

REPORT ON PROCEEDINGS BEFORE

**PORTFOLIO COMMITTEE NO. 7 - PLANNING AND
ENVIRONMENT**

**DEVELOPMENT OF THE TRANSPORT ORIENTED DEVELOPMENT
PROGRAM**

CORRECTED

At Macquarie Room, Parliament House, Sydney, on Monday 20 May 2024

The Committee met at 9:20.

PRESENT

Ms Sue Higginson (Chair)

The Hon. Mark Buttigieg
The Hon. Anthony D'Adam
The Hon. Scott Farlow
The Hon. Jacqui Munro
The Hon. Peter Primrose
The Hon. John Ruddick (Deputy Chair)

The CHAIR: Welcome to the first hearing of the Portfolio Committee No. 7 – Planning and Environment inquiry into the development of the Transport Oriented Development Program. I acknowledge the Gadigal people of the Eora nation, the traditional custodians of the lands on which we are meeting today. I pay my respects to Elders past and present, and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of New South Wales. I also acknowledge and pay my respects to any Aboriginal and Torres Strait Islander people joining us today. My name is Sue Higginson and I'm the Chair of the Committee.

I ask everyone in the room to please turn their mobile phones to silent. Parliamentary privilege applies to witnesses in relation to the evidence they give today. However, it does not apply to what witnesses say outside of the hearing. I urge witnesses to be careful about making comments to the media or to others after completing their evidence. In addition, the Legislative Council has adopted rules to provide procedural fairness for inquiry participants. I encourage Committee members and witnesses to be mindful of these procedures.

Ms KATIE STEVENSON, New South Wales Executive Director, Property Council of Australia, sworn and examined

Mr TOM FORREST, Chief Executive Officer, Urban Taskforce Australia, affirmed and examined

The CHAIR: Welcome and thank you very much for making time to give evidence today. Would either of you like to start by making a short opening statement?

TOM FORREST: Sure. In the context of the current housing supply crisis—and I think it is widely recognised now with rents and housing prices, and each of the community housing providers as well as the charity groups all recognise, that there is in fact a housing supply crisis. That wasn't always acknowledged. Three or four years ago there wasn't a ready acknowledgement, even among some senior government officials. But I think what we've seen is the number of approvals for new homes dropped in the context of the pre-COVID and then COVID period. They dropped, almost halved, and they haven't really come back, and that's not just in New South Wales. That's an Australia-wide phenomenon, but it's something that needs to be addressed. I think the Transport Oriented Development Program is an important part of doing that.

It's widely acknowledged by the Productivity Commission in New South Wales as well as international jurisdictions that focusing your height and density around transport nodes where there is infrastructure capacity within those nodes is the way to develop a modern city, without burdening the State with massive additional infrastructure costs. It's taking advantage of additional infrastructure. But that comes with downsides. It comes with having to change the character of some local communities. It means that as you lead to increased height and density around transport nodes, you will get some community pushback from that. I think we've seen that play out in front of us in local communities wherever these TOD announcements have been made, as well as the low- and medium-density housing reform announcements, somewhat predictably almost. It's easy to anticipate that some groups will push back against change to the character of their local suburbs. But then we've also seen young people starting to push back strongly against the lack of availability of new homes in those areas, the unaffordability of those places.

We, the Urban Taskforce, and our members very much welcome the introduction of both the tier 1 and tier 2 TODs. I would say, however, that in some respects, we're a little bit confused as to how the criteria was applied. We understand that they were applied because of available infrastructure capacity, and that is born out in many of those TODs that have been listed. But then there were some notable exceptions. Edgecliff, Bondi Junction, Chatswood, for example, all frankly should be tier 1 TODs, and indeed any place where there's a new metro station or a conversion from an existing heavy rail line to a metro should also be a tier 1. That's not to say they're all going to have massive height and density; they mightn't. But surely, with the massive investment associated with a metro station and a new metro line and the high speed and high capacity that gives you, it would be sensible to take another look, even at places like Lakemba, and say, "Could this possibly have a little bit more height and density than just limiting it to six storeys?" We think that that's potentially an opportunity lost.

We'll look back in 10 years time and there'll be a whole bunch of really nice six-storey apartments there, but it'll be sitting above a metro line and we'll be scratching our head and going, "Why isn't that 14?" Maybe not 50 or 60 like it might be in Macquarie Park or Sydney Olympic Park, but why not a little bit higher? I question how they were picked and wonder a little bit there. That said, it's not the end of the program. I think Minister Scully has made it quite clear that there'll be a second round of TODs announced once they've completed the first round, and we welcome that very much. It's all about taking advantage of the fact that all governments face fiscal constraints of quite significant magnitude at this time. We welcome very much the Federal Government's announcement recently of \$2 billion on Western Sydney roads, and that's tremendous, but in the meantime we need to get on with providing housing right now, and I think the tier 1 TOD programs are a relatively quick way of doing that, and that is something that is welcomed. I'll leave my statements there and I welcome any questions.

KATIE STEVENSON: I'd like to thank the Committee for the opportunity to appear before you today. The Property Council represents the nation's major investors, owners, managers and developers of properties across all asset classes. The property industry shapes the future of our cities and has a deep long-term interest in seeing them prosper as productive, sustainable and safe places. The TOD program represents a once-in-a-generation opportunity to reshape the urban pattern of development across metropolitan Sydney and our regions. We cannot be complacent in the midst of this housing crisis, and while the Property Council supports the principle of the TOD program, we believe that more can be done.

We welcome the speed with which the New South Wales Government has sought to finalise these new planning controls, congratulate the planning and public spaces Minister as well as the departmental staff who have worked very hard to turn these controls around so very quickly. But while speed is critical, a program which delivers housing as per our commitments to the National Housing Accord is just as important. Rezoning land is

only the start of the solution in a housing crisis, and we can't deliver the homes that we need without building them, and we can't build them unless they're commercially viable. In a context of escalating costs and compounding development contributions, more work is needed to review and recalibrate the controls around building heights, floor space ratio permissions and mandatory affordable housing requirements.

We understand that the department undertook analysis of 305 Sydney Train, Sydney Metro and intercity stations within the six cities region in order to identify the key locations for the TOD program. But disappointingly, industry, who are responsible for delivering this housing, have not had an opportunity to be actively involved in this assessment process. Devoid of this engagement, we have advocated for key initiatives such as creating clear guidance for assessors in dealing with conflicting controls, expanding the tier 2 sites to an area of at least 800 metres radius, and fast-tracking the next tranche of TOD sites. We have also encouraged the Government to double the height controls under the TOD SEPP to ensure that this new development is commercially viable and therefore able to be built.

Robust and evidence-based prioritisation of future TOD precincts is required, with commercially viable controls that will deliver housing. Now is not the time for half measures, and we encourage the Government to continue working with industry on this landmark urban planning reform that, if done correctly, has such great potential to create more well-located homes close to transport, jobs and services. On behalf of the Property Council and our members, I'd like to thank the Committee for the opportunity to appear before you today and would welcome any questions.

The Hon. SCOTT FARLOW: Your submissions came in before the SEPP was enacted. I'm just wondering if either of you have any feedback in terms of the detail that was actually in the SEPP both in terms of the substantive detail and the changes to the housing SEPP and also the delay in certain precincts and your feedback on those.

TOM FORREST: Firstly, the Urban Taskforce and its members call for an increase in the height—not quite double as Katie had done and is doing, but nonetheless an increase in the height to 28 metres. The Government, to be fair, increased it by a small amount from 21 to 22 metres, and 24 metres, recognising the difficulties associated with shop top housing having a higher podium height and therefore accommodating that. Their increase has also enabled you to get effectively two floors out of a 30 per cent bonus. We recognise that. We wanted 28 metres. We thought 28 metres was a more sensible base and then you could get an additional amount of housing with the 30 per cent bonus on top of the 28. We thought that was appropriate around transport oriented development where there is capacity, as the Government has already identified through their initial selection process. Nonetheless, let's look at what it is at 22 and 24 metres, plus potential for a further 30 per cent.

Unfortunately, the TOD doesn't override existing development controls. What that means is if they have setback provisions, or a requirement for further setbacks after six storeys, which is often the case—you get a certain amount of setback up to six storeys and then an additional setback beyond the six storeys. It means that it is almost practically impossible to achieve the 30 per cent bonus with the affordable housing provisions that would entail—because that relates to the entire floorspace of the building—and produce a feasible development. So we still say it's a question of two steps forward, one step back. It's good, it's a positive policy, it does increase the minimums to a level in all of those stations which they've identified for tier 1 TODs. But, unfortunately, in practical terms, it's not going to deliver the outcome they were hoping for—the numbers that the Government was hoping for.

To be fair, the Government is still listening and talking with all the industry groups, as well as local councils, about some of the tweaks. As Katie mentioned, it was all brought in fairly quickly, and that is very much welcome. They did take the approach of "don't let the perfect be the enemy of the good", and I think they've acknowledged that there will be further work and iterations on this. I don't expect massive change. But where there are practical things like the DCPs effectively meaning that you won't get a development, I think that's an area where another look could be taken, and I'd encourage that.

The second thing is heritage. If you've got the smallest amount of a heritage item on a site—for example, in Killara—that pretty much rules out that entire site. There are heritage items dotted around the northern suburbs of Sydney. They've not said, "You can still do the increased height and density, but you must treat the heritage item with respect and ensure that you're championing that heritage item, that you're showcasing it, that what you do is sympathetic to that heritage item." They're not saying that. They're saying simply that if there's any aspect of heritage on the site, it doesn't get the benefit of height and density.

What that means is if you've got one heritage item every three or four houses, it effectively rules out the development of that because, in order to make this really work, you need to consolidate those land parcels. If you've got one heritage item on one site, even if it's a fountain out the back, or an old toilet, for example—and these things do exist as heritage items—you won't be able to develop in those areas. I think that's unnecessarily

respectful of heritage. I think that we need to respect the heritage in practical ways, in the way that the Heritage Act already does. That is to say if there's a heritage item, you put in a DA, you ensure that it respects the heritage item, you ensure that you are improving the heritage value of that item, but it doesn't mean you don't get the full FSR and height advantage that would apply to that property. I think the same philosophy should apply here.

KATIE STEVENSON: To go back to Mr Forrest's comments around building heights, we had called for some time for a doubling of the height within those precincts. We called for 12 storeys, with an FSR of three to one and the Government has come out with 22 metres and an FSR of 2.5 to one. The reason for that is we were looking to see more variation between the infill provisions—the missing middle, for want of a better word—that the Government has released and these precincts, given the nature of the infrastructure that these precincts are focused around.

The Government has selected its sites on the basis that there is latent potential in the existing infrastructure in these sites, so we want to see the Government's bold ambition be realised. We thought that, given that this is the signature component of the Government's policy in response to the National Housing Accord, we want to support them in going further. It would be a shame to see this proposal only half-realise its enormous potential. The tier 1 and the tier 2 sites of this policy are expected to deliver just 218,000 homes over 15 years. That's 170,000 in the tier 2 program, and less than 48,000 in the tier 1 program.

Given that over the next five years we need to deliver 377,000 new homes, this is obviously just a drop in the ocean, but it is the most significant component of the Government's policy to address the housing reform agenda. That's why we were calling for those changes in height. We were also calling, importantly, for the expansion of the tier 2 precincts. The Government has released a 400-metre radius for the tier 2 precincts and 1,200 metres for tier 1. We were calling for the tier 2 precincts to be expanded to 800 metres, and that's in line with TOD developments in other jurisdictions. That's why we were calling for that—again, so we can realise the Government's bold ambition here through these reforms.

As Mr Forrest said, there is enormous potential for conflict in the policy as it's currently drafted: in terms of heritage, in terms of overshadowing building separation, and a range of other controls. Our fear is that this means that assessment officers, whether in the State Government or in councils, are going to be dealing with these conflicts on a site-by-site basis, in the absence of any guidance. So what we've called for is for the Minister for planning to issue a practice note and a ministerial direction—which is commonplace in planning practice—to provide that guidance around the hierarchy of the policy objectives that the Government is seeking to achieve. That is so an assessment officer has really clear guidance and community has really clear guidance to understand what will be prioritised in the instance where controls conflict and assessment officers are needing to make a judgement call.

That will lead to more timely assessment of development applications, reduce costs of developments needing to go to court, and will also provide really important certainty to the community so that they can understand the Government's intentions with these policies. They were some of the key things that we were looking for when the controls were released, and that's our feedback on them.

The Hon. MARK BUTTIGIEG: In your evidence, you pointed out how important it is for local communities to be brought along and said that there is potential for quite a lot of controversy as you'd expect, and there already has been. Isn't this proposition whereby we have the Government specifications, which you say are not enough—I understand the setback argument and the conflict of the DCPs. But don't you need to give some autonomy to councils who are democratically accountable to their LGAs so that the DCPs still have some purchase? Otherwise, if the planning Minister just comes over the top and says this is how it's going to be, that, to my mind, is a recipe for disaster, because the whole thing will be killed. It's a case of we could end up throwing the baby out with the bathwater, if we're not careful.

TOM FORREST: From a housing supply perspective, and given the urgency of addressing the housing supply crisis, and the volume of the numbers that the Government signed up for, we're looking at what is likely to be delivered based on the policies that have already been announced, and is that going to be enough to deliver against the Government's own set targets. I fear that any opportunity—and this is borne of many years of experience—to give some councils the chance to push back against development in local communities, they will take that opportunity. I fear that the TOD sites are areas which are ripe for developers, which are along transport corridors, which have capacity, which have infrastructure capacity more broadly. That's how they've been chosen.

I think given that, once you've done that assessment, and given the nature of the crisis that we face, you need to come in and set the hierarchy where the SEPP controls take precedence over the DCP controls. Indeed, I believe that if these matters go to court, and if you argue in court that you are seeking to give effect to the TOD objectives, through the housing SEPP TOD chapter 5, then you will win, in most cases—not in every case, necessarily. There will be nuances. But what that's doing is it's delaying the process, it's adding a hurdle and every

delay, particularly with interest rates as high as they are now, adds to the cost of the development and diminishes the feasibility of that development. So I would say that it's only as a response to a housing supply crisis that you would be looking to introduce a SEPP which overrides the local DCPs.

But I would also say that those DCPs were established way before, in most cases, we had a housing supply crisis. We weren't talking about transport-oriented developments then. We weren't talking about changing the character of local suburbs. That's something that's evolved pretty much through COVID and the post-COVID period. I'd say that those changes in circumstance demand a change in response and, as a result, we are talking 400 metres around these stations.

The Hon. MARK BUTTIGIEG: But isn't part of the argument that the DCPs are not necessarily immutable? There is a conversation that has to happen with the community. I think part of this middle way, if you like, this compromise between your position and perhaps the Minister's position is, "Well, we're serious about this. Here's the signal. Go and talk to the communities, and if it means that the DCPs have to change then that's what has to happen, but we want you to bring them along for the ride." Doesn't that make sense?

TOM FORREST: I hear what you're saying. My experience tells me that if you leave it up to councils to go and make their own changes to DCPs we will be waiting a very long time, and we don't have the very long time to wait.

The Hon. MARK BUTTIGIEG: Fair enough.

KATIE STEVENSON: To add to that, I would say the horse has already bolted. Councils have always been responsible for doing strategic planning for their areas and the Government in this instance has chosen, in response to the challenge that we collectively face, to step in, to nominate these precincts and set some really clear guidance around strategic planning. This is where I say it's a little bit half and half at the moment and we risk throwing the baby out with the bathwater.

If the Premier and the Government are to be as bold and courageous as they have been, I'd encourage them to go the whole hog and provide that certainty and clarity to communities, because what they're not going to understand is where there are conflicting controls, where there is grey area, where there is room for variation, what sort of change they can expect in their areas. They're opening the paper, they're seeing that change is coming, they're seeing the Premier's and the planning Minister's bold statements around change. But in terms of what that looks like and that certainty about how that will roll out, that's where the grey area exists and that's where communities are going to become concerned, and there is opportunity for political conflict in the lead-up to local government elections later this year.

The Hon. SCOTT FARLOW: Picking up on that point from both of you, Mr Forrest, in your submission you questioned the veracity of the feasibility analysis, potentially. What's the feedback from your members in terms of the feasibility of some of these TOD sites, taking into account that not all of them are created equal, so to speak?

TOM FORREST: There were two aspects of the criticism that you refer to. One of them was simply the infrastructure capacity. We are gobsmacked that a place like Chatswood was left off the list. It benefits from the new metro that goes through it, more than halving the impact on Chatswood station. People who are getting on at Chatswood and who are going to the city, or even North Sydney, will catch the metro; it'll be three times faster. They will catch the metro. That frees up capacity along that whole line, which is why the Government has correctly chosen the three Ku-ring-gai Council stations for tier 2 upgrades. But a tier 1 upgrade station at Chatswood is—I mean, it's unfathomable as to why it isn't. It's got the benefit of the Pacific Highway and the Gore Hill Expressway, with express bus services. It's got the benefit of a heavy rail line, which is going to have increased capacity as a result of the new metro, and it's got the benefit of the metro. I would say if they are going to be doing a second round of tier 1 TODs, Chatswood should be first on the list.

Perhaps not to the same extent, but Edgecliff and Bondi also have capacity, and the transport data numbers reveal that they do have capacity for further development, particularly around Edgecliff, which is a really run-down town centre. I think that there was an opportunity to revitalise that shopping centre and the facilities around it by making it a tier 1 TOD and getting decent numbers of housing, with affordable housing, close to the city and right on a rail line. But I'd also look at places like Five Dock and Burwood North. For goodness sake, they're along the Parramatta Road corridor. If ever there was an area that really should be developed—it's already benefited from the WestConnex, it's going to get a new metro going forward. These houses, if you approve them now, won't get built. Apartments will take three, possibly four, years to get off the ground and actually be physically constructed. We need to be making those decisions now, and it's something, interestingly, that the local mayor of Burwood would welcome. He said, "Why haven't you made Burwood North something in the order of 35 storeys? Why are you limiting it to a lower number?", as it currently is under the local control.

I would say every place that is benefiting from a metro automatically should be a tier 1 TOD. It doesn't mean it gets the massive height, it just means it gets, potentially, more than six, which is the current control. Under tier 2, that's pretty low and it needs another look at it. What's been put forward now, because of these DCP restrictions, the capacity for you not to override the DCP, that's what limits the feasibility of development. That's the concern. There is one other point. The idea that affordable housing needs to be delivered in the form of physical buildings, particularly when we're talking relatively low-level development with a six-storey cap and 2.5 to one, which in many cases because of the setbacks will be reduced to much lower than 2.5 to one, if you have a place that's delivering less than 50 apartments altogether, you'll be delivering less than one affordable house. How does that work, unless you've got a pool of affordable housing?

Even the CHPs are saying they don't want to deal with one or two or three in every different building. They would rather deal with two floors of a building in one specific location. That is logistically easier for the CHPs to manage and it's much easier for us to do that by putting the money into a pool, where you've only got these dribs and drabs of numbers, and allowing the CHPs to then purchase the relevant property which is suitable for their constituencies.

The Hon. SCOTT FARLOW: Ms Stevenson, did you want to add anything on the feasibility analysis?

KATIE STEVENSON: I do, thank you. The key thing that I'd like to add is that we haven't seen the feasibility analysis. We've been engaged with the Government, all of the industry stakeholder groups, since the early days of this Government and we've been contributing in good faith to those negotiations, and they've been going, largely, very well. But what we've called for consistently is for the release of the analysis that underpins the selection of sites, because we represent the development industry, the people who are going to build these homes, and no-one is better placed to provide guidance to government on what will be able to be delivered and where the sensitivities lie than the very people who will build those homes.

We continue to call on the Government to release their analysis around which sites were selected and why. Also, as the work progresses and they undertake the necessary strategic planning work, it's absolutely vital that industry is at the table to be able to make sure that all of this important effort that's being put into this policy is able to realise new homes on the ground. The last thing any of us want is for this to be purely an academic exercise. We want to see new homes delivered as quickly as possible for New South Wales families. We can only do that through collaborative partnership with government, and releasing the feasibility information is a critical part of that.

The Hon. JACQUI MUNRO: Just on that, in a little more detail, for the mandatory affordable and social housing provisions, have you gotten any more clarity around that and the feasibility? I note that you call for it in your submission. Obviously you haven't got a full set of information from the Government or the department about that, but is there any further clarification particularly on that affordable and social housing angle?

KATIE STEVENSON: No, none from the Government but our members are doing their own analysis at the moment to make sure that they're able to deliver the sorts of homes that the Government is envisaging. Again, as Mr Forrest said, many of our members are coming to us and telling us about how difficult it will be to deliver one or two affordable homes in the development, and those CHP members are saying, "That's a really difficult model for us." There is a lot of inefficiency there, there is a lot of complication and it's going to be much more expensive to manage those homes to the standard that the people who will live in them will require them to be managed.

We are pleased the Government is continuing to talk to us. It seems like they've identified that it's not an ideal model but it's the best that they can deliver now. Again, as Mr Forrest said, not letting the perfect be the enemy of the good, but we really want this to work for the Government and we're committed to partnering with it. So we're doing our own analysis with our members, but we call on the Government to release some further details so that we can be going through this important exercise together, in true partnership.

The Hon. JACQUI MUNRO: So as it's set out at the moment, this social and affordable housing provision could be stopping developments occurring?

KATIE STEVENSON: Potentially. That is what all of our members are doing right now; they're doing their analysis to see what they will be able to achieve, and we'll continue to provide that advice to government as that work continues to unfold.

The Hon. PETER PRIMROSE: If I can just ask about community infrastructure, Ms Stevenson. On the third-last paragraph on page 4 of your submission you state:

... the Property Council recommends the \$520 million funding allocation be increased and expanded to cover critical local infrastructure upgrades required under the Tier Two Program.

How much do you believe that should be increased? And how should that funding be raised?

KATIE STEVENSON: The funding at the moment, the \$520 million for the tier 1 precincts, is very welcome. But there is currently no funding for tier 2 precincts. With all of these new communities moving into these existing areas, there will be a need for expanded and augmented community infrastructure, such as parks and public open spaces, widening of footpaths, all of those things that make communities great places to live. So we're calling for a proportional increase to cover those additional 37 precincts. At the moment, \$520 million is set aside for eight tier 1 precincts. We would call for that to be proportionally expanded so that, as those communities grow and change, there is adequate provision made to make sure that they continue to be great places to live and, in fact, they improve. As more people come to live in those areas and there's increased demand for community infrastructure, that should be expanded, as well.

The Hon. PETER PRIMROSE: My second part of that question is: How do you believe the funding should be raised?

KATIE STEVENSON: Government makes a range of decisions about how funding is allocated. At the moment, as I spoke about in my opening statement, commercial viability is really tough. It's a very difficult economic environment. Materials are more expensive. Labour is very expensive. There's a lot of competition. And residential development is not the first amongst equals. It's a very difficult space for developers to work in at the moment. Raising developer contributions, requiring that to come off the cost of development, is not the answer, in our view. It should come from ConFund. Government makes all sorts of decisions around how to allocate State Government funding, and we would call for them, as part of the upcoming budget, to be strategic. The Premier has been very clear that addressing the housing supply crisis is his number one priority. So we're really hopeful that, in the upcoming State budget, there is provision made for exactly these sorts of things that will support the communities impacted by the policy reforms that he's proposing.

TOM FORREST: May I make a comment?

The CHAIR: Yes, of course.

TOM FORREST: And it refers to both the questions from Ms Munro and Mr Primrose. Any impost on a developer is, effectively, a tax on the delivery of new housing supply. If you increase your affordable housing levy, that effectively is adding to the cost of people who are buying market housing, to deliver a benefit for the affordable-housing recipients. We believe that affordable housing is absolutely necessary and strongly support its expansion through the CHPs. But we believe that that's something that shouldn't come at the cost of those people who are already struggling to purchase market housing alone.

A strong contribution from the State Government and Federal Government, I believe, is necessary, and we've seen quite a decent amount of funding now coming from the Federal Government in this space. It took them a little bit of time. They announced the National Housing Accord at 1 million across Australia over five years originally and then increased it to 1.2 million. Took them a long time to put their hands in their own pockets and actually put money on the table, but they've very much done that now. The Federal Government has come through with its funding of \$10 billion plus the additional \$3 billion for affordable and social housing up-front—good. They've put money on the table for infrastructure—belated but good. That goes to the State Government, and that's money that they weren't necessarily expecting this time last year, when the last budget was brought down, I think, in September.

The Hon. PETER PRIMROSE: Just to be crystal clear, your view is that the source of the revenue should be consolidated revenue?

TOM FORREST: I believe so—or at least a greater proportion of the source of the revenue, because we're putting too much of a burden on the individual new home purchaser, who, with interest rates the way they are and the proportion of a new home's cost as a proportion of the average household income—it's at a record high, as Alan Kohler will tell you every Friday, and we can't afford for that to keep going. I think there is an opportunity, with the increased Federal funding coming through to the State Government, for the State Government to have a look at its own fees, taxes and charges and give some relief at the upcoming budget.

The CHAIR: You talk about what is a feasible development. Is it possible to get some kind of glimpse or understanding as to what that means from a developer perspective? What are we talking about in terms of the margins, the profits? What does that look like?

TOM FORREST: I'll start with the construction cost. The construction cost of a two-bedroom apartment is typically of the order of \$600,000 to \$650,000. That doesn't change, greatly, where you are. Sure, if you go to high-end spec, it'll increase. If you lower the quality, it'll decrease. But, basically, the cost of a two-bedroom apartment, just the construction cost—\$650,000. Then you add to that the cost of fees, taxes and charges,

the application fees, any levies that might be drawn, infrastructure levies, all of the costs associated. That'll increase to about 800—

The Hon. MARK BUTTIGIEG: That's excluding land value.

TOM FORREST: It does. So I'll come to that. You add all the fees, taxes and charges, and then you add the cost of the land. The taller the development, the less the cost of the land is as a proportion of the total. One of the benefits of economies of scale and height is you're taking greater advantage of that thing that is becoming so rare in Sydney, that thing called land, and you're maximising the advantage that you're taking from the land, particularly if it's supported by infrastructure. Basically, a developer won't make any money out of about \$950,000 at all. Therefore, the banks won't lend.

The banks consider the planning system in New South Wales to be a risk. And the risk is that you'll get height knocked off what was otherwise permissible because of community objections and concerns. That's one of the reasons why, for example, Mr Buttigieg, we would prefer to see things written into SEPPs and have the State Government set a hierarchy of control so as to reduce that perceived risk. Typically, what the banks look for is a 15 per cent profit on a development. And they won't lend it to you if you don't show that on your feasibility statement. If they're not going to lend you the money, you won't get the housing.

The Hon. MARK BUTTIGIEG: Given we're in the status quo now—before these housing reforms, I presume, there were developers out there who were making money. Otherwise, things just wouldn't have been happening. With the uplift in density which, presumably, helps those margins you were talking about, then surely it makes it more viable. It mightn't be as viable as some would like. But, surely, it's more attractive.

TOM FORREST: We have seen a distinct drop-off from 2018 till now, which has stayed at the bottom, the nadir. We are literally producing half the number of houses we need to produce. Clearly, while some may be able to get opportunities to make things work in some locations, where they've got councils that are supportive—and there are some very good councils out there that are prepared to work with the development community to allow for housing to be developed. Just recently, in Merrylands, I was at a function for the topping-out of a building at ALAND, and it's a magnificent building, in three stages, where 400 build-to-rent houses are being built, and they're delivering affordable housing within that facility.¹

It's an example of where a council has worked with the developer to change the character of the local community fundamentally, and they and Stockland together are changing the character of Merrylands and providing houses for young families, and that's tremendous. Yes, it's fair to say that some people have been able to make it work. But the numbers show, by far and away, not enough. So these changes are good changes. We welcome the changes going forward. The question is, "Is that enough to deliver against the Government's own targets?" We hope it is. And we'll do our best to make it so. But we'll also offer positive comments at the margin to try to make it a little bit better.

KATIE STEVENSON: I think the other important thing to be aware of is that this is a time in the cycle where these businesses might otherwise contract, where development is more difficult than ever before, but what we see now is the State and Federal governments saying, "We're committed to a housing accord, where you're going to be required to deliver more homes than we've ever built before in New South Wales, in the next five years." It's that mismatch between the current economic conditions, and the policy objectives of the Government, that make this a really significant challenge to deliver right now. That's why we're committed to working with the Government to say, "We can absolutely do this. We are committed to providing homes for more families than ever before, but we need to do this together, and we need to be really mindful of the economic context in which we're all operating."

The Hon. MARK BUTTIGIEG: In an ideal world, if you got the exemplar council that you outlined, Mr Forrest, extrapolated across the whole of the Sydney Basin or New South Wales and everyone came up to speed, you could do it, but what you're saying is it's unlikely to happen. But, presumably, part of the Government's strategy is to say, "We're putting this SEPP in place. Play ball. Bring the community along with you. Otherwise, we might have to ramp things up down the track." To be frank, that's where we're going, isn't it?

TOM FORREST: I think that that's a very fair summation.

¹ In correspondence to the committee dated 20 May 2024, Mr Tom Forrest, CEO, Urban Taskforce Australia clarified that the builder/developer was Coronation, not ALAND.

The Hon. ANTHONY D'ADAM: You're sceptical about the capacity of the sector to actually meet the need. Is it fair to say that you'd like to achieve the number of constructions that we need but you're sceptical that we'll be able to do it given the cost constraints?

KATIE STEVENSON: No, we're not sceptical at all. We're very committed to working with the Government to deliver it. We just need to do that eyes wide open in a very transparent way to make sure that we get the policy settings right so that we are able to deliver the Government's policy.

The Hon. ANTHONY D'ADAM: What do you say to the proposition that—let's say we expand the capacity to build. If suddenly there's a massive influx in the approvals—lots of developments that have been given the green light—that then puts a demand on the labour supply. Presumably that pushes the prices up for costs of labour. That erodes your profit margins. How do we overcome that kind of dynamic?

TOM FORREST: You raise a very good point, Mr D'Adam. What we've seen in New South Wales, unfortunately, has been a flight of labour from the construction field, partly because of COVID. The great resignation, as it was sometimes referred to—but people decided that, as they entered into the latter part of their lives, about my age, perhaps it wasn't so much fun working outdoors, exposed to the elements, with the dangers of the construction sector each and every day. Large numbers of them left. As well as that, we had numbers leaving to go to Queensland and Victoria, where property development was perceived to be easier to make feasible and to work. We've started to see that coming back. Part of that has been the changes that have been announced—the affordable housing bonuses, these new TODs being announced, the constant strong rhetoric from the Premier saying that he's committed to delivering on housing affordability and increased housing supply. So, good. We think, though—what we want to do is encourage those people back into the industry, bring them back from the other States.

In Queensland, industrial relations is a basket case. In Melbourne, development and the fees, taxes and charges associated with development down there is very, very high and it's killing off development feasibility. People are finding that there is no utopia here. What we want to do is make New South Wales as competitive as possible so we can attract that labour force back. While we don't have a planning system that delivers a feasible outcome, there is no construction company or developer that is going to want to really relocate into New South Wales. That's what we've seen. We've seen, still, a trickling closing down, the trickling number of people going broke. Thirty per cent of all bankruptcies in the last 12 months were out of the development and property construction sector across Australia. That's true also of New South Wales. We're only 12 per cent of the employment market, so 30 per cent going bankrupt is a very poor result indeed.

We need to turn that around by making housing development more feasible. If you make housing development more feasible, that will attract the construction companies back into this State and that, in turn, will attract the workforce. As well as that, we need to see increased immigration. Recently Clare O'Neil and Minister Giles federally have made construction workers at the top of the priority list for immigrants coming in. Albeit that everyone is talking about reduction in the number of immigrants coming into the country, nonetheless the property construction workforce has been prioritised. I think that that was very, very late in coming but we welcome it now.

KATIE STEVENSON: If I may add to your point, you spoke there of record numbers of assessments. That's only possible if we have more planners in the system. At the moment we have a chronic shortage of town planners that are qualified and able to assess these development applications, be that in State government or in councils. One of the things that we've called for in our submission is, as part of the upcoming State budget, for the Government to support their announcements by investing in more planners for the State government, so the department of planning, so that they can turn these complex development applications around. But also within local councils there are enormous capacity constraints. They will be limited if there is an influx of developments.

If we do get the policy settings right, we're only able to turn around the amount of projects that we've got enough people to work on. We've called for a flying squad of planners from the private sector to be able to ramp up our capacity across the system so that we can turn these applications around really quickly. Because otherwise what we're doing is creating a fast track to a slow lane, where there is going to be—hopefully, if we get the settings right—mountains and mountains of applications sitting with planners in State and local government that they're just simply not able to assess because they're resource constrained. That's an opportunity that we're really looking forward to the State Government addressing as part of the upcoming budget.

The CHAIR: When you talk about requiring a hierarchy of controls and considerations, can you give me a quick 101 of what that looks like? What is the priority and where down the list do things like deep soil, tree cover, character—those sort of things—come in your hierarchy?

TOM FORREST: We have statutory controls and we have guidelines. The statutory controls start with the Act. They go through to the SEPPs, the State environmental planning policies, and ministerial directions. Then you have local environment plans. They are all statutory. You can go to court. You can argue the case there is some capacity for some flexibility. You can put in a 4.6 application, for example, to an amendment. But by and large you've got to comply with the controls unless you've got a merit-based argument as to why it is that you might not. You've also got the strategic plans, the region plan, district plan and the local strategic planning statement. In order to rezone a property, you must demonstrate strategic consistency with those documents.

For the purposes of a development application, you then have development control plans locally and you have apartment design guidelines for where you might have apartments. A lot of what you've spoken about comes into the guidelines, and the guidelines must be taken into account. Often councils will make their decisions based on the guidelines alone. They're often saying, "We're strongly committed to the guidelines as they're written." It ends up in court and the court will make a merit-based judgement on whether or not to give weight to the guidelines or the statutory provision or, I've got to say, most likely somewhere in between, because that's typically what courts do, taking into account the arguments from both the developers and the local council representatives.

KATIE STEVENSON: Most of the controls that you reference there—deep soil, overshadowing—are contained in the apartment design guidelines. We're really fortunate in New South Wales to have the best nation-leading design standards for apartment development. The challenge that we have is that those controls are often applied very rigidly, as Mr Forrest said. They're guidelines. They're intended to be applied flexibly so that you can have a look at the local conditions on a site.

The CHAIR: I'm not understanding, then. Based on what you're saying, it would sound like the controls are set out as you want them. It sounds more like perhaps that you're looking for more State override in the way they're being applied. Is that what you're saying?

KATIE STEVENSON: The challenge is that typically in the planning system, the higher order controls—in the order that Mr Forrest explained—would apply. So if there is a conflict between controls, whether it's a local environmental plan and a SEPP, the higher order policy would prevail. The instrument itself actually doesn't do that. It doesn't provide that clarity, so controls continue to apply at various levels, which means that we'll come into situations where there's a conflict, where controls that are lower order are not necessarily switched off. So you'll see things like heritage, like overshadowing, where there are multiple controls that conflict that then require a merit-based assessment.

Merit-based assessments are absolutely the right way to have a look at the controls that apply on a site and make sure that the right assessments are being made, but it does add a level of uncertainty and a grey area. So we're saying that, because these controls, for instance, will apply to heritage conservation areas, that's going to create a situation where assessing officers have a very wide remit within which to make decisions in the absence of any guidance around which control prevails where you've got multiple controls that are in conflict.

The CHAIR: I still am not hearing what you're suggesting. You're saying merit assessment is absolutely appropriate and that's the right thing to do, but then you're saying that those controls shouldn't come into play? How are you suggesting that those controls be put in a different hierarchy or rearranged?

TOM FORREST: Very clearly they are within the existing hierarchy. The problem is that the existing hierarchy for the TOD SEPP does not prioritise the SEPP over the DCP. So it's left to the courts to make a decision that the SEPP controls on height and density should override the setback controls, for example, on the DCP. We would prefer that, where there was such a conflict, there was a clear indication written into the SEPP—either written into the SEPP or, as Ms Stevenson suggested, written into a ministerial direction—that the preference shall be that the SEPP controls take precedence.

That's not to say they would automatically override in every circumstance—that if there was a strong, merit-based argument for applying the DCP you could still make that case—but there is clear guidance from the written documentation that the preference from the Government is that the SEPP controls take the precedence. Clearly the SEPP has been established in response to our housing supply crisis. The more we undermine that, the more we stop ourselves from achieving the outcomes that the Government actually wants to achieve.

The Hon. MARK BUTTIGIEG: Can I ask a question about the segmentation of the market in terms of property developers and the people you represent? I think part of the context is probably the degree to which that market is or is not monopolised. Presumably you've got big players whose margins are quite healthy and they've got the capital to ride things out, but then you've got the smaller players who, in an ideal world, would be competing in a competitive market to give a good product to people who want to buy housing based on a competitive environment. But in terms of these contributions to infrastructure and the levies and people's capacity

to pay, is that part of the problem—that we don't really have a competitive development market because the big players are edging everyone else out?

KATIE STEVENSON: Two Fridays ago the Property Council released some research that was prepared by Savills that indicated that across the entire market, development will not be feasible in the Central River City with the impost of the Housing and Productivity Contribution and the Sydney Water development servicing plan as well as our lengthy assessment time frames. It found that it makes no difference whether you are talking about tier 1 or tier 2 property developers. The conditions are such that it's very difficult—

The Hon. MARK BUTTIGIEG: That seems counterintuitive to me because my casual observations are that the big players in the market are still there and are still making really good profits.

KATIE STEVENSON: That's why we undertook this detailed assessment. We spoke to players at all levels of the market and had a look. That evidence is really clear, and we'd be happy to table a copy of the report for your information. What we are talking about is that there is a long cycle to development. The cranes that you see in the sky today are assessments that were made years and years ago. What we are talking about now is projecting what will happen in the future when conditions have worsened. Our evidence clearly shows that in Parramatta and the area around Parramatta—the Central River City—there will be not just very little development, not just some players in the market able to act, but in fact no players in the market will be able to act because of the regulatory environment and the economic conditions that we face. That's the very reason why we have provided this data: to show government, in an evidence-based way, the impact of the current conditions. Rather than seeing the success of this policy, we may end up seeing no development at all, which is the last thing any of us want.

TOM FORREST: Mr Buttigieg, in the last 12 months across the whole of New South Wales there were 48,000 homes completed. In the last 12 months there were 41,000 homes commenced. That's not going to get us anywhere close to the 75,000 per year we need to get to the 377,000 over five years, which is the accord target for New South Wales. Some 41,000 commenced in the last 12 months. That reflects the fact that the larger developers who built the bigger buildings are pulling out of New South Wales because they can't get the finances from the banks to make it stack up.

The Hon. MARK BUTTIGIEG: I understand. Just on that point, because I'm conscious—

TOM FORREST: There are no rivers of gold. We get concerned about this perception that the development community is raking in money. We are holding up a whole stack of construction companies. The builders are making no money. In fact, they are going broke. We are eating into our own profits to keep them going.

The Hon. MARK BUTTIGIEG: I understand. I understand this tension between margins, viability and the new SEPP not going far enough. The other problem we've got is social licence. You've got this property industry who, to be quite frank, haven't got the greatest reputation in some of our communities in terms of the way things have been done and the changing character to the suburbs that's concomitant on the development that goes along with it. What are you doing to get buy-in from communities, from your perspective as the peak body representing those people, to get the social licence we need to move this along?

KATIE STEVENSON: I'd just jump in and say that my experience and my review of the way that this policy has gone about and been received by the community—you see the rise of the yimby movement. There are people that are seeing the great developments that are being delivered by the development industry and saying, "Yes, actually, we want that. We see the advantages. We see the great communities that have been created, so we are on board for some change." That hasn't been the case, and it's a stark turnaround to where we've been traditionally. I think we have seen media reports in recent years around a very small segment of the market that hasn't lived up to the expectations of our development industry. The Building Commissioner has been very clear in weeding out some of that malpractice. That has been a very small proportion of the industry and the industry does not support that going forward.

I think you're actually seeing the community saying, "We welcome change. We see the great things that development can deliver." A lot of work has gone in, over many years, to building social licence in development. We've been partnering with the Government Architect and the New South Wales Government, on behalf of industry, for a new online tool—that's now available—that showcases low-rise, medium-density development that has already been delivered across New South Wales to show that these great developments already exists in your communities and this is the sort of change that we are proposing. The industry is very committed to working with the Government and the community to make sure that we are selling the developments of density, because it's only through development—

The Hon. MARK BUTTIGIEG: The exemplar approach that you've just pointed out, I think, is very important—that we have a tripartite approach and this is the sort of development we want and the other stuff is really not acceptable.

KATIE STEVENSON: That's right. It's the development industry that has delivered those outcomes. I'd say to your earlier point that the industry has a bad name, that's certainly not my experience. That's not what I see when I open the papers and I see the growth of the yimby movement and people saying, "I want what the development industry has delivered to be in my street."

The Hon. ANTHONY D'ADAM: How can you say that when there are so many faults?

The CHAIR: Mr D'Adam, we are out of time and Mr Farlow has been waiting for quite some time.

The Hon. SCOTT FARLOW: Two last questions from me. Not all of these sites are created equal. I imagine you might not have so many of your members beating down the door to undertake development in Teralba, but what are the sites that your members are giving you feedback on and what are the ones that they are ready to move on quickest?

TOM FORREST: Realistically, the ones that I mentioned earlier—places like Chatswood, Bondi Junction, Edgecliff.

The Hon. SCOTT FARLOW: I should specify, in terms of the ones that are existing, of the 37 tier 2 TOD sites.

TOM FORREST: All of the tier 1 TOD sites—places like Macquarie Park, Bella Vista, Bankstown, Marrickville—we are hanging out for because that's where we are going to see significant increases in height and density. More significant, at least, in the tier 1 sites. That's why we are so keen to see more tier 1 TOD sites put in place. In fact, anywhere where there is a metro conversion, as I mentioned earlier, should be considered for a tier 1 TOD development. What that means is the Department of Planning does a precinct analysis of a 1.2-kilometre radius around the station location. That's much more significant than the tier 2 sites, where it's only 400 metres around and with a maximum height of only six storeys, with a capacity for your 30 per cent increase if you pursue the affordable housing bonus—if you can make the FSRs work within the DCP. We would say that the tier 1 sites are the really attractive ones for our membership and then we would say that anywhere where there's a new metro enhancement, that's also where our members are particularly looking to expand.

The Hon. SCOTT FARLOW: In the tier 2 program?

TOM FORREST: Yes.

KATIE STEVENSON: I agree with that. I'd also highlight—you speak of Teralba. I note that there were no tier 1 sites that were located in the regions. We call on the Government to identify opportunities in the Illawarra and the Hunter and Central Coast regions for further sites to be nominated. Our members in those regional chapters have enormous interest in supporting the Government in the TOD program. We really call for the expansion of the program to look at the potential benefits that it might have in the regions with the identification of new sites in future tranches.

The Hon. SCOTT FARLOW: We know that your organisations were both involved in discussions with the Government prior to this program being announced. Both of you have called for additional programs as part of a second tranche. Have any discussions been undertaken so far with the department about a second tranche and potential sites to date?

TOM FORREST: I've certainly made my views clear in discussions with the department in our regular newsletter, the *Urban Living Network*, which I commend to members.

The Hon. SCOTT FARLOW: I receive it.

TOM FORREST: In discussions with the Minister's office, they are well aware of the Urban Taskforce position that we would like to see more tier 1 TODs, and they are well aware of some of the difficulties that we see associated with tier 2. All of that is within the context of welcoming the steps forward that they have taken, which will assist in delivering against the housing supply numbers.

KATIE STEVENSON: Disappointingly, we've been told by the department that due to current capacity constraints, they're not able to look at a future tranche until next year, which we find is a lost opportunity. Again, that's something we're calling on the Government to address as part of the upcoming State budget. That's the opportunity for the Government to invest additional funds to provide new resources so that the Government can address these capacity constraints within the department of planning so that they can maximise the potential of the landmark reforms, which we support.

The CHAIR: Thank you very much for your time and for giving evidence today. I don't think anything was taken on notice, so we will not be contacting you with any homework this time.

(The witnesses withdrew.)

Mr JEREMY GILL, Head of Policy, Committee for Sydney, affirmed and examined

Mr EAMON WATERFORD, Chief Executive Officer, Committee for Sydney, affirmed and examined

Mr LUKE TURNER, Executive Director, Policy and Advocacy, Western Sydney Leadership Dialogue, affirmed and examined

Mr JUSTIN SIMON, Chair, Sydney YIMBY, affirmed and examined

The CHAIR: I welcome our next witnesses. Thank you for making time to come today to give evidence. Would any of you like to start by making a short opening statement?

JUSTIN SIMON: Yes. Thanks for the opportunity to address the inquiry today. I'm the chair of Sydney YIMBY, an independent, grassroots, pro-housing group. We are a member of the Abundant Housing Network Australia, a national alliance of housing campaigners building a new vision for housing and cities: one that's more sustainable, liveable and affordable for everyone. Our other members include Greater Canberra, YIMBY Melbourne and Greater Brisbane. Our organisations together represent tens of thousands of young and vulnerable people who are doing it tough in Australia's obscene housing crisis.

The root cause of this crisis is that more people want to live in Sydney than we currently have homes for. Our message is simple: We need to build homes for these people before they leave Sydney forever or find themselves on the streets. The TOD program is a promising first step in this direction. It creates viable zoned capacity in desirable areas, and it does so quickly. There is broad agreement from most here that we need to build many more homes. But to be effective, the program has to identify actual places to put them, and that's the primary animus of the opposition to it.

Opponents of the TOD say they want more community consultation, and "place-based strategic planning". But if, after 18 months of talking, that would result in a big increase in density for their area, then I guarantee the Friends of Ku-ring-gai Environment and the Haberfield Association would still be incensed with the results. This gets to the main point of these requests: delay. Councils and opponents of housing are experts at it. I'm sure many people hope that this committee inquiry delays the TOD even further. I'll use the Inner West Council to illustrate my points, but I emphasise here that's not because they are exceptional, but because they're my local council and I'm the most familiar with their machinations.

Since it was formed eight years ago, Inner West Council has finalised precisely zero large precinct upzonings. In 2015 the State Government planned to upzone Marrickville and Dulwich Hill for the metro conversion. In 2018 those plans were scrapped, with councils to carry them out instead. It took until 2022—which is four years—for the council to publish draft plans, but they were themselves scrapped within two weeks after a couple of angry town halls in Marrickville and Dulwich Hill. Now the plan is to accelerate these rezonings and complete them by the end of 2024, but unfortunately that means it will be nine years too late. The metro will be up and running before a single square metre of concrete is poured, and the delay has cost hundreds of thousands of people a home and driven up rents.

That's why the TOD is so important. It has convinced 12 of the 13 affected councils to finally start planning for density around train stations. This should have been done years ago, but it would not have happened without this intervention. One of our concerns is that the program doesn't go far enough. The TOD SEPP only applies to a 400-metre radius, but a walkable catchment is more like 800 metres. We think this should be extended to 800 metres, and we'd encourage those 12 councils to apply that limit. We'd also encourage this Committee and the Government to support an ongoing program of TODs with a few extra stations upzoned every year. This is how we ensure the city grows based on good planning principles.

Currently, when council planners do place-based rezoning, it's less about good planning principles and more about annoying existing homeowners as little as possible. That's why so much development happens on major roads. Council planners prefer to subject 20 families to traffic noise and fumes which cause asthma so one family on a quiet street doesn't have to look across the road at an apartment building. It's no coincidence that councils concentrate new development in their lowest SES suburbs, as these are the ones who complain the least. And it is no coincidence that Woollahra has an annual housing target of 100 dwellings while Blacktown must deliver 3,000.

Ultimately, you're left with a system with high-minded aspirations, but which is compromised by the hecklers' veto at every point where those might be applied. It creates the conditions where my daughter's public school is losing multiple teachers a year because they cannot afford to live in the inner west, where RPA struggles to attract nursing and pathology staff and where those with disabilities are locked out of entire suburbs because of

their obsolete and inaccessible housing stock. When you've been watching that play out for a while, uniform 400-metre circles around train stations in wealthy areas start to look pretty good.

LUKE TURNER: Thank you, Chair and Committee members, for the opportunity to give evidence today. The Western Sydney Leadership Dialogue represents a wide range of stakeholders with a shared interest in the advancement of Greater Western Sydney. Like our colleagues at the Committee for Sydney, our membership is not sector specific. It includes major universities, local councils, government agencies, infrastructure, transport and property development sector stakeholders, as well as tier 1 community housing providers.

Our submission outlines our broad support for the transport oriented development SEPP, making note of a number of issues and reinforcing the strong position we have held in favour of urban infill development since we started in 2015. Greater Western Sydney has taken on the city's growth burden in recent years—that is no surprise. Over the 10 years between 2011 and 2021, population growth in Western Sydney versus the rest of Sydney has been more than double: 545,000 new residents over that period compared with 260,000 or thereabouts in the east. We know this comparative trend will continue. If we omit the City of Sydney from those numbers, there are some really stark disparities in growth rates between the west and the east, and particularly so when we factor in the relative access to public transport, jobs and services.

The region has and continues to embrace growth. Historically it has provided affordable land for new housing, but in 2024 we don't need to look too far into the future to see that we are rapidly running out of land in the Sydney Basin for new housing. We also know that the answer is to build up, not out. If we are not pulling all the levers to enable infill development now, then when will we do it? We don't need to waste too much time discussing the opportunity cost of the do-nothing scenario. We believe local government views should, of course, be taken into account in any place-based planning instruments, such as the ones we are discussing today. From our perspective, the Government—and the alternative Government, for that matter—should place a higher weighting on the views of councils who are providing constructive alternatives to achieve the same end goal. Cumberland council, for example, has suggested alternative sites they feel will be more appropriate. Campbelltown council has taken the opportunity to put forward three station sites in its own LGA on which it has proactively undertaken extensive master planning. These are the councils who are offering to consult constructively.

Finally, I would like to highlight some relevant findings of our recent community research in which we surveyed residents on a number of wellbeing factors. Among the region's young people, the sense of upward social mobility remains strong. This is contrary to the observed trend throughout much of the developed world. Young people in Western Sydney love living in the region and we see some positive shifts in attitudes towards access to smart jobs. This is an achievement that we believe is worth noting. But the big block to upward mobility, unsurprisingly, is the supply and affordability of housing. If we want Western Sydney to keep on being a dynamic, diverse place where young people are getting ahead and where they can stay close to family and to their community as they grow older, then delivering sustainable affordable housing in the right places is critical. None of this is controversial, nor is it particularly unique to Western Sydney. However, I feel it's important to emphasise this as the backdrop to this discussion and what is really at stake here.

EMON WATERFORD: I will give a statement on our behalf. We are representing the Committee for Sydney. We're a think tank that thinks about the big issues facing Greater Sydney. We represent a diverse range of organisations that want to make Sydney the best city in the world. Our membership is made up of all sorts of organisations. That includes property developers, it includes community housing providers, it includes local governments, it includes universities, it includes architects, designers, heritage consultants, infrastructure providers, health care and all sorts of people.

Sydney is chronically, exquisitely and globally unaffordable. It's really important to recognise that we're not in a normal state of affairs here. We're not even in a slightly unusual state of affairs. Sydney is probably the sixth most unaffordable city in the world, although, on some measures, it is the second most unaffordable city in the world. By our estimates, Sydney is losing over \$10 billion every year in lost productivity, lost talent and lost innovation as a result of our high housing costs. We also only have 4 per cent of our housing stock as social and affordable housing. That compares to about 20 per cent in London, about 30 per cent in Hong Kong and about 80 per cent in Singapore.

When we look at the demographics of home ownership, our research shows that, on current trends, for kids born today, less than half of them will ever own a house in this city. By point of retirement, more than half of them will still be renting. That is a marked turnaround from the period of retirees now, with over 80 per cent of them owning a home in this city. We are sliding, we are going backwards and we are already at the top of a list that we don't want to be at the top of. We are also grappling with climate risk, high infrastructure costs, labour

shortages and supply chains. It's a chronically difficult place we are in right now. If you wanted to start somewhere to solve this problem, you probably wouldn't be starting where we are now, but here we are.

As the Committee for Sydney, we believe we need more housing and more affordable housing, and we need to do that in places that can enable density done well. It is critical that we look at places like train stations as the start of that. Rather than looking to grow our housing stock in places that have low infrastructure capacity, low connectivity, low amenity, low walkability and high climate risk, we need to be focusing on those locations that have far fewer of those risks. They tend to be the places around train stations.

As it happens, there are a lot of places around train stations that are below average density in our city. That means that, if you take the average density of our whole Greater Sydney area, there are places within walking distance of train stations that are below that average. That seems unfair. I should declare that I live in one of the TOD zones. I live in Turrella, and my area is below average density. I get a three-minute walk to a train station and a 20-minute train trip into the city and I share that space with very few people. That's not fair, particularly when we're grappling with a problem of the scale that we are, which is globally, historically and structurally extreme. I welcome the opportunity to engage with the Committee on this topic.

The CHAIR: I will go straight to questions from Ms Munro.

The Hon. JACQUI MUNRO: Thank you for all of your statements and for coming here today. Mr Simon, obviously, the Sydney YIMBY movement is a social movement as much as anything. I'm wondering if you have some examples of where you have been what you would consider successful in changing the tone of debate and potentially the outcomes of development applications or interactions with councils.

JUSTIN SIMON: One of our earlier successes was when Inner West Council were going to heritage list about a dozen electricity substations. Some of them were covered with graffiti. They were objectively pretty ugly buildings and it seemed quite unnecessary to us. We wrote a blog about it and it got written about in the SMH the following day. We went to speak about it at council and that was removed from the list of new heritage items. I think we significantly changed the tone when the TOD was being spoken about and when councils were moving reports and that sort of thing on this. We saw people turning up to meetings at councils all across Sydney speaking in favour of density. I think this is largely because we gave them the structure and the permission to do so. Prior to this, people knew they could object to things, but it would never have occurred to somebody to turn up and say, "Yes, we need more housing." It was very gratifying to see people I've never heard of in councils that I hadn't thought about or directed people to go to turn up and make those speeches.

The Hon. JACQUI MUNRO: Mr Waterford, I was curious about your stats to do with home ownership. Do the statistics suggest, then, that home ownership is extremely concentrated in the next few generations in the hands of a few? If you've got 50 per cent of the population renting by the time they're retirees, who owns their houses?

AMON WATERFORD: You have multiple houses owned by older generations. We're already seeing that come through. If you take the baby boomer generation, about half them owned their first home by the age of 30. Comparably, for 30-year-olds today, that number is more like 35 per cent, and it tapers at a lower rate as they age on. I would say that 30 years ago it wasn't that common for people to own multiple investment properties and it is pretty common these days.

The Hon. JACQUI MUNRO: Do you think or do you include in your calculations this move towards build to rent, where you actually have a commercial operation of ownership, and how that impacts the market and what proportion of people are renting and owning?

AMON WATERFORD: Right now the proportion is very low, so it's unlikely that is having an impact today. I would note that our assessment pitching forward wasn't actually based on any assumptions of a larger build-to-rent sector. What I would say is, when we're looking at numbers like that, I'm sorry, but there is very little we can probably do to reverse the entirety of that trend. I think home ownership is a really good social policy objective that we should be running hell for leather to try to solve but, to some extent, that genie is out of the bottle.

What we also need to be doing concurrently is make renting, particularly renting for life, a really safe and secure option for people. That means better landlords, better tenancy legislation and a different culture around thinking about the role of landlords and tenants in this space. Build-to-rent and institutional ownership of rentals will be part of that. It will also be the vast number of people who are using an investment property as their retirement fund thinking differently about the role they play as a landlord in actually providing secure, sustainable, safe, long-term housing, not turfing people out on a six-monthly or annual basis.

The Hon. PETER PRIMROSE: Can I ask all three of you, getting down to the more granular level about the type of density that we're seeking to build—and I'm thinking about the need to supply family-friendly apartments—if you can comment on the need to increase that supply and how you would go about getting the market to build more three-bedroom apartments?

AMON WATERFORD: We're very supportive of family apartments. By family apartments, we tend to mean three- and four-bedroom apartments. When we poll Sydneysiders, the number of people of older generations that want to raise a family in an apartment is a very small proportion. But as you look at younger generations, they're actually quite excited about that opportunity because they recognise that the trade-off for a backyard is access to great public amenity. "Smaller homes, shared spaces, bigger lifestyles" is the motto that we go off. We are very supportive of a shift to increase the number of three- and four-bedroom apartments, particularly in well-located places near train stations, near parks, near childcare centres et cetera.

We have put in our submission to the TOD process that we would like to see, at least for a short period of time, an increase in the requirement for family apartments, because there is a hesitancy in the market to provide those because it's a bit of an untested market. If you're a property developer, you know you can sell one- and two-bedders. You're probably less sure about the three and four bedrooms. That is starting to turn in the market, and I note that some property developers are seeing three-bedroom apartments as their highest value product. They're actually making more money from that per square metre than other one- and two-bedders. But, short term, we think that there's a role for saying, "Well, if we're increasing the density of these TOD sites, let's actually mandate a higher proportion." Currently, it's at 10 per cent; it could be a higher proportion.

The Hon. PETER PRIMROSE: Either of the other witnesses?

LUKE TURNER: Yes, I support everything that Eamon just put forward. We know, anecdotally, that it's much cheaper for developers to build a three- or four-bedroom house on koala habitat in the far-flung south-western reaches of Greater Sydney than it is to build a three-bedroom apartment above Campbelltown station, for example. I couldn't comment on the specific property economics of why that is the case but, to the extent that there are regulatory policy issues that make that the case, we need to be looking at it.

I agree 100 per cent with what was just said: There's a generational shift in attitudes towards apartment living. I'm raising my own family in an apartment. You speak to people and some people are aghast at it, but it's not just an inner-city thing. People in the outer suburbs want to raise families in three-bedroom apartments. We encourage more attention on this, but it has to start with discussions in forums like these in the community around what our councils and our State Government can be doing better to make it stack up for developers to be delivering that kind of housing.

JUSTIN SIMON: Likewise, I'm raising two kids in a three-bedroom apartment with my wife. There are a couple of things that are under-discussed. The first is car parking. A lot of councils require two parking spots for a three-bedroom apartment, which is going to make it a lot harder to pencil. I have two parking spots under my apartment; I don't actually use either of them and I don't own a car. There's also a trend from councils to generate this zoning which prioritises short, fat buildings, which makes it hard to build the taller, thinner apartment buildings that have dual aspect.

That is what you need to get three-bedders actually working because, if you only have one aspect on an apartment and you've got three bedrooms, you have a whole bunch of dead space behind them that you've got to fill. With two beds, you can put a bathroom, a laundry and maybe part of the lounge room. With three, you've got much more space that you've got to fill. So dual aspect ends up being something that is very desirable for those kinds of apartments, which I think gets overlooked when we put in height requirements because we're scared of shadows.

JEREMY GILL: Can I just add to that as well? I think it's important when we're building these new developments that we are thinking about building them for the community, not just the development. We wholeheartedly endorse the need for more three- and four-bedroom units, but as part of those TOD precincts, recognising as well that with the increase in the number of families—maybe older people living in multigenerational housing in larger apartments—it's important that the considerations around child care, school capacity in the existing public school system and those other community infrastructure and even open space provisions are seen as part of that. That's one of the challenges. If it's built without consideration of what that supporting infrastructure is, that's where we start to see challenges in the ability to raise those families over the long term, and so that's a really important part of that wider discussion.

The Hon. MARK BUTTIGIEG: The Parramatta example where there have been good heights or generous heights—was the three-bedroom phenomenon borne out by that? Did that stack up out there?

AMON WATERFORD: In the Parramatta CBD?

The Hon. MARK BUTTIGIEG: Yes.

EAMON WATERFORD: I would have to check; I'd have to take that on notice. I'm not sure. Are you aware?

LUKE TURNER: I couldn't comment in detail.

The Hon. MARK BUTTIGIEG: As you say, it's an untested market, isn't it? It's okay to say, "I'm doing it", but at what scale do we know that families are prepared to actually make that sort of shift, where you don't have a backyard but you're relying on the community space to take the kids out and play and all the rest of it?

JEREMY GILL: We commissioned a survey at the beginning of the year and asked different generations what they thought about the idea of raising a family in an apartment. You can imagine the older generations were more reluctant. But I think when we got to about gen Z, it was something of the order of 60 per cent of people in favour of that, so I think there is a generational shift. I think it's also just important to recognise that the 1970s blocks on the North Shore, for instance, had quite a number of three-bedroom units built into them as well. It's not a product that's not been delivered in Sydney before; it's a product that's been delivered for a number of years.

The Hon. MARK BUTTIGIEG: It's definitely a cultural thing. My wife is from Greece and it's just what happens. In terms of the overall TOD concept and the trajectory we're on now, you would have heard in the earlier evidence that the Property Council is of the view that it's not quite going far enough in terms of the SEPP overriding DCPs. What is your view on that balance?

EAMON WATERFORD: Apologies, I didn't hear that evidence. Can you give me a bit more—

The Hon. MARK BUTTIGIEG: Their view was that you've got this SEPP, which has got the uplift in density and presumably is going to serve as a catalyst for increased housing supply. But the problem is that the local DCPs still have carriage, and the Government has done that in order to give councils some flexibility to bring the community along in a conversation about how we meet that. But they're saying that under the current configuration, the DCPs will provide setbacks, which won't give you the uplift you need for developers to make it viable. In other words, the SEPP has to come in over the top of the DCP and say, "No, this is not going to give us enough housing supply; therefore, you need to have the SEPP actually take priority over the DCPs". That was their view.

The CHAIR: Sorry, can I ask just add with that, though, it's always difficult when we've got Committee members—

The Hon. SCOTT FARLOW: Interpreting evidence.

The CHAIR: Yes, from a very good intended perspective. But the reality is SEPPs legally do override DCPs, so what they were saying is the DCP is still a relevant consideration, but the SEPP certainly—

The Hon. MARK BUTTIGIEG: What they were saying is it could go to court, which would slow up the process.

The CHAIR: I think what Mr Buttigieg is seeking is your view at the moment in terms of the messaging and the balance that seems to be coming through the TOD SEPP.

The Hon. MARK BUTTIGIEG: On the Chair's point, just to close the loop on that, their view is that there needs to be a ministerial directive or an amendment to the SEPP to say that if there's a conflict then the preference will be for the SEPP to come in—so to avoid the court process, which would unduly delay it, because their view is the SEPP would win in the court anyway.

JUSTIN SIMON: This is very clear on the North Shore. Around the Ku-ring-gai stations, 50 per cent of those areas are covered by heritage conservation areas. In that case, developments are prevented because they'll be out of scale, mass, bulk or whatever with the surrounding houses. In that case, councils should have to show how you can actually achieve the 2.5- and six-storey buildings in those areas while meeting their DCP. Otherwise, in that case, it should be overridden because it should be interpreted as an effective block on the SEPP's intent.

The Hon. JOHN RUDDICK: My question is for Justin Simon of Sydney YIMBY. Thank you for what you and your organisation do. Thank you for giving us our best submission, and I agree with 98 per cent of it.

JUSTIN SIMON: We're going to get to the two.

The Hon. JOHN RUDDICK: I'm very interested in recommendation 4, where you mention Auckland. You're saying that at some point, either the Auckland council or Wellington has said that 75 per cent of the great city of Auckland, overnight, could build three-storey buildings, I'm guessing on standard residential blocks.

JUSTIN SIMON: Yes.

The Hon. JOHN RUDDICK: Firstly, when did that happen?

JUSTIN SIMON: That happened in a couple of stages. I think the initial one was in 2012, and then in 2016. In 2012 it applied to some areas of the city; in 2016 it went across the whole city.

The Hon. JOHN RUDDICK: Okay, so that's a fair bit of time. Three-storey blocks seem fairly modest to me, but have we seen community resistance or community acceptance about this, generally speaking?

JUSTIN SIMON: Generally, there's been broad acceptance there, except in the—the 25 per cent ended up being what they call character areas, which are equivalent to our heritage conservation areas. But this is something that Nationals supported and that Labour supported. Even the Greens were on board with it. This was something that the whole of society was seeing as a problem and they pushed together for it.

The Hon. JOHN RUDDICK: I can remember reading many reports 10 years ago about how Auckland had the most expensive property in this part of the world. That was some time ago. What has been the impact on house prices and rents?

JUSTIN SIMON: I only have the data on rents. Rents were down by between 20 and 30 per cent relative to where they would've been if this reform was not undertaken.

The Hon. JOHN RUDDICK: They've reduced?

JUSTIN SIMON: Reduced.

The Hon. JOHN RUDDICK: That sounds like a big success.

JUSTIN SIMON: Yes, it was an amazing success. The caution with Sydney would be that if we upzoned for three storeys, we probably wouldn't get those results because much of Sydney is already three storeys. Auckland, as a whole, is a lot less dense than Sydney so our threshold is, we think, at six storeys or thereabouts.

The Hon. JOHN RUDDICK: I agree with that.

The Hon. SCOTT FARLOW: Turning to the submissions of both Western Sydney Leadership Dialogue and the Committee for Sydney, the importance in terms of having the enabling infrastructure—and not just the transport infrastructure but the other infrastructure such as the community infrastructure and the education infrastructure—I think both of your submissions picked up on. In terms of your analysis—and I think particularly for the Committee for Sydney, you did the former report on transport oriented development around 2018?

EMAMON WATERFORD: In 2022.

The Hon. SCOTT FARLOW: Could you comment on what you looked at there and whether there was anything that you found out of that that could potentially help in terms of how education infrastructure, in particular, could be worked in where there's increased densification?

EMAMON WATERFORD: Did you want to go just while I check. I've got a copy of the report.

LUKE TURNER: Sure.

The Hon. SCOTT FARLOW: Mr Turner, from Western Sydney perspective, you talked about the difficulties in Western Sydney, particularly with schools. I might highlight on this point. At the moment, two of those sites in particular—the Bella Vista and the Kellyville tier 1 precincts—you've got schools that, in some instances, are at 200 per cent capacity in those areas. What concerns do you have in terms of the increased densification around those areas if the school capacity is not there?

LUKE TURNER: I think we've commented in previous inquiries around service planning in that part of the North West where, in a lot of cases, decisions are made based on data that is really quickly out of date, such as has been the pace of population growth in places particularly close to that new North West metro. Obviously we would hope that, like with any State planning policy, provisions are made for the provision of school capacity as well as other health services. Early childhood education as well is really important and they are an often overlooked area. Ultimately we need to trust that this planning policy works in conjunction with the planning of our other State agencies to provide adequate capacity. There was a story in the SMH last week which outlined some issues in school capacity and the relative geography of that across Sydney. It's the North West and the South West which are oversubscribed in our public schools. We see that also in health care and other service areas so definitely more needs to be done. I don't think this policy by itself can solve all of those problems but, it needs to work in conjunction with the other arms of government.

JEREMY GILL: I can add to the education process, recognising that Education goes through their own demand analysis for future school capacity. There's an understanding of current capacities of schools. The important thing is to recognise the capacity of those schools, then what the likely demand is to be from different growth scenarios and what the household profile of those is to ensure that schools do have the space to accommodate future growth or have developments in place to increase their capacity. The same goes for things like retail, community infrastructure et cetera; there's a process by understanding current carrying capacity and future demand. That then needs to be factored in to understanding the ability for an area to increase the ability of the number of people living in there, or what investments need to be made in infrastructure or local services to grow to ensure that provision is met.

AMON WATERFORD: I'd add that it is important that we plan this upfront because the increase in land values that will happen when you start seeing six-storey apartments come out of the ground risk making it much more costly to come back later and build a school so we absolutely need to plan for this.

The Hon. SCOTT FARLOW: Or to buy land for a park, for instance.

AMON WATERFORD: Indeed. Or to say, "I know you think your land is going to be worth oodles because it's six-storey zoned but, actually, this is the best site for a park," and have that conversation with that local landowner. You also need to fund that infrastructure. There is a lot of uplift benefit that those local residents will get whether they decide to sell their property to get redeveloped or stay in their property and benefit from the added amenity that their community will get with that increased density, so funding mechanisms that capture some of that uplift growth such as SICs or land taxes. There's a variety of different mechanisms but we should be looking at funding mechanisms that raise some of that uplift value and reinvest it into local infrastructure.

The last thing that I'd say is that there's a whole bunch of local infrastructure that we all want and need in our local community that isn't government provided. Governments aren't providing doctor surgeries, chemists or childcare centres, typically. They might zone for some of these things but someone's got to be able to stack that up as a business. In many instances, those things just don't work unless there is a density of people. No-one's going to make the financial decision to invest in opening a new doctor's surgery in a community if they don't think there'll be enough people there to show up at the doctor's surgery and make it worthwhile. So there is, to some extent, also the chicken and the egg where you want to see a whole bunch of childcare and aged care move in but you need to see the density of people to support that. Government could be working with providers but they can't direct them by saying, "You must go and build a childcare centre there," but they can say, "We are predicting that in the next two years there will be X number of additional people in this area. How would that work into your planning?"

The Hon. SCOTT FARLOW: To that point, Mr Turner, I think you outlined in your submission the jobs deficit in Western Sydney—I think it was 300,000 that you outlined. We know that industrial land is protected, so to speak, in the TOD. Mr Waterford, this is probably relevant for you in Turrella. With respect to that competition between the enterprise land and the need for housing, how do you see this program working in with those competing demands, particularly in the North West with some of those sites where you do have quite an accommodation of enterprise land around some of the stations?

LUKE TURNER: I don't have any specific data in front of me but we've highlighted to government in recent months that we're trying to deal with this housing crisis and we need more housing everywhere but we can't also, at the same time, lose focus of the need to provide jobs close to where people are living or we're going to exacerbate that deficit. With regards to transport oriented development, we'd like to see continual mixed use development around station precincts. I think that will continue and that happens organically over time. Where there's access to transport, you'll have a diversity of land uses in there, which has jobs go with that as well.

With regards to enterprise land and industrial lands, I think there's much more potential for more light industrial land uses, particularly in the North West, and we'd encourage government—not through the TOD SEPP, obviously, but through other processes and other forums—to explore where they can continually provide more employment lands in the region. There's been a big focus in south-west Sydney on provision of employment lands and the infrastructure required to deliver that. It's a separate issue to what we're talking about today but, generally, the sites that we're concerned with in the first round of this TOD SEPP, mixed use is a key. For further TODs that might be considered in the future, over time, if we're building up these stations then we're building in less car dependence, more easy access to jobs close to where people live. Policies like this get that principle right and we need to encourage that and support it.

AMON WATERFORD: Can I just add, you're right, we have a jobs deficit in Western Sydney and we have housing deficit in eastern Sydney. Or put another way, we've got an overabundance of jobs in the east and overabundance of housing in the west so I'm less concerned about the risk to jobs spaces in the east than I am in the west. I think we need to ensure that we're not putting more and more housing in Western Sydney when what

is really required is to get people to not have to commit two hours each way in order to get access to a good job if they live in Western Sydney.

You mentioned Turrella. It's a really interesting case study. I'm a big fan of the industrial lands policy as it currently stands. We have far too little industrial land in this city, and we need to protect the bits that we have. But then I look at an industrial estate like the Turrella one. It's literally about three metres from a train station and 20 minutes into the city. I think if you could do something a bit more nuanced with this site, if you could retain a bunch of light industrial jobs on this site but as part of a mixed-use community that also enabled pretty poor—there's a big park there but it's a very bad park. I hope I'm not offending the local council there, but it's basically just marshy grass. There's not much going on there. If you could enable unlocking that industrial estate in a way that maintained jobs on site in the future but also unlocked access to Wolli Creek, then I'm genuinely conflicted about that one because I can see the merits of that on that particular site.

The Hon. SCOTT FARLOW: I guess that's the intention. All of these transport nodes are important for being able to move people to places, and part of that balance of moving people to places is also moving them to their work. Even though they might be well located for housing, they can also be well located for employment, so to speak. Maybe the industrial land at Turrella potentially isn't the best use of that in terms of how many people—I don't know how many people are employed in that site.

AMON WATERFORD: Not many, I suspect.

The Hon. SCOTT FARLOW: That's my suspicion as well. Perhaps that might not be the best intensification of that process. But in other areas, it certainly would be the best use.

AMON WATERFORD: And done strategically right. If you're thinking about how we net-increase the number of houses and number of jobs by intensifying of industrial land on that train line at a different location that enables people to live next to Turrella and be five minutes by train to their job—at the airport, for example, which is relatively close by—you might get a much better outcome for all involved. It's a really tricky one because of that complexity.

The Hon. SCOTT FARLOW: Sorry to pick up where you live, effectively, but the Turrella example, where there has been criticism in terms of the protection of the industrial land—and we've seen a couple of other examples as well—goes back to the other question that, funnily enough, unites those who are supporters of the program and those who are opponents of the program but that is the rationale in the selection of the sites as well. Apart from what has come up on the website in March, is there any further indication you've got in terms of the rationale for the site selection that has potentially helped in your understanding of why sites have been chosen and why other ones have been left off?

AMON WATERFORD: Probably not much. Why don't I tell you what my understanding of the rationale is and if that differs from your understanding, hopefully that illuminates some new information. There is a fundamental question of how much water, stormwater and electricity capacity a particular site has to add extra houses and the cost-benefit of investing in more to increase the density of a location. That is probably a first threshold that needed to be crossed in identifying sites. Then there's a speed-to-market question: How quickly can you get houses out of the ground and keys in doors in a bunch of these high-value locations? Some of these precincts are very high value and are likely to see development happen quickly. My sense—my expectation—is that the Government wouldn't stop at 31 TOD sites and eight accelerated precincts but would increase. It's 33 now.

The Hon. SCOTT FARLOW: Thirty-seven.

AMON WATERFORD: That would be a tranche 1 of an ongoing program that looked at other locations that maybe could have those criteria in the future but don't yet.

The Hon. JACQUI MUNRO: I have a question about affordable housing. We heard earlier evidence that there was a concern that, at the moment, the way that affordable and social housing is built into requirements means that for those tier 1 and possibly even tier 2 sites, it's going to be unfeasible for developers to build effectively. I think we can all agree we want more affordable and social housing for workers. There is a suggestion that it would be better to have more density of affordable housing in particular developments and not have affordable and social housing in others. I'm wondering if that has come into any of your modelling in terms of social outcomes or impacts?

AMON WATERFORD: From the Committee's perspective, the long-term objective we need to get to is what other global cities have, which is that every single development built anywhere in the city has a portion of it as social and affordable housing. That's what London does; that's what Singapore does; that's what Hong Kong does. That is the model that we should be moving towards. In essence, what we have here is a very small percentage of that model. I can appreciate that there are going to be a lot of teething problems around this, and

we're likely to miss out on some feasible sites getting delivered quicker as a result of that, but at some point you have to bite the bullet and move to this model, which is that everywhere has to get it. Otherwise, you end up in a situation where you don't build any social and affordable housing in the inner city because it's cheaper to deliver more of it in Campbelltown, Camden and the like. That may well be true. Certainly, there is a housing affordability crisis in those locations as well, but it never resolves the issue of low-income and low-to-medium-income communities being able to live in every community.

The Hon. MARK BUTTIGIEG: On that, what's your view about the economics of this in terms of the development industry not being viable enough?

EAMON WATERFORD: I can only give you a sense because every developer has a slightly different feasibility model. So you can't make sweeping statements that this is viable or not viable, but it's probably marginal right now. Costs are at the highest that they've probably ever been for the development sector. Interest rates, inflation, supply chains, labour—it's all tough. Planning costs—although this may see those come down. But this is a really tough time to be building housing. If it's not feasible, it doesn't surprise me right now, but we're zoning these places for the next 40 to 50 years, so we can't just respond to the current point of the cycle that we're in.

There may be a role to play in short-term incentives or short-term models that enable that to get started. You could have quite a good outcome if you said to people, "You can have an extra two storeys if you commence construction in the next 12 months, but that goes away if you don't commence construction in the next 12 months." It helps with the feasibility up-front. It gets more housing built, quicker—more keys in doors and more people in homes, quicker. It starts the process, whilst reverting back to where you see the long-term goal. I would say that whilst we have a five-year housing target of 377,000 homes for the State—which we will almost certainly not hit, by the way—we also have a long-term structural housing crisis that is going to take 20 years to solve for. So these sorts of policy decisions are really good because they are setting us up for that long term.

The Hon. JACQUI MUNRO: Mr Simon, also on affordable and social housing, are you getting much feedback from the people who you're engaging with across Sydney and across New South Wales about how they want to see affordable and social housing delivered?

JUSTIN SIMON: In general, our perspective is that, with six storeys, it ended up being quite marginal, which I think is reflected in the low percentage. If you want more, then the State Government should be looking to actually pay for that—or the Federal Government—instead of pushing those costs onto first home buyers who are buying apartments. That's the bottom rung on the ladder.

The Hon. JACQUI MUNRO: Are the people who you're engaging with, who are speaking to councils and saying that they want more developments, speaking strongly in favour of affordable and social housing?

JUSTIN SIMON: Some of them are. We were in the inner west two months ago speaking about a Haberfield defence land site where we had identified that this was being turned into 19 homes with 800 square metre blocks that we're going to sell for \$3 million. We wanted to look at building, for instance, three-storey apartments with a large percentage of affordable or social housing on there. But we have quite mixed views within our group.

JEREMY GILL: Can I make this point on the question about the feasibility dynamics? The feasibility is a real consideration with properties that have already been acquired and where developments are in place. It can be seen as an additional cost or loss of revenue. Feasibility becomes less of an issue in the future because people haven't yet acquired the land. If it's known that they need to provide a certain amount of affordable housing—be it 2 per cent or be it 10 per cent—that is factored into the purchase price that they would make in the long term. So the idea that affordable housing would have an implication over the long term for feasibility I don't think is the case. That's an important consideration to make, and that's why it's important.

The Government started at 2 per cent and is looking to ratchet it up. It's worth thinking long term about what we do ratchet it up to, given what other cities around the world do. It also raises the point in the near term about the role of Government-owned land where there can be a more direct intervention into the provision of affordable and social housing in well-located areas on council-, State- and Commonwealth-owned land so that we can get the ball rolling as soon as possible on that.

LUKE TURNER: Just adding to that, I think if we want to take a long-term view on what we want our social and affordable housing mix to look like—and everyone refers to global cities, particularly European cities and what they're able to achieve. We've taken some early steps in building up the scale and the commercial sophistication of our community housing sector through a variety of Federal and State Government levers. You mentioned build-to-rent housing before. That has a really important role to play, and we'd like to see much more of it. That is bringing in institutional investment and building up the profile of social and affordable housing as an asset class in Australia.

It's really crucial to bring down unit costs and give government confidence that—whatever it is—the 2 per cent floor can be ratcheted up over time. We see, in some cities, 20 or 30 per cent as the floor, and that's commercially viable for the housing providers and the property sector. We're a long way from achieving that in New South Wales and in Sydney, but build-to-rent has a really important role in bringing the big players in to give confidence that there are sustainable returns in investing in housing.

AMON WATERFORD: And that confidence is a really crucial point. The floor in London enables the private sector to price in the affordable housing because they know that no-one is going to overbid them by getting out of their responsibility to deliver social and affordable housing. So it is really clear that there is clarity with the market and certainty and that everybody knows they are on a level playing field with their competitors in this space. The Federal Government has a role to play in this.

They've announced some funding for this. I mentioned previously that I didn't think we would hit our housing targets. That's in large part because I think the Federal Government has done an insufficient job in providing the funding both for social and affordable housing and enabling infrastructure to deliver the housing, because the levers that the State Government has are only so many and the Federal Government has—whilst they sound like big numbers, it's relatively modest compared to the scale of the problem we're grappling with.

JEREMY GILL: We talk about water, schools and everything else as essential infrastructure. Social and affordable housing is essential infrastructure for a functioning city and society. It is not an optional extra.

AMON WATERFORD: You can't get away without stormwater. You also can't get away without cleaners, hospitality workers and creatives, and these are the sorts of people that are priced out of Sydney right now.

The CHAIR: Looking at the TOD, do you think that we have got the settings right for green space and deep soil, given the increase of supply that we are hoping and planning for? Have you looked at that element of how we do it for the liveability of the city, and do you have any views on that?

AMON WATERFORD: Yes. In our submission to the TOD program we encouraged changes to the design of the planning controls to enable a larger amount of space on each site to have deep soil to enable trees on every site. Trees aren't something you put on one site in the middle of the—it's good to have a park in the middle of a community, but everyone needs trees in front of their door and in their backyards, if they happen to have backyards. We've seen some changes to the TOD program that have supported that, so I'd say we're on the way. The other thing I would note is that, typically, the green space in these established areas tends to be of higher quality than the green space that you have to build into a brand-new development.

Whilst you can do really good development, the trees are very small and they take a very long time to grow. And it means it's very hot, because you tend to build it in really hot parts of the city. Whereas, if you're close to the coast, it's cooler, the trees are already pretty big and, as long as you're not chopping them down, that's a really good starting point in terms of cooling your community and providing breathable air. And you may already have existing green space which can be improved and upgraded, which is much cheaper than trying to put a new park into these sites.

JUSTIN SIMON: This is something I noticed when I was in Ku-ring-gai on the weekend; every street is lined with trees. This would be an ideal place to put more apartments, and it would be much more pleasant to have them there than, say, building much more of them in Western Sydney.

The CHAIR: But the implication is that you do not remove any of the trees in order to do that?

JUSTIN SIMON: The trees are in the street. If you've got street trees, those are going to be the most valuable ones rather than ones at the back of the property where there's very little public use of them. These are the ones that cool where people walk and which are pleasant when people are walking down the street.

AMON WATERFORD: It's an interesting contradiction of how we think about nature and interfacing with nature that the best thing we can do is get people further away from national parks and the like and get them into density where you can actually design cool communities better but also protect those natural assets like your national parks and your waterways a bit better. It can be quite nature-positive by investing in density if you do it well.

The CHAIR: Mr Simon, I am curious about that comment. You are suggesting that you retain street trees, but big, mature trees that aren't on the street aren't important.

JUSTIN SIMON: I wouldn't say not important, but I'd say there's a level of prioritisation where the ones on the street provide much more amenity, and bringing more people in closer proximity to them allows them to experience nature.

The CHAIR: So the understanding is that it is a person's experience of nature, not the function, that a tree provides. We have heard a lot of evidence in this inquiry about deep soil and trees and that the value is not necessarily being able to see it and enjoy it; the value is achieved—

JUSTIN SIMON: The ecosystems and so forth.

The CHAIR: Yes, and the cooling effects that it has for those heating areas and built-up areas.

JUSTIN SIMON: If we're looking at the cooling effects, people in eastern Sydney are going to experience temperatures five to 10 degrees less than in Western Sydney where we're cutting down koala habitat every single day to build housing on the fringe. If you're going to build—

The CHAIR: No, I was talking about the TOD areas.

JUSTIN SIMON: The TOD SEPP is an alternative to our current sprawl mentality that has dominated Sydney for the last 50 years or so, which we think provides better outcomes in terms of cutting down less trees than previously. We've also encouraged taller height limits and those sorts of things for many reasons. We spoke about family-friendly units in thinner buildings and that sort of thing. If you just have the FSR and you remove or relax the height controls, then people can have more deep soil planting with taller buildings with the same FSR achievable, and you can get better outcomes for almost everyone—except for people who may have a phobia of buildings over 15 metres or whatever.

The CHAIR: Our time has come to an end for this session. Thank you all very much for your time and for presenting your evidence. The secretariat will be in contact with you in relation to a couple of questions taken on notice.

(The witnesses withdrew.)

(Short adjournment)

Mr WAYNE RYLANDS, Chief Executive Officer, City of Ryde, sworn and examined

Mr JAMES FARRINGTON, Director, Planning and Compliance, Hornsby Shire Council, affirmed and examined

Mr STEVEN HEAD, General Manager, Hornsby Shire Council, and Chair, General Manager's Advisory Committee, Northern Sydney Regional Organisation of Councils, affirmed and examined

The CHAIR: Welcome to each of our witnesses. Thank you for coming along and making the time to give evidence today. Would any of you like to start by making a short opening statement?

STEVEN HEAD: Madam Chair, yes. I would like to make an opening statement on behalf of NSROC, if I may. NSROC, the Northern Sydney Region of Councils, is a voluntary association of eight local councils who have come together to collaborate and promote a united voice on key issues in our region. Our member councils are Hornsby, Hunters Hill, Ku-ring-gai, Lane Cove, Mosman, North Sydney, Ryde and Willoughby. Collectively, the NSROC member councils service an area of approximately 640 square kilometres with a population of approximately 650,000 people. We work together on policy, strategic matters and operational items to drive efficiency and to enhance the prospects for our region.

NSROC acknowledges the housing crisis and agrees that new housing capacity should be well located with access to services and public transport. This must be achieved through a tailored approach that has regard for local circumstances. NSROC is rather concerned about the blanket one-size-fits-all reforms proposed by the New South Wales Government through the TOD, the transport oriented development, and the diverse and well-located homes and planning reforms. The key issues that we would like to raise today are, as I just mentioned, the one-size-fits-all—is that an appropriate approach for the TODs in particular? We believe that planning for these needs to be undertaken in conjunction with both infrastructure, having due regard to environmental considerations, such as bushfire, flood, biodiversity, heritage matters and, crucially, we think waste is one of the things particularly NSROC would like to talk at length around that particular matter.

We also consider that the one-size-fits-all approach is maybe not the best approach to planning for each of the areas and would suggest that a more tailored approach by each of the individual councils to each particular location that's been announced would probably yield a far better outcome for our communities. In that vein, we would welcome the opportunity to collaborate with the New South Wales Government to ensure increased housing density is delivered alongside transport services, essential services—including specifically, as I mentioned earlier, waste—and employment opportunities, with adequate provision of supporting utility, transport, health, education, community and recreational infrastructure.

We acknowledge that a number of member councils have had discussions with the department of planning and we acknowledge the efforts of the department of planning staff to work with the majority of councils, but we do believe very strongly that there needs to be an ability to tailor or calibrate the settings for each individual location. Just very briefly in summary, I thought I would outline the headline issues that NSROC would like to raise. We have called on the Government to exclude bushfire- and flood-prone land, as well as lands mapped that have biodiversity value and heritage conservation areas, from the reforms. As I mentioned, the one-size-fits-all approach, we believe, should be changed to be an approach that provides for place-based planning and not adopt that one-size approach as part of the stated goals of the TOD. We'd like to see how it's demonstrated that we'll see additional housing can be delivered alongside critical infrastructure, including waste, hospitals, schools and open space.

We'd like to see further clarification on the proposed reforms as to how they'll address barriers to existing and future construction of dwellings. As we know, feasibility is a significant challenge and the concept of land banking and finding sufficient qualified and experienced organisations that can deliver the housing, we think, is a critical issue and has not at all been solved with the TOD proposals. Specifically, and I know that the chief executive officer at Ryde will talk to this, and North Sydney Council—both have concerns about erosion of employment lands and see that as critical. We often refer to ourselves as a sort of global arc of employment that stretches through the northern region of Sydney. We also think that there needs to be further analysis and solutions identified for the impact of the large increases on population and dwelling numbers on waste collection, waste infrastructure and processing, which includes the EPA's organics requirements that have been specified to us to have in place by 2030.

We also think we need to understand how developers receiving the affordable housing height bonus will be required to dedicate homes or any additional units provided through that process in perpetuity, and we require that the recently introduced housing productivity contributions be allocated within the LGA that they're collected in, if not through the broader region. We think at the moment that whilst the department of planning has outlined

some of the measures for how the use of those funds will be governed, we think there are some key matters there that really need to be addressed and that, if funds are collected at least within a region, they should be utilised for infrastructure needs within that region. In conclusion, we thank you very much for the opportunity to provide a submission, both to the inquiry itself but also to appear here today. We certainly stand ready to help the New South Wales Government respond to the housing crisis and ensure that well-designed and well-located housing is delivered across our region. Thank you very much. I'm more than happy to answer any questions.

WAYNE RYLANDS: Thank you, Steven, for that lead-in with respect to the employment and what the Sydney global economic corridor actually means for our State and for our northern Sydney region. One of the main issues that our council has with the particular crisis that we have at hand at the moment, the housing crisis, which is fully acknowledged by our council—and our council has been meeting the needs of Sydneysiders with increased housing density for many years. But it's the potential impacts, particularly on Macquarie Park, with employment and it's the lack of infrastructure that's occurring to support the additional residents, the additional employees that will move into places like Macquarie Park that is of great concern to our council.

In saying that, we believe that we've come up with a very good plan to work collaboratively with the Government in our *Striking the Right Balance* report that we provided to council and we have provided to you. This is about making sure that when we respond to the housing crisis, we don't create two other crises, and that is a crisis of reduction in the amount of employment that we have for Sydneysiders that live east of Parramatta and it's ensuring that we have the infrastructure to support the residents that we believe can move into places like the City of Ryde. We've come up with a plan, not just for Macquarie Park—and we're working collaboratively with government on the Macquarie Park TOD, but we're also working with our lead planners on reimagining what our West Ryde and Meadowbank precinct can be, and what our eastward strategic key centre can be.

We believe that if government works properly with us, we can provide tens of thousands of houses, but we can also provide tens of thousands of jobs. It would be well supported by the infrastructure plan that my staff have been developing in conjunction with my council. For us, it is all about striking the right balance. It is ensuring that we don't create two other crises when we are trying to resolve the housing crisis. It is trying to ensure that we retain the employment that is within the Macquarie Park Innovation District, that we treat it as an innovation district, and that we provide the right sort of planning for it to continue to be Australia's premier innovation district. It's not a CBD and was never meant to be. For us, it's about thinking about what is the type of business that we need to continue in Macquarie Park to keep it as an innovation district. We are willing to work collaboratively with the Government in that light.

We are willing to look at a lot higher density with residential. Macquarie Park, Eastwood and Meadowbank West Ryde can take greater density of housing. We understand that and we are willing to work with government to provide a lot of that additional housing, but it can't be at the expense of employment. We can't be expecting everyone to be reverse squinters, as has previously been stated by Geoff Roberts, who was the previous chair of the Greater Cities Commission. What we need to ensure is that we retain jobs in the middle ring of Sydney, that we retain jobs in eastern Sydney, because otherwise everyone will be travelling out west to find a job. We want to make sure that we are looking at this holistically and that there is a long-term plan. This isn't going to be about a short fix. This will need a long-term plan and everyone—whether it be Federal Government, State Government or local government—will need to work together to be able to achieve this.

JAMES FARRINGTON: Mr Head spoke in relation NSROC, but if I could make a few comments in relation to Hornsby council, that would be great. Hornsby council's position is that it certainly acknowledged the need to provide additional housing and address affordability. We've done that at a local level in preparing housing strategies. We've got a proven track record of preparing housing strategies to meet demand. We've done that in strategies in 1994, 1998, 2000 and 2012, and that work received the Premier's award for housing supply in 2017. More recently we continued that work with preparation of the Epping Town Centre master plan in consultation with the City of Parramatta and the department of planning. That worked on rezoning of the Hornsby West site, and we've done some local planning controls in relation to work within Pennant Hills.

The work we've done has always been about preparing those local strategies based on our local controls and in consultation with our community to meet their expectations and in response to our hazardous areas and any environmental constraints. Largely it's consistent with the principles of the TOD, which is about providing additional housing around centres and close to public transport and providing housing diversity. We don't have any of those TOD precincts identified specifically within our local government area, but we do have an accelerated precinct identified, which is the Hornsby Town Centre. Hornsby is in a fortunate position in that we've already done extensive work in terms of planning for the Hornsby Town Centre in the preparation of the Hornsby Town Centre Masterplan.

It sets a strong vision for the town centre to deliver 4,900 dwellings and opportunities for 4,500 jobs. It has been identified as a key initiative arising from our housing strategy in 2020 and we have been working on the project for a number of years. Since 2019 we have undertaken a number of technical studies including transport modelling, economic feasibility testing, urban design and sustainability. The master plan identified significant opportunities to provide additional housing by increasing heights up to 36 storeys, which is a significant uplift from the current controls of about 10 to 15 storeys. In addition to housing and employment, the master plan identified significant other community benefits—a new town square, a network of open space, improved east-west connections, library and community space, relocation of the transport interchange, and significant over-station development on State government lands.

We have undertaken consultation with key State agencies, service providers and the community, and the plan was unanimously adopted by council in November 2023. We have a strong strategic base to support the Government's move to identify Hornsby Town Centre as an accelerated precinct. Some of the key challenges for us are about the implementation of the plan. The current market conditions pose significant challenges not only for development in Hornsby but across Sydney, which is why our position was to have an adopted master plan and invite planning proposals that were consistent with that vision to avoid the potential for land banking and increasing property values, which may further constrain the ability to deliver affordable and feasible development.

Another component relates to funding of the State infrastructure. The plan identifies that we would need over \$175 million of funds to support upgrades to State roads, public transport infrastructure and the new pedestrian crossing. As part of the TOD announcement, the Government announced \$520 million to be divided across the eight precincts. We have concerns in relation to the provision of necessary State infrastructure funding. As I mentioned earlier, the third issue relates to the State government lands. Approximately 1,000 of the 4,900 dwellings would be deliverable on State government lands within the rail corridor. We are keen to work with the State Government to make that a reality and we are keen to see some timing and time frames around the State Government's position about developing its own land.

The CHAIR: You are bringing a very clear case—that is what I am hearing—for the maintenance of these local provisions and these local strategic plans and strategies because you have put in a lot of work over a long period of time and you think that they provide a clear way of delivering the State Government's objectives. My question therefore is: We have heard evidence this morning that local provisions really should be lower in a hierarchy of controls that apply, and the TOD SEPP requirements should override the local provisions, particularly around considerations that would ordinarily be stipulated in DCPs. What is your view on that? Do you think that if the TOD requirements were to override, it could in fact hinder the State's objectives for the delivery of more good housing?

JAMES FARRINGTON: Council's position, as I said, is that if the strategy is done right at the local level, that's the primary issue. If we are given the targets and we are able to prepare local strategies to address those targets, we would say that the State Government's objective is being met. That has clearly been the path in the past. What we are asking for in this instance is exactly the same thing. In terms of the implementation, whether it's through a TOD or through local provisions, there are still going to be statutory documents. Whether it is under the TOD or under our controls, we say it doesn't really matter so much. The strategic planning to support that increased density and the identification of that vision is the primary driver of any of those components. Whether it is implemented through a State policy or an LEP, it's the vision and the objectives you're seeking for those centres which is the primary issue that's being driven.

The Hon. MARK BUTTIGIEG: How is that going in terms of the specifications and the clarity over the quantum and the density required? Have you started to get direction out of the department from a Hornsby council perspective?

JAMES FARRINGTON: The short answer is no. We are awaiting those targets to see if we need to do some further work in relation to our housing initiatives. As I said, we are working on what we know now, which is why we are doing the Hornsby Town Centre, we are doing our medium-density strategy. After we have finished the work on Hornsby Town Centre, our council has already identified that our next step will be to move towards the Pennant Hills Road Corridor. But if we are not doing enough, we say, "Let us know we are not doing enough and we will do the strategic work at the local level."

STEVEN HEAD: Broadly, from a NSROC perspective—and I support the comments from my colleague from Hornsby in relation to Hornsby—I think the point that we are trying to make is that we understand and acknowledge that there is a housing crisis and that solutions need to be found. The view of the NSROC member councils has been that the best planning will be done at a local level. That's going to be guided by understanding what the targets are and what the time frames are. Those targets are required to be, one, provided for in planning documentation and then ultimately delivered on the ground. We believe that local planning will,

in fact, be the best way to achieve the Government's targets because we get an opportunity to work with communities to ensure that we can get matters right.

Rather than taking a one-size-fits-all approach, we get an opportunity to understand what are the environmental constraints; what are the direct feasibility matters that need to apply at a local level; how do we ensure that good access is being provided and that we provide the right kind of community facilities; and how do we bring that together in a cohesive plan that represents place-based planning at its very best, rather than simply blanket controls, which may or may not give the best overall outcome. Our view is that individual councils are best placed to deliver on the State Government's objective, but we understand that with the TOD in place obviously those controls will override existing local controls.

The Hon. SCOTT FARLOW: If I could pick up on that, I think the Hornsby council submission makes it pretty clear in the sense that this is a council that's doing the heavy lifting. From reading the documents effectively, and from your submission as well, the first you heard about you becoming a tier 1 site was when you read it in the paper, or when it was speculated in the paper after the accidental upload on the website. The reason Hornsby was in the frame, so to speak, was because you'd already done that work in the Hornsby Town Centre Masterplan. You also point out in your submission that that, of course, is where you'd done the work and identified that additional infrastructure was needed, but with the changes to low- and mid-rise housing as well you've effectively got what is unplanned growth throughout the shire, and that council is going to find it very difficult to be able to marry up the services and infrastructure to accommodate that additional population density where you don't necessarily know where it's going to land. Is that a fair assessment? What would you be calling for the Government to do to respond to that?

JAMES FARRINGTON: That is a fair assessment of our position, that we've taken those targets and planned locally. The concern we have in relation to low- and mid-rise reforms is that it is not concentrated development. It will impact on all the low-density areas, and providing infrastructure to support growth throughout the low-density zones is a challenge. Our response, as I mentioned before, was that we're doing the medium-density strategy, which is to provide, as well as the high-density component, that missing component in relation to townhouses and the like. What we would say is let us continue that work to gain exemption from the State policy. Provided we're meeting those housing targets, then we say that that strategy of providing additional housing opportunities is being met.

The Hon. SCOTT FARLOW: So, effectively, give you the targets, work towards them and, if you don't meet them, then implement something like the low- and mid-rise changes?

JAMES FARRINGTON: Correct.

The Hon. SCOTT FARLOW: Mr Rylands, with respect to Ryde—we've heard a little bit of this discussion in terms of employment and employment lands—you were saying you want to work constructively with the State Government. To date, what sort of engagement have you had? Are you feeling that there's any sort of constructive engagement with respect to the viable employment lands and the innovation district at Macquarie Park?

WAYNE RYLANDS: It's an interesting term, "constructive engagement". We've found a complete lack of constructive engagement. If the department of planning had even just looked at the pipeline of housing that is sitting within the planning portal for Macquarie Park, whatever target they come up with we would already be meeting just from our Herring Road precinct, which is already its own SEPP.

The Hon. SCOTT FARLOW: On that point, how many dwellings?

WAYNE RYLANDS: We're talking about 20,000-plus dwellings that are sitting in that planning portal. The reason that they've stayed sitting there for two to three years—my speculation on that is that Sydney Water in particular have advised that they cannot provide the amount of water and sewer that is required to support that amount of development in that area at this point in time. One of the studies that has been underway with the department of planning is what's called the stage one rezoning strategy for Macquarie Park, which actually takes in half of the TOD area as is Macquarie Park metro station. If we put that in perspective, half of that area is qualified to be commercial precinct anyway.

Our understanding is that the Government is not changing where they are with the rezoning stage one strategy. They're going to keep with it becoming some CBD, but it won't because what we found is there was no discussion with the major landowners. The major landowners have decided that commercial area will become build-to-rent. There's this misconception that build-to-rent is affordable housing. It is not. It is basically serviced apartments at a premium to the market rate. In Macquarie Park what that means is student accommodation for all the international students that are coming in. We are losing valuable land that could be used for employment and we are losing valuable land that could be used for housing because the plan that has been put together was not

well constructed in a constructive, collaborative methodology. There was no talk with the major landowners. There was no talk with business. We had to sign confidentiality agreements to have a seat at the table, so we effectively could do nothing. We had our hands tied.

For us, constructive engagement is what it is about. We want to work with government, and we believe we can work with government, to come up with significant housing increases, but it has to be striking the right balance. We have to be getting the infrastructure. We have to ensure that our employment zones in inner Sydney are protected. If we don't do that, then it is failed anyway. We will create other crises out of this crisis. We need to work together. As I said earlier in my opening speech, the Federal Government, the State Government and local government—those that are at the coalface—need to be working together with industry, with major landowners and with business to understand what it is that they need to keep the ecosystems of business alive and moving. It doesn't matter how we can bring the price of housing down, if you can't find a job then you won't be able to keep your house. We're going to lurch from one crisis to another unless we come up with a strong, long-term plan together.

The Hon. SCOTT FARLOW: I have one last question on this. Mr Ryland, correct me if I'm wrong, but in Macquarie Park you've got the situation where, effectively, on some lands the Government has determined that you get a certain height—let's say it's about a third—if it's used for commercial purposes, but then you get up to 200 metres in some instances if you do residential instead. So you're going to have that erosion of that commercial space.

WAYNE RYLANDS: It's not about the erosion of the commercial space in that respect. Without naming developers, we've got them coming to us for even larger developments, but they're sitting within the precincts that will be able to support that from a residential point of view. What we're seeing now is that the BTR bus has been parked by the major landowners because I think they've all of a sudden worked out that the financial model that they thought they were going to get through the tax incentives that were being given with that are not stacking up as well as what they first thought. At the end of the day, they've got shareholders or owners that want a return on investment. We get that.

What we need to ensure is that if we're going to end up with this housing, it is the right sort of housing. I've heard the term "affordable and social" and "let's bring in models from overseas". They're not going to work in our environment because Australia has a property price that keeps going through the ceiling. While that's the case, no matter what model you think of overseas, no affordable and social housing is going to work. We're getting developers that are stopping developments that were only supposed to have 5 per cent affordable housing going into them because they're saying the economic model does not stack up anymore. They can't get it to work. In the current inflationary environment, with builders going bust, they cannot get that model to work.

The Hon. MARK BUTTIGIEG: Mr Rylands, on that point, how much of that is a function of a monetary-tightening cycle, which is hopefully on the way back down?

WAYNE RYLANDS: I'm not going to pretend to be an economist. That's something that you probably need to be asking people like chief economists to understand how those cycles work. All I know is that in the current cycle, we're at the coalface. We're talking with the big landowners and the developers. They're telling us why they can't get these things to happen and why things are getting parked in the State Government's planning portal. They're telling us why that's the case. Until we get a proper long-term plan that we all work on together, we're going nowhere. It doesn't matter what we say about crisis, it doesn't matter what rhetoric we let go in a room, what comms and engagement plans we go out there with, we are not going to get this thing to work unless we all sit down and have a long-term plan. This hasn't been a crisis that's happened overnight; this has been a crisis happening over 10 to 20 years. We are not going to resolve it in one term of any government. We need to have a long-term plan.

The Hon. JACQUI MUNRO: Can I clarify where that rezoning proposal is up to for the Macquarie Park innovation district and the build-to-rent situation?

WAYNE RYLANDS: The stage one rezoning, I understand that the Government is going to have it finalised by 30 June, but that's all I can tell you. I know that we've got a working group that's with some of the planning and other bureaucracies that are looking at the stage two/TOD rezoning, which is for a different parcel of land. But I can tell you that one of the major issues that we've got—for instance, the Macquarie Park metro station has a proposal for a major data centre right at the entry to the station. The corner of Waterloo Road and Lane Cove Road, a 10-storey, two-block data centre is proposed there. We are getting data centres like you can't believe, and data centres don't provide employment. Data centres don't resolve a housing crisis. Data centres put money into particular people's pockets because everyone wants to be able to utilise their phone every minute of the day.

The Hon. SCOTT FARLOW: To that point about data centres and why Macquarie Park is so attractive for data centre development, is it because of the IT infrastructure which is in place there?

JAMES FARRINGTON: It's two things. It is the IT infrastructure, but, more importantly, it's the electrical infrastructure. Let's remember, Macquarie Park back in the '60s and '70s was created as a large box, manufacturing hub. Back in that day, there was plenty of power put into the place. As all of that manufacturing has departed, there is spare capacity with electricity. There isn't spare capacity with every other piece of infrastructure, and that's our problem.

The Hon. MARK BUTTIGIEG: Can I just ask about this? The general vibe I'm getting back is that there hasn't been very much constructive dialogue with the department at all. That's not my information. Mr Head, perhaps you might want to address this in terms of your membership councils. My understanding is that the councils have been in dialogue with the department, and some of it has been quite collaborative. Would that be a fair statement?

STEVEN HEAD: I might answer, firstly, in terms of Hornsby, and then I might make some comments in terms of NSROC. In terms of Hornsby, I'd say that we've been quite satisfied with the collaborative nature of engagement from departmental officers, all the way from the secretary down through a number of other relatively senior staff in the department. Having said that, we are possibly a little shy on some of the information that we would like to be able to progress our planning and how we can progress Hornsby town centre. In general terms, I'd have to say we found engagement with the officers to be more than satisfactory. Certainly, we've had opportunity to approach the Minister on a number of occasions and have a worthwhile discussion there. We're very comfortable with that.

In terms of NSROC, I think the answer is possibly a little bit more mixed, and I probably can't speak to the specifics of some councils. I note that you're actually talking to Willoughby and I believe Ku-ring-gai a little later in the day, so maybe I'll leave that to them and Mr Rylands can respond in terms of Ryde. I do know that some of the other councils have had the opportunity for ongoing discussions with planning. Certainly, the general manager of Lane Cove has indicated to me that he has had a number of discussions with departmental staff about matters that have been of concern to him, and he has been quite comfortable with some of the responses that he has received.

The Hon. MARK BUTTIGIEG: He has been quite what, sorry?

STEVEN HEAD: He has been quite comfortable, I understand, with some of the responses that he has received there. In general terms, it's probably a little bit more mixed across the NSROC region, but, in general terms, we have found officers to be approachable, and I think they're providing information to the extent that they're able to at this stage. I would say there's an enormous amount of planning and inquiries and a lot of work that is going on. Of course, sometimes the officers themselves may not be aware of all of the information that's needed to maybe satisfy queries and claims and questions that councils may have around some of the items.

The Hon. MARK BUTTIGIEG: Would you be prepared to take on notice any further information that's required by the Committee?

STEVEN HEAD: Yes, I would be more than happy to do that.

The Hon. JACQUI MUNRO: I had a question about the resourcing of councils and town planners. We heard evidence earlier about a suggestion that government should perhaps have a team that can go and help councils as they require and also bureaucracy and State Government. There should be extra capacity for town planners specifically to deal with DAs and to work with developers and the community to get things moving more quickly. I've heard anecdotally as well that developers would appreciate more town planners to be available to get things moving. Is that something that any of you can comment on or would find desirable, or is it something that not every council needs?

STEVEN HEAD: Madam Chair, I might, if I may, make an initial comment, but I'd also appreciate a response from Mr Farrington as well, given this is his absolute area of expertise. If I talk again in Hornsby's context, I would say that the speed with which we turn development applications around is, we believe, quite impressive. In fact, for the urban fringe councils, under the department's own figures, I think we're running as the second quickest in Sydney. I think it's something of the order of just under 80 days—Mr Farrington will correct me there. In that sense, I'm not sure that additional resources from the department are actually going to assist us, and that sense.

I think what you have is a market where you've got increasing complexity in development applications and the whole planning process. A number of resources are required within the department and in private industry, and that's placing more pressure on the general supply of planners that are available to councils. I think in some

councils that's going to be a real issue for having the extent of qualified and experienced staff. Certainly I believe the regions are even more pressured in that sense than the metropolitan area. Again, I'd be happy to take on notice to provide some broader information around NSROC's experience in that sense, if the Committee would like.

The Hon. JACQUI MUNRO: That would be helpful. Thank you.

JAMES FARRINGTON: Getting good, qualified planners is a challenge. There's no secret in the industry that there is a shortage of well-qualified and experienced planners in the sector. The department has been working with LGNSW and councils about its mentoring program and cadet program, which we're pleased to participate in as well. That is a key initiative coming from that. It is an ongoing issue for us to attract planners. We're pleased to say that we've been able to do so.

Our preference is to have planners in house. It gives us an ability to train them in relation to community expectations, the character of our area and also better understand the way we work and the like. In answer to your question, our preference is to have planners on board and train them up. That's something I think we do well at Hornsby—bring people in at the junior level and continue to train them through the process. Our second option is to use—we call on consultants where necessary, and we've done that in the past to assist with development assessment processes as well. Dealing with a unit coming out of the department may have benefits, I'd say, to some of the regional councils and the like. They certainly, I understand, have taken up those sorts of offers. For us, having locally trained and experienced planners in house is our preferred approach.

WAYNE RYLANDS: I'd agree from a development assessment point of view. I think we have quite a good in-house team. You'll get your odd developments where people complain about the length of time, but generally we're fine. As I said before, I think one of the main problems is that there are a lot of State significant developments that occur in the city of Ryde, and they are sitting within the Government's planning portal and they have been for quite some time. That's not really an issue for us. Actually, if anything, I'd like to offer the Government the services of my strategic planning team, our city-shaping team, because as much as I do have the land use planners still in that team, I have gone and built a team that also has economic, environmental, open space, transport, social and cultural and some property planners so that we look at these issues holistically.

I'm not just looking at it from the planning controls; I'm looking at it from the point of view of how can we change what has been a very rigid system—a system that's ended up having 10,000 different amendments to it—so that the best expert in the land could not tell you what the Environmental Planning and Assessment Act means anymore, to something that I believe is more principle-based. I've also built a city architect team. I want to make sure that the development that we've got coming into the city of Ryde is looking at striking the right balance. We're putting together a right plan that will ensure that we're looking at employment opportunities—not reservicing employment, not trying to move the chess pieces on the board but bringing new ones in.

We're looking at international relations and things like that to try to encourage business to come from overseas. I think that's something that the State and the Federal Government can work on a lot better with us at local government because we understand what our employment areas are. We'd be very happy to try and work with the Government—again, collaboratively—to see how we can build on those opportunities and see what the infrastructure is that we need. Our infrastructure planners are in with that same team. So if we move ahead with the Macquarie Park Innovation District and the TOD, we've got a really good understanding of what the infrastructure needs are going to be.

We all know that areas like Lane Cove Road, Epping Road, Victoria Road are already in meltdown for the majority of the day. If we just keep building the same way, giving everyone the same number of car spaces and going bigger and higher, we're going to end up at 24/7 traffic congestion. We've got to think about this differently. How do we do it differently? How do we get better connected across our whole city, but also within our city? That's the plan that we're looking at. I'm very happy to get my team to assist government, if they want the assistance.

The Hon. SCOTT FARLOW: To that point, Mr Rylands, have you had any interaction with the department or with Transport for NSW in terms of the impact of this TOD program in terms of traffic in the Macquarie Park Innovation District?

WAYNE RYLANDS: Again, like I said—

The Hon. SCOTT FARLOW: I've got to say, it's always—the front of the brochure is Macquarie Park and there are no cars on Lane Cove Road. Using that road every day, I can tell you that that is certainly not the case.

WAYNE RYLANDS: That is not the case. We know that we can't go and widen Lane Cove Road. We know we can't go and widen Epping Road. How are we going to do all of these extra dwellings and be able

to soak it up without having more traffic congestion, longer periods of traffic congestion? The only way is to think about it a bit more imaginatively. That's what I've got the team doing—trying to work with government in thinking about ways, working with the big developers, thinking about things like car sharing, thinking about the way active transport works and thinking about connection. Again, one of the big pieces of advocacy that we've been trying to do is that missing metro connection between St Marys and Tallawong. If we're not connected out to the Western Sydney airport from day one, how are people going to get there? They're going to drive. They're going to congest our roads more. It makes sense to get those missing pieces of mass transit infrastructure into place when we need them. At the moment, we're too disjointed in the way that all of this mass transit is working—the planning. Again, I go back to: This has to be a long-term plan. There is no quick fix for this.

The Hon. SCOTT FARLOW: Hornsby council put \$175 million in their submission as their identification of what the State Government requirements would be. There is a \$520 million pot which is there for the tier 1 accelerated precincts. I suspect you don't imagine you'll get all of that \$175 million. Has City of Ryde done any assessment in terms of what you believe the State Government would need to provide?

WAYNE RYLANDS: We have. We are working with the State on that. Our estimate, for the amount of infrastructure that we need in there, is around \$770 million, give or take \$10 million here or there. We're talking about significant sums of money. The fund we spoke about before, when it's divided across all the different precincts, it's almost meaningless. Again, it's about us having a long-term plan. It's about thinking about where we want this development to start occurring. We get it—we think Macquarie Park can take it—but there's not a clear plan of how it's taking it properly, how it's actually going to get in there and work without putting the rest of our system into meltdown, without impacting on employment and without still having this lack of infrastructure.

Back in 2012 the Sydney Water site that was on Waterloo Road got sold by the then State Government. We were promised a park back then. It is 2024 and we do not have that park. When our councillors are complaining about this, they have due reason to be complaining about this lack of infrastructure. We are not seeing the amount of infrastructure go into place that we need to support the population, whether it be residential or employment. If we don't get that right, it's not going to work. It won't matter how we fix the housing crisis.

The CHAIR: It's reminding me very much of a previous inquiry, when City of Sydney gave a submission about Green Square and the requirements that were placed there, but that they had to then go off and fund all of Sydney city's water to be able to do it.

The Hon. PETER PRIMROSE: Mr Rylands, taking up your point that the \$520 million to enable infrastructure across the precincts is, I think you said, "practically meaningless", do you have a wish list at all for the precinct in your area yet?

WAYNE RYLANDS: I've got a wish list of \$770 million for that precinct alone. But again, we're willing to work with government for some other precincts. You may remember that about five years ago the Government came up with the Meadowbank Education and Employment Precinct through the GCC. We're now trying to take that to the next phase, but we've got landowners sitting there thinking one thing and one thing only: selling their land for residential. If we're going to come up with these plans for employment, if we're going to come up with these plans that look at our city as a whole, then we need to stick with these plans. And the Government needs to make it clear to landowners that these are the plans they're going to stick with.

The Hon. PETER PRIMROSE: Having been involved in a council, I know that our wants were endless as well, but I'm just asking in relation to what the Government's proposing here. Do you have some priorities for that?

WAYNE RYLANDS: Like I just said, we've got hundreds of millions of dollars of priority. If the Committee would like to see a list, we can get that to you in an order.

The Hon. PETER PRIMROSE: Happy to get a list. Can we have a priority list?

WAYNE RYLANDS: Yes.

The Hon. PETER PRIMROSE: As I said, I appreciate that in government, as in the rest of life, wants are endless. I'm just asking, in terms of your planning, what sort of things would you like? I might ask the same thing of the other councils as well.

STEVEN HEAD: Yes, thank you very much. We would be more than happy to provide the Committee with a list of priorities. We've been very clear about what we think is the minimum infrastructure that's required for the Hornsby Town Centre to be able to work. What we probably would like—and I'm sure Mr Farrington would like to expand further on this—

The Hon. PETER PRIMROSE: Not only the wants but also priority, if you would, please?

STEVEN HEAD: We're very clear about the prioritised order. Our view is that the provision of transport infrastructure, the provision of open space, in particular, and then community facilities is generally where our priorities are going to lay. In fairness to the department, they're talking to us about where our priorities are as well. The point that we'd probably also like to make, particularly when talking about the priorities for the delivery of infrastructure, is that Mr Farrington and his team have been trying to closely work with TAHE and the transport agency over an extended period of time. We believe there's a unique opportunity in the Hornsby Town Centre for the provision of not only housing but, through partial relocation of the transport interchange and the provision of supporting community infrastructure, there's a fantastic opportunity there for government objectives to be met around the provision of housing. Obviously the right infrastructure will need to be delivered with that. Hornsby council would be more than happy to provide some further information.

At a NSROC level, we are working at the moment on bringing together an updated list around the prioritised infrastructure enhancement that we believe is required across the region for it to be successful. That's seeking the contribution of all our member councils to that plan. In due course, we'd be more than happy to provide that to the Government and to the Committee, if it's still in session.

The CHAIR: Thank you very much. We've come to the end of our session. Are there any final things you feel we haven't asked that you need to put on the table now?

STEVEN HEAD: We'd just like to, from a Hornsby and NSROC perspective, thank you very much for the opportunity, one, to receive our submissions, but also for the opportunity to discuss with you today. We'd be more than happy to answer any further questions or provide any further commentary that you might like. Again, thank you very much.

WAYNE RYLANDS: Could I say one more thing? I'd like you to listen to our mayor's message he gave in the local paper from last week, to give you a bit of perspective. Our mayor said, "City of Ryde is not a nimby council, and we have and will continue to consistently exceed our housing targets. Our master plans for West Ryde, Meadowbank and Eastwood include provision for the essential extra accommodation required to help ameliorate the housing crisis that is gripping Sydney, but we have done so in a well-balanced planning manner that also takes into consideration commensurate infrastructure, essential services, open space and employment opportunities for new and existing residents. I am happy that the State Government uses the same planning principles in rolling out its housing proposals." I'll just leave you with that. Thank you.

The CHAIR: I thank all three of you for your time and your evidence. The secretariat, as always, will be in contact with anything in relation to matters taken on notice. Thank you.

(The witnesses withdrew.)

Mr DAVID BURDON, Conservation Director, National Trust of Australia (NSW), affirmed and examined

Ms JOZEFA SOBSKI, AM, Vice President, Haberfield Association Inc., affirmed and examined

Mrs KATHY COWLEY, President, Friends of Ku-ring-gai Environment Inc., affirmed and examined

Mr FRANK HOWARTH, AM, Chair, Heritage Council of NSW, before the Committee via videoconference, affirmed and examined

The CHAIR: Welcome and thank you for making the time to come and give evidence today.

FRANK HOWARTH: Chair, my apologies for not being able to appear in person today.

The CHAIR: No, thank you. Thank you for appearing on video. Would anybody like to start by making a short opening statement?

DAVID BURDON: Yes, I would. First, to the Chair and all the other members, thank you very much for inviting the National Trust of Australia (NSW) to appear before this inquiry. As many of you would be aware, the National Trust is a community-based, non-government organisation committed to preserving the built, cultural and natural heritage of New South Wales. We were established in 1945 and today we have around 20,000 members and over 1,000 volunteers across the State. Since the Transport Oriented Development Program, and I'll call it TOD for short—

The Hon. SCOTT FARLOW: We all are.

DAVID BURDON: I'm sure you've heard it many times. Since the TOD was announced, alongside, it must be said, the diverse and well-located housing reforms which we commonly refer to as the low- and mid-rise housing—I think we should make no mistake that the two must be seen together—many members of the community have contacted the National Trust with their concerns about the impact that these policies will have on heritage. From the outset, and it is something that I will reiterate now, the National Trust has not been against new housing. We have stated that housing and heritage can co-exist in New South Wales and make for a more liveable city but one that also has a definable character.

Just as London and Edinburgh have their Georgian terraces, New York its brownstones and Paris its apartments, Sydney also has its heritage housing. It was built up over many years in response to many various challenges that the city has faced over that time. It has come to symbolise what we now know as our city: that might be the Victorian terraces of Paddington; the Federation precincts of Haberfield or Croydon; or the garden suburbs of the leafy North Shore. Just like those other great cities of the world, these areas have been identified for many years as places worth preserving for the future and have been protected by various pieces of legislation. That legislation represents thousands of hours of study, research, community consultation and specific local planning considerations. But, unlike all of these other parts of the world, heritage legislation in New South Wales is increasingly being seen as optional.

Heritage, by its very nature, is a long-term game. The word heritage itself comes from the words "inherit" and "inheritance". It's something that we receive but, as with any inheritance, it's also something that we're passing on. However, the fact of the matter is, the TOD program is a short-term strategy; it's not a longer term vision for our city. As the trust pointed out in its submission, the idea of placing housing next to existing transport infrastructure is a sound proposition. Indeed, it is exactly so sound that that is why Sydney is the way it is. Our historic railway lines, whether they go to Pymble, Penrith, Penshurst or Parramatta, all promoted new housing development. They also promoted new schools, new shops, new town centres, new water reservoirs—all of these things that we have in our cities today. That's why so much of our heritage is in fact located near to these transport centres.

There are many ways to increase density in our city, but it requires site-specific consideration, and I think we heard a bit of that from the previous speakers. A one-size-fits-all approach represented by these reforms does not consider heritage listing and also ignores things like topography, street widths, setbacks, and the current transport infrastructure. As the trust has shown in its submission, the remit of these proposals is vast, extending from Nelson Bay in the north down to Batemans Bay in the south, and all the way across the entire World Heritage listed Blue Mountains. This is huge. When the circles are drawn—and the trust had to draw those circles itself because not a single plan was exhibited as part of this proposal—they literally cover most of our cities and towns. At its core, though, much of the information that was presented was not clearly defined, and that has been the big weakness here: The documentation provided had many shortcomings. Whether it was the intention or not, people have often defaulted to the worst case scenario solution, particularly the impact that these policies will have on local heritage and conservation areas. The trust is calling for a more sensible approach to what is a legitimate problem.

JOZEFA SOBSKI: Could I acknowledge the traditional owners of the land pay my respects to Elders past, present and emerging. Many thanks to the Committee for inviting us to appear; I realise we're small fry in the total scheme of things. The Haberfield Association made a written submission and I hope that the Committee has had time to cast their eyes over it. It is not on a standard rail line, but it is in the path of light rail stations in two locations. We are still unclear about whether light rail stations are included or not in any present or future TOD SEPPs, but we note that the SEPP that has been tabled or gazetted on 29 April includes a number of non-refusal standards which, in our view, turn off heritage protections.

Our submission dealt with four issues, and they've probably received adequate coverage by many of your testimonies here. These issues are the simplistic nature of the policy approach, which seems to suggest there's a magic pudding that will deliver instant solutions; lack of consultation with affected communities—why there was no public exhibition of the TOD proposal, and where is the evidence base underpinning it; lack of consideration of an enabling infrastructure to support up-zoning; and the funds to allocate to impacts of increased density—how delivered and who pays. The heritage impact of the implications of the blanket proposals to up-zone are the ones of critical concern to the association.

The association was formed in 1980 and has as one of its chief objectives the preservation and protection of heritage architecture, spatial relationships and gardens, and other features of the suburb and the inner west. It is funded by membership subscriptions and run completely by community volunteers. Haberfield was listed as an urban conservation area by the National Trust in 1978 and has been included on the Register of the National Estate since 1990. It was the first comprehensively planned and marketed garden suburb in Australia and, we maintain, in the world. It is testament to the ideals of urban planning, forming part of the urban tapestry of Sydney's cultural landscape. It is a rare planned place, and it is one that should be protected and preserved. Currently it is protected by a specific clause in the LEP, which was the outcome of the Department of Planning's commission of inquiry in 1980, one year after the gazettal of the Act itself. Over 50 years of community involvement, advocacy and care, and legal protection—and we're not going to lightly allow government to throw it away.

I must say the Haberfield community is deeply disappointed that the Government gave such scant regard to the suburb and seemingly regards heritage protections as disposable. We made some key recommendations in relation to the TOD, and we agree with the National Trust about the other proposal. They should be seen together. Haberfield is a unique and exceptional place, and its protection should be reflected in any legislation or regulation that implements the proposals or versions of them. Local councils should be the decision-makers within their overall strategic planning framework or within their LEPs. We heard a great deal of that from previous testimony, just a short while ago. Solutions should be place-based within good design standards.

The association recognises that housing affordability and availability is a critical national challenge. I draw members' attention to the recent *Guardian Weekly* special report on Europe's housing crisis, pointed to as the social issue of the twenty-first century. We point to a number of areas of problem: vacant houses—there are over 8,000 in the inner west; negative gearing as a contributory issue; the short-stay-accommodation sector; the underinvestment in public housing for over two decades; and plans that are brilliant but, unfortunately, not implemented in the longer term. Haberfield has currently two public housing locations: one in Alt Street and one in Ramsay Street. But it lost a lot of housing as a result of the WestConnex tunnel, which came in underneath us, as well as many houses. These were modest, affordable housing setbacks, the walk-up flats, set back in Wattle Street. They were demolished without any thought to their replacement or the housing for the people who had to vacate them as a result of acquisitions. Since the 1990s, attached dual occupancies have been allowed. We are not opposed to social and affordable housing in the suburb. But we ask that government give proper consideration to the heritage values which we need to protect. Thank you.

KATHY COWLEY: Thank you for the opportunity to address the inquiry this afternoon. FOKI wishes to acknowledge the traditional custodians of the land and pays tribute to Elders past, present and emerging. Before I begin, I want to draw your attention to two maps which I provided for all Committee members today. Basically, the first map shows the yellow colouring of the TOD, four tier 2 TOD areas, over-hatched with the red heritage areas. The second map shows, with the blue circles, the 800 metre which will be part of the low- and mid-rise SEPP. But, of course, those blue circles will continue up the railway line. The green areas are the dual occupancy areas of Ku-ring-gai that will be impacted again by the low- and mid-rise but concentrating on the tier 2 TODs.

Since established in 1994, FOKI has consistently expressed its concerns to successive New South Wales governments that their urban consolidation policies have entrenched cumulative negative impacts on Ku-ring-gai's unique heritage and exceptionally biodiverse urban environment. FOKI is deeply alarmed at the State Government's knee-jerk, undemocratic imposition of the tier 2 SEPP, which targets four Ku-ring-gai suburbs: Roseville, Lindfield, Killara and Gordon. The modelling justifying the selection of the TODs remains Cabinet in confidence. This not only undermines trust in government but violates the EP&A Act, which enshrines public consultation and the orderly planning, processing and assessment of development in New South Wales. The TOD

SEPP is a one-size-fits-all planning instrument which effectively dismantles heritage and environmental protections for significant areas of Ku-ring-gai and of Greater Sydney—and, as we've heard, far more reaching than that.

The TODs abandon good planning, good design and amenity. They are not ecologically sustainable. Nor do they ensure the commensurate increase in additional infrastructure and services to meet the significant growth. The four Ku-ring-gai tier 2 TODs are all located within a narrow, five-kilometre strip along the North Shore rail line, a corridor that has been identified as environmentally sensitive land. The four TOD could result in 18,000 new dwellings. That is 4,450 per TOD. This is equivalent of three major TOD or tier 1 hubs within the rail corridor between Roseville and Gordon. The four TODs could deliver 36,000 new additional residents, of which approximately 5,500 may be of school age. It is expected that this growth will require additional schools, medical facilities, supermarkets and other services. Despite this considerable projected growth, the TOD 2s or tier 2s require no master planning, unlike the tier 1 hubs.

The claims that Ku-ring-gai TODs have existing infrastructure capacity to support this growth is flawed and wrong. The simplistic one-size-fits-all criteria ignore geographic, environmental and heritage constraints and the cumulative impacts of past developments. The SEPP will lead to significant and irreversible loss of Ku-ring-gai's heritage, as you can see, with the red hatched areas on maps, and biodiverse landscape. The TOD SEPP undermines the principles of the New South Wales Heritage Act 1977, that was established to protect heritage. The TODs will have an unacceptable impact on Ku-ring-gai's heritage conservation areas and local heritage items. Ku-ring-gai is known for having the best collection of twentieth-century domestic architecture in Australia and has been attributed of being worthy of national significance. The TOD SEPP will impact more than 530 properties within heritage conservation areas, including more than 100 listed heritage items. For example, "Eryldene" is State Heritage listed on the New South Wales heritage inventory for:

... outstanding cultural significance being the most intact surviving example of the work of William Hardy Wilson, the prominent early twentieth century Australian architect, artist, writer and advocate of the Colonial Revival style.

As stated in evidence to the Portfolio Committee No. 7 inquiry on the planning system and the impacts of climate change on communities and the environment, over 70 per cent of Ku-ring-gai's endangered ecological communities occur on private land, and there is less than 1 per cent left of the Blue Gum High Forest. As well as decimating Ku-ring-gai's tree canopy, the TODs will remove their capacity for regeneration through the inadequate provision of deep-soil landscaping and protection of seed bank.

FOKE believes the TOD SEPP will not resolve the housing shortfall or affordability across Greater Sydney. Whilst the housing crisis is acknowledged, providing more affordable or social housing for Sydney is more complex than economic-driven development and setting targets and building houses. The market cannot and will not create affordable housing, as it is profit-driven. The TOD SEPP is a blunt instrument to tackle a complex problem. All around the world, short-stay rentals are being closed down, empty homes are being taxed and long-term social housing is being built.

The TOD program has none of these elements and it will have a disastrous impact on destroying large swathes of the last heritage areas across Sydney, changing the environment, character and sense of place of our suburbs for the worse, with little or no benefit in terms of improved affordability for rent or purchase. It's nothing but a gift to profit-driven developers. Finally, for all these reasons, FOKE calls on the New South Wales Government to immediately withdraw the TOD program because of the devastation it will cause not only to the natural and built cultural heritage of Ku-ring-gai but for Greater Sydney. Thank you.

The CHAIR: Thank you. Mr Howarth, did you also have a short opening statement you'd like to make?

FRANK HOWARTH: Yes, thank you. I'll do a summary of a one-pager that we're happy to provide in full to the Committee. The Heritage Council of NSW acknowledges that our suburbs will continue to grow and evolve and that heritage and development are not mutually exclusive. The Heritage Council supports the Government's desire to meet housing targets in accordance with the National Housing Accord. The Heritage Council wants to see carefully planned developments sensitively integrated into our suburbs, protecting their heritage character and enhancing local amenity—developments that add to, rather than take away from, the sense of place and liveability of our suburbs; developments that are of such a standard they may form the heritage we wish to preserve for the future.

The Heritage Council was first briefed by the department in February 2024. We articulated several concerns with the program to the department both during and after that meeting. The initial concerns flagged were around the potential impacts of the program on heritage conservation areas and the need for councils to be able to undertake strategic planning before activating the new planning controls. We were concerned the accelerated nature of these priority housing programs would run the unnecessary risk of impacts to heritage conservation areas. Incremental and cumulative changes could irrevocably change the character and amenity of these important

areas. The potential impact for local heritage emerged as a key issue within both the TOD program and the low- and mid-rise reforms. In response to the heritage concerns raised by many stakeholders during consultation, who the Committee has heard from, the Heritage Council understands that the recently gazetted TOD SEPP will not supersede current local planning controls for heritage areas.

The Heritage Council retains concern about the need for better integration of heritage into strategic planning processes to ensure that future growth is sustainable and well considered, and our neighbourhoods continue to reflect our history and character. The Heritage Council supports TOD part 1, as considerable work is being undertaken on the master planning for these precincts. The Heritage Council maintains that local councils should undertake similar strategic planning before the new TOD SEPP is activated in heritage conservation areas. The Heritage Council also believes more guidance is needed on minimising the impacts to heritage from development adjacent to heritage places. The development of design guidelines for adjacent development will help create precincts which are sensitive to and integrated with the heritage values and character of the suburbs.

The Heritage Council has developed a constructive relationship with senior staff at DPHI. We have participated in the development of departmental materials to support better outcomes for the heritage, and the interpretation and implementation of the TOD program, and we've drawn attention to existing local and international resources that could be useful to help understand and guide best practice change management in and around heritage items. The Heritage Council will continue to work with the department, reflecting a mutual desire to ensure heritage continues to contribute to the liveability of communities in New South Wales, while also working to achieve new housing targets. Thank you, Chair.

The Hon. PETER PRIMROSE: If I may, Mr Howarth—and I apologise, I need to go to another meeting; that is why I am jumping in first. We have heard from the Committee for Sydney. To quote from their submission:

There are many examples of density done well where increases in density have responded and respected local character and heritage and achieves great places.

Do you agree that is the case? If so, could you provide us with examples that may confirm that approach?

FRANK HOWARTH: I do agree that that's the case. One of the panellists—I think it may have been David Burdon—cited international examples. But in Sydney, the South Eveleigh development of the old locomotive workshop adjacent to significant commercial and private housing is, the Heritage Council thinks, an extremely successful example of integrating both. The old brewery site development on Parramatta Road—my apologies, I can never remember the name of that development—is also a very liveable space. There are a number of such examples around the State and we'd be happy to provide further examples if the Committee wishes them.

The Hon. PETER PRIMROSE: If you could take that on notice, that would be great.

The Hon. SCOTT FARLOW: Mr Burdon, your submission doesn't pull any punches, starting out with a statement that the National Trust of Australia (NSW) is:

... concerned that the current "one-size-fits-all" housing reforms put forward by the NSW Government are the biggest threat to the heritage of NSW that have ever been proposed.

Do you still stand by that statement?

DAVID BURDON: I think that statement was entirely accurate at the time because of the lack of detail that I outlined and the extent of the proposal. The actual numbers, if they were ever to be quantified, of heritage areas and items in and near stations—and many of which we've seen, as well—are overlapping. It actually involves an entire corridor and, let's be honest as well, most of the Sydney CBD. Even if we just look at the Bays West metro station, it encompasses the whole of Balmain within one of these radii. So, yes, I do think that is the case, because the documentation as it was written also said that heritage conservation protection will continue to apply, but then it noted, "Where it is not in conflict with all of these other provisions." We know what those other provisions are. They are about height, scale, density, setback—all of those other sorts of things that are in fact the very things that heritage legislation seeks to protect.

The Hon. SCOTT FARLOW: Mr Burdon, now that the SEPP has come into force and you have seen the detail of those changes, do you see there being any protections whatsoever for heritage? Have you had your fears assuaged at all?

DAVID BURDON: There has been a lot of consultation. I will note that. I am an architect and not a planner, and we've all heard from the previous people that even planners find this stuff confusing. In terms of the actual impact of the proposal as it stands, I still think it does represent quite an impact. I'm not convinced that the actual heritage protections that are apparently still being given to local councils will be sufficient and, ultimately,

I think that we will see this tested in the courts. If a council does try and protect an area for heritage reasons, I think it will be challenged. That's for others to decide, not me.

The Hon. SCOTT FARLOW: Mrs Cowley might like to add to this as well, but in Sydney and in the Sydney region, despite the calls of the Heritage Council, we've actually seen that the seven TOD sites that have been turned on as of April 2024, four of those—which are the ones along the North Shore line—have very significant heritage constraints and nothing has been done in terms of master planning with consideration of the heritage conservation areas. That's four of the seven. Does that concern you?

DAVID BURDON: Look, I think there is still cause for concern in those areas, yes.

KATHY COWLEY: Yes, I would have to agree. There is significant concern about these conservation areas. Ku-ring-gai, I understand, was one of the last council areas to have heritage conservation areas gazetted in 2012. These were after studies by the National Trust in 1997, which declared 28 urban conservation areas which were delayed in being, as I said, gazetted until 2012. In that time, we have lost significant heritage. We documented it in 2008. These were the areas impacted by the residential strategy set by the Labor Government in 2002, so we now have the layering of this and now the potential layering of the TOD, tier 2, which will be devastating. Already the developers are taking up options for these properties. This is a very urgent proposition for Ku-ring-gai in terms of dealing with this SEPP.

The Hon. SCOTT FARLOW: Mr Burdon, in your submission you state that your analysis is that two-thirds of heritage-listed items in New South Wales would be impacted by these changes. Is that still your assessment in terms of having looked at this and given further consideration of the low- and mid-rise reforms?

DAVID BURDON: The National Trust had to do a desktop analysis. As I said, there was no actual plan document that was provided that showed the affected areas. So that was a desktop survey. I think it's a reasonable assessment of the impact, given the scale of what's been proposed. We have not, however, had time to go back and do another assessment of the proposed changes as they've actually been announced, though, so I can't answer that. I'm happy to take that on notice. We might be able to do it but maybe another organisation that actually is paid to do these things could provide that number to this Committee.

The Hon. SCOTT FARLOW: Indeed, and I guess that it's hard to be able to work this out as well in terms of you've done the analysis and, as you quite rightly said in your opening statement, that nobody else had done it in terms of those centres. But they're all based around the train stations and the like. We don't know what the definition of the town centre is, so to speak, at this stage so it's hard to be able to assess that implication as well.

DAVID BURDON: That's right. And that's why that was not included in our initial proposal, so that's why I think the number was a fairly, you know, reasonable assumption because it did take into account that there will be further impacts than what we could have shown in our thing. I do note budget estimates discussions about what defined a town centre when the chief of the planning department couldn't talk about whether it was IGA or Woolworths and all these sorts. But that is something that still appears very open to interpretation and that's the reason for my previous submission.

The Hon. MARK BUTTIGIEG: Mrs Cowley, last year you noted publicly that you were concerned with the sacking of the general manager at Ku-ring-gai where it was alleged that the local member for Wahroonga may have been involved. Can you enlighten us as to whether that's had an effect on the subsequent cooperation of the council to work with the Government positively on this housing proposal?

KATHY COWLEY: Yes. Of course, we were very upset to lose Mr McKee. He was a very loyal and trusted general manager, but our acting general manager has been incredibly supportive of the council and the community in respect to our concerns about these housing reforms that your Government has introduced. We're all working together in consultation with each other to support the council, along with our MPs and local community groups.

The Hon. MARK BUTTIGIEG: I just want to ask the witnesses in respect of the comments that were made about vacant homes and short-term rental properties contributing to the crisis, did any of you make submissions to the Government's review of short-term rental accommodation, which sought suggestions to address these issues?

JOZEFA SOBSKI: The Haberfield Association didn't at the time. We're a voluntary organisation. We don't have the kind of expertise that's required. We were fighting these proposals and gathering our resources in order to be able to sufficiently address the issues they raised; so, no, we certainly didn't, but there are obviously many experts around who would be able to address those issues. I think it's 163,000 across the Sydney area—vacant houses, vacant dwellings. I think these are important broader issues. And the housing crisis is not

contributed to by the protection of heritage—I mean, it's absurd for people to be arguing that—or won't be solved by the destruction of it.

The Hon. MARK BUTTIGIEG: No. Just to answer the question, did any of the other witnesses make a submission?

DAVID BURDON: To answer your question, no, the National Trust did not. We focused on this, as we're also a community-based organisation with scant resources and we were focusing on the heritage matters here. The National Trust was the organisation that did cite that 160,000 vacant homes that was raised in an Inner West Council meeting, so we tried to bring that to the wider public's attention. It seemed to have found some favour there.

The Hon. ANTHONY D'ADAM: Mr Burdon, is it your contention that the TOD SEPP is incompatible with the preservation of heritage—that there's not really a way for this concept to operate in a way that doesn't actually threaten heritage?

DAVID BURDON: I think that if I answer that question a bit more broadly, it's that there is a way for new development and heritage to come together, and that involves good planning. I think what we've seen here—it's been described variously as a blunt instrument. I think where we draw a circle around a station, one side of that might be flat, level land; the other side of that might be a cliff. But in terms of the 400 metres, it's all-encompassing, so I think it's about looking at things on a case-by-case basis and with more nuance than perhaps this larger policy has allowed for.

The Hon. MARK BUTTIGIEG: Can we just clarify some of this because section 510 of the standard instrument LEP, which is a statewide instrument, still applies, doesn't it, which means that there can't be any development occurring in heritage conservation areas? None of that's changed.

DAVID BURDON: But that was not the case as stated when this policy was put forward. It said that where these new proposals are inconsistent, or where heritage is inconsistent, then the new proposals and policies will apply.

The Hon. MARK BUTTIGIEG: But the law hasn't changed is my point.

The CHAIR: But a SEPP will override an LEP in the event of an inconsistency. That's the Environmental Planning and Assessment Act as it reads, so I think that's the contention.

The Hon. MARK BUTTIGIEG: Well, it's challengeable in the courts, isn't it?

The CHAIR: No. The EPA Act says very clearly the hierarchy is a SEPP will override an LEP.

The Hon. MARK BUTTIGIEG: So you can't take it to court.

The CHAIR: You can take anything to court.

DAVID BURDON: You can take anything to court. It's whether you win or not.

The CHAIR: I think the point Mr Burdon's making is that that's the law.

JOZEFA SOBSKI: The last thing you want to do is create a legal quagmire, which will further delay development.

The Hon. MARK BUTTIGIEG: Yes. I have to say, having spent a lot of time in south-west Sydney knocking on doors with very small parcels of land—no trees, quite high- and medium-density housing out there—the idea that there would be areas of Sydney who would be putting up the shutters is somewhat frustrating. Notwithstanding the concerns about heritage and areas wanting to retain their character, can you understand that a person who is of a younger age wanting to stay in Sydney might see this as, "Well, fine anywhere else, but not here"? To put it crudely, that is a real perception out there in the public.

DAVID BURDON: Yes, it is, Mr Buttigieg. But I would look to the list of the 20 densest places in Australia, and about 10 of those or more are actually what we would term heritage areas. Heritage areas are, in fact, some of the densest places that we have. If we turn our attention to a place like Kings Cross, Elizabeth Bay and Potts Point—that precinct that we all know well—it was the densest area in Australia until Central Park actually came up, which Mr Howarth cited. But that's a place that is actually losing the stockpile of housing that is affordable for these younger people that you've just mentioned because people are actually consolidating studio apartments. Where there may have been 28 apartments at reasonable, affordable places and space available in a building, they're actually being consolidated into, say, five mega apartments of high value with less population. There are many levers that can be pulled here but, while we're having this discussion about not building the

appropriate housing out west or building the new housing in the city, we're actually losing the density of our densest areas because of development. That's something that government could change instantly, I would argue.

JOZEFA SOBSKI: Could I add something to that? I actually grew up in the western suburbs—in Villawood, not far from the now Villawood detention centre, which was a migrant hostel—and worked in the western suburbs both as a teacher and then as a TAFE director. I'm very familiar with the western suburbs. For me, the indictment is of government and planners that more has not been done to green areas and to better plan them for development.

The Hon. SCOTT FARLOW: If I can just pick up on the question about the complementary nature of heritage and development, I imagine there's quite a big gulf in terms of what you can do to complement heritage in denser areas like Potts Point, which you were talking about, and an area like Ku-ring-gai, where you've got garden suburbs and the heritage is effectively in the plots themselves, in a sense. I'm interested in your perspective as an architect, Mr Burdon, as to whether that can actually be done.

DAVID BURDON: I think yes, it can, is the short answer. If we look at Ku-ring-gai and some of these places, we were talking about Eryldene. There are houses in existing suburbs with existing setbacks and existing—and that might be to the front of the street—green areas and all that sort of thing. There could be new development adjacent to any heritage item that is sympathetic to that item. But when you bring in blanket reforms that actually bring forward, say, all of the—so there are zero setbacks or very small setbacks, then you start to affect those things. In the National Trust's submission, we outlined a recent student housing development in Summer Hill, a very well known heritage part of Sydney. It includes about 180 new student residences next to and incorporating the old ambulance station at Summer Hill, and it's been done extremely well. Yes, this can be done, but it needs to be done respecting the existing controls.

The Hon. SCOTT FARLOW: Mrs Cowley, did you want to add to that?

KATHY COWLEY: Yes. We're talking about wall-to-wall six-storey apartment blocks with, as David said, no setbacks, virtually wall to wall. So how do you plan effectively for Heritage listed properties with such a blunt "lack of merit assessment" SEPP? As he said, a lot of these cases will end up in the courts being challenged, because the heritage value of that property will be impacted, presumably, by this blunt instrument which does not allow for adequate setbacks or for deep soil landscaping. It will destroy the heritage character of our neighbourhoods, definitely, we feel.

The CHAIR: Thank you all. We have come to the end of our time for this session. We're very grateful for your attendance, your time and your evidence. The secretariat will be in contact with anything that was taken on notice.

(The witnesses withdrew.)

(Luncheon adjournment)

Mr DYLAN PORTER, Manager, Planning and Place, Strathfield Council, affirmed and examined

Ms CLARE HARLEY, Director, Planning and Environment, Strathfield Council, affirmed and examined

Ms SIMONE PLUMMER, Director Planning, Inner West Council, affirmed and examined

Councillor DARCY BYRNE, Mayor, Inner West Council, affirmed and examined

The CHAIR: Welcome back, everybody. Welcome to all of you, and thank you for making the time to come and give evidence today. Would any of you like to start by making an opening statement?

DARCY BYRNE: Yes, thanks, Chair. I'm happy to do so. Thanks for the opportunity to address the Committee today about such an important topic. The Inner West Council believes that we all have a responsibility to address the housing supply crisis, and we want to work with the Government and with the New South Wales Parliament to do so. But we believe that we can deliver new homes through local planning controls rather than imposition from above. There's a lot of concurrence between previous planning work that the Inner West Council had undertaken in regard to transport oriented development and what the Government has proposed. We believe, and have made clear to the Government repeatedly, that we are able to undertake upzoning around transport hubs and to do that through a local planning process, rather than having it imposed upon us.

We appreciate the opportunity given through the deferral of the TOD in relation to Ashfield, Marrickville, Dulwich Hill and Croydon stations. We have a motion before our meeting tomorrow night at the Inner West Council, which I think will be passed, for us to complete our entire local environmental plan by the end of this year and to submit it to the Government. We're going to have to get our skates on to do that but, as I mentioned, we've already done a lot of the preliminary work previously. I think councils that are willing to take responsibility for addressing the housing supply crisis and for delivering more homes in their communities should have the opportunity to work collaboratively with the Government to make that happen, rather than having it imposed upon them.

CLARE HARLEY: Strathfield Council has acknowledged the shared responsibility of Federal, State and local governments to make provision for housing and population growth. However, we need to be supported by the Commonwealth and New South Wales Government to manage that growth and infrastructure delivery, as well as the long-term financial impacts of building, maintaining and renewing local and regional infrastructure. The Homebush TOD precinct is a tier 1 precinct under the State Government program, and the general area was previously included in the Parramatta Road Corridor Urban Transformation Strategy, which was released in 2016. Since February 2023 council has actively and publicly advocated for master planning of the area and approached the department of planning to seek a way forward, including the potential for it to be a State-led planning process, as council was not in a position to fund the necessary technical studies and consultancies.

Council has advocated for a master planning process that will ensure the establishment of a planning and design framework, which will assist us to achieve high-quality urban design, place making and design excellence in support of a walkable, safe and sustainable environment for a diverse community; the creation of new public open space and enhancement of existing spaces; a robust transport solution which connects people to employment, education and recreation opportunities; positive economic, social and environmental outcomes; and the delivery of affordable housing and infrastructure contributions.

In any growth scenario, local government authorities need to be supported in practical ways by Commonwealth and State governments. We see the critical components of that as being ensuring that sufficient regional infrastructure such schools, health precincts, hospital beds and transport connectivity are provided in a timely manner. Local infrastructure in open space embellishment happens early in the development of the precinct. For this to occur, we will need seed funding so that we can employ sufficient staff to plan and manage those improvements as well as for the improvements themselves. We will need a robust and adequate infrastructure contribution framework that supports delivery of local infrastructure and a rating structure that will support council in being able to maintain and renew infrastructure and deliver services.

Whilst we are supportive of the work that is currently underway and we want to work in partnership with the department of planning, housing and industry, we do hold concern that the current process is focused on meeting a July 2024 exhibition date and a November 2024 rezoning. The increase in population may be equivalent to 60 per cent of the Strathfield local government area and we want Homebush to be a vibrant and sustainable place. To do this, infrastructure-related blight must be addressed. We believe confident, bold moves are needed, and we are keenly advocating for the State-led master plan to show leadership in this regard. We believe there must be sufficient aspiration as well as time devoted to the master plan so that we can all tackle the complexities of Parramatta Road and its surrounds, and deliver quality urban outcomes.

The Hon. SCOTT FARLOW: Thank you all for appearing today. Mayor Byrne, you have three sites—and if you include Croydon, four—that have been deferred. What is your understanding in terms of the expectations of the department between now and the deferral and what council needs to do?

DARCY BYRNE: We're trying to take matters into our own hands by resolving that we'll complete our own local environmental plan by the end of the year. We would much prefer an expedited local planning process than having top-down imposition of controls that we've had no input into. We understand from the Government's public statements that where a SEPP has been deferred, it can be imposed subsequently. We've seen that with Ku-ring-gai, for example. We've tried to engage constructively with the Government from the very beginning. We recognise and agree that there is a housing supply crisis. We think councils need to be given the opportunity to step up and address that rather than having solutions imposed on them from the top down.

The Hon. SCOTT FARLOW: With respect to those sites, is that planning for the 400-metre radius around those sites or is that a broader, holistic local environmental plan for all of the inner west LGA?

DARCY BYRNE: What we really want is the dwelling targets that the Government would like us to achieve.

The Hon. SCOTT FARLOW: I think every council has said that.

DARCY BYRNE: It has been frustrating. We can't guess the number. We think that we can deliver significant increase in new homes, but we don't have a dwelling target to work to. We think that in the areas around those train stations, there may be some places where we could get more density, but there are going to be other places that need to be protected. We want to undertake a planning process across the whole of our municipality so that we can achieve the increase in housing supply in the most sensitive way.

The Hon. SCOTT FARLOW: Strathfield made the point as well that it was out of sync with the TOD program. You don't have those regional plans to work with, so you don't necessarily know what you're working towards. In your case, you've outlined that you're undertaking your own medium-density housing program in Strathfield. How do you see that potentially working with the low- and mid-rise changes? Or will they potentially override it and is council's job already done?

CLARE HARLEY: I'll ask Mr Porter to answer that question, but we are progressing our medium-density housing strategy and looking for that to be a more nuanced approach. Mr Porter can give more detail.

DYLAN PORTER: In response to that, the medium-density housing study work that we're doing is an LGA-wide study. We're looking at how we can improve housing diversity across all of our residential areas, not just those exclusive to 800 or 400 metres from a station. It might be that we look to introduce forms of residential development that aren't currently permitted in those zones. That's really to improve the housing diversity away from what's currently single detached dwellings into other forms of accommodation so we can keep residents in the community they've lived in, because their housing needs change in time.

The Hon. SCOTT FARLOW: Is that working with the current zonings or are you changing the permissibility of what you can do?

DYLAN PORTER: Working within current zoning and likely to be changing permissibility.

The Hon. SCOTT FARLOW: Thank you. Mayor Byrne, to go back to the inner west experience and being able to do that planning, Ku-ring-gai Council, for instance, in their submission have said that the only way that they'd be able to do anything alternatively would be a process that would take 18 to 24 months. How is the Inner West Council able to shortcut this process? Has the department offered them a pathway or is there some other means? Or would you dispute their suggestion that 18 to 24 months is the time required to be able to undertake this sort of LEP assessment?

DARCY BYRNE: Prior to the Government's rezoning proposals being announced, we'd already undertaken a lot of the legwork to support transport oriented development. So we've got a lot of that in the can. We will need to get our skates on if we're going to deliver an LEP by the end of the year, but let's not forget the department of planning needs to improve their processes as well. Under the last Government, we submitted our local environmental plan and it sat at the department of planning for two years before being gazetted. So there's a lot of room for improvement across all government agencies in terms of housing supply. We want to do our bit, but we'd like to see the department of planning improve their process too.

The Hon. PETER PRIMROSE: Mayor Byrne, what are council's aspirations for social and also affordable housing within your local government area?

DARCY BYRNE: As part of the proposal to complete our local environmental plan this year, we want to set a target of 1,000 new public housing dwellings being delivered in the inner west. We've offered 10 sites to

the Government—10 car parks and depots that could be converted to new public housing. We know that in the Bays precinct around the metro station, with most of that land being Government-owned land, a 30 per cent requirement for public housing dwellings in any homes delivered there would mean a really significant increase in public housing for our community. I know the housing crisis is serious right across Sydney but we're really at the epicentre of it, and we want a broader policy approach that's not just about rezonings. We accept that that's important. We have to increase supply in the private market, but we want to see a real investment in new public housing as well.

The Hon. PETER PRIMROSE: What about affordable housing as opposed to social housing?

DARCY BYRNE: We've got real questions about that how the 2 per cent affordable housing target in the TOD areas would work. I know there has been some recent clarification about how those would be delivered, but you can't get around the fact that in a block of units that might have 30 front doors, 2 per cent is not an actual dwelling. We're interested to know how that will work, and we certainly think that there needs to be a more ambitious target for affordable housing combined with the rezoning proposals.

The Hon. PETER PRIMROSE: Do your plans include improvements to or additional open spaces and community amenities?

DARCY BYRNE: We're interested to know what support is available from the Government. I think it would be a good idea that—if councils are willing to come on board, take responsibility and deliver new homes—there should be funds available to improve public spaces and open spaces in those communities, particularly in places like ours that are already very dense. We don't get new parks coming online very often. We did get the Rozelle Parklands, but that has had a few complications!

I think it would be a really sensible approach from the Government to create funds as an incentive for councils to step up and deliver new homes so that they can also provide new open and green spaces.

The CHAIR: This is to both councils. You have a desire to maintain a local approach and drive the State's objective though a local planning approach and you are, along with other councils, quite fiercely advocating this approach and passionately prosecuting what seems to be a good and strong case. Would you go so far as to say that, through the TOD approach, there is a possibility of that local approach being interfered with to the effect that you couldn't also, therefore, drive the State objective through the TOD SEPP and the State-downward approach than you could through just your local upward-driven approach?

DARCY BYRNE: Yes. We've already experienced those sorts of delays. As I mentioned previously, we'd already undertaken a lot of the leg work—the studies—to support increased density around transport hubs. That's not a new concept. Everyone's known that it's a good idea to have more homes near train stations for a long time. Throughout last year, when we were uncertain about what it was that the Government was going to be proposing, it was difficult for us to progress those rezonings. When the policies were released on 23 December and we were asked to respond by the end of January, that was very challenging as well.

Our staff were diligent and worked hard to prepare a response but after a long delay throughout last year in understanding what the Government's proposals were, I thought it was unreasonable that councils were then asked to provide a response between Christmas Day and Australia Day. We have felt some frustration about the approach from the department of planning but, I must say, over recent weeks and months the message that I've been getting back from the planning Minister, and from the Government generally, is that they understand that we've had a disagreement but they're willing to negotiate. That's what we want to do—and to land something that will benefit our whole community.

The Hon. SCOTT FARLOW: You've seen that on the TOD SEPP. Have you seen that on the low- and mid-rise changes as well? Has there been that same level of interaction?

DARCY BYRNE: In the lead-up to the date on which the TOD SEPP was meant to be implemented, it was certainly noticeable that there was an increase in engagement, and perhaps that will be the case with the other rezoning proposal as well. I have difficulty naming it; it's the worse acronym in the world.

The Hon. SCOTT FARLOW: It doesn't come down to three letters.

DARCY BYRNE: No, someone should rename it. I think we've noticed a meaningful change in the overall approach from the department. There's been more discussion and consultation over the last weeks and months than there was at the beginning of the process. I thought it would have been a good idea to invite all councils in at the start of last year. Sure, there will be some councils that would have been recalcitrant and unwilling to contribute to the problem—I'd probably put Ku-ring-gai in that category—but you'd get a lot further if you give people the opportunity to take responsibility. That's what we've been asking for all along.

The Hon. MARK BUTTIGIEG: Isn't part of the utility of taking the Government's approach, for want of a better word—if there's general agreement, at a conceptual level, that increasing these densities around transport corridors where there's capacity is a good idea, let's just set the baseline parameters, start the conversation and then come to the party; otherwise we could have got caught up in a 12-month talkfest. I think that was pretty much the thinking behind it.

DARCY BYRNE: Yes, and I can see it from the Government's perspective. The truth is that there's so much inertia in the planning system and there's a long record of both local and State agencies not moving quickly enough on housing supply. In bringing the debate on and saying, "Either you can negotiate with us or you'll have something imposed over the top of you," I can understand the logic to that argument. Now that we're at the negotiating table, we're hoping that that will result in an outcome that delivers more homes but in a sensitive way that protects the character, heritage and amenity of our neighbourhoods.

The CHAIR: Strathfield, did you have comments on some of the things that were just said?

CLARE HARLEY: We do, and I'll certainly ask Mr Porter to comment as well. I would say that Strathfield is somewhat different in that we have a tier 1 TOD and that it is subject to the Parramatta Road Corridor strategy in the past. However, there is some concern in the community about how the boundary for that area has not been publicly released. There is quite a bit of concern in the community about how far that area might go south of Homebush Station. Then we have other areas that would be subject to the low- to mid-rise housing strategy SEPP and there is concern about what that might mean in an area such as Strathfield, which has high heritage values, very strong streetscapes and a strong community commitment to those values. We are trying to find a way through that, and that is through our medium-density housing strategy, which would bring a more nuanced approach. I know Mr Porter has got some other comments to make.

DYLAN PORTER: As we said in our opening statements, we've advocated for a long time, with support from the Government, about how to deliver the Homebush precinct as identified in PRCUT. We're certainly very grateful for that. Undertaking a planning exercise for such a large area and such a complex environment is a big undertaking for any council. I think, for one our size, both financially and operationally, it would take up a lot of bandwidth within the organisation and probably take us away from other things, so currently that partnership the New South Wales Government and the planning team is working very well. We all have our positions on certain things and we're very clearly stating those positions. We are moving towards a good outcome for Homebush.

The other thing to say is that there is certainly support we need beyond the gazettal of a master plan, and that is around the delivery of infrastructure and new areas of open space. Again, that undertaking is both financially a significant impost on council, which we might not be able to realise through infrastructure contributions, and also operationally as well. Having to go out, acquire and deliver new open space or other urban amenity improvements, again, is something that we need some longer term assistance with, both financially and operationally as well.

The Hon. JACQUI MUNRO: On that housing strategy that you've been planning, how long that has that planning been underway, for the medium-density housing strategy?

CLARE HARLEY: Council resolved in about March of 2023 to allocate money towards that study. Around that time we understood that we needed to look at diversity, not just supply. I would also add that we are very concerned about the delivery of State infrastructure in the Homebush TOD area as well. If we get a very significant uplift in population, we will need new schools. We want to understand how that's going to happen. We want to understand how the health precinct will be grown, such as hospital beds. Where are those going to come from? We're talking about thousands of people moving into an area.

The Hon. JACQUI MUNRO: So that work is contained in the medium-density housing strategy?

CLARE HARLEY: No, that would be in the TOD. That would be related to the TOD. That's where we're looking at the very significant increase in population and we're yet to understand where schools would be located, for instance.

The Hon. JACQUI MUNRO: Had you been doing any of that work prior to the TOD announcement?

CLARE HARLEY: Not in relation to the State infrastructure, no. I suppose that's one of the reasons why the council was advocating for more of, in this instance, a State-led process because we have not been in a position financially to support the technical studies that are needed to do that work. We're quite a small council.

The CHAIR: Just on that, Ms Harley, has Strathfield written to the Minister and to the department about those particular enquiries? Acknowledging you haven't yet got the housing target numbers for your LGA, have you written and said, "Where are the beds? Where are the school places?"—that sort of enquiry?

CLARE HARLEY: We are working with the State Government on the development of the master plan. It's led by the State Government. We're part of a project working group and an executive advisory group and we're raising those questions through those forums. Our understanding is that there will be responses but we've yet to receive them—certainly about the schools.

The CHAIR: Have you been given an indication on the timing? It does feel like—as my colleague Mr Buttigieg said—the Government has kind of said, "This is what we're doing." And now all the bits are meant to fall into place, and the timing is the thing that's causing a lot of anxiety for everyone. Have you been made aware of the timing of when these things will apparently align?

CLARE HARLEY: We're not aware in terms of when we'd be getting information on how the school places are going to be provided, but we are aware—and I mentioned it in the opening statement—that the timing for exhibition is July 2024 with the rezoning proposed for November 2024. Our concern is around timing and that a master plan may be exhibited and rezoning undertaken in the absence of some of this important detail about the provision of State, regional-level infrastructure.

The Hon. JACQUI MUNRO: One of the parts of the motion from the February council meeting notes that you have requested from the department that they release the inner west tailored information on the TOD, including map summaries of the changes. Have you received any information like that yet?

DARCY BYRNE: I might just put that to my colleague, the director of planning?

SIMONE PLUMMER: We haven't received any concrete information, although we have been having discussions.

The Hon. JACQUI MUNRO: I presume that's the same for Strathfield—there is no map. You already spoke about the boundaries.

CLARE HARLEY: The boundary has not been publicly released.

The Hon. SCOTT FARLOW: In terms of Strathfield and the Homebush precinct, there's been quite a lot that has happened there already in recent times, from Underwood Road down to Loftus and the like. In terms of all of that discussion that you have had with Planning—I imagine this has been iterative for quite some time. The evidence we have seen through the Standing Order 52 is that these eight tier 1 accelerated precincts were all effectively selected because significant work had already been undertaken. Do you have an understanding from the department as to what is additionally expected from you? We know from Hornsby that they have effectively been told that their master plan is going to be picked up and be what the department uses. Has there been any iterative discussion about what additionally is expected of Strathfield council in Homebush?

CLARE HARLEY: As I said, we're part of a working group. There are a number of consultants and a master planning consultant engaged by the State Government. Mr Porter is part of the project working team seeing drafts in relation to that. We haven't been told that the Parramatta Road corridor transformation strategy will just be picked up. The whole point of doing the master planning was to revisit that in the current environment. I believe that is happening; that's my understanding. As part of the executive advisory group, the general manager and I are also providing input when we meet with that group.

The Hon. SCOTT FARLOW: Is part of revisiting that master plan looking at more than just additional density? Is it looking at community infrastructure there as well? There are a few pocket parks that Strathfield has done as part of the densification around those areas. Is it looking at additional sites for things like that and, as you were talking about, the school needs and the like as well and where you might be able to have identified additional school infrastructure?

CLARE HARLEY: Certainly my understanding is that there is the potential for additional open space to be acquired through processes yet to be confirmed. In terms of the schools, I don't believe that any sites have been identified yet. Is that correct, Mr Porter?

DYLAN PORTER: Yes.

The Hon. SCOTT FARLOW: Mayor Byrne, going to your experience and the tier 1 as well, because you have Bays West, I think it probably scared a lot of people with the 1,200-metre radius and what the impact would be on Balmain. Have you found that iterative process has potentially drawn back those boundaries somewhat in terms of what the department is looking at doing in master planning?

DARCY BYRNE: The Premier and the planning Minister have both said on the public record that progressing with the master planning of the Bays precinct means that there's not a need to rezone the Balmain peninsula now. We don't have a functional arterial road at the moment, so it's difficult to see how you could rezone what is already a very dense community in which tens of thousands of people are frequently locked in their homes

in the morning, unable to get out through the Rozelle interchange. There is already housing approved in the Bays precinct, which was undertaken by the previous Government. Everyone knows that there are more homes that are going to be coming there with the metro, and we want to play a constructive role with the Government and make sure that the community is included in that master planning process. We want to keep to the commitment that that will be undertaken before any rezonings are considered in the adjacent communities.

The Hon. SCOTT FARLOW: You have that challenge there as well. At least in Homebush there is a train line that operates at the moment, but you are waiting until 2032 for that train line to open. Are there some concerns about the staging of that development into the future as well?

DARCY BYRNE: Yes. If we have several thousand new homes coming online in the Bays precinct prior to the metro station opening, then there's going to be a significant problem with transport and accessibility. That's why we want the master planning process to proceed now. We want to be closely involved, and we want the master plan to be completed so everybody knows how many homes are coming in the Bays precinct prior to consideration of any other rezonings in the adjacent neighbourhoods.

The Hon. SCOTT FARLOW: For Strathfield, you put in your submission that you would seek a deferral of the low- and mid-rise reforms applying in Strathfield until your medium-density housing code could be implemented. Have you had any discussions with the department on that? If so, what has been the feedback?

DYLAN PORTER: To date, we've not had that discussion point as yet. We are speaking to the department this week to talk about the pathway in front of us for our medium-density housing strategy and also talk about changes they're making to the low- and mid-rise housing policy.

The Hon. MARK BUTTIGIEG: Mayor Byrne, there was a resolution at council earlier this year on an agreed approach to the TOD program. Can you tell us what happened with that?

DARCY BYRNE: We've tabled a motion for tomorrow night, which I think will be adopted by the council, for us to complete our whole local environment plan, including the transport-oriented development, by the end of the year. We are going to have to get moving quite quickly to enable that to happen, although we have done a lot of the studies and the preparatory work prior to now. We appreciated the fact that the introduction of the TOD SEPP was deferred until the end of the year, and we want to put our cards on the table and be absolutely explicit with the Government that we can complete our own LEP. There's no need to introduce those controls over the top of us. We want to set a good example for other councils to show how you can step up and contribute to addressing the housing supply crisis.

The CHAIR: I think you will be the first ever council to undertake an LEP that quickly.

DARCY BYRNE: As I said, we're not commencing it. It had been on hold, in part, because we were waiting to see what the Government's rezoning proposals would be. We know that the housing supply crisis is real.

The CHAIR: You're hoping, therefore, that the TOD SEPP will not actually apply to your area because your LEP will deliver the State's ambition. As you know, a SEPP will override an LEP in the event of any inconsistency.

DARCY BYRNE: We can't know for certain whether our planning process will deliver the number of homes that the Government wants because they haven't told us the dwelling target. We want to get on with delivering our LEP. It will include significant upzoning around transport hubs but also new shop top housing. Any time the Government wants to let us know what their dwelling target is, we will incorporate that into our planning. We're not giving them a blank cheque. They can't expect us to guess what the housing target is. The sooner that information is out in the public domain, the better off all councils will be and the better equipped to expedite their own planning processes.

The CHAIR: Have you been told when you can expect it?

DARCY BYRNE: I think July was the timeline that we were given previously. But I'd have to double-check that because there are so many different milestones in the process, it's hard to keep up with them all sometimes.

The Hon. MARK BUTTIGIEG: Am I right in saying that there was initially some resistance from some quarters on councils? The Greens might have voted against the proposal to go ahead, but now you've got buy-in across the board?

DARCY BYRNE: In February, when we resolved that we wanted to negotiate with the Government and engage constructively, there was a minority of councillors who voted to say, "No, we should just put in a submission opposing everything."

The Hon. MARK BUTTIGIEG: Can I ask who they were?

DARCY BYRNE: I'm not going to get into targeting individual councillors.

The CHAIR: You can check the minutes, Mr Buttigieg.

The Hon. MARK BUTTIGIEG: I genuinely do not know. That is why we are here.

DARCY BYRNE: The Labor councillors all voted to say that we wanted to engage with the Government and take responsibility for addressing the housing supply crisis. There was a minority of councillors who voted to say, "Let's just put in blanket opposition as our submission." I think it's been shown that, if we had done that, we'd end up in the same boat as Ku-ring-gai. That's not good for the local community because we do need new homes, but it also means that you get the worst impacts—because, in their case, the SEPP's already been gazetted.

The Hon. MARK BUTTIGIEG: But you sound confident that you've managed to turn that around?

DARCY BYRNE: It hasn't been a straight partisan issue. There are different views amongst different political parties on the council. I'm hoping that tomorrow night there'll be something close to unanimity for us keeping local planning control and getting our new local environment plan done this year.

The Hon. MARK BUTTIGIEG: The local member at Balmain is still on council, isn't she?

DARCY BYRNE: That's right.

The CHAIR: Can I please ask both of you to comment on how you think—whichever approach you end up having either imposed upon or taken by you—you will meet deep soil and tree canopy requirements as laid out as what you understand as required and best for your LGAs?

DARCY BYRNE: I think I'd substantively take that question on notice. I'd like to come back to you with an accurate position. There's a big gap between what the Greater Sydney Commission said was the target for tree canopy and what already existed. In our case, we had thousands and thousands of trees destroyed through the construction of WestConnex, primarily, and then quite a large number that have also died during the closure of the Rozelle Parklands. When you say the targets for the tree canopy, are they figures that have been invented previously by the Greater Sydney Commission or are they statutory targets that we're seeking to achieve?

The CHAIR: I'm actually referring to any work you may have done in terms of your own councils in terms of what you would consider best practice and particularly, given you're developing your own LEP, what requirements you might have in that in relation to encouraging what you think you need.

DARCY BYRNE: That's a fair question. I'll take it on notice.

The CHAIR: And Strathfield I'm very interested in—

CLARE HARLEY: Certainly, in relation to the Homebush TOD, we are advocating very strongly for streetscapes and open space which will accommodate trees to improve our canopy, but also those other aspects of greening the city: ground cover and understorey. We know that the new streetscapes that we may see in those urban renewal areas are an opportunity to improve the heat island effect, so we're strongly advocating for that. In other parts of the LGA, we have quite a good street canopy. We do have some big areas, such as the Enfield intermodal, where we can't improve that, but we will be advocating very strongly, where we can, for urban renewal tree canopy.

DYLAN PORTER: Part of the strategy we have under the medium-density housing study that we're undertaking is, firstly, we've done a lot of community consultation to understand what the community hold important in those areas. I think the sense is that, yes, they can accommodate changes within their community if it's improving housing diversity, but they want reassurances that the planning system isn't going to leave them with poor outcomes or a sense of overdevelopment. So whilst we're making changes to our LEP to increase permissible uses, we're also making changes to our DCPs to make sure that the particular attributes and qualities of Strathfield are retained and, as best we can, embedded in those planning controls so we're getting a form of the development that is—in terms of character, appearance and outcomes around open space and tree canopy—consistent with the prevailing characteristics of Strathfield.

The CHAIR: Can I ask two clarifying points? Firstly, what has your community been telling you poor outcomes broadly are? And, if you're currently putting those requirements into DCPs—as in, to not have poorer planning outcomes—I'm assuming, therefore, your proposition would be that you need your DCP to still provide real guidance regardless of what the TOD SEPP imposes.

DYLAN PORTER: That's right. I think to just focus on height and FSR is quite a blunt tool in planning terms. There does need to be a nuanced planning-based merit assessment as to whether an application is acceptable

or not. In certain cases, there might be different outcomes for different sites depending on prevailing characteristics. I think the impact and the comments we get from community really stem from that sense of overdevelopment and scale of development. That's not unique to every application. I think the balance that people are not seeing is that, yes, there is change, but the quality of that change in terms of development outcomes isn't high enough compared to the characteristics or features of their community at the moment.

The Hon. JACQUI MUNRO: We've heard evidence that some councils perhaps don't have the capacity, resources or expertise in their teams to be managing the volume of DAs that are coming through. It sounds like Inner West is well-resourced in that area but perhaps, Strathfield, do you have any comments on that?

CLARE HARLEY: Certainly that's one of the reasons why Strathfield Council resolved to approach the State Government to undertake the master planning, because we haven't had the resources available to pay for the technical studies and the master planning that needs to happen. We do have very good professional planners and other staff on council. To be able to do a lot of this work ourselves, we just don't have enough of those people, and we don't have the money to pay for the additional studies that you need to do these pieces of work really, really well. That's really what informed council's position. Moving forward, we are developing capacity in the team and trying to be able to fund some of those technical studies. It's an ongoing issue for the whole industry though, isn't it?

DARCY BYRNE: It's certainly a challenge for us as well. I think just about the entire time that I've been on council, which is quite a long time now, there have been shortages in both DA assessors and strategic planners. Because there's been such a big infrastructure pipeline in New South Wales, often with better paid jobs than what we can offer at council, we've had shortages at different times. It would certainly be very helpful in expediting the development of our own local environment plan and planning controls if there was funding available to be able to bring on additional staff for temporary periods so that we could expedite the delivery of new homes.

The Hon. JACQUI MUNRO: The next stage is then approving development applications that are coming through. Do you anticipate that you'll need additional capacity, given the volume will need to increase fairly substantially?

DARCY BYRNE: We're really stretched now for staff to process development applications, and it's been that way for quite a long time. I think it would be a really wise investment from the department of planning to provide some funds for councils to be able to bring on staff for temporary periods to expedite their own local planning controls.

CLARE HARLEY: To that, I'd add that one of the next pieces of work Strathfield Council intend to do is a growth strategy. That will identify how we are going to be able to support this new population, whether it's through the medium-density housing or the TOD SEPP, so that we can be a financially sustainable council. That's a piece of work we're planning on doing in the next six months. That will be looking at what infrastructure we may need to deliver, what the funding sources are for that, and what new staff we will need to support that—because it's not just going to be planners. It's also going to be project managers, engineers, finance people if we've got to increase our capacity to rate the community, right down to waste trucks. Do we need new waste trucks? Do we need new waste truck drivers? And then put that into our long-term financial planning model so that we understand that we're going to be sustainable.

The Hon. MARK BUTTIGIEG: What about these reforms we've introduced with the Greater Sydney Commission, where we got rid of those—I think there were 40—thought leaders, and streamlining that bureaucratic process? Is that going to help?

CLARE HARLEY: I think I could take that on notice. Although, I would say, strategic planning is possibly outside the scope of what I've prepared for today. Planning for future growth is always really important for local government, and being able to afford that growth in the long term is one of the critical things. Whether or not that's through the Greater Sydney Commission or the department of planning is something for the State Government to decide.

The Hon. MARK BUTTIGIEG: Have you got a view on that streamlining, Mayor?

DARCY BYRNE: I never found the Greater Sydney Commission to be that useful, but I also am not a huge fan of the processes within the department of planning. It's been frustrating for us because I know that councils need to improve. We know that we can be more efficient and need to deliver more homes. But, geez, if you're looking for a department that is governed by inertia, traditionally it's been the department of planning. I think we've all got to lift our game. We certainly want to have a better and more efficient relationship between the council and the department of planning. For us to be able to deliver our own local environmental plan by the

end of this year, we're going to have to move quickly but they're going to have to get used to moving more efficiently as well.

The CHAIR: Mayor Byrne, you mentioned a thousand new public housing homes and that you've offered the 10 sites. Do you see it as absolutely essential that that is driven at the same time that this housing supply is rolled out because, as you identified, you're at the epicentre? And can you explain why?

DARCY BYRNE: The housing affordability crisis is so broad, rezoning to create more homes in the private market is obviously essential. But it's not the only element. We believe very strongly that there has to be large-scale investment in new public housing and we want to set a target of a thousand new public housing dwellings in the inner west as part of our local environmental plan. We'd also like to see renters' rights legislated and for the Government's own audit of State Government owned land for new housing to be released and for those lands to be provided. We're looking for a holistic approach that can truly address the housing affordability crisis. We don't think rezonings can do it by itself.

The CHAIR: We've come to the end of time. Did you want to say something—

DARCY BYRNE: No, thank you for the collegiate approach and for your time.

The CHAIR: Thank you very much. The secretariat will be in touch with you about any matters taken on notice.

(The witnesses withdrew.)

Mr DAVID REYNOLDS, Committee Member, Save Greater Sydney Coalition, sworn and examined

Ms MERRILL WITT, Committee Member, Save Greater Sydney Coalition, affirmed and examined

Mr JEFF ANGEL, Director, Total Environment Centre, affirmed and examined

Ms CHRISTIANE BERLIOZ, Member, Leadership Group, Better Planning Network, affirmed and examined

The CHAIR: Thank you for attending and giving your time to present evidence today. Would anyone like to start by making a short opening statement?

DAVID REYNOLDS: If I may?

The CHAIR: Absolutely.

DAVID REYNOLDS: I'm a committee member of the Save Greater Sydney Coalition. That's a coalition of community voices advocating for a range of diverse and equitable housing supported by infrastructure and services and delivered in consultation with our local communities without compromising areas of heritage and natural environment. Importantly, we are not against well-considered development with accompanying infrastructure uplift to maintain local amenity, green space and character. I'm here to speak to the New South Wales Government's response to the housing crisis. Our coalition unanimously rejects the New South Wales Government's response as inappropriate to the housing crisis.

The Government is responding to a construction crisis; it is not responding to a housing crisis. They are two very different things and very different responses are required. Higher, greater density by itself is not the answer. The New South Wales Government response to the housing crisis is flawed as it does not address the underlying causes of housing affordability, developers land banking, developers converting affordable housing into luxury accommodation, three decades of lack of government investment in social housing, construction labour shortages, macro-economic cost pressures, inflation, higher interest rates, population growth, empty dwellings and short-term rentals.

I'd like to draw everyone's attention to the fact that the TOD response is from the Property Council NSW Housing Summit. To put it on the record, this is a developer lobby group representing member organisations and their stated aim is to advance their industry. Their 2 per cent affordable housing component means that 98 per cent is unaffordable. The Master Builders Association itself stated in its 2024 *The Cost of Letting Productivity Slip* report two significant facts: the cost of building the average house has increased 39.8 per cent since 2019 and that reforms targeting the delivery of more housing will only be effective if productivity issues for the industry are addressed. Mainstream conservative media are even now starting to report all of the points I've just referenced. At our rally that, Sue, you even spoke at—

The CHAIR: I did.

DAVID REYNOLDS: —Dr Peter Gangemi made the simple point: You cannot rezone your way out of a crisis. We had speakers from all over the political spectrum from Mark Speakman, the Leader of the Opposition, to Judy Munday, the former partner of the late Jack Munday and former president of the Communist Party—political views that could not be more diverse. But they were united in one thing: This Property Council lobby group-initiated policy is not the answer to the housing crisis. The issues in the LGAs vary greatly but mostly focus on: mid- to low-rise targets have not been made public; existing capacity has not been developed, with land banking et cetera; the impact on character and amenity; TOD's lack of local consultation and input overrides council plans; loss of heritage, green space, tree canopy and biodiversity; funding for the uplift of local infrastructure, both physical and social; lack of affordable housing; and infill development should only be done with local master plans and time to plan. The Government should be considering a significant uplift in public social housing accompanied by apprenticeships for all trades, and levies and taxes on unoccupied dwellings. Thank you.

The CHAIR: Did anyone else want to make an opening statement?

MERRILL WITT: Just quickly, I wanted to talk about something that I think has come up this morning—the confusion about how the TOD program overlaps with the proposed changes to low- and mid-rise housing. I had a bit of a look at the submissions and they all talk about how the proposed changes to low- and mid-rising housing will exacerbate the density pressures imposed by the TOD program.

I'd also like to point out the lack of clarity about Sydney's existing density. We heard from Luke Turner the Western Sydney dialogue this morning that 545,000 residents have been added to Western Sydney over the last 10 years. I think you can agree that, under the last Government, a lot of work was done to meet ambitious housing targets and to increase density. Mr Turner also said that there was a huge disparity between west and east

growth rates. But I just wanted to point out that Waverley Council's submission highlights that, according to the 2021 census, more than 83 per cent of all dwellings in Waverley are considered medium or high density, with less than 15 per cent of dwellings counted as separate houses. It highlights that it already has a density of 7,412 people per square kilometre, which is essentially equal to London's density.

We've also heard a lot today about how the blanket changes make no sense. I just wanted to also highlight the Georges River Council submission, which says that the proposed changes won't affect Kogarah, with much of the area within 400 metres of the station already zoned MU1 for mixed used, with existing controls far exceeding those proposed under the SEPP. For Ku-ring-gai, which you have also heard about, 40 per cent of the land proposed for higher density redevelopment within 400 metres of four stations is listed as heritage conservation area or is a heritage item.

Briefly, the importance of these areas to the environment was highlighted by the Ku-ring-gai Historical Society submission, which said that the State heritage listed historic camellia gardens of Eryldene at Gordon could not survive if they were overshadowed by six-storey apartment buildings. Sometimes it's a good thing when the wheels of government move a bit slowly because it allows for checks and balances. But the idea that the current planning system is slowing down approvals doesn't hold weight. Again, Waverley Council quotes a cumulative gap between approvals and completions in New South Wales of around 100,000 dwellings. This large buffer stock of approvals makes it clear that the housing supply completions are not being hindered by slow approvals or a lack of zone capacity.

I would like to mention the implications of the watering down of the Apartment Design Guide criteria, with respect to building separations and setbacks. It will create adverse amenity outcomes and a reduction in the number of units with adequate solar access and cross-ventilation, leading to an increase and unsustainable reliance on mechanical heating and cooling. Also—and I think most importantly—because this has already taken effect, the new section 147 (3) of the housing SEPP has recently weakened the application of the Apartment Design Guide. It now expressly says that a consent authority is not obliged to require compliance with the design criteria specified in the AEG. This was not the case previously.

A final thing, because it also came up, is about the Airbnb situation. I would like to say that I think most of the apartments are bought by investors and they are also often in badly designed urban precincts where long-term tenants don't necessarily want to live. I'd like to end by encouraging all of you to go on a site visit to Melbourne to Docklands. I just came back from there last week and I can tell you it's an urban planning disaster. It's everything about what you should not do. Interestingly, when I was speaking to the locals down there, they said 50 per cent of the apartments—and there's thousands of them—are Airbnbs, primarily because no-one wants to live there. This is despite the area having very good access to public transport—a free tram gets you there—and also a pretty nice looking harbour, but no activity around the harbour. No-one wants to open restaurants. There's no sense of community. It felt like a terrible urban wasteland. I would hate to think that, if we don't do planning well in Sydney, we could be facing that kind of scenario going forward.

JEFF ANGEL: Thank you for the invitation to appear. Very briefly, we clearly agree with increased density near transport nodes and have for many years, if it is done well. Some of the comments you've already heard reflect the poisonous influence of the developer lobby on the type of detailed planning principles and outcomes that you're seeing from the Government. I refer to those outcomes from an environmental perspective, both from local and metropolitan. The four things that concern us most are the loss of a mature tree canopy and number of trees, noting that the ecological impact is beyond the property boundary. The Government has not estimated the loss of trees and tree canopy, and the new rules for replacement trees are not sufficient. They don't have retention of existing mature trees as a condition. The planting of one or two saplings in a new six-storey block is no substitute. While we welcome the deep soil requirement—something the developers have been evading for many years—those saplings are not guaranteed to survive.

Thirdly, this new planning process and approach is being promoted as a way of reducing urban sprawl. That's the trade-off that they are trying to present to the community. That is not working—for example, the march of housing into koala habitat in the Macarthur and Wilton area and the current Cumberland Plain Conservation Plan, which does not contain sufficient protection for that species and others. That's the trade-off we're not getting. Fourthly, the Total Environment Centre has proposed the blue-green grid, which is a network of open spaces from street to local park to major green and waterway spaces implemented for Sydney. We have had no response from Government. They are just relying on ad hoc programs with limited and likely threatened funding. The Government needs to articulate a more rounded and environmentally aware vision for Sydney, not just more denser housing dominated by the developer lobby in the planning process.

CHRISTIANE BERLIOZ: Thank you for the opportunity to address the inquiry. Better Planning Network, founded in 2012, includes over 60 member groups and individuals from across Greater Sydney

concerned with sustainable planning. The development of the TOD program fails in every respect to meet the guiding principles of the BPN Community Charter for Good Planning. The property council has taken credit for being the original architects of the TOD SEPP in their media release of 29 April 2024. That says it all.

The developers and the yimbys and the Government's TOD deliberately undermine the principles of the EP&A Act and best practices in planning. The Government has succumbed to the mantra, "Just build more dwellings," when the strong and irrefutable evidence from experts states that simply building more houses will not solve housing affordability. Our members are concerned about affordable housing and the provision of social housing, but I will deal with three key points at this inquiry. One is the completely flawed planning process, two is the complete disregard for heritage and three is the complete disregard for the environment.

BPN believes that the TOD and housing reforms are inconsistent with EP&A Act objects (a), (b), (c), (e), (f), (h), (i) and (j). It is evident from the timing and the council submissions that the department officials gave briefings to council. There was no genuine consultation. The TOD was a fait accompli. Although the Minister has no obligation to exhibit a SEPP, as the reforms result in the most extensive State-led rezoning policies ever, the lack of consultation and exhibition of the SEPPs is unacceptable. It is also inconsistent with the principle included in the EP&BC Act to provide increased opportunity for community participation in environmental planning and assessment. Our members have expressed their desire to be involved in planning and to have local government involved in planning.

Government has claimed Cabinet in confidence to avoid accountability. In the interests of transparency, the supporting data and maps of the analysis identifying the TOD station should be publicly accessible. Feasibility studies must include provision of plans and costing for supporting infrastructure, and the draft SEPP must be put on public exhibition. Despite claims the assessment process to determine the TOD stations is evidence-based, the inappropriateness of certain stations or areas suggests that most of the assessment was actually achieved with desktop software.

Examples are Adamstown in Newcastle where you have a level crossing with coal trains. Other examples are services with one train an hour or flooding impacts. Natural hazards such as bushfire and coastal inundation have not even been considered, yet the Environmental Planning and Assessment Act requires that consideration of bushfire protection occur during both the strategic planning and the development assessment stages. It is not good planning to require councils to retrospectively complete a planning strategy and impossible without a housing target.

Heritage controls covered in the LEP still apply but can't be respected as the SEPP controls and the zoning override them. Demolition of heritage items may not be allowed but impacts from new development will only be a consideration in a merit review. A consent authority or court appeal will, on appeal, be required to consider the controls expressly permitted in adjacent areas. One of our members, Walter Burley Griffin Society, expressed concern for the future of heritage-listed Cameron House, which is located within 400 metres of Killara station. Six pages in one of the *Visionaries in suburbia* books documents its significance. The single-storey house faces south. If surrounded by six- and eight-storey buildings, the house and survival of its gardens, which are integral to its heritage values, will be threatened by overbearing buildings and overshadowing.

Similar threats apply to two State heritage-listed properties in Gordon: Tulkiyan and Eryldene. TOD stations—this was raised by another one of our members—such as Dulwich Hill are also under threats of heritage items and heritage conservation areas being lost. Environment—member group PYSE, an environmental group, forwarded a map to our committee illustrating that the 1,200-metre radius around accelerated precinct Hornsby station actually takes the borders to Ku-ring-gai National Park, so there'll be flow-on impacts from development there.

Imposed zonings and development controls means that councils will not be able to satisfy the demands of the State Government to meet a required 40 per cent tree canopy cover; connectivity to important urban bushland will be lost. In conclusion, the TOD procedure is inconsistent with the principles of the EP&A Act and good planning practices. There are flaws and a lack of transparency in the assessment process. BPN hopes the inquiry will recommend deferment until best planning practices are followed.

The CHAIR: I want to ask one thing quickly before I hand over to colleagues. Mr Angel, the Blue Green—I can't remember the title of the report. I loved it, but I don't recall the title.

JEFF ANGEL: *The Blue-Green Grid.*

The CHAIR: You sent that to the planning Minister and had no response. Is that what you were saying?

JEFF ANGEL: We have sent it to the Minister for planning, we've met the Minister for planning, we've talked to his officials about it, and we can get nothing out of them.

The Hon. SCOTT FARLOW: Mr Reynolds and Ms Witt, I'll raise one of the points in your submission. You talk about how one of the Premier's favourite things to talk about is, effectively, Sydney being one of the least dense cities in the world. You highlight in your submission that Sydney's density is actually much higher than people would think but it's whittled away because of statistical anomalies when it comes to national parks, waterways and the like. Have you got any further information that you could provide the Committee in terms of Sydney's density, or is it something that should be looked at on a place-by-place basis, so to speak?

MERRILL WITT: Yes, I would say that it isn't just us. We do quote academic research from Queensland that says it is a myth to say that Sydney is not a dense city. That's what we were relying on. I'd also say that we've given lots of examples—Waverley being one, which has one of the highest densities in the nation. Certainly in Sydney, it has the second highest density after the City of Sydney. That's what I think. What's really come out of today's discussion is the fact that you can't just have a blanket approach to looking at the city.

You need to have strategic planning, which is what the EP&A Act, when it came in, was designed to facilitate, so development was sensitive to areas and we didn't overdevelop. This idea that the east can sustain much more growth—I'm just not sure. I'm on Woollahra council and we're really struggling. We're looking at trying to put more density in Edgecliff because it is on the rail line, but then we're being told by the department that there are water and—

The Hon. SCOTT FARLOW: Sewerage constraints.

MERRILL WITT: —sewerage concerns. Nevertheless, we've done a lot of strategic work, thinking that will be the best spot. We're looking at putting in height controls that will be substantially higher than what the TOD precinct is recommending—up to 26 storeys in Edgecliff centre—and also as a way of trying to create more affordable housing in the areas for our essential workers—for our teachers and our nurses—so that we can get meaningful affordable housing allocations within new developments. So that's something.

What I was really shocked about—London, for example, 50 per cent, now, affordable housing target. They're actually making great strides. I'd be happy on notice to send you a really excellent article about that because there have been pushbacks by developers to accommodating that. It just highlights how you need to be really ambitious in terms of the affordable housing targets as well. But getting back to the density, I'd be happy to provide more information on notice.

The Hon. SCOTT FARLOW: Thank you. Yes, Mr Reynolds?

DAVID REYNOLDS: I can provide you with some analysis that's previously been done on the Campsie town plan and the increase in density there. The proposed increase in population that was done there—for those dwellings of 2.8 persons per dwelling that they were planning on adding to the 3.1 square kilometres that is Campsie would have given Campsie an average population density greater than New York City. That's the seven boroughs. That's the sort of thing. You have these islands of high density already that aren't recognised across Sydney, and then you have these massive areas of open-space green that aren't touched or waterways.

The Hon. SCOTT FARLOW: The National Trust highlights this as well in their submission about some of the areas with the richest heritage are the most dense in the city. I think it was that 10 of 20 of the most dense locations are the ones with significant heritage across Sydney. Also picking up from your submission, you talked about some of your submission's reliance on information from the Greater Cities Commission, which is now no longer available. I'm interested in some of those things that you could highlight that would be of use for the Committee and that we could potentially recommend the department make available themselves.

MERRILL WITT: Even when we were preparing the submission, a lot of the information seemed to have been disappearing, but I think what we did quote was even their information about looking at the types of dwellings. As you might know, the Greater Sydney Commission was merged and became the Greater Cities Commission to also incorporate anywhere from Newcastle to Wollongong. Suddenly, what you had was the Sydney Eastern Harbour City, which I was really surprised when I read this, that included a lot of areas that are well beyond the CBD, including Ku-ring-gai, Sutherland shire, Canada Bay.

It looked at all of those areas and it said 43 per cent were apartments, 21 per cent were semidetached and medium-density dwellings and only 36 per cent were single-dwelling houses. That also gives you an idea of the fact that density actually has spread a lot through the Sydney region. A lot of us, even though we say we want to live in houses, we're actually not living in—many of us can't afford to live in houses any more, or are choosing not to.

What I found really helpful about the former Greater Sydney Commission was that it did try to provide a holistic overview of what was happening to Sydney. There was angst, I think, because it was setting quite ambitious housing targets that the councils had to accommodate. But, at the same time, some of its objectives in

terms of green space and connectivity were quite good and I think subsequently have been discounted and ignored. We gave you a summary just to summarise what was a pretty dense submission, but I think a lot of people are actually arguing again for an independent, coordinated body that can look at a holistic approach and ensure that we've got the infrastructure to support this uplift of density in terms of green space, hospitals or even the transport network. That's probably all I can say on that.

DAVID REYNOLDS: The other statistic that I do remember from the Greater Sydney Commission is they were looking at affordable housing being at 15 per cent. Now, with this TOD, we have 2 per cent. I have a copy of those in a PDF that I downloaded at the time, so I'd be happy to make that available to the Committee afterwards.

The Hon. MARK BUTTIGIEG: Thank you. Mr Reynolds, can I clarify something? The submission labelled 49 is critical of the reforms which you've just outlined, yet submission 49A states on page 2:

We commend the NSW Government in principle for undertaking a Transport Orientated Development Program as a new housing strategy.

Can you tease out that contradiction?

DAVID REYNOLDS: Yes, I can actually speak to that. We're a coalition of a number of different local government areas. For some areas, they're commending it; for some, they're not. But if you read further on page 2, under the heading of wanting a royal commission into the Department of Planning, Housing and Infrastructure, which goes into probity issues of how the TOD actually came about and the decisions—

The Hon. MARK BUTTIGIEG: Yes, it is qualified based on transparency. But would it be fair to say the conceptual approach is accepted by your body?

DAVID REYNOLDS: Not by our body generally, but by some members, as we said.

The Hon. MARK BUTTIGIEG: Would you be able to take on notice who is for and who is against in terms of the constituency input? I think it is important the Committee understands that this is not a general representation from your constituents.

DAVID REYNOLDS: I will come back to that question on notice, and I will come back to the Committee with a proper response to it.

The Hon. SCOTT FARLOW: To pick up Mr Buttigieg's point, I think one of the tenets of your submission is that in a sense this is nothing new. Transport oriented development has been happening since the city was built. We have built houses around transport lines—there's nothing new about that. But these particular proposals have a certain disregard for nuance, where you've got 400-metre radiuses being drawn around railway stations. I think, Ms Witt, you talked about your own council's experience in terms of Edgecliff and looking at what is 26 storeys at Edgecliff Station and how you manage that. But you do need to have that place making and the ability to look at areas and look at the constraints that they may have, but also how you develop that place.

The Hon. PETER PRIMROSE: Can I clarify before we proceed that the nuance that the question was after was that there wasn't unanimity within the organisation in relation to their position?

MERRILL WITT: Can I just say—

The Hon. PETER PRIMROSE: We're trying to clarify.

MERRILL WITT: Look, we're a broad church in the sense that you heard previously from the Ku-ring-gai residents' association, FOKE. Their members are on our committee. Obviously, the reason why they are concerned about the TOD program is because of its impact on the heritage areas. If you look at Ku-ring-gai, there are certain areas which have been developed that are just more suitable and that also have good access to public transport. I think all of us would say we would like to see further emphasis on public transport.

The Hon. PETER PRIMROSE: But we've heard some evidence from you—the evidence we've heard is opposition. My colleague's comment and question indicates, as your submission 49A indicates—and your evidence—that there is disagreement within the organisation.

DAVID REYNOLDS: I would not say it's—we have to respect that there will be a divergence of views within the organisation because there are a number of different people and areas being presented. As I stated in my opening statement, the views vary amongst the LGAs that are providing us feedback. It's not inconsistent that there would be some divergence of view. It's quite acceptable and it's a healthy part of our discussion.

The Hon. PETER PRIMROSE: No question about that. All I'm seeking to say is that it is not a unanimous position from your organisation.

MERRILL WITT: I think it is unanimous in the sense that there is support for transport oriented development as long as it's done well, as long as it's supported by enabling infrastructure and as long as it doesn't trash heritage conservation areas. One thing we really highlight in our submission is how hard-fought it has been to get heritage protection in New South Wales. FOKE, who came on before, had a big book just showing all the heritage that had been lost before better protections were put in place. People have written very long books about Sydney losing its precious heritage. We don't want to see any more destruction. From my own experience on council, I know the amount of work that goes into trying to convince the department, through planning proposals, to list new items as heritage. It's absolutely immense.

The Hon. MARK BUTTIGIEG: But you can understand the Government's predicament, can't you? You get elected on a mandate for increasing housing supply for a generation who have been locked out—

The Hon. SCOTT FARLOW: I don't believe that was the key plank of your—

The Hon. MARK BUTTIGIEG: And there has got to be a balance, hasn't there, between a generation—and I include myself in this—which has had the fortune to grow up in very aesthetically pleasing suburbs with plenty of green open space and abundant housing, and yet we have a generation who is trying to access it. Surely there has got to be a balance. This idea that, yes, we support it in principle but if, when, maybe—you can understand the frustration of the Government in wanting to move this along.

JEFF ANGEL: You can understand, I guess, if you're in the Government and you're getting different messages from all over the place. You can understand the frustration, but frankly that just shows the immaturity of the process. They should be saying, "We are going to deliver the trade-offs". They're not saying that and they're not doing it. How could you expect to bring the rest of the community with you if you are just saying, "You're all going to get denser housing, goodbye". That's essentially the message people are getting.

The Hon. MARK BUTTIGIEG: But if not increased density around transport hubs, then where? That is the question.

JEFF ANGEL: Sure, and I'll talk to you about the TOD area. Four hundred metres is pretty big. Both the developers and the Government are running this common theme: There is going to be more housing. Sure, there may be more housing, but there are a hell of a lot of other people that want to know how they're going to make living in Sydney better for them as well. You can't just splice off the vast majority of the community and say, "We don't care what you think". The Government has to respond in a more mature and—certainly from our view—environmentally sensitive manner before it's going to get the majority of the community onside.

The Hon. MARK BUTTIGIEG: Can I take you up on the characterisation of this being a pro-developer driven policy? We heard evidence earlier today that they seem to be just as upset as the pro-preservation people by virtue of the fact that they're saying, "It is just too costly to build housing and we need more incentives because it doesn't matter how much density you give us, it's not economically viable". It seems to me as though, to a certain extent, the Government must have something right because neither extreme agrees.

JEFF ANGEL: That's the general political equation people follow.

The Hon. MARK BUTTIGIEG: Well, we did hear it in evidence this morning.

JEFF ANGEL: I don't believe the developers, and nor should you. If they want to build houses, they'll build houses. If they want to push you into having less developer contributions and into having even higher density, that's the argument they'll run.

The Hon. PETER PRIMROSE: The argument they were using this morning is that they would rather higher density in areas better serviced by transport than knocking down trees in koala areas around Campbelltown.

The CHAIR: Sorry, just a correction—I think the argument was that it is currently easier to knock down koala habitat than it is to do high density. I think that was their evidence.

The Hon. PETER PRIMROSE: No, that's not how I heard it.

The CHAIR: The submissions that have come in make it very clear that the witnesses we heard this morning are very supportive of the Government's current proposal, but they want it to go a bit further.

MERRILL WITT: Exactly.

The CHAIR: And they want the order of hierarchy to be settled.

The Hon. MARK BUTTIGIEG: This is the point: Some people don't want anything and others want everything.

The CHAIR: I don't think it's fair to characterise anybody's evidence today as saying they don't want anything. Everybody has resoundingly said that they want more housing but housing done well. Let's move on. I would be very interested to hear from you, if I could, about tree canopy and deep soil and your analysis in relation to how you think the current State Government's plan may or may not impact that in a negative or detrimental way.

JEFF ANGEL: Anyone who looks at the aerial pictures of 400 metres around certainly the established suburbs—both in the inner west and, of course, up to the north—are clearly people who have invested a lot in their private gardens and let the trees grow, despite some of the attempts by councils to weaken tree removal orders. The previous council that you just had on had an enormous controversy about tree removal and making it easier. We obviously haven't done a quantification of how many trees are going, but I think it is incumbent on the Government to tell you how many trees they're removing and how they're going to counterbalance that loss of canopy. Obviously, the canopy goes beyond the property boundaries if you're a bird species or a possum species or whatever. That's regarded as green infrastructure that has more value than just for the particular property. These are the things that government seems to be resisting talking about. If they're going to knock down a whole lot of trees, tell us, and then tell us what you're going to do instead.

The Hon. SCOTT FARLOW: Mr Angel, we received evidence from Sydney YIMBY this morning, where they said that, effectively, the trees that were the most valuable were the ones that faced the road and were covering the footpath. Would that be your assessment as well?

JEFF ANGEL: In terms of urban heat, yes. In terms of wildlife value, they're all important.

The CHAIR: Is it your understanding that, from what's on the table right now, we haven't done that assessment in earnest and the State hasn't put forward what the rezoning implications and TOD requirements would be on existing tree canopy and the extent that would change?

JEFF ANGEL: Yes.

MERRILL WITT: Could I add one thing on that, because I spoke about the overlap with the proposed changes for low- and mid-rise housing on this? One thing we're very concerned about is the dual occupancy attached changes. The lot size will go down to 450 square metres and it looks kind of like a 75 per cent FSR, which makes it really difficult. I think they said you could maybe put one tree in the front yard. Ku-ring-gai was saying that where they've got big blocks of up to, say, 1,000 square metres—and this is even outside the TOD—you could be looking at them being carved up for multiple homes and all the trees going in the process.

There has to be a little bit more dialogue between the councils and the Government about how we can protect our tree canopy. I know in my own area we recently put the FSR to 50 per cent, with a 35 per cent tree canopy, because we're losing a lot of tree canopy—that's in the Woollahra municipality—to new private development. We're desperately trying to increase our overall canopy to 30 per cent, which is actually 10 per cent below the State Government target of 40, but the only way that we can do that is to ensure that we lose less trees on private land.

Just last week we were listening to Blacktown council again saying that the SEPPs and the code-complying development are really undermining their own controls. They've got enormous problems out there with urban heat to the point that they're having to build climate refuges or accommodate people in churches and places that they can go that are air-conditioned when the heat gets too much. Trees are so effective at cooling areas, as well as providing habitat for what is really a very unique biodiversity situation in New South Wales. The Sydney Basin in particular is home to a lot of threatened and endangered species. We want to hang onto them.

The Hon. MARK BUTTIGIEG: On that point, is there any change in the TOD SEPP that would de-limit the amount of tree canopy? My understanding is that this is covered in the DA, but if the SEPP is not coming over the top and saying that it can override the tree canopy provisions in the DA then it's up to councils, isn't it, to determine the impact?

JEFF ANGEL: The SEPP has nothing to say about retaining trees in the back if they've got landscape requirements. You can plant one or two—or maybe if you're lucky three—saplings on deep soil, and that's it.

The Hon. MARK BUTTIGIEG: But this is the point, isn't it? If the SEPP is silent, in the absence of that the provision is the local council instrument and the local council can determine the adequacy of the tree canopy. And they're answerable to their residents, presumably.

JEFF ANGEL: That would be interesting to get some confirmation on. The impression from the development plans is that they knock down all the mature trees to get a clear field to do whatever density they want. If the Government brought out some design guidelines, possibly from the Government Architect—there

have been a few examples of where mature trees have been kept and the development is around them. I don't get the impression that's what the Government is intending to do at all.

CHRISTIANE BERLIOZ: The problem as I see it is that with FSRs that have increased and block sizes and setbacks that have decreased under imposed controls, you're going to get areas where there's just no deep-soil landscaping. And, if you're putting in a canopy tree, that's when you start having problems—especially isolated canopy trees—on very small areas of deep-soil landscaping. You then have the root problems et cetera and people start complaining and then the tree comes down.

The other point I want to make is that when you're talking about trees, it's all very well to have a boulevard of trees and then no trees for kilometres around, but that is not ideal as far as connectivity to large areas like the national parks that surround a lot of Sydney areas and to large remnants of bushland, which are not just trees. We need all this connectivity so that we can also spread the genetics of all these trees. They depend on flying foxes, on birds and on other species that have to get from one area to the other to sustain what we do have, like national parks. So it's not just looking at one tree and saying, "One tree is going to be fine." You've got to look at it holistically.

I'm going to go back to a point that you raised, Sir. I'm not sure about whether people agree or don't agree that the TOD is the main problem. I see from my discussions with BPN that the things that were raised—not so much on the TOD, because people didn't have an opportunity to make a submission on the TODs or were not affected—were mainly on the low rise/mid rise, but it's the process that this Government has followed and the fact that you've just imposed controls on a circle. From the feedback we got, like it or not I feel that people will find it much more acceptable to have their local government area decide how to plan—whether they are accepted or not—imposing dwelling targets and saying, "You need to provide so much and we want you to concentrate around an area, but do it in a strategic fashion", which is what the previous speakers spoke about from the western councils.

The Hon. SCOTT FARLOW: Inner West and Strathfield.

CHRISTIANE BERLIOZ: The fact that you've also got to plan—first of all, capacity of the existing infrastructure doesn't exist in some of the TOD areas that you've mentioned.

The Hon. MARK BUTTIGIEG: No, sure, but I want to put something to you quickly because we're out of time.

CHRISTIANE BERLIOZ: You've got to follow a process.

The Hon. MARK BUTTIGIEG: Given our history with local government and planning and DAs, the idea that the Government would come in and then say, "Local councils will be able to manage this in a timely manner," you can understand the Government wanting to move this along by saying, "We've got to have the conversation. This is where it's happening. Come back to us." Isn't that a fair approach to take, given the urgency of the housing crisis?

CHRISTIANE BERLIOZ: First of all, you're talking about a housing crisis. As had been raised before, I think that is a very one-sided kind of argument. There are multiple prongs in this whole situation about housing crisis. It's not about just blanket delivery of dwelling targets. Maybe the Government should be also looking in its own backyard and taking some of the hard decisions on taxation regimes, on rental caps and on investment properties. I mean, it's not just, "Build and everything will be solved." That's one thing. You're only looking at a very, very narrow bit of the problem. What about dealing with that before you wreck the whole of Sydney?

The CHAIR: We have come to the end of our time on this session. It has been very helpful. The secretariat will be in contact with any matters taken on notice. We're very grateful. Thank you for your time.

(The witnesses withdrew.)

(Short adjournment)

Mr SAM NGAI, Mayor, Ku-ring-gai Council, sworn and examined

Councillor TANYA TAYLOR, Mayor, Willoughby City Council, affirmed and examined

Mr DYALAN GOVENDER, Acting Head of Planning, Willoughby City Council, affirmed and examined

The CHAIR: Thank you all of you for your time today. Would anyone like to make a short opening statement?

SAM NGAI: I've got a three-minute statement. As Ku-ring-gai's youngest mayor and a father of three, I want Ku-ring-gai to play its part in delivering more housing around transport hubs. The housing accord requires the State to collaborate with local government and provide well-located homes, but I have not seen genuine collaboration to date. On multiple occasions since November, we have reached out to the planning Minister and sought a 12-month deferred commencement, similar to other councils, but this has not been provided and as a result it will cost ratepayers tens of millions in value destruction.

To provide the best outcome for New South Wales residents, we need urban planning. Ku-ring-gai Council is expected to deliver 20,000 new homes in four precincts, but for those to be well located, we cannot rely on proximity to transport alone. Well-located homes need schools, shops, health and other services. These can be enhanced in the coming decades, but one thing that cannot be left till next decade is public open space because our kids will no longer have a yard and our community needs public places to meet.

In the Roseville precinct alone, we expect 5,000 new dwellings, but the only open space is a small war memorial garden next to the highway. Council is part way through its plans to acquire private land to provide future open space and was soon to complete it. But for the remaining land not yet acquired, costs have escalated significantly with the introduction of the TOD, in the absence of a deferred commencement. There is also a distinct difference between part one accelerated precincts and the 37 other part two precincts. Part one is well funded with \$520 million, or \$10,800 per dwelling, whereas there are no committed funds for part two, which makes it difficult for councils to make these precincts great places to live.

The TOD's maximum height and FSRs are also problematic. New South Wales is targeting 40 per cent urban tree canopy by 2036 to protect our residents from climate change, but the TOD controls lead to 20 per cent at most. The TOD precincts also impact 23 of Ku-ring-gai's heritage conservation areas. They are known for their garden-style character. However, in my meetings and correspondence with the planning Minister, he hasn't answered how that is compatible with the maximum height and FSRs. The closest I have seen is a link to the New South Wales heritage office's June 2005 design in context document, which does not address six-storey developments in a garden-style HCA. I also don't understand why our four stations were selected when other better located areas like Summer Hill and Lewisham were not.

The Government has repeatedly claimed that Ku-ring-gai has not played ball, but this is simply not true. The Minister had met with me just once in February and then cancelled the second meeting in March, so there was no opportunity to finish our discussions. My door has always been open to match or exceed targets so long as adequate time is provided to plan for and fund the infrastructure required to make it happen. But I'm disappointed that while this opportunity was given to other councils, Ku-ring-gai has not been afforded the same terms.

TANYA TAYLOR: Thank you for the opportunity to address this inquiry into the development of the Transport Oriented Development Program. The TOD program is of significant interest and importance to the Willoughby community. Willoughby council is committed to meeting existing housing targets, and we stand ready to do more. We have as recently as June 2023 rezoned the capacity for an extra 6,500 dwellings in areas close to transport and amenity and all this within a small local government area that is only 23 square kilometres in size. Whilst the stations identified in the TOD program are not located specifically within the Willoughby local government area, areas around Roseville and Crows Nest stations TODs extend into Willoughby so, naturally, community interest is high. This is particularly evident in areas such as Naremburn, where there are concerns about impacts on important heritage areas, among other things.

We have invested significant time and resources to engage our community in planning for future housing needs in strategic locations. We have brought them on the journey with us. We have had the difficult discussions about density and the growth of Sydney. We have completed significant upzoning in the Chatswood CBD, the area north of Crows Nest and in other key local centres—all in consultation with the people who live, work and play in our area. Discussions have been difficult, especially as our community already contends with congestion and inadequate bus services and schools that are running out of space. Additionally, scepticism about the quality of high-density housing is growing, fuelled by several high-profile examples of poorly constructed high-rise developments.

Consultation for the TOD program has been ad hoc, limited in scope and light in detail. We understand the urgency, but we also want to get good outcomes. Key consultation on the TODs occurred over the end-of-year holiday period during December and January. There was no direct consultation with the community other than limited information provided on the department's webpage. It was left to council to engage with our concerned communities, who are not just grappling with the TOD program but are also trying to understand the impacts of the concurrent changes to the housing SEPP.

It's in this context that our community is asking why. Why after so recently contributing additional capacity for 6,500 dwellings in our controls is the State Government treating this area in the same manner as other areas where the master planning hasn't been done? Why when we worked extensively with Lane Cove and North Sydney councils and the State Government on the Crows Nest 2036 plan, when we consulted extensively with the community and brought in new controls to implement it? Why when we worked extensively with our community and the State Government to deliver a strategy for the Chatswood CBD and reflect it in our planning controls, when we did so with an understanding of the impacts and the infrastructure needed and when we sought to create as much capacity as possible?

Our community has trusted us because we consulted with them, and we showed them the work we put in to understand traffic implications, to minimise impacts on heritage and to ensure that State agencies were also planning for the growth. The behind-closed-doors discussions through confidential working groups are further exacerbating mistrust and risk our community becoming disillusioned with the Government and the planning system. Our community has seen nothing to indicate that additional infrastructure is coming. They're asking us, "Has the State Government modelled the impacts? Have they considered the cumulative impacts from these housing SEPP changes?" We're not in a position to provide the answers as we only have the limited information provided by the State Government to date.

Stronger affordable housing requirements need to be implemented as a matter of urgency. We recently increased our affordable housing requirements from 4 per cent to between 7 per cent and 10 per cent. The TOD program should be delivering similar rates in perpetuity, dedicated to the community, not just for a temporary period before they revert to the market, and not into private hands, where regulation and monitoring will be extremely difficult and costly. We need to make sure the program doesn't just deliver houses. It also needs to deliver the infrastructure required to support them: the additional open space, the stormwater upgrades, the schools, the roads, the additional bus and train services, and the bus interchanges. We need more information on how the program is going to address these important issues.

To conclude, the development of the TOD program has been poor, resulting in communities becoming increasingly disillusioned and confused with our planning system. At Willoughby, we've undertaken considerable work to tackle the housing crisis whilst maintaining the amenity of our area and improving sustainability, and we know we have more to do. But, most importantly, we need to take our community on the journey with us. The people of New South Wales, in particular our future generations, need more housing. But we need to ensure that local councils who are willing to partner with the New South Wales Government to deliver more housing are involved in the process.

The Hon. SCOTT FARLOW: Mayor Ngai, I'll start with you. We've heard consistently from the Government that councils have wanted to play ball when it comes to these proposals, except for Ku-ring-gai. Do you think that's a fair assessment?

SAM NGAI: I personally don't agree with the statement. I wrote a letter to the planning Minister on 23 November asking for an opportunity to meet and discuss housing. He arranged for a meeting on 15 February, so almost three months later. That meeting then got postponed by him to 29 February, so the first time we had an opportunity to sit down with the planning Minister was 29 February. At that time he told me, in that meeting, "We'll meet again next week"—in other words, early March—"to continue this discussion". Closer to that 7 March meeting date, I was told that, as mayor, I'm not invited to go along to this discussion. That was it from my perspective. I really wanted to engage and talk about how we can—

The Hon. SCOTT FARLOW: Just let me clarify that, sorry. As mayor, you were not invited to go to that discussion. Was anyone else from council allowed to go?

SAM NGAI: It ended up being a discussion between the department staff and the council staff. But as mayor, I was told the week before that I would be at this meeting and I was subsequently told that I couldn't be there. The next thing I heard was in April. There was this announcement about mid-April—12 April—saying that 12 out of 13 local government areas have engaged with DPHI et cetera. It basically implied that Ku-ring-gai wasn't willing to engage, but I really wanted to talk to the planning Minister.

The Hon. SCOTT FARLOW: I think the Premier might have said it specifically.

SAM NGAI: Yes, it's in the media release as well. I want to make this work; I wanted to have time to make it work. If we had the time to make it work, we would have done planning properly. Some parts of these precincts would have been taller; some parts would have been shorter. We would have met our targets but, most importantly of all, we would have been able to deliver the infrastructure outcomes at a reasonable cost. Instead, we've been hit by these increases in infrastructure costs due to the lack of planning up-front.

The Hon. SCOTT FARLOW: So now, with the SEPP in place, will council be doing any of that work? Is there any incentive for council to do that work?

SAM NGAI: Two weeks ago council resolved to come up with different scenarios to figure out how we can distribute the densities anyway. It might just be the status quo of six storeys everywhere, it might be that we save some heritage conservation sites in particular to make key sites taller or it might be that we save entire heritage conservation areas by making other, non-heritage parts much taller. But those are scenarios that the staff are exploring, and we've told the staff to come back to us within nine months with the details.

The Hon. SCOTT FARLOW: With respect to that, as well, we've heard from Inner West Council. Inner West Council got a deferral until December of this year. They indicated to this Committee earlier today that they intend to do the master planning and to be able to get an LEP to the department by that date. Has that opportunity been provided to you, or have you had any understanding of something similar when it comes to Ku-ring-gai Council and the Department of Planning?

SAM NGAI: When we first met the planning Minister on 29 February, he said that there was an opportunity to give us six months deferred commencement, but he also said that he would not give us the six months deferred commencement for all four stations. At most it might be one or two stations, but he needed some of the other precincts to be there.

The Hon. SCOTT FARLOW: But Inner West just had all of theirs deferred.

SAM NGAI: Yes, they've had all three, but for us—and I believe ours was the first meeting, before the other councils—we were told at the time that some of them had to be online by April, but we'd have six months deferred commencement for the others. Our concern at the time was that if you look at the department's own guidelines about establishing an LEP for complex cases such as this, it should take about 420 working days to go through, end to end. That's already with council having established what they wanted to propose, right at the beginning, so for us to have a compressed time frame to do everything—come up with the studies, consult the community, do everything within six months—that would not have been realistic. We were pushing for a 12-month time frame.

The Hon. SCOTT FARLOW: With respect to that, within Sydney, seven TODs are operational at this stage. You have four within your LGA, is that correct?

SAM NGAI: I'd have to look through the list again, but I can confirm there are four that are live as speak in Ku-ring-gai.

The Hon. SCOTT FARLOW: So four live, seven across Sydney, so the majority being in your LGA. Since that has come into place, what sort of response has there been in the community and in the council area?

SAM NGAI: There's been a strong range of responses. There have been some residents who are keen to make sure they get the best outcome possible. They will gather together and try to make sure that if someone does sell, they should do it collectively. There have been other properties, especially towards the fringe of the 400-metre line, asking why they have been excluded. I can name a number of examples where they're part of a street block and they're the only property within the entire street block that has been excluded, just because they don't quite meet the 400-metre line.

The Hon. SCOTT FARLOW: And there are other places that have got a small part that have been included, as well.

SAM NGAI: Yes. So even if you're just touching the line, you're included. I've had residents within Heritage listed items—usually local, not State, but locally Heritage listed items—asking what will happen to them in the future because, as far as they understand, they will be surrounded by up to 22 metres with minimal setbacks. But they will be overshadowed, they won't have privacy—that sort of thing. They're asking questions such as how do they get out of this? Their land has been devalued, from their perspective, and they've lost their privacy. I've also got other residents who say they're being harassed in different ways by prospective developers keen to purchase their land. There's a huge range of different responses within the community, but there's also a lot of uncertainty as to what's going to happen in the future. But personally, as a councillor, and personally planning for the future 20,000 dwellings, I want to make sure that they have the right infrastructure in place.

The Hon. SCOTT FARLOW: In terms of that projection—and this is relevant both for you and also for Willoughby—have you been given any indication from the department as to what they anticipate the number of dwellings to be in those precincts, either the tier 1 or the tier 2 precincts?

SAM NGAI: It's hard—I'll tell you the history. Going into the meeting with the planning Minister on 29 February, we could only speculate as to what the targets were. We would grab the 146,000 and divide it by 31 and we would come up with something like 4,500. During that meeting on 29 February, they weren't able to tell us how many new dwellings they expected. But on the following day, on 1 March, the department staff contacted our acting general manager and told him over the phone that they're expecting about 4,500 to 5,000 for each of the four train stations because they're "average" sized stations.

When we asked for the detail, we don't actually have the detail. From my understanding, there are some precincts like Gordon and Lindfield which have more capacity to take on more, from an infrastructure perspective, than some like Killara and Roseville. But there's been no explanation whatsoever as to why Killara is treated in the exact same way as Gordon. I would have imagined that you'd expect Gordon to have more, Killara to have less—that sort of thing. But the modelling, I've been told, is Cabinet in confidence.

The other thing that we wanted to explore was: Does it have to be these four? Does it have to include Killara, where 83 per cent of the precinct is a heritage conservation area? Can't it be another station instead? But we were told on 29 February by the planning Minister that they've got robust modelling in place to indicate that it has to be these four. It can't be other stations; it has to be those four. So that's just what it is: It had to be those four. So then I was surprised by the announcement later on, on 12 April, that there were other councils who had offered more stations and all that sort of stuff. I just didn't understand that that option was available. I was just told that it has to be these four stations, based on our modelling, which is Cabinet in confidence.

The Hon. MARK BUTTIGIEG: Can I take you up on that? On the one hand you're saying there's no clarity from the Government, but on the other you're saying that when you went to them, they came back to you and said, "Roughly, X amount in these four." Isn't it reasonable to assume that they want you to have to a degree of autonomy when you're planning those things and saying, "You've asked for targets. We'll give you rough targets; here they are. In these four stations, we've done the modelling to say the infrastructure can support. Go off and talk to your community and come back to us." Isn't that kind of reasonable?

SAM NGAI: I think it's reasonable to have an opportunity to talk to community and come back to them. It would be helpful if the modelling was there so that we could understand why Killara in particular was selected over, say, something else, like Turramurra. But in terms of reasonableness, I think the community always expects to be consulted and engaged. In the State Government department's own guidelines for updating a local environmental plan, it does recommend 420 working days for complex changes to a precinct. There is that built-in expectation that there will be extensive consultation. So to say, "Do it all. Do all the studies and the consultation, and finalise a LEP within six months," that's a bit of a stretch. We were pushing for 12 months, which would already be an accelerated timeline.

The Hon. MARK BUTTIGIEG: Sure, except that's somewhat belied by the evidence that we've heard from other councils, the inner west being the exemplar, which seemed to have been proactive on this and moved things along quite quickly. It's doable, right?

SAM NGAI: I think it is doable if we had enough time. If we had 12 months, sure, let's make it happen. But the thing is, I never really had that opportunity to have that conversation. We had one conversation on 29 February, then I was told that I'd see the planning Minister again on 7 March, then I was told that I no longer need to attend, and then the next thing is there's this announcement on 12 April that Ku-ring-gai hasn't played ball.

The Hon. MARK BUTTIGIEG: Just on that point, my understanding is that you were clearly told there would be further meetings but it wouldn't necessarily be with the Minister. Is that right?

SAM NGAI: I was told—based on my understanding of my experience on 29 February—that the planning Minister and I would sit down again in a week's time to have that conversation, to continue the discussions. I even had meetings with the other councillors, discussed all sorts of things in the lead-up to 7 March meeting, but then I was told that I wouldn't be attending. I was quite disappointed.

The Hon. MARK BUTTIGIEG: Can I ask you about this advertising campaign that the council is running? I understand that you're putting full-page ads in the Herald and bus ads against the strategy or running, I think it's called, the "Demand better planning on housing" campaign. Could you enlighten the Committee as to how much has been spent on that campaign?

SAM NGAI: I'm not going to talk about how much it cost to put out a full-page ad.

The Hon. MARK BUTTIGIEG: Why is that?

SAM NGAI: Those are commercial details/arrangements with each of the newspapers.

The Hon. MARK BUTTIGIEG: Why would they be commercial details when it's ratepayers' money?

SAM NGAI: It's also details that are left to each of those media outlets. That is up for them, and I'm not going to betray the trust and reveal how much their rates are.

The Hon. ANTHONY D'ADAM: It's not a question of trust. Ultimately you've made public expenditure, you're under oath, you have the information at hand and you're obliged to answer.

SAM NGAI: I don't—

The Hon. SCOTT FARLOW: Mr Ngai, do you have the information at hand? I think, that is more the question.

The CHAIR: I think the answer was, and we need to consider this if we could—

The Hon. ANTHONY D'ADAM: He is being evasive.

The CHAIR: —there is concern that it may well be commercial information on the other party that is engaged. I'm not saying whether I agree or not but that's what I think I just heard the witness, Mayor Ngai, provide to us: that there is a commercial relationship engagement. I don't know what that would look like or be; I've never been in a position where I can pay for a full-page ad. If that's what the witness is suggesting, then we need to afford that procedural fairness for that consideration.

The Hon. MARK BUTTIGIEG: But is it your evidence that, in the interests of commercial in confidence with a major media outlet and the people who are responsible for placing the bus ads, you would prefer that the community's transparency over how much of their money you're spending is subservient to that? Is that your evidence?

SAM NGAI: My answer to that is the future residents of Ku-ring-gai will pay \$210 million of housing and productivity contributions to the State Government. I have actively sought with the planning Minister to have at least some of that reinvested into local infrastructure—

The Hon. MARK BUTTIGIEG: That's not what I asked. I asked you is your evidence that this is commercial in confidence and, therefore, you're not going to divulge it to the Committee?

SAM NGAI: I'm not going to divulge something that was arranged as a commercial arrangement and of the specific details that I don't have.

The Hon. MARK BUTTIGIEG: Is it commercial in confidence or not?

SAM NGAI: That is my understanding.

The Hon. MARK BUTTIGIEG: It's your understanding?

SAM NGAI: Yes.

The CHAIR: It's also something that you are able to take on notice.

The Hon. ANTHONY D'ADAM: Can I press that?

The CHAIR: If the line of questioning—you do have the right to take that question on notice, to give it some more consideration, because this is your evidence and you are under oath.

SAM NGAI: Yes, sure.

The Hon. ANTHONY D'ADAM: He's under oath. I don't think commercial in confidence are grounds on which he can decline to answer a question from a parliamentary committee.

The CHAIR: I think you're right, Mr D'Adam.

The Hon. ANTHONY D'ADAM: On that basis, we are going to press for the answer.

The Hon. MARK BUTTIGIEG: I will move on to something else.

The Hon. ANTHONY D'ADAM: You can take it on notice.

SAM NGAI: How is it different to Cabinet in confidence?

The Hon. JOHN RUDDICK: It may be that *The Sydney Morning Herald* gave you a significant discount.

The Hon. ANTHONY D'ADAM: You're here under oath and we have powers to compel your evidence.

The CHAIR: But if it is something you want to take on notice—Mr Primrose.

The Hon. PETER PRIMROSE: I ask Mayor Taylor, just to get you involved in this exercise: Has council passed a local housing strategy/policy?

TANYA TAYLOR: Yes, we have—several.

The Hon. PETER PRIMROSE: Several?

TANYA TAYLOR: Yes. In our village areas, in our CBD and, obviously, the LEP as well, which was gazetted last June.

The Hon. PETER PRIMROSE: I ask the same question to Mayor Ngai. When did your council pass its housing strategy policy?

SAM NGAI: There were various discussions in 2020-21, around the time of COVID. At the time there were proposals to provide increased uplift in the four stations we're talking about, of about 4,000 dwellings. At that time, it was a split vote. It was five for and five against, with me being in the position of wanting to progress with delivering more housing, but at the time the mayor of the time used the casting vote to stop it from happening.

The Hon. PETER PRIMROSE: You don't have a local housing strategy policy?

SAM NGAI: We do have a local strategic planning statement. We just did not update the LEP at that time in 2021 or 2020.

The Hon. MARK BUTTIGIEG: Just back on this ad campaign, did you have to vote up a quantum at the council meeting to approve it?

SAM NGAI: We didn't vote on a particular quantum but we do have certain arrangements with the publishers.

The Hon. MARK BUTTIGIEG: No—

The Hon. SCOTT FARLOW: Was there a council resolution for the campaign?

The Hon. MARK BUTTIGIEG: My question is, was there a resolution to approve the expenditure?

SAM NGAI: There was a council resolution for the campaign to take place for print ads.

The Hon. MARK BUTTIGIEG: There was no money specified?

SAM NGAI: It was not specified in the resolution and that should be public. It's in the minutes.

The Hon. ANTHONY D'ADAM: You had open slather; you could spend as much as you like.

SAM NGAI: It is within reason. In that council meeting, I said that we would obviously not do this unless it was a reasonable amount.

The Hon. SCOTT FARLOW: What was that vote of council? How many councillors in favour?

SAM NGAI: From memory, it was eight verses two or nine verses one, or something like that.

The Hon. SCOTT FARLOW: Mayor Taylor, in Willoughby council's submission I was heartened to hear of the engagement you were having with the department of planning with respect to the tier 1 site, but I was concerned to hear and read as part of that that you were considering not actually signing to those confidentiality requirements because they required you not to tell the elected council. Is that correct? Maybe this is a question more for Mr Govender rather than you because I suspect you may not know the details.

TANYA TAYLOR: No, I don't know the details because we haven't been privy to the details. But I'll pass on to you.

DYALAN GOVENDER: I can speak to this. It is a difficult challenge, and I should acknowledge that from the department's side as well. It's challenging work to master plan large areas around town centres where there are a wide range of community views—a wide range of possible outcomes. A level of confidentiality is potentially necessary because you don't want preliminary planning ideas to be fettered by the possibility that they'll go to the wrong ears and people will start speculating. I should acknowledge that a level of confidentiality is required.

However, the challenge here has been that level of confidentiality has been required in a context where there has been so little consultation with the wider community, and we are getting a lot of inquiries from that

community as to what is happening. That put staff in a difficult position—to be involved in these necessary master planning discussions with the department but, on the other hand, having the community asking us for more details that we can't provide at this time. That was the challenge in this case, and it was something we did need to consider before council did resolve to proceed because it is important that we work with the department.

The Hon. SCOTT FARLOW: And have you now resolved to proceed, on those terms?

DYALAN GOVENDER: Council did resolve to proceed, and we are involved in tier 1 discussions with department staff, yes.

The Hon. SCOTT FARLOW: Mayor Ngai, going back to the Ku-ring-gai experience, we have heard a lot about heritage. There are competing arguments as to what the SEPP does with respect to heritage. One argument is that it doesn't change anything at all and that, effectively, the heritage considerations that are currently within the standard instrument will apply. How can a site like Killara, where I think you said 83 per cent falls under heritage conservation areas, deliver 4,500 to 5,000 new residences if the continuing heritage provisions still apply?

SAM NGAI: My understanding of section 155 of the housing SEPP is that there are maximum height and floor space ratio requirements: It is 22 metres within the TOD or 24 metres if it's shop top; it is a floor-space ratio of 2.5:1. If you were to look at the department design guides and think about six storeys, FSR 2.5:1, how would you do it? It is achievable—there won't be many trees left, but also those buildings tend to spill all the way through to the very edges of the boundary property. There won't be much setback, that sort of thing. So if you look at a heritage conservation area, it really depends on what type of HCA we're talking about. If it's an inner-city HCA where it's characterised by things that have no setback to begin with, it's probably possible to expand on that. But if it's a garden-style type of heritage conservation area, like the ones that we have in Ku-ring-gai, I really don't see how it is possible.

If you had something like, say, two storeys, FSR 0.7:1 or 0.8:1, you could probably make it work, but the moment you're talking about FSR 2.5:1 I just don't understand how that is compatible with heritage conservation areas of the type that are in Ku-ring-gai. My understanding of section 155 is that the consent authority cannot impose more onerous provisions, so if you've got certain heritage requirements that require a certain character of the area but then you have to somehow meet 2.5:1, 22-metre height, then the height and FSR overrides. I have yet to see an example of how it can be realistically achieved. I referred back to the NSW Heritage Office. There is a link to its June 2005 document Design in Context, and that's linked from the department's latest information on the TOD program. But this is from June 2005 and there is nothing there that talks about—

The Hon. SCOTT FARLOW: Nineteen years ago.

SAM NGAI: Yes, 19 years ago, but there is nothing talking about our style of heritage conservation areas with six storeys on top. It isn't mentioned there, and I've yet to get an answer. I have asked the planning Minister, both times that I've spoken to him. I have written those questions to him and also to the Premier. I have no answer on how that is possible, so the only conclusion I have is that the heritage conservation areas may be a thing of the past.

The Hon. MARK BUTTIGIEG: If four locations is too many, then what is acceptable to the council?

SAM NGAI: From my perspective, and I don't represent the whole council, I do believe that Gordon and Lindfield, for example, could take on the density for sure, and if they had looked up and down the train line there may have been other sites like Turramurra which could have supported it. But to have named Killara and not given the option to get out of Killara, that's a little bit—

The Hon. MARK BUTTIGIEG: Did you offer Turramurra as an alternative, as a substitute?

SAM NGAI: We asked the question of, "Is there an opportunity—"

The Hon. MARK BUTTIGIEG: No, I asked you a specific question. Did you offer Turramurra as an alternative or a substitute?

SAM NGAI: We were told that there was no opportunity to have substitutes.

The Hon. MARK BUTTIGIEG: That's not what I asked, with due respect, Mayor. You have given us evidence here today to say that you wanted alternatives, you wanted to ask if there were any substitutes. I am asking you now, specifically, on record, did you offer Turramurra as a substitute?

SAM NGAI: I didn't offer Turramurra as a substitute on 29 February. I was told that it had to be those four and it can't be anything else.

The Hon. MARK BUTTIGIEG: Okay. Has any direction been given either from you or council generally to staff not to accept or assess development applications in any of the TOD areas?

SAM NGAI: There is nothing that I'm aware of.

The Hon. MARK BUTTIGIEG: Just to clarify, before we run out of time, on notice, will you come back to the Committee with evidence of what the expenditure was?

SAM NGAI: I'd have to consult with—well, I'll take it on notice. I'll consult with our council staff and see what it is that we can legally provide.

The CHAIR: Could I ask you, particularly from Ku-ring-gai's perspective, what your view is in relation to the impacts that the TOD SEPP will have on tree cover and canopy, and deep soil, in your LGA?

SAM NGAI: What I'll say is that I'm not a qualified tree person, but if you look at the EIE for low- and mid-rise, that gives similar FSR and height ratios, and for something of that combination we're talking about something like 7 per cent deep soil planning. If I look around at other properties within Ku-ring-gai that already are six storeys and FSR 2.5:1, or slight variations like heights that are four metres taller with FSR 3:1, there are some tree canopies there. Usually they do this sort of U-shape, so there is a light well in the middle so that there is enough light provided for all the apartments there. But once you have that combination of FSR and height, realistically you'd probably only achieve somewhere between 7 per cent to 20 per cent of tree canopy, which from my understanding falls short of the 40 per cent target set by the State Government.

The CHAIR: And your view, please, mayor of Willoughby?

TANYA TAYLOR: I mentioned in the last parliamentary inquiry that we are losing trees at a rate that we just can't keep up with, and private development is the main cause of that.

SAM NGAI: I'd also say that I may be a bit more progressive than the other witnesses that we've seen here. Right? There is a great emphasis on mature tree canopy and that's to be respected, but sometimes you just have to clear a site and make sure that you have enough deep soil for a future generation of trees to grow up surrounding the properties that are there. But even if you do that, I can't see how you'd have more than 15 or 20 per cent urban tree canopy with those floor-space and height ratios.

The CHAIR: There was an argument put to us this morning that some of the eastern areas will not experience temperature increases to the same degree as areas further west and, therefore, those areas in the east should be able to withstand less tree canopy cover. That was pretty much the proposition that was put to us this morning. What would you say to that?

DYALAN GOVENDER: We are actively working on continually adapting and updating our modelling on the increases in temperature that we're seeing and that we anticipate. I couldn't comment on the specific argument this morning, having not heard it, but I'd say it would be a spurious argument that unacceptable impacts should be accepted on the basis that there will be worse impacts somewhere else. I'd put it that way. Certainly, heat island impacts in urban areas in Sydney are going to be a huge potential health risk for our future population across metropolitan Sydney into the future. If we don't do something about it, the cost to that future community will be substantial. Tree canopy is one of the biggest tools we have. It would be a very dangerous proposition that we should blunt that instrument on the basis of some sort of comparison across geographical areas.

SAM NGAI: I find the statement a bit strange; it's more the chicken-and-egg thing and which one came first. From my perspective, the reason why the eastern part of Sydney is more resilient is because we have more trees, so it is hard to say that therefore they can have less trees. I would say, therefore, we would want more trees in Western Sydney.

The CHAIR: Are you getting anything from the State Government in terms of the instruments that it's creating around adaptation and climate? Are you reading any inconsistency with what might be coming from the State Government in terms of councils needing to adapt to the changing climate and this increase in density? Are you seeing any inconsistency there?

DYALAN GOVENDER: I would say yes. There are challenges and there are inconsistencies. As alluded to, trees are a particular example for Willoughby, where we have State targets and we have local targets. There's general agreement that a 40 per cent canopy target is sound. However, as you go down into the individual controls relating to private development, the requirements are far lower and they're likely to deliver well below the canopy required to hit that 40 per cent target—noting that a target is one thing; a minimum standard in a development discussion is another. A minimum development standard is something we're required to enforce, whereas a target is more aspirational in nature.

SAM NGAI: From my perspective, I haven't seen much both in the space of environment and heritage—there may be conversations between the State department and council staff that I'm not aware of, but as a councillor all I've seen so far is housing, housing, housing. I haven't seen much about environment or heritage.

The CHAIR: On that, in terms of your own council and your residents, is adapting to climate a priority for your local government at the moment?

SAM NGAI: It is something that our residents care deeply about. Our area is a highly educated area, where a lot of people believe that climate change is real, and everyone wants to do their part to have a more resilient neighbourhood and also to ensure that the world will be a better place for future generations. So especially when it comes to trees and especially when it comes to sensible design and outcomes, that's something that our residents care deeply about.

TANYA TAYLOR: The same for Willoughby. A city that is green is one of the desired outcomes of our community strategic plan, so it's absolutely at the forefront of our community's mind.

The CHAIR: Finally on that, is it your desire that any housing policy that the State is giving to you as a directive in any way needs to be consistent with your objectives for your LGA to adapt to climate change?

TANYA TAYLOR: Absolutely.

The Hon. SCOTT FARLOW: I will pick up the point you made originally in Menai about the fact that there's no infrastructure funding to assist with the tier 2 sites. We've heard some criticism even from the tier 1 councils that are part of that \$525 million pool—and Willoughby, I guess, can comment on this from a Crows Nest perspective—that when you divide that up between the eight sites, that doesn't go very far, but in those 37 SEPP sites, there's no infrastructure funding at all designated by the Government. Has there been any discussion between Ku-ring-gai Council and the State Government or Planning about what sort of funding, if any, you can expect to support the increased densities?

SAM NGAI: In our first meeting with the planning Minister on 29 February I asked what kind of funding will be available, and he talked about housing and productivity contributions. I said, "How much will we have available?" and he wasn't able to commit to a particular amount. In our second meeting on 2 May, which is after that April media release, once again I asked, "Look, is there any funding available to help us deliver especially short-term infrastructure needs, such as open space?" and he wasn't willing to commit anything.

The Hon. SCOTT FARLOW: To go to the Willoughby example, previously there had been the consideration of the special infrastructure contribution around that precinct. What's your understanding of what the state of play will now be in terms of that Crows Nest precinct under these changes?

DYALAN GOVENDER: Thank you for the question. The State infrastructure contribution that was initially put in place at the time when the Crows Nest plan was adopted is no longer in play. It's been replaced by the Housing and Productivity Contribution scheme. The key difference is the State infrastructure contribution that was attached to the Crows Nest precinct was charged in the Crows Nest precinct and was to fund infrastructure related to that precinct. The housing productivity charges, as they would be charged in any precinct, can be spent across metropolitan Sydney.

So that would see money potentially taken out of that precinct to fund other infrastructure, potentially pushing the infrastructure needs for that community that has come in and generated the charge further down the list. It's unclear what that list is. It's unclear, as of yet, what the process will be to allocate infrastructure projects. It sounds like, as has been mentioned earlier in other evidence, it's still unclear how the \$520 million announced in addition to that, relating to the TOD program, will be spent. As I understand it, there's a separate process underway to consider infrastructure needs and how to allocate it, but we haven't been involved in that to date.

The Hon. SCOTT FARLOW: Do you have any understanding of when that will potentially—

DYALAN GOVENDER: No. I couldn't comment. As I understand it, it's a separate part of the TOD program. The State is undertaking a process to understand how to spend that money, and we'll be given further updates in due course.

SAM NGAI: Expanding on the Housing and Productivity Contribution scheme, if you look through the department website, there's documentation around August last year explaining how it would work. It also talks about a specific infrastructure opportunities plan that they plan to release before the end of 2023. That opportunities plan would then provide more guidance—

The Hon. SCOTT FARLOW: We're still waiting.

SAM NGAI: —and certainty for councils about how that money would potentially be spent. I did ask the planning Minister on 2 May, "Where's this opportunities plan? I don't see it online." He said that it was subject to internal Cabinet, Treasurer and other approvals, so it wasn't available just yet. But until that opportunities plan is made available, it gives a lot of councils uncertainty. For us, we're going to be paying \$210 million in contributions. Is any of it going back to be reinvested back to Ku-ring-gai or will it go somewhere else in the State?

The CHAIR: Can I confirm one last thing? I note that you have passed a resolution on your council at Ku-ring-gai to commence legal proceedings. Is that still the case? Is that going ahead?

SAM NGAI: Yes, that is still the case. But I would also say that that might not have been necessary had we been given 12 months deferred commencement, like other councils.

The Hon. MARK BUTTIGIEG: Who pays for that?

SAM NGAI: That would be paid for by the ratepayer. But I note also that, as a result of not having deferred commencement, we've already lost tens of millions in potential opportunities. If we have the opportunity to claw that back and to have lower-cost infrastructure outcomes for our residents as a result of this legal action, then that would be a desirable outcome for all.

The CHAIR: And, of course, if you win then the State pays for it. That's the nature of litigation.

SAM NGAI: That too, but that's not material compared to the tens of millions.

The CHAIR: Thank you very much. We're very grateful that you've given your time and for your evidence. The secretariat will be in contact with you in relation to any matters that have been taken on notice.

(The witnesses withdrew.)

The Committee adjourned at 16:20.