**Submission No 95**

# INQUIRY INTO RURAL HOUSING AND SECOND DWELLINGS REFORM

**Organisation:** Hawkesbury City Council

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366 George Street
WINDSOR NSW 2756
(PO Box 146, WINDSOR 2756)
(02) 4560 4444
council@hawkesbury.nsw.gov.au
www.hawkesbury.nsw.gov.au
Hawkesbury City Council
ABN: 54 659 038 834

Your Ref: Rural Housing and Second Dwellings

10 October 2025

The Select Committee on Rural Housing and Second Dwellings Reform
Parliament of NSW
6 Macquarie Street
Sydney NSW 2000

Dear Sir/Madam

**Hawkesbury City Council Submission – Inquiry into Rural Housing and Second Dwellings Reform**

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Thankyou for the opportunity to provide a submission to the Select Committee on the Inquiry into Rural Housing and Second Dwellings Reform. Hawkesbury City Council welcomes the Inquiry and supports efforts to improve housing options in rural and peri-urban areas.

Hawkesbury City Council supports the introduction of **detached dual occupancies and secondary dwellings** in rural zones. This position was recently demonstrated through the preparation and endorsement by Council of a Planning Proposal - *Detached Dual Occupancy Development in Certain Rural and Environmental Zones*, which has been submitted to the Department of Planning, Housing and Infrastructure for a Gateway Determination.

Currently, the Hawkesbury Local Environmental Plan 2012 permits 'attached' dual occupancy in the following zones:

- RU1 Primary Production
- RU2 Rural Landscape
- RU4 Primary Production Small Lots
- RU5 Village
- C3 Environmental Management
- C4 Environmental Living.

Detached Dual Occupancies are currently not permitted in these zones, and Council's new Planning Proposal seeks to make this use permissible with consent in these zones.

As detailed in Council's Planning Proposal submitted to the Department of Planning, Housing and Infrastructure, given the nature and size of the lots in these areas, which are mostly larger, Council considers that detached dual occupancy development on these sites could be achievable. Council in 2015 and in 2016, had sought to permit detached dual occupancy development in these zones, however, was not supported at the time by the Department of Planning and Environment. The reason provided for not supporting detached dual occupancy development in these zones at the time were concerns by the NSW Government in terms of potential impacts on the regional flood evacuation capacity in the Hawkesbury Nepean Valley. Further work in this respect has been undertaken in the Hawkesbury Nepean Valley by the NSW Government since that time.

It should be noted that based on Council's research in preparing its recent Planning Proposal, that there are several Sydney Metropolitan Councils and others in NSW that permit detached dual occupancy development in rural zones. This indicates that permitting detached dual occupancy development in rural and environmental zone is not uncommon and can be managed through specific Development Control Plan provisions. Table 1 below illustrates some of the current dual occupancy permissibility in different local government areas.

**Table 1 – Detached Dual Occupancy Permissibility in Rural and Environmental Zones of other Councils**

| Council | Zones Detached Dual Occupancy is permitted |
|---|---|
| Penrith City Council | RU5 – subject to local constraints<br><br>RU1, RU2, RU4, C3, C4 – Requires lots to be greater than 2 Ha if not connected to reticulated sewer. |
| Liverpool City Council | RU1, and RU4 – Requires lots to be greater than 10 Ha for RU1 and 2 Ha for RU4. |
| Central Coast Council | RU1, RU2, RU6, C3 and C4- permitted |
| Mid-Coast Council | RU1, RU2, RU4, RU5, C3 and C4 – permitted (draft LEP) |
| Shoalhaven City Council | RU5 – permitted |

In terms of impact on population, attached and detached dual occupancy does not have any significantly different impacts. Detached dual occupancy provides additional housing but maintains a lower-density appearance, which is often preferred in rural zones to preserve the rural character and minimise environmental impacts. Potential negative impacts of detached dual occupancy development can be mitigated through Development Control Plan provisions where specific planning controls can be stipulated to guide appropriate development.

For Detached Dual Occupancy development in rural and environmental zones within the Hawkesbury Local Government Area, specific planning controls will mitigate environmental impacts and preserve rural character. The planning controls will ensure that it includes environmental protection measures, rural character preservation, and controls relating to infrastructure and access. The planning controls will ensure that such development does not restrict agricultural activity, and protects scenic, rural character and environmental values of the Hawkesbury.

Dual Occupancy development in rural and environmental zones can:

- Support rural landowners with additional income or family accommodation
- Provide low-density housing that aligns with the area's character
- Encourage sustainable development through design controls and environmental assessments.

Permitting Detached Dual Occupancy in the nominated rural and environmental zones with appropriate planning controls and development standards provides various benefits, including:

- Enabling families to live on the same property while maintaining privacy and independence.
- Allows farm workers or family members involved in agricultural operations to reside on-site.
- Offers cost-effective housing solutions without the need for subdivision or new infrastructure.
- Detached dwellings can be designed to blend with the landscape, preserving the visual amenity of rural areas.
- Provides options for landowners to accommodate changing family or business needs without rezoning.
- Helps address housing shortages in rural areas without urban sprawl.

The Metropolis of Three Cities – the NSW Planning Framework provides a strategic vision for the sustainable growth of Greater Sydney, including the Western Parkland City, in which the Hawkesbury Local Government Area is located. One of the key objectives of this framework is to promote housing diversity and supply while preserving the unique environmental and rural characteristics of the region.

It is also relevant to note that whilst, Hawkesbury City Council has not yet adopted the LEP Standard Instrument Clause 5.5 Controls relating to secondary dwellings on land in rural zones, Council is seeking the adoption of this clause through Council's Hawkesbury LEP 2012 Review and Update

Planning Proposal. Detached dual occupancy complements this provision by offering slightly larger, more independent housing options while still preserving rural character.

The proposed reforms broaden housing choices, enhance affordability, and offer more options for rural landowners in the Hawkesbury Local Government Area. However, successful implementation will require careful consideration of a number of matters including:

*Clarification of Local Government Areas subject to Inquiry*

Hawkesbury City Council would like to take this opportunity to seek clarification on the scope of the Inquiry, particularly regarding the inclusion of Outer Metropolitan Local Government Areas such as Hawkesbury, Blue Mountains, and Wollondilly, which are considered part of Greater Sydney. To avoid ambiguity, Council recommends that the Committee publish a definitive list of Local Government Areas subject to this Inquiry.

*Infrastructure Constraints:*

Council highlights several key infrastructure constraints affecting the feasibility of housing expansion in rural areas such as the Hawkesbury:

- **Effluent Management**: Many rural areas in the Hawkesbury have on-site effluent disposal systems (e.g., septic tanks or pump out systems , which may not be adequate for servicing second dwellings without upgrades. Appropriate sewer upgrades and operations are approved through a Section 68 Application.
- **Water Supply**: Many rural areas in the Hawkesbury are not connected to Sydney Water. Residents rely on rainwater tanks and delivered water, limiting capacity for additional dwellings.
- **Road Access**: Rural roads are often narrow, unsealed, or flood-prone, restricting safe access and increasing risks should significantly higher residential density eventuate.
- **Transport Infrastructure**: Limited and infrequent public transport in the Hawkesbury remains a key limiting factor.

*Definitions and Development Types:*

The term *second dwellings* appear to conflate *dual occupancies* and *secondary dwellings*, which differ in function and planning controls. Council recommends clear differentiation to ensure appropriate policy responses:

- **Secondary dwellings** should maintain size standards relative to the principal dwelling to preserve their subordinate nature.
- **Dual occupancies**, where both dwellings serve as principal residences, may not require size restrictions.

Council supports removing attachment requirements for dual occupancies but does not support removing size restrictions for secondary dwellings to retain their role and functions as secondary to the principal dwelling.

*Land Use Conflicts and Zoning:*

Introducing dual occupancies and second dwellings on rural lots has the potential to cause land use conflict where not managed appropriately which risks undermining the agricultural intent of rural zoning. Council recommends retaining local authority to set development standards, including distancing requirements, to guide siting and design.

Council raises concerns regarding the inclusion of certain zones in the review:

- **RU3 Forestry Zone** should be excluded due to conflicting objectives.
- **C3 Environmental Management** and **C4 Environmental Living Zones** should not be included in the Rural Housing Code. Council supports expanded permissibility in these zones but

recommends all applications be assessed via Development Applications to uphold conservation objectives.

*Planning Controls and Flood-Prone Land:*

Although State Environmental Planning Policies (SEPPs) override Local Environmental Plans (LEPs), local controls that do not conflict with SEPPs still apply. For development to qualify as Complying Development, it must:

- Be permitted under the relevant LEP.
- Meet development standards in the Codes SEPP.
- Avoid exclusion zones (e.g., flood-prone land, heritage areas).

Under the current Housing SEPP, second dwellings cannot be approved as Complying Development on flood control lots unless certified by a qualified engineer. Certification must confirm:

- The site is not within a flood storage area, floodway, flow path, or high hazard zone.
- The dwelling platform is elevated above the Flood Planning Level (typically the 1-in-100-year Average Recurrence Interval, ARI).

Council supports continued application of existing flood planning controls and performance-based solutions where risks can be mitigated. These may include:

- Demonstrating elevation above the flood planning level.
- Ensuring safe access and egress during flood events.
- Providing site-specific hydraulic analysis and flood modelling.

Any Planning Control that addresses flood risk should make reference to the Flood Planning Level rather than a certain elevation of frequency, as Councils may adopt alternative flood levels than the 1-100 ARI and apply freeboard or other contingency measures to suit local conditions.

*Codes and Development Standards:*

The Rural Housing Code applies to **R5 Large Lot Residential** zones but not **RU5 Village** zones. The Housing Code applies to RU5 Village zones. Any changes to allow Complying Development for dual occupancies and secondary dwellings must amend both codes. Clauses 1.19 and 1.19A of the Codes SEPP outline environmental constraints that prevent Complying Development.

Council supports the use of non-discretionary standards in rural zones to streamline approvals and provide certainty. These standards should include:

- Minimum lot sizes
- Provisions relating to floor areas.
- Requirements for sewage connection or on-site wastewater treatment.
- Environmental and amenity protections.
- Access requirements.

*Tenancy and Strata-Subdivision:*

Matters raised in the Draft Terms of Reference regarding tenancy options such as *tenancy in common* should not be planning considerations. Strata subdivision of rural land is not supported by Council as this undermines the purpose and objectives or rural zoned land by unnecessarily fragmenting land. Dual occupancies on rural land can be appropriately sited on rural land as guided through local controls and standards. In such a way that provides for appropriate separation without fragmenting and reducing agricultural potential of land.

*Implementation Considerations:*

Council advises that transitional arrangements are generally unnecessary, as recent approvals or applications do not conflict with the proposed changes. However, some residents may seek to modify or withdraw current applications to pursue development under the new provisions should these be legislated.

Once again, Hawkesbury City Council thanks the Select Committee for the opportunity to provide a submission to the Inquiry on this important matter. Council looks forward to the finalisation of the Inquiry, and subsequent recommendations.

Yours faithfully

**Andrew Kearns**
Manager Strategic Planning | Hawkesbury City Council
(02) 4560 4444