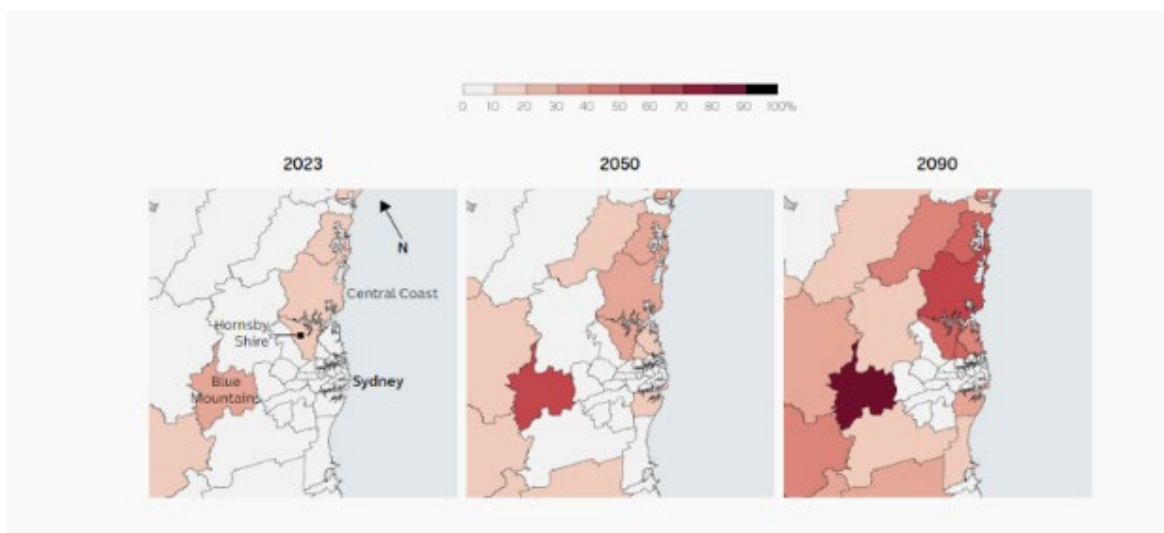
3.10 Term of reference (p)

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

The *Explanation of Intended Effects* has as a stated aim of improving climate resilience, yet its indiscriminate application to areas beyond the Greater Sydney Region will result in climate resilience being eroded by the increased impacts of urbanisation on the natural areas and the increased risk to life and property from natural disasters. In the Blue Mountains in particular this would have specific impacts on the level of bushfire risk, the Sydney Water Catchment and the World Heritage Area.

The value of the Blue Mountains LGA to the region lies in its natural systems, acting as the lungs and water supply catchment for the Greater Sydney Region, as well as providing unparalleled recreational opportunities. This value is recognised in the Greater Sydney Regional Plan and Western Sydney District Plan as outlined previously in this submission. An increase in urban density within the Blue Mountains LGA and associated reduction in pervious areas, would have significant downstream impacts for stormwater runoff into the Blue Mountains World Heritage Area and Sydney Drinking Water Catchment, a water catchment – the primary water supply for the Sydney Metropolitan Area, adversely impacting on the climate resilience of the entire Sydney Metropolitan Area.

Critically, bushfire risk is projected to significantly increase due to climate change. The impacts of climate change, predicted to result in more frequent and extreme fire behaviour must be considered. One such estimate, provided from the National Bushfire Resilience Rating app, launched in October 2023, shows an increase in properties in the Blue Mountains LGA at high bush fire risk increasing from 26% today, to 60-70% by 2050 and nearly 90% in 2090, as illustrated in the diagram below.



Source: Finity Consulting Modelling in ABC news report of 23/10/2023

Recent catastrophic fires have shown the potential for large areas and whole communities to be impacted by fire resulting in large scale displacement and rebuild. As such the residential capacity of the Blue Mountains LGA is already diminished due to the effects of climate change. The potential scale of such impacts would only be increased by the proposal to increase densities within bushfire prone areas.

In addition, bushfire construction standards can result in construction costs of up to three times the price of a dwelling which is not bushfire prone, depending on the level of risk. With the expected increase in at-risk locations across the Blue Mountains LGA due to climate change, real questions arise about the cost effectiveness of the proposed increase in low-and mid-rise housing in the Blue Mountains LGA, in terms of building and rebuilding after bushfires. In addition, concerns exist regarding the longer-term ability for home owners to access affordable insurance as the number of climate related events increase.

Increasing population in highly bushfire prone areas such as the Blue Mountains, without considering this risk is contrary to every principle of public safety and good planning, yet this is the approach proposed by the *Explanation of Intended Effect*.

It is also notable in the above figure, that the areas which Productivity Commission reports identify as the target areas for increasing namely the inner and middle ring suburbs around the Sydney CBD- are those areas not identified as being at bushfire risk either now or in the future. This simple illustration provides an obvious example of the need for strategic consideration before applying such significant housing changes beyond the Metropolitan Areas of Sydney, to ensure local environmental conditions are appropriately assessed.

3.10.1 Recommendations:

- 1. That the government abides by recommendation 27 of the NSW Bushfire Inquiry into the 2019-2020 bushfires, to shift to a strategic approach to planning, in order to accommodate changing climate conditions and the increasing likelihood of catastrophic bushfire conditions; to build greater resilience into both existing and future communities and decrease costs associated with recovery and rebuilding.**
- 2. That this approach also extend to drinking water security and biodiversity conservation, so that housing policy does not compromise the environmental health or wellbeing of future communities.**

3.11 Term of reference (r)

Any other related Matters

3.11.1 Lack of Affordable or Social Housing Provisions in the Low-and mid- rise housing proposals.

There are no provisions proposed in the *Explanation of Intended Effect* to facilitate the provision of affordable or social housing within the designated *Station and Town Centre Precincts*. As such, the proposed uplift in development is expected to increase land speculation and land prices, without any capture of the value of such uplift for social or affordable housing or public services.

3.11.2 Greater strategic consideration required – key issues cannot be deferred to development assessment

There must be greater consideration of the unique characteristics of a locality, rather than applying a one size fits all planning approach to the entire Six Cities Region.

The *Explanation of Intended Effect* and subsequent information sessions run by the Department, suggest that heritage, environmental, and natural disaster impacts will continue to be considered because local controls will continue to apply. However, this suggestion fails to acknowledge that these issues need to be considered at the strategic planning stage. Local controls will not be able to address issue arising from development at a significantly greater scale and density than is appropriate for an area.

To suggest that issues normally dealt with at the planning proposal (strategic stage) will now be dealt with at development assessment is not reasonable. This is not the place to consider fundamental strategic planning issue that will create uncertainty and angst for applicants and the community. This goes against established town planning principles. There are many alternate options which could be explored at the local and regional level to address housing supply, and we ask that the state government genuinely engage with local government to collaborate on these solutions.

3.11.3 Continued overriding of local planning controls creating additional complexity

The proposed planning reforms and implementation process ignores the State's own planning directions and principles which require suitability and capacity of land subject to uplift to be assessed at a strategic level, not at the DA stage. This continues an unfortunate trend in recent years, where changes to local planning provisions via manipulations to the standard template instrument, or State Environmental Planning Policies such as the Codes SEPP, are made with little consultation.

Blue Mountains Council has a comprehensive and established fine grained set of planning controls, based on long term strategic studies, which respond to the significant constraints in the locality as well as its unique world heritage surrounds and tourism based economy. The one size fits all approach proposed in the *Explanation of Intended Effect*, extended across the 6 Cities Region contrary to the recommendations of its strategic underpinning, abandons this detailed and well researched planning regime. It will result in development of a scale completely incompatible with the unique and sensitive nature of the Blue Mountains LGA, and create impacts which are vastly disproportionate to any potential contribution to Sydney's Housing supply.

While the proposed changes on paper may appear to increase housing availability, this approach, which ignores local conditions and leaves consideration of key strategic planning

issues to DA stage, means that in practice, there is even less certainty in the development process for communities, or developers, as well as increasing the potential for poor residential amenity and greater risk exposure.

Media releases and Departmental narratives are continually blaming Councils DA processes for disruption of housing supply, without the Department examining their role in the process. The continual stream of state lead 'reforms' add layer after layer of controls and approval pathways which contradict and complicate fine grained local planning arrangements developed in response to the unique features of a locality and in consultation with the community. This approach, rather than 'streamlining' the development assessment process, increase the number and complexity of provisions that apply, and the cost and time involved in preparing an application.

Instead, the Department needs to work with local governments and the community to identify opportunities for additional housing in suitable locations and implement solutions via local planning frameworks.

3.11.4 Timeframe

There is a disconnect between the timeframe for completion of the Parliamentary Inquiry (September 2024) and the stated intent of the Department to have a SEPP implementing the measures outlined in the *Explanation of Intended Effect* in operation by June 2024.

3.11.5 Recommendations:

- ***The provision of affordable housing must form a key part of the diverse and well located housing program, or any housing reform proposals.***
- ***Planning to address the current housing crisis must be a collaborative effort with local government and the community key players in identifying solutions. Planning reforms must respond to local circumstances and not be imposed using the current top down approach.***
- ***Issues which are normally considered at strategic planning stages should continue to be considered at this strategic stage as part of any State led planning reforms, and not be pushed to development assessment.***
- ***It is recommended that, if the current approach is not abandoned, that any SEPP aimed at implementing the housing reforms be prepared in genuine consultation with affected local government areas and its finalisation delayed until the Parliamentary Inquiry has been completed and the lessons learnt from the Parliamentary Inquiry integrated into the process.***