



Committee on Environment and Planning

Report 2/56 – October 2018

LAND RELEASE AND HOUSING SUPPLY IN NEW SOUTH WALES



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Membership

Chair	Mr James Griffin MP, Member for Manly (from 26 September 2018) Mr Jai Rowell MP, Member for Wollondilly (until 20 September 2018)
Deputy Chair	Mr Geoff Provest MP, Member for Tweed
Members	Mr Anoulack Chanthivong MP, Member for Macquarie Fields Mr James Griffin MP, Member for Manly (from 20 September 2018) Mr Jamie Parker MP, Member for Balmain Mr Mark Taylor MP, Member for Seven Hills
Contact details	Committee on Environment and Planning Parliament House Macquarie Street SYDNEY NSW 2000
Telephone	(02) 9230 3095
E-mail	environmentplanning@parliament.nsw.gov.au
Website	www.parliament.nsw.gov.au/environmentandplanning

Terms of Reference

That the Committee on Environment and Planning inquire into and report on land release and housing supply in NSW, with particular focus on:

- a) The resources and support needed within the Department of Planning and Environment for:
 - i. The delivery of a housing supply process
 - ii. The coordination and funding of enabling infrastructure
- b) Delivery mechanisms following the rezoning of land through to construction
- c) The complementary roles of state authorities, local councils and utilities
- d) The different characteristics of Greater Sydney and non-metropolitan NSW
- e) Other related matters.

Chair's Foreword

I am pleased to present this report on land release and housing supply in New South Wales.

It comes as no surprise that our planning system is as complex as our state. New South Wales is the engine room of the Australian economy. Sydney is the oldest European settlement and enjoys some of the most adverse geography on which to plan and build a city. Demand for land and housing is high. Infrastructure is expensive and must be paid for. The needs of the community are diverse. Planning resources are stretched.

The terms of reference we considered cover only that section of planning which runs from releasing land for development to seeing houses built upon it. In examining this part of the planning system, however, our stakeholders informed us of a broad range of concerns encompassing enabling legislation, strategic planning, how development charges are levied and upon whom, community building, and how we provide affordable houses whether for purchase or rent.

Despite understandable concern for Sydney's planning future, there is much good news to report. The Greater Sydney Commission has changed the planning landscape for the better. Not only has it overseen the renewal of planning at the strategic level, it has set patterns and practices in such things as community engagement, collaboration and transparency which we believe can also be applied at the level where plans are implemented, developments are assessed, land is released, and houses are built.

Further, the unsung practice of interagency collaboration, by which our planners bring other agencies together to make things happen, is working. We want to see this process assured by its being described and documented, and its activities and achievements reported on.

We were also impressed at the expertise and enthusiasm of local government for collaboration, resource sharing, and better ways of doing things.

Our recommendations contain important proposals for change. It is time to harness the interest in and enthusiasm for better planning by working together to simplify and improve the planning system. We need to make the lessons learned from the Commission work at all levels, both in Sydney and regional New South Wales. We need to examine infrastructure funding and make sure the right people are contributing the right amount at the right time in the delivery cycle. We need to reassess the ways we describe and measure planning outcomes, and how we negotiate with communities so that the trade-offs of development for better services and amenity can be simply stated and counter-arguments addressed. And we need to build on the goodwill around affordable housing by working together to turn this support into results on the ground.

As the recently appointed member and Chair of the Committee I am fortunate to inherit a vast amount of work already done. I am grateful to the many people who made expert submissions to the Committee and who appeared as witnesses at our two public hearings. I am particularly grateful to the officers of the Greater Sydney Commission, the Department of Planning and Environment, and Camden Council who briefed us in Parliament House and onsite in the Macarthur Region, and to Campbelltown City Council for hosting our second public hearing.

Thank you to the Hon Anthony Roberts MP, Minister for Planning for referring such an interesting and worthwhile inquiry to the Committee.

Thank you to my colleague and former Chair of the Committee, Jai Rowell MP, Member for Wollondilly, for guiding the inquiry almost to its end point.

Thank you also to my fellow members, Deputy Chair Geoff Provest MP, Anoulack Chanthivong MP, Jamie Parker MP, and Mark Taylor MP, for your contributions and collegiality.

Finally, thank you to the Committee staff for your expertise and support.

James Griffin MP
Chair

Executive Summary

In this report the Committee on Environment and Planning examines land release and housing supply in New South Wales.

It focuses on how land is developed after it is rezoned and the processes for delivering houses.

These processes require several inputs to deliver houses successfully, notably:

- planning resources both within the Department of Planning and Environment and other state planning agencies, as well as in local government;
- the planning, funding and delivery of infrastructure required to service the people who will live in the houses being supplied; and
- various agencies working together to coordinate planning and infrastructure, including state authorities, local councils, and utility providers.

The report also considers the different requirements of Greater Sydney and regional New South Wales, of which the most prominent feature is the recent advent of the Greater Sydney Commission to coordinate metropolitan planning.

In considering the evidence on these subjects, the report examines other related matters including:

- how planning outcomes are determined and then negotiated with the community and by whom;
- the information required to support that negotiation; and
- the impact of planning decisions on housing affordability, and ideas for providing more affordable housing.

The report makes 11 recommendations and 13 findings.

Chapter One describes the NSW planning system, the several planning agencies and how they work together. It finds that:

- significant progress is being made to increase land release and housing supply;
- the establishment of the Greater Sydney Commission has been well received;
- the complexity of the planning system impacts on land release and housing supply; and
- there is no need to establish a Commission-style body to cover regional NSW.

It recommends that the NSW Government;

- establish a consultative process to identify ways to simplify and improve the planning system and then a timetable to implement them; and
- identifies which Commission practices will benefit regional planning and work with councils to apply them.

Chapter Two examines how planning decisions are made and by whom using what coordination tools. It finds that:

- there is concern at the perceived lack of published data to support planning decisions, and encourages the use of e-planning to address this;
- the process of interagency collaboration is positive, but needs continual review and reform;
- planning powers are generally sufficient; and
- referrals to NSW Government agencies cause delay.

It recommends that:

- the NSW Government implement a coordinated and transparent referral scheme;
- the process of interagency collaboration be strengthened by documenting and publishing decisions and outcomes; and
- the problem of managing development of land in fragmented ownership be overcome.

Chapter Three examines how infrastructure is funded and enabled. It finds that current finding and delivery arrangements are complex. It recommends that:

- an audit be undertaken of current arrangements and funds available with a view to identifying how to simplify them; and
- that the NSW Productivity Commissioner investigate alternative infrastructure funding models.

Chapter Four considers evidence that there is a shortage of town planners in NSW and proposals for overcoming this. It finds that there is a high demand for planners and recommends that better use be made of existing resources including pooling of staff between agencies, and smarter working to reduce demand.

Chapter Five discusses liveability and character, how these terms are defined, and how they are measured and delivered. It finds that the terms are not well understood, and recommends that the NSW Government work with councils to better define liveability and character, make them primary factors in planning, and measure and report on their delivery to better inform planning advocacy.

Chapter Six examines who advocates for planning and development decisions, what messages they use, and how community agreement is achieved. It finds that in a politicised climate, advocacy is unpersuasive and not well supported by published information. It recommends that information be collected and published which will support more effective, evidence-based advocacy in order for the debate about higher densities to be better managed.

Chapter Seven considers the evidence addressing housing affordability and the provision of affordable housing. It finds that there is unanimous in-principle support for more effort to secure affordable housing, and recommends that the NSW Government use this opportunity to identify and implement ways to increase supply.

List of Findings and Recommendations

Finding 1 _____ 11

The Committee finds that significant progress is being made to improve metropolitan planning, to accelerate land release and increase housing supply.

Finding 2 _____ 11

The Committee finds that the establishment and achievements of the Greater Sydney Commission have been well received, and continuing expectations are high.

Finding 3 _____ 12

The Committee finds that the complexity of the New South Wales planning system impacts on land release, housing supply and infrastructure planning.

Recommendation 1 _____ 13

The Committee recommends that the New South Wales Government establishes a consultative process to identify and agree that there are opportunities to simplify and improve the New South Wales planning system, and a timetable to implement them.

Finding 4 _____ 16

The Committee finds that there is no need to establish a Commission-style agency to oversee strategic planning in the rest of New South Wales.

Recommendation 2 _____ 17

The Committee recommends that the New South Wales Government identifies aspects of the role and responsibilities of the Greater Sydney Commission which would benefit non-metropolitan planning, and applies them through a regional coordinating mechanism agreed between the Department of Planning and Environment and local government.

Finding 5 _____ 26

The Committee finds there is genuine concern at the perceived lack of published data on the land release and housing supply program, and encourages the expanded use of e-planning and other tools to address this concern.

Finding 6 _____ 27

The Committee finds that referrals to government agencies are uncoordinated and cause delay.

Recommendation 3 _____ 28

The Committee recommends that the NSW Government implements a coordinated and transparent referral scheme for concurrent approvals by NSW Government agencies.

Finding 7 _____ 31

The Committee finds that the process of interagency collaboration, which underpins the New South Wales planning system and the New South Wales Government's written submission and

oral evidence, is positive, but requires continual review and reform to ensure that all aspects of development can accommodate the expected growth.

Recommendation 4 _____ 32

The Committee recommends that the New South Wales Government document and publish the process of interagency collaboration, which underpins the New South Wales planning system, and report publicly the activities and outcomes of the collaboration.

Finding 8 _____ 35

The Committee finds that the Greater Sydney Commission, the Department of Planning and Environment and local councils generally have sufficient powers to ensure the successful implementation of the metropolitan plans.

Recommendation 5 _____ 36

The Committee recommends that the New South Wales Government:

- priorities work with the affected local councils to overcome the problems identified for managing the development of land in fragmented ownership; and
- clarifies, and amends where necessary, the powers of the Greater Sydney Commission, the Department of Planning and Environment, and local councils to implement planning decisions, and to ensure there is a clear accountability for implementing and overseeing metropolitan and regional planning.

Finding 9 _____ 48

The Committee finds that infrastructure funding and delivery is costly, complex and opaque, and causes delay.

Recommendation 6 _____ 48

The Committee recommends that the New South Wales Government ensure infrastructure funding mechanisms are simple and made transparent by:

- undertaking an audit of current infrastructure funding arrangements and funds available, publishing the results, and ensuring ongoing transparency; and
- consulting with local government, professional planners and the development industry on the most effective ways to simplify the current arrangements.

Recommendation 7 _____ 49

The Committee recommends that the New South Wales Government instruct the New South Wales Productivity Commissioner to investigate alternative infrastructure funding models, and value capture and sharing regimes as a matter of urgency.

Finding 10 _____ 53

The Committee finds that there is a high demand for town planning resources and a shortage of qualified town planners, especially in local government, which is having an impact on planning efficiency.

Recommendation 8 _____ 54

The Committee recommends that the New South Wales Government identify and implement opportunities to make better use of existing planning resources including pooling of planning staff, and using smarter work practices to reduce demand for planners.

Finding 11 _____ 62

The terms 'liveability' and 'character' are widely used, but not well understood.

Recommendation 9 _____ 64

The Committee recommends that the New South Wales Government:

- works with councils, stakeholders and the community to better define and promote liveability and character and how they are used in planning; and
- ensures liveability and character become primary factors in development assessment and approval, are measured and reported on, and inform planning advocacy.

Finding 12 _____ 69

The Committee finds that public advocacy for metropolitan planning decisions, particularly around the need for higher residential densities, is unpersuasive, and there needs to be more information to address community concern.

Recommendation 10 _____ 70

The Committee recommends that the New South Wales Government:

- examine the requirements for evidence-based advocacy of planning decisions, particularly in light of the community's concern about higher density living;
- ensure that information is collected and published to better inform this advocacy; and
- re-design its current advocacy methods and program accordingly.

Finding 13 _____ 79

The Committee finds there is unanimous in-principle support for a greater effort to secure affordable housing.

Recommendation 11 _____ 80

The Committee recommends that the New South Wales Government engage with stakeholders as a priority to identify and implement opportunities to increase the supply of affordable housing to obtain greater residential diversity in our communities.

Glossary

app	Electronic application
brownfield	An area of land that has already been developed or built upon.
CEO	Chief Executive Officer
CHP	Community Housing Provider
COAG	Council of Australian Governments
DA	Development Application
DCP	Development Control Plan
DPE	NSW Department of Planning and Environment
EP&A	<i>Environmental Planning and Assessment Act 1979 (NSW)</i>
e-Planning	Electronic Planning
GIC	Growth Infrastructure Compact
Greater Sydney OR metropolitan Sydney	The Greater Sydney Region as determined in Schedule 1 of the <i>Greater Sydney Commission Act 2015</i> .
greenfield	An area of land that has never been developed or built upon.
GSC	Greater Sydney Commission
HAF	Housing Acceleration Fund
HIA	Housing Industry Association
LEP	Local Environmental Plan
LIGS	Local Infrastructure Growth Scheme
NIMBY	Not In My Backyard (a colloquial term used to describe resistance to some kind of proposed development in a certain area or community)
PIA	Planning Institute of Australia
Regional NSW OR non-metropolitan NSW	All of NSW except for the Greater Sydney Region as determined in Schedule 1 of the <i>Greater Sydney Commission Act 2015</i> .
RMS	Roads and Maritime Services
SARA	QLD State Assessment and Referral Agency
section 94	Refers to a previous iteration of the EP&A Act regarding development contributions to local councils. Corresponds to the current section 7.11 of the same Act.
SEPP 70	State Environmental Planning Policy No. 70
SIC	Special Infrastructure Contribution
SSROC	Southern Sydney Regional Organisation of Councils

UDIA	Urban Development Institute of Australia
VPA	Voluntary Planning Agreement

Chapter One – Planning in NSW

Introduction

- 1.1 In this chapter the Committee examines the NSW planning system and the roles of the government planning agencies. It discusses the work of the Greater Sydney Commission (GSC) and the Department of Planning and Environment (DPE), and their effectiveness.
- 1.2 The Committee notes the importance which the NSW Government attaches to interagency collaboration as the mechanism for coordinating and aligning land release and housing supply with infrastructure delivery. Interagency collaboration is discussed in greater detail in Chapter Two.
- 1.3 The Committee lists a number of issues affecting land release and housing supply which are not under NSW Government control. It then examines the complexity of the NSW planning system and the experience of stakeholders working with this complexity.
- 1.4 The Committee finds that significant progress is being made to improve the supply of land and housing, and that the establishment of the Greater Sydney Commission has been well received.
- 1.5 It recommends that the NSW Government undertakes a consultative process to identify how the planning system can be simplified and improved.
- 1.6 The Committee also considers the differences between planning in metropolitan Sydney and regional New South Wales. While it finds no need for a Commission-style body to coordinate planning outside Greater Sydney, the Committee notes support from stakeholders for some of the lessons learned from the Commission process to be applied in regional New South Wales and recommends a process to identify and apply these.

Features of the NSW planning system

The *Environmental Planning and Assessment Act 1979* is the principal legislation

- 1.7 The NSW Government submission described the New South Wales planning system, including the principal legislation, the *Environmental Planning and Assessment (EP&A) Act 1979*, and other relevant legislation. It also highlighted the essentially dual nature of the administration of planning as it is currently allocated between state and local governments.
- 1.8 The submission set out the main elements of planning as they have been established and governed by the EP&A Act:
 - Environmental planning instruments which set out the framework for achieving development outcomes

- Development assessment which is the process for examining a proposal and formulating recommendations
- Development contributions which are levied on developments to pay for infrastructure and services
- Public authority activity assessment which is the process for public authorities to assess the impacts of their own activities.¹

1.9 The submission nominated five important processes and tools which guide how the planning system is implemented:

- Strategic planning which establishes the environmental, economic and social priorities to be achieved for balanced and sustainable development
- State Environmental Planning Policies which ensure consistency of decision-making
- Local Environmental Plans and Development Control Plans which control how land can be used and developed
- Policy implementation which provides broad direction and management
- Guidelines and Best Practice Documents which guide planning and update practice.²

The roles of the Department of Planning and Environment

1.10 The submission listed four principal roles of the Department of Planning and Environment:

- Undertaking strategic planning
- Planning strategic infrastructure
- Managing planning policies and associated legislation
- Assessing certain development and planning proposals.³

1.11 It described six specific challenges for the land release process:

- Interagency consultation and coordination
- Agency roles and responsibilities
- Enabling infrastructure
- Funding and financing methods
- Data sharing
- Regulatory requirements.⁴

Planning initiatives are under way to streamline land release and housing supply

1.12 The submission also described current planning initiatives to streamline land release and housing supply, including:

¹ Submission 46, NSW Government, p5

² Submission 46, NSW Government, p5

³ Submission 46, NSW Government, p7

⁴ Submission 46, NSW Government, p18

- Housing delivery team
- Office of Housing Coordination
- Accelerated rezoning team
- Complying development codes
- Local planning toolkit.⁵

The NSW Government's priority is housing affordability

- 1.13 The submission described these current initiatives within the context of housing affordability. Housing affordability is a government priority. Faster housing approvals and increased rezoning for additional dwellings are intended to increase the number of completed dwellings.⁶

Planning agencies collaborate to deliver land and housing

- 1.14 The NSW Government, in both written and oral evidence, stressed the importance of government agencies working together to coordinate and align infrastructure delivery to unlock housing in land release areas. The aims of this collaboration are to allocate funds in a timely way, allocate appropriate staffing, and share information.⁷
- 1.15 The submission listed a number of supporting agencies in the planning system:
- Greater Sydney Commission
 - Utilities and broadband services
 - Transport authorities
 - Social infrastructure and environmental agencies
 - Local government.⁸
- 1.16 In addition to the written NSW Government submission, the Committee received a written submission from Sydney Water Corporation and oral evidence from Sydney Water, Transport for NSW, and the Greater Sydney Commission, as well as the Department of Planning and Environment.
- 1.17 In its submission, Sydney Water emphasised the need for water management to be embedded in urban planning and design, and supported the collaborative approach between agencies.⁹
- 1.18 The Committee received written submissions from 24 local councils, and two regional organisations of councils, as well as Local Government NSW. The Committee invited nine local councils to give oral evidence during the inquiry.

⁵ Submission 46, NSW Government, p22

⁶ Submission 46, NSW Government, p22

⁷ Submission 46, NSW Government, p25

⁸ Submission 46, NSW Government, p5, p13

⁹ Submission 3, Sydney Water Corporation, p2

The Greater Sydney Commission leads metropolitan planning

- 1.19 The Greater Sydney Commission (the Commission) is an independent agency established by the *Greater Sydney Commission Act 2015* to lead strategic planning for the Greater Sydney region.¹⁰
- 1.20 The Commission's seven principal objectives are to:
- Lead metropolitan planning
 - Promote orderly development
 - Promote the alignment of infrastructure and land use planning
 - Promote housing supply including affordable housing
 - Encourage resilient development
 - Support improved productivity, liveability and environment quality
 - Advise the Minister for Planning on strategic planning and development.¹¹
- 1.21 On 18 March 2018, the Commission released its Greater Sydney Region Outline Plan 'A Metropolis of Three Cities'.¹² The aim of the plan is to rebalance growth and deliver its benefits more equally and equitably across Greater Sydney.¹³

Progress, control and complexity in the NSW planning system

Land release and housing supply is improving

- 1.22 The Committee received evidence from several stakeholders that significant progress is being made by the NSW Government to improve metropolitan planning, and increase land release and housing supply.
- 1.23 Grattan Institute told the Committee that housing completions are exceeding the rate in the previous year, and:
- ...for the first time in a long time have more or less kept pace with population growth in Sydney.¹⁴
- 1.24 The Housing Industry Association (HIA) attributed this to a recent amendment of the *Environmental Planning and Assessment Act 1979*. This amendment established independent hearing and assessment panels (IHAPS) to determine sensitive and complex development applications. According to the HIA, this amendment is a 'positive step' and:
- ...has the potential to take much of the politics out of planning decisions for complex types of housing development.¹⁵

¹⁰ Submission 46, NSW Government, p13

¹¹ Submission 46, NSW Government, p13

¹² Greater Sydney Commission, <https://www.greater.sydney/news/greater-sydney-strategic-planning-update>, viewed 12 October 2018

¹³ Greater Sydney Commission, <https://www.greater.sydney/metropolis-of-three-cities>, viewed 12 October 2018

¹⁴ Mr John Daley, Chief Executive, Grattan Institute, transcript of evidence, 5 March 2018, p29

¹⁵ Mr David Bare, Executive Director, Housing Industry Association, transcript of evidence, 26 March 2018, p18

- 1.25 The Commission described the planning system as currently working well, and that 'planning approvals are off the charts':

Our analysis shows that councils are approving housing developments and have created incredible capacity over the last few years. The planning system is doing its fair share.¹⁶

- 1.26 The increase in housing supply is supported by recent media reports which noted that a number of councils are meeting and exceeding their housing targets. In some areas the NSW Government has reportedly suspended or delayed the operation of housing codes in order to slow down development.¹⁷

- 1.27 The Planning Institute of Australia praised the emphasis the Commission and the Department of Planning and Environment have placed on liveability, heritage and sustainable development in the draft plans for Greater Sydney:

The Planning Institute of Australia supports the recent improvements to the planning system, the process and governance that have resulted and are resulting in planning outcomes for liveability, ecologically sustainable development, economically efficient equitable cities and protection of our natural and built heritage. Such improvements result in efficient land release, in our view, and housing supply while balancing these with important social, environmental and economic outcomes.¹⁸

- 1.28 Grattan Institute noted, however, that although approval and construction rates had increased, housing supply still fell well below what was needed with the current projected population growth.¹⁹

The Greater Sydney Commission is having a positive impact

- 1.29 The feedback the Committee received during the inquiry was overwhelmingly positive regarding the role and responsibilities of the Commission, albeit newly established. In this regard, since the Committee's public hearings, the Commission now reports directly to the NSW Premier rather than to the Minister for Planning.²⁰

- 1.30 While some stakeholders observed that the Commission was still in the early stages of rolling out its plans for the Greater Sydney Region, they were supportive of its coordinating role and overarching vision of interagency communication and collaboration. Randwick City Council, for example, wrote:

The establishment of the GSC as the lead agency in implementing *A Plan for Growing Sydney*, is a step in the right direction towards ensuring the coordination of enabling

¹⁶ Ms Sarah Hill, CEO, Greater Sydney Commission, transcript of evidence, 5 March 2018, p10

¹⁷ Jacob Saulwick and Nigel Gladstone, Sydney Morning Herald, <https://www.smh.com.au/national/nsw/faster-than-some-would-like-the-sydney-councils-surging-past-housing-targets-20180811-p4zwwh.html>, viewed 12 October 2018

¹⁸ Ms Jenny Rudolph, President, Planning Institute of Australia, transcript of evidence, 26 March 2018, p11

¹⁹ Mr John Daley, Chief Executive, Grattan Institute, transcript of evidence, 5 March 2018, p18

²⁰ Greater Sydney Commission, <https://www.greater.sydney/news/premier-announces-new-focus-greater-sydney-commission>, viewed 12 October 2018

infrastructure to improve land use and transport networks across metropolitan Sydney.²¹

.....

While it is still too early to see how the Regional Plan and draft Central District Plan is to be fully implemented, an independent body such as the GSC is well placed as the bridge between state agencies and the DPE for coordination of housing delivery.²²

1.31 The HIA wrote:

Given the GSC has only been in existence less than two years, it is difficult to determine how effective it has been in terms of delivering specific housing outcomes. The development and release of draft district plans has been welcomed but the implementation of those plans into opportunities for new housing within local environmental plans will be the ultimate measure of success.²³

1.32 Mr Chris Stewart, Director of Planning, Wollondilly Shire Council, told the Committee:

...we are big fans of the process that the Greater Sydney Commission went through when it developed its district plans. It seconded a number of staff from various councils, and we offered up two staff. We really enjoyed the process; we liked to be involved. We are very pleased with the outcomes.²⁴

1.33 Ms Jane Fitzgerald, NSW Executive Director, Property Council of Australia, also endorsed the Commission and its work:

We really like and support the conceptualisation that Lucy Turnbull, Sarah Hill and others have done at the Greater Sydney Commission about the 'three city' Sydney. We think that is a really useful conceptual approach to looking at Sydney over the next 20 to 50 years.²⁵

Growth Infrastructure Compacts are supported by stakeholders

1.34 One particular aspect of the Commission's work which was singled out for praise by stakeholders was the introduction of Growth Infrastructure Compacts (GIC).

1.35 The Commission described GICs as aimed at a coordinated 'place-based' plan for growth and infrastructure which brought together the community, industry, and local and state government.²⁶

1.36 A GIC is a new approach for identifying the infrastructure requirements of a growth area, how much they will cost, and how to fund them. The aim of a GIC is to bring all the planning agencies and developers together to plan for, and then stage, growth and infrastructure in ways which provide certainty, cost effectiveness and

²¹ Submission 33, Randwick City Council, p4

²² Submission 33, Randwick City Council, p6

²³ Submission 31, Housing Industry Association Ltd, p4

²⁴ Mr Chris Stewart, Wollondilly Shire Council, transcript of evidence, 26 March 2018, p4

²⁵ Ms Jane Fitzgerald, Property Council of Australia, transcript of evidence, 5 March 2018, p41

²⁶ Greater Sydney Commission, https://gsc-public-1.s3.amazonaws.com/s3fs-public/growth_infrastructure_compactsweb.pdf, viewed 12 October 2018

economic efficiency. GICs could then be compared across Sydney in order to understand not only the best way to proceed in any particular area, but which areas present the best opportunities for growth overall.²⁷

- 1.37 The Hills Shire Council endorsed the work of the Commission in developing mechanisms which better aligned strategic land use planning with infrastructure and investment. Describing GICs in particular, Council wrote:

...(they) will ideally pair and time infrastructure with the additional housing and employment in high growth areas. This concept and mechanism is proposed to be embedded into State Government policies to achieve the direction of 'a city supported by infrastructure'.²⁸

- 1.38 Council noted that the GIC is a mechanism in the initial planning stages, and is currently being trialled. Further consultation will be required to determine its efficacy.²⁹

- 1.39 Notably, Wollongong City Council identified GICs as a Commission process which could be adopted outside the Greater Sydney region. In lending support to better coordination of planning outside Sydney, but not to the establishment of a Commission-style body, Mr David Farmer, General Manager, told the Committee:

If we could have that [Growth Infrastructure Compact], however that is established, wherever the government structures, seems to me to be the way forward.³⁰

Some issues are not under NSW Government control

- 1.40 Some stakeholders raised issues which they argued impacted on land release and housing supply, but which were outside the control of the NSW Government. These were mostly matters for the Commonwealth Government, including tax and migration policy, telecommunications and transport infrastructure, housing market forces and inter-governmental relationships.

Tax and migration policy

- 1.41 A common issue arising from the evidence was the impact of tax policy on land release and housing supply. Grattan Institute argued that a review of tax policy was necessary, both at the State level with stamp duty and the Federal level with investment property taxes, such as capital gains taxes and negative gearing.³¹
- 1.42 Other stakeholders noted that demand-side factors impact negatively on housing supply, specifically population growth and migration.³²

²⁷ Greater Sydney Commission, <https://www.greater.sydney/metropolis-of-three-cities/infrastructure-and-collaboration/city-supported-infrastructure-0>, viewed 12 October 2018

²⁸ Submission 30, The Hills Shire Council, pp7-8

²⁹ Submission 30, The Hills Shire Council, pp7-8

³⁰ Mr David Farmer, Wollongong City Council, transcript of evidence, 5 March 2018, p17

³¹ Mr John Daley, Grattan Institute, transcript of evidence, 5 March 2018, p30

³² Submission 32, Planning Institute of Australia, p3

- 1.43 Grattan Institute told the Committee that increased migration and not enough housing supply combine to create unaffordable housing conditions:

About two-thirds of the population increase in Australia is migration. Of course, that migration brings a whole host of economic factors but it also has an impact on demand for housing and that impact would not be too bad if supply was keeping up, and clearly over much of the last 10 years supply lagged well behind the increase in population so it is hardly surprising that we have the kind of affordability issues that we have already mentioned.³³

- 1.44 The Planning Institute of Australia agreed and called on the Commonwealth Government to weigh in more heavily at a national level, pointing to the same 'demand side factors'³⁴ as a culprit in housing supply and ultimately housing affordability:

These are important roles for the Commonwealth to understand and to better appreciate the implications on migration, taxation, monetary policy and infrastructure investment on our spatial patterns.³⁵

Telecommunications and transport infrastructure

- 1.45 The Property Council of Australia raised the provision of telecommunications and Federal Government modelling for trunk infrastructure as issues requiring attention in the context of Sydney metropolitan planning.³⁶ Urban Taskforce Australia also advised of submissions made to the Federal Government calling for greater national investment in rail.³⁷

Housing market forces

- 1.46 Local councils raised the issue of housing market forces. These forces were described in the context of developer reluctance to commit to or begin building without certain guarantees by the State or local government, or timelines in place. Lake Macquarie City Council noted the complex nature of producing land release and housing supply and said that it is 'difficult to give a high level of certainty to developers'.³⁸
- 1.47 As mentioned elsewhere, many stakeholders need to work together in order to achieve the desired planning and housing supply outcomes: local government, State Government, private land owners and developers all need to coordinate on differing timelines with varying levels of certainty before each proceeds in order to successfully release land and provide housing supply. Housing market forces are generally outside the control of the NSW Government.

Inter-governmental relationships

- 1.48 The evidence the Committee received throughout the inquiry emphasised the importance of having adequate communications between all the three levels of

³³ Mr John Daley, Grattan Institute, transcript of evidence, 5 March 2018, p29

³⁴ Ms Jenny Rudolph, Planning Institute of Australia, transcript of evidence, 28 March 2018, p11

³⁵ Ms Jenny Rudolph, Planning Institute of Australia, transcript of evidence, 28 March 2018, p12

³⁶ Ms Jane Fitzgerald, Property Council of Australia, transcript of evidence, 5 March 2018, p38

³⁷ Mr Chris Johnson, Urban Taskforce Australia, transcript of evidence, 28 March 2018, p29

³⁸ Ms Sharon Pope, Lake Macquarie City Council, transcript of evidence, 5 March 2018, p19

government when approaching the overarching issue of land release and housing supply. Wollongong City Council noted that there is ‘no strategic approach’³⁹ in going separately to State and Federal Governments to achieve an outcome beneficial for everyone.

The NSW planning system is complex

1.49 The complexity of the NSW planning system was remarked upon by many of the stakeholders who gave evidence to the Committee. Stakeholders described complex interactions and sequences of events necessary for land release and housing supply to proceed which they saw as problems needing to be addressed.

1.50 The Property Council of Australia wrote that the process of moving from land release to completed dwellings is complex and time consuming. It noted the level of focus required to ensure the process is efficient and effective.⁴⁰

1.51 Similarly, the HIA identified ‘layers of complexity and red tape’ as significant contributors to rising costs and delays in the development industry,⁴¹ and encouraged initiatives to remove layers which add to delay and cost.⁴²

1.52 Ms Sarah Hill, Chief Executive Officer, Greater Sydney Commission, agreed that the planning system was complex and drew the Committee’s attention to the Commission’s Greater Sydney Region Outline Plan:

...in the back of the plan we drew a diagram to help explain it because we appreciate the complexity in trying to understand that and the perceived and actual overlaps in all of this.⁴³

1.53 The Commission’s diagram appears on page 182 of the Greater Sydney Region Plan 2018.⁴⁴

1.54 The Committee noted that a diagram like the Commission’s, or like that of the Victorian Department of Planning and Community Development,⁴⁵ does not appear on the website of the NSW Department of Planning and Environment.

1.55 Mr Brett Whitworth, Executive Director, Strategic Planning and Programs, Department of Planning and Environment, acknowledged the complexity of planning in New South Wales when he addressed the Committee. He attributed the complexity not so much to process, but to the diversity of the stakeholders involved:

What strikes me very clearly is the complexity of land release and housing issues, not necessarily because of process or jurisdictional issues—although certainly these are

³⁹ Mr David Farmer, Wollongong City Council, transcript of evidence, 5 March 2018, p12

⁴⁰ Submission 37, Property Council of Australia, p14

⁴¹ Submission 31, Housing Industry Association, p1

⁴² Mr David Bare, Housing Industry Association, transcript of evidence 26 March 2018, p18

⁴³ Ms Sarah Hill, Greater Sydney Commission, transcript of evidence 5 March 2018, p8

⁴⁴ Greater Sydney Commission, <https://www.greater.sydney/metropolis-of-three-cities>, viewed 12 October 2018

⁴⁵ Department of Environment, Land, Water and Planning, <https://www.planning.vic.gov.au/guide-home/using-victorias-planning-system>, viewed 12 October 2018

issues that are there. The complexity arises from the fundamental differences in perspectives and expectations from the development industry, from communities, from government agencies and from councils.⁴⁶

- 1.56 The HIA suggested that complexity arose from a lack of authority for agencies to act, resulting in poor outcomes. Mr David Bare, Executive Director, told the Committee:

From my perspective, there is a gap between the responsibility to achieve something and the authority to deliver it. Like many other groups you have probably heard from during this inquiry, we have many meetings where we listen to people from one department or another, who talk about their role in housing affordability and supply, but very rarely do they seem to have the authority to act outside their boundaries.⁴⁷

- 1.57 The HIA proposed the Department of Premier and Cabinet as the agency with the authority to address this issue.⁴⁸

- 1.58 The Committee discusses decision-making, agency coordination and collaboration, and authority in Chapter Two.

How complexity affects planning at the local government level

- 1.59 Local government witnesses who appeared before the Committee provided specific examples of complexities which affected land release and housing supply.

- 1.60 Mr Andrew Carfield, Director Planning and Environment, Wollongong City Council, described the processes for land release and infrastructure planning with reference to Council's management of the West Dapto release area. This included many stages of plan making, approval, and external review:

...(land release in New South Wales) involves the need for partnerships between council, the Department of Planning and Environment and other State agencies, particularly planning for infrastructure. When the council sets out on the journey of a land release like West Dapto—West Dapto is going to be home to more than 55,000 residents in four or five decades, depending on the rate of growth—we have to build a local infrastructure contributions plan, which is we have to detail all the future infrastructure that is required to support that community, have that costed and, in our case, reviewed by the Independent Pricing and Regulatory Tribunal and other external bodies before it is approved, and then we set about delivering that infrastructure. To date, since the land release was given rezoning permission in 2010, the council has already invested directly more than \$50 million into early infrastructure works. A lot of that has been about building roads and improving roads into the land release.⁴⁹

- 1.61 Mr Fletcher Rayner, Executive Manager, Urban Release and Engagement, Campbelltown City Council, told the Committee that brokering deals between state agencies was often difficult for councils. He argued that the complexity of

⁴⁶ Mr Brett Whitworth, Department of Planning and Environment, transcript of evidence, 26 March 2018, p32

⁴⁷ Mr David Bare, Housing Industry Association Ltd, transcript of evidence, 26 March 2018, p19

⁴⁸ Mr David Bare, Housing Industry Association Ltd, transcript of evidence, 26 March 2018, p19

⁴⁹ Mr Andrew Carfield, Wollongong City Council, transcript of evidence 5 March 2018, p13

planning meant coordination might be organised at a state level, and looked to the Commission to be effective in this role.⁵⁰

- 1.62 The Planning Institute of Australia (PIA), on the other hand, described the lack of incentives for local councils to regularly update their Local Environmental Plans as leading to inefficiencies. The PIA described this as providing a perverse incentive for councils to wait for new planning proposals and negotiate individual agreements for proposal-specific local infrastructure contributions, which in their view was not an efficient process.⁵¹
- 1.63 The Property Council of Australia argued that for some councils, complexity coupled with conflicting community demands simply resulted in inertia.⁵²

Significant progress is being made to improve land release and housing supply

Finding 1

The Committee finds that significant progress is being made to improve metropolitan planning, to accelerate land release and increase housing supply.

- 1.64 NSW performance in delivering land and houses is at historical highs. This improved performance is contributing in part to the pressures on the planning system into which the Committee is inquiring.
- 1.65 The NSW Government submission describes the initiatives being implemented to improve decision making, clarify powers and responsibilities, enhance interagency collaboration, better coordinate infrastructure delivery, and respond to short-term issues. The Committee commends the Commission and the Department of Planning and Environment for their activity and achievements.
- 1.66 Similarly, the Committee commends local government. The councils which made submissions to the inquiry, and especially the nine councils who appeared before the Committee to give evidence, were all expert and innovative, and keen to collaborate with the Department and other state agencies to improve land release and housing supply. The Committee did not detect any lack of enthusiasm, any deficiency of expertise, or any unwillingness to cooperate and find solutions.

The Greater Sydney Commission has been well received

Finding 2

The Committee finds that the establishment and achievements of the Greater Sydney Commission have been well received, and continuing expectations are high.

- 1.67 The creation of the Greater Sydney Commission has changed the rules in metropolitan planning. The Commission has been able to bring many of the

⁵⁰ Mr Fletcher Rayner, Campbelltown City Council, transcript of evidence 26 March 2018, p3

⁵¹ Ms Jenny Rudolph, Planning Institute of Australia, transcript of evidence 26 March 2018, p13

⁵² Submission 37, Property Council of Australia, p18

benefits of metropolitan governance to Sydney without creating an additional layer of bureaucracy. The Commission's work received praise from many stakeholders.

- 1.68 The evidence shows that the Commission has succeeded at rising above bureaucratic planning processes and completing the first stage of its metropolitan planning process. In doing this, it has generated considerable goodwill, an enthusiastic public debate about Sydney's metropolitan future, and the collaboration of other government agencies.
- 1.69 It is significant that the Commission publishes a list of its eight partner agencies on its website. The Committee discusses the value of this interagency collaboration in Chapter Two. In many respects, interagency collaboration is the cornerstone of the NSW Government submission to this inquiry. The Commission's promotion of its partnership with other NSW Government agencies is good for the metropolitan planning process and good for governance in general.
- 1.70 The Commission's achievement naturally raises expectations that it will continue to deliver metropolitan planning outcomes. These expectations manifest in calls for the Commission, and the Commission's partner agencies, especially the Department of Planning and Environment, to have more powers to implement the metropolitan plans, monitor land supply and housing delivery, sanction agencies which do not deliver, and control and spend infrastructure funds. The Committee discusses whether planning powers are sufficient in Chapter Two.
- 1.71 In contrast to the Greater Sydney Commission, the Department of Planning and Environment received some criticism in evidence to the Committee. The criticism focused mainly on delays by the Department in reviewing or approving matters referred to it, or a perceived lack of powers for the Department to make decisions or direct the work of other government agencies. Delays and powers are discussed in Chapter Two.
- 1.72 The Committee is conscious that some of the work which might previously have seen the Department receive plaudits, is now seen to be to the credit of the Commission which relies heavily on the Department for expert and administrative support.

The complexity of the planning system impacts on land release and housing supply

Finding 3

The Committee finds that the complexity of the New South Wales planning system impacts on land release, housing supply and infrastructure planning.

- 1.73 Many examples of the complexity of the NSW planning system were brought to the Committee's attention. These included the various ways in which infrastructure contributions are levied, collected and allocated; the multiple layers for assessing and obtaining development approval; and the number of agencies and statutes which impact on the planning system.

- 1.74 In the Committee's view, the complexity of the system is compounded by the frequency of planning changes and announcements.
- 1.75 The Committee also noted the large amount of jargon used in the planning system and the use of terms and descriptors which are not always clear to lay people. For example, some terms changed during the course of the inquiry for reasons not readily apparent. One such term was 'priority precincts' used to delineate areas earmarked for rejuvenation which evolved into 'planned precincts' even while the focus remained on providing priority infrastructure to serve these precincts.
- 1.76 The question, then, is whether the NSW planning system is unnecessarily complex, or whether the complexity is a necessary and reasonable response to the state's complex planning needs.
- 1.77 The Committee acknowledges that the terms of reference for this inquiry are limited to the housing supply process and the coordination and funding of enabling infrastructure. There are areas of complexity in the planning system which are not within the scope of this inquiry.
- 1.78 The Committee also notes the view of the NSW Government witnesses that complexity arises from the diverse and competing expectations of the stakeholders.
- 1.79 Many stakeholders called for various aspects of the NSW planning system to be simplified. Some called for the *Environment Planning and Assessment Act 1979* to be rewritten. For the development industry, simplification was often cast as a reduction in red tape or a streamlining of planning approvals. Local government also called for streamlining approvals, particularly those granted on referral to state authorities, but was most keen to see a simplification of how and when funds are collected through infrastructure contributions schemes and then made available for the provision of that infrastructure. The Committee discusses the referral process in Chapter Two and infrastructure funding in Chapter Three.

The planning system should be simplified and improved via a consultative process

Recommendation 1

The Committee recommends that the New South Wales Government establishes a consultative process to identify and agree that there are opportunities to simplify and improve the New South Wales planning system, and a timetable to implement them.

- 1.80 The Committee believes that there are opportunities to simplify and improve the planning system. Most stakeholders spoke of complexity and delays which added costs and uncertainties to planning, wherever their interests lay. These issues contributed to a lack of understanding and cynicism in the community.
- 1.81 Many of the findings and recommendations in this report envisage simplifying planning, whether by clarifying powers and practices, overcoming blockages,

publishing information to inform debate, or using limited planning resources more effectively.

- 1.82 The recommendations below propose reviewing infrastructure funding models, better managing referrals to state government agencies, improving planning advocacy, and redefining character and liveability.
- 1.83 The Committee commends the measures being taken by the Department of Planning and Environment to identify and address roadblocks in land release and housing supply.
- 1.84 The reported recent slowdown in housing approvals create an opportunity to take stock and review the complexities of planning across government.
- 1.85 The Committee has not recommended that the *Environmental Planning and Assessment Act 1979* be rewritten.
- 1.86 The review the Committee envisages should be broad-based, comprehensive, and conducted quickly. While stakeholder expectations of the planning system are understandably different, there is an appetite across stakeholders and the community for simplifying and improving the planning system.

Greater Sydney and regional NSW have different planning needs

- 1.87 In its submission, the NSW Government pointed to differences between Sydney and regional New South Wales in its approach to managing the identification, planning and delivery of greenfield land release areas.

In Greater Sydney, the NSW Government has taken the responsibility to identify and plan greenfield areas through priority growth areas. In regional NSW, this responsibility is shared between the State and local Government.⁵³

- 1.88 Many stakeholders provided comment on this issue. The Committee heard a general consensus that stakeholders from all backgrounds recognised that metropolitan planning was more complex than regional planning and consequently, a simpler planning framework should be applied outside Greater Sydney.
- 1.89 The Greater Sydney Commission was open to the idea of an equivalent commission-style planning body in regional New South Wales, but recognised the differences between Sydney and the regions:

...we have had some very positive feedback about the Commission and the role that a coordinating organisation can play, and setting up an equivalent commission for the regions or expanding our remit is something that is really up to the Government, but certainly in our work we recognise the important connections between the city and the regions.⁵⁴

- 1.90 The PIA argued that the differences between metropolitan and non-metropolitan areas should be reflected in the planning arrangements. Mr Paul Brockhoff,

⁵³ Submission 46, NSW Government, p3

⁵⁴ Ms Sarah Hill, Greater Sydney Commission, transcript of evidence, 5 March 2018, p8

Principal Policy Officer, typified regional planning as being less constrained in the number of sites available for redevelopment than metropolitan planning.⁵⁵

- 1.91 Similarly, Mr Chris Johnson, Chief Executive Officer, Urban Taskforce Australia, suggested that non-metropolitan councils do not have fundamental problems with planning.

Most of the more rural and coastal councils are quite happy to get development and are very supportive of it, so there is less bureaucracy happening in that regard.⁵⁶

- 1.92 As reported previously, the Committee received written submissions from 24 local councils, and two regional organisations of councils, as well as Local Government NSW. Thirteen of these councils were located in Greater Sydney and eleven in regional New South Wales. The Committee invited nine local councils to give oral evidence at its public hearings, six from Greater Sydney (of which three were greenfield councils and three brownfield) and three from regional NSW.

Councils value regional coordination

- 1.93 Regional councils did not advocate for the imposition of a Commission-style approach to planning outside Sydney, although they saw value in a dedicated planning coordinator. Councils generally identified the Department of Planning and Environment in this role.

- 1.94 Ms Sharon Pope, Manager Integrated Planning, Lake Macquarie City Council, told the Committee that Council looked for more frequent liaison with NSW Government agencies engaged in planning:

...we really do not ever meet with Department of Education or Energy Australia. Transport for NSW has been a recent arrival on the scene and there have been some discussions with it this year because it has been helping to prepare various plans for infrastructure in New South Wales...I think we were all looking to the Department of Planning and Environment to play that role of coordination given that it develops the regional strategy and probably has a little bit more ability to get information out of other State agencies at a State level.⁵⁷

- 1.95 Wollongong City Council also identified the value of a planning coordinator. Mr Andrew Carfield, Director Planning and Environment, noted the complexity of managing the West Dapto urban release area without the equivalent of a Greater Sydney Commission to help coordinate the efforts of state government agencies.⁵⁸

- 1.96 Mr David Farmer, General Manager, also stressed the value of a coordinator, but one without the reach of the Commission:

In my opinion, we need somebody. Whether that is a Greater Sydney Commission—we said we cannot see the real value at this stage. However, some of the elements and some of the things that are delivered in that space make sense to me. A

⁵⁵ Mr Paul Brockhoff, Planning Institute of Australia, transcript of evidence, 26 March 2018, p14

⁵⁶ Mr Chris Johnson, Urban Taskforce Australia, transcript of evidence, 26 March 2018, p24

⁵⁷ Ms Sharon Pope, Lake Macquarie City Council, transcript of evidence, 5 March 2018, p23

⁵⁸ Mr Andrew Carfield, Wollongong City Council, transcript of evidence, 5 March 2018, p12

coordinating body makes sense. I think we suggested the Department of Premier and Cabinet. It could be a subset of the Greater Sydney Commission type organisation that coordinates all those activities.⁵⁹

- 1.97 Mr Vincent Connell, Director Planning and Regulation, Tweed Shire Council, told the Committee that the level of contact between Council and NSW Government infrastructure agencies was 'infrequent and irregular' and tended to be driven by major development proposals.⁶⁰ He suggested Council did not want a layer of government to coordinate planning, but a coordinating mechanism:

...to bring the key players of government agencies to the table to ensure that councils are coordinating infrastructure provision—the big ticket items—with the State agencies.

- 1.98 Mr Connell described *ad hoc* decision-making which was not assisting council's long-term financial planning:

I think we are looking for something that is a coordinating facility—a mechanism to regularly do that and do it well. Whether that comes through the extension of the commission or creation of a regional commission, we are open to hearing that. The key thing is coordination in whatever form.⁶¹

There is no need for a commission-style agency in regional NSW

Finding 4

The Committee finds that there is no need to establish a Commission-style agency to oversee strategic planning in the rest of New South Wales.

- 1.99 The Committee agrees that the major difference between the planning needs of Sydney and regional NSW is the comparative complexity of the former.
- 1.100 No stakeholders argued strongly for the Commission to be extended to take in any additional areas, or to take in the entire state, or for there to be a separate Commission for any other part of the state.
- 1.101 Several stakeholders, particularly in local government, recognised the benefits of the Commission process, or identified particular aspects of the Commission's approach which would be beneficial if applied to their area.
- 1.102 For example, some stakeholders argued that the Commission's methods for securing commitments of funds for enabling infrastructure such as GICs, should be applied elsewhere in NSW. Others felt that the Commission's capacity to oversee the production of plans which aligned land use, transport and infrastructure was missing in regional NSW.
- 1.103 Planning outside metropolitan Sydney is less complex than within the Commission's area partly because it deals with fewer planning authorities. The Illawarra, for example, does not need a Commission-style body to facilitate state

⁵⁹ Mr David Farmer, Wollongong City Council, transcript of evidence, 5 March 2018, p14

⁶⁰ Mr Vincent Connell, Tweed Shire Council, transcript of evidence, 5 March 2018, p23

⁶¹ Mr Vincent Connell, Tweed Shire Council, transcript of evidence, 5 March 2018, p20

agencies and local government to identify planning needs and negotiate outcomes. The two Illawarra councils have the capacity to work with each other and with state agencies to achieve that objective. Similarly, the Hunter councils have a long history of collaborating to identify their joint needs and present those to state agencies for negotiation. Regional councils are used to working individually or together at, say, catchment level, to partner with state agencies in planning activities.

Beneficial aspects of the Commission should be applied in regional NSW

Recommendation 2

The Committee recommends that the New South Wales Government identifies aspects of the role and responsibilities of the Greater Sydney Commission which would benefit non-metropolitan planning, and applies them through a regional coordinating mechanism agreed between the Department of Planning and Environment and local government.

- 1.104 As discussed above, non-metropolitan councils identified aspects of the metropolitan approach which they considered beneficial if applied in regional New South Wales, as well as stressing the value of a regional coordinating mechanism for planning.
- 1.105 The governance arrangements employed by the Greater Sydney Commission, including the committee structure and the publication of commission minutes and reports may have benefits if replicated in regional New South Wales. The regional coordinating arrangements identified and supported by Tweed Shire Council, for example, would be strengthened through transparent reporting.
- 1.106 The NSW Government should work with regional councils to identify which aspects of the Commission's work can be applied in regional NSW and act accordingly.

Chapter Two – Decision-making and interagency collaboration

Introduction

- 2.1 In this chapter the Committee examines how planning decisions are made and the suggestions of stakeholders for improving decision-making through better coordination. These included suggestions of a single coordination agency, and better data collection and publication.
- 2.2 The Committee considers the claims made for interagency collaboration as the foundation of good decision-making, and the experience of stakeholders. It also discusses whether the current powers of planning agencies are sufficient to achieve their stated goals.
- 2.3 The Committee finds that planning decisions sometimes appear uncoordinated and reactive, and that many stakeholders are concerned that published data on the planning process is insufficient to make the planning process transparent.
- 2.4 The Committee endorses the interagency collaboration model as positive, but needing continual review and reform.
- 2.5 It also finds that the referrals process is not well coordinated and causes delay to approvals, and recommends a coordinated and transparent scheme for referrals made to NSW Government agencies.
- 2.6 The Committee finds that planning powers are generally sufficient, but subject to the effect of its other recommendations throughout this report, recommends that the NSW Government clarify and amend planning powers where necessary.
- 2.7 In the case of managing the development of fragmented land, however, the Committee recommends the NSW Government work with the affected local councils to find and implement a solution to this problem.

Calls for better coordination of decision-making

- 2.8 Many stakeholders called for better coordination of decision-making. Proposals for better coordination included the establishment of a central agency with greater powers to make decisions or direct other agencies, and the better use of tools aimed at simplifying the planning process such as complying development codes, planning panels and information sharing.
- 2.9 Local government, in particular, raised the issue of referrals to government agencies, and argued for better coordination, including by reference to the Queensland model of centralised management of referrals.
- 2.10 Several stakeholders suggested that planning agencies had insufficient powers. The agencies themselves did not advocate for expanded powers, but proclaimed

the value of interagency collaboration to ensure consistent and coordinated decision-making.

- 2.11 The goals of stakeholders raising this issue were mixed. For regulators and decision-makers, the goals were ease of decision-making, better use of resources, and speedier outcomes. For developers the goals were speed and certainty.

Tools for better coordination

- 2.12 The Urban Development Institute of Australia welcomed the use of tools and approaches which resulted in certainty and faster development approvals. The Institute nominated ePlanning, complying development codes and planning panels to improve efficiency and productivity. It was especially critical of councils and other authorities which used lineal paper-based information management systems to perform their planning functions.⁶²

A single coordinating agency

- 2.13 Ms Jenny Rudolph, President, Planning Institute of Australia (PIA), told the Committee that the biggest issue for member councils and private practitioners is the slow response times to rezoning and development applications. The Institute's members, she said, wanted a better performing agency hub.⁶³
- 2.14 The PIA described the attributes of this hub in its submission. It needed incentives to make timely decisions and a risk management capability, and could be staffed by experts seconded from relevant agencies, but act on behalf of the state government as a whole.⁶⁴
- 2.15 Urban Taskforce Australia proposed the creation of a single coordinating agency to coordinate decision making. It said that the current fragmented approval process was slow, complex and politicised, adding to the cost of housing and the time taken to deliver it. It described little integration between agencies, proponent, councils and utility providers. It also complained that different agencies, and sometimes different sections within the same agency, gave conflicting advice. The Taskforce advocated for an independent statutory body to coordinate approvals, referrals and concurrences and provide timely, efficient customer service.⁶⁵
- 2.16 Mr Chris Johnson, Chief Executive Officer, expanded on the Taskforce's proposal:

A single agency focused on outcomes is needed. The groups of people in the State agencies are dispersed and generally put lower down in the system because they are not about traffic or roads or trains and keeping those running. They are about some secondary issue, and that needs to be looked at. We have put up a proposal to Transport saying there could be a transport and roads focus for this to have a single

⁶² Submission 24, Urban Development Institute of Australia NSW, p5

⁶³ Ms Jenny Rudolph, Planning Institute of Australia, transcript of evidence, 26 March 2018, p14

⁶⁴ Submission 32, Planning Institute of Australia, pp18-19

⁶⁵ Submission 35, Urban Taskforce Australia, p6

agency that helps to untangle referrals across roads and transport as a way forward. Something is needed to get a better system happening.⁶⁶

- 2.17 Mr David Bare, representing the HIA, concurred that state agencies could be better coordinated:

We find that there are many agencies and groups within government departments that all seem to want to achieve the same thing but are not really working together...That lack of coordination creates enormous uncertainty for our industry. So we would certainly support a practical way of achieving that.⁶⁷

Housing codes and independent assessment

- 2.18 Mr Bare also endorsed the use of housing codes to simplify decision-making:

The completion of the simplified housing code last year is an example of government responding to industry concerns...A positive development has been the review of complying development in greenfield areas. Introducing a new housing code for these areas makes sense. We supported the draft placed on public exhibition and the benefit it will bring—that is, faster housing approvals. We are eager to see it proceed.⁶⁸

- 2.19 The Property Council of Australia similarly endorsed housing codes.⁶⁹

- 2.20 Grattan Institute reported that both the use of codes and the use of independent planning panels to assess substantial developments had both speeded up assessment times as well as made decisions resulting in redevelopment more likely, when compared with council development assessment. Mr John Daley, Chief Executive, said:

The code assessment that has been brought in New South Wales, particularly in Sydney, has made a difference, particularly the additional ability to build along transport routes, and also the determination of substantial developments by independent planning panels rather than local town councils also appears to have made a difference. They both make decisions more quickly and they make decisions that are more likely to result in redevelopment.⁷⁰

- 2.21 The community housing sector saw the use of housing codes as a way to reduce costs on the sector. Ms Wendy Hayhurst, Chief Executive Officer of the NSW Federation of Housing Associations, told the Committee:

If we can negotiate complying development for affordable housing that would be useful. It would cut the fees for community housing providers to develop as well. We are not-for-profit; we do not have huge surpluses to fund these things. Anything we can do to make it more efficient for the sector is useful.⁷¹

⁶⁶ Mr Chris Johnson, Urban Taskforce Australia, transcript of evidence, 26 March 2018, p23

⁶⁷ Mr David Bare, Housing Industry Association, transcript of evidence, 26 March 2018, p19

⁶⁸ Mr David Bare, Housing Industry Association, transcript of evidence, 26 March 2018, mp18

⁶⁹ Ms Jane Fitzgerald, Property Council of Australia, transcript of evidence, 5 March 2018, p41

⁷⁰ Mr John Daley, Grattan Institute, transcript of evidence, 5 March 2018, pp29-30

⁷¹ Ms Wendy Hayhurst, NSW Federation of Housing Associations, transcript of evidence, 5 March 2018, p68

A strong strategic planning framework

- 2.22 Local government also called for more certainty in the planning system. Mr David Birds, Group Planning Manager, Inner West Council, called for a strong strategic planning framework so that both the community and developers had certainty about what could and could not be approved, and planning resources could be used more effectively:

Quite often our energies are spent fighting fires—dealing with one-off proposals which take us away from the main game.⁷²

- 2.23 Mr Birds suggested such a framework would also combat community distrust in decision-making by engaging communities and their councils early on rather than in a reactive way.⁷³

Better consultation and negotiation

- 2.24 Councils told the Committee that better consultation by state agencies would lead to better coordination of decision making. Ms Elena Sliogeris, Coordinator City Planning, Randwick City Council, told the Committee that it was unhelpful when the state made strategic planning decisions without consultation:

...the best approach is for the department to work collaboratively with the council and at least consult with the councils should they be investigating some areas within a local government area.⁷⁴

- 2.25 Mr Chris Stewart, Director Planning, Wollondilly Council, described a 'disconnect' between state and local government. He illustrated this by reference to the Wilton development:

We think that critical issues for Wilton have not been adequately addressed by the Department of Planning and Environment. Moving forward, all we really need to do is agree on a set of milestones for when we will see the delivery of certain infrastructure. We understand there has to be critical mass for certain infrastructure, but all that is required is some sort of workable agreement.⁷⁵

Avoiding duplication

- 2.26 Many stakeholders raised questions about the need for multiple pathways to achieve approval and the best ways to address duplication and delay. Mr Chris Johnson, Urban Taskforce Australia, drew the Committee's attention to complexity built into councils' development control plans. He described a plethora of reports required by councils to satisfy many councils' planning requirements for approving a single house:

We have now looked at about 20 councils across Sydney, and there is a plethora of reports required in each of these DCPs (development control plans). But we have found that if you add them up—archaeological reports, heritage reports, traffic

⁷² Mr David Birds, Inner West Council, transcript of evidence, 5 March 2018, p51

⁷³ Mr David Birds, Inner West Council, transcript of evidence, 5 March 2018, p53

⁷⁴ Ms Elena Sliogeris, Randwick City Council, transcript of evidence, 5 March 2018, p53

⁷⁵ Mr Chris Stewart, Wollondilly Council, transcript of evidence, 26 March 2018, p5

reports, acid sulphate soil reports and everything else you can think of—a total of 82 reports are needed if you go across all councils. Most councils, for a single house, require at least 25 reports as part of the application to get an approval.⁷⁶

- 2.27 Mr Johnson argued that these requirements were the result of risk averse planning and a reliance on independent reporting to overcome uncertainties and a lack of confidence:

But the cost of those is exorbitant, and our culture has become too risk averse in relation to those issues. All it is doing is ultimately adding to the cost of housing.⁷⁷

- 2.28 On the other hand, councils described state-imposed requirements as causing this duplication of reporting regardless of the efforts to produce independent, expert plans in the first place. Mr Fletcher Rayner, Executive Manager Urban Release and Engagement, Campbelltown City Council, said:

I do know that we have submitted our [biodiversity] plan of management a number of times and we keep getting back new information that we need to address when we have used expert advice to prepare our plan to the best of our ability. That is generating a lot of inefficiencies with smaller applications – mum and dad applicants needing to prepare their own plans of management at extreme cost just to get approvals for modifications, fences, pools, etc. which do not even affect vegetation.⁷⁸

- 2.29 Camden Council described its experience of liaison with state agencies during the land release process. Ms Nicole Magurren, Director Planning and Environment, explained the benefit of agreed decision-making processes so as to avoid unnecessary steps and duplication.⁷⁹ Ms Tina Chappell, Manager Strategic Planning, called for agreement on what was the best process to bring a piece of land to market so that the process did not require negotiation each time.⁸⁰

- 2.30 Campbelltown City Council also called for clarity around the several planning pathways for land release and major development to assist councils and developers. Mr Rayner described to the Committee different pathways for developers to follow:

...council rezoning proposals, priority precinct applications, and then there are reviews through the pre-gateway preview process. A streamlining of the pathways for rezoning of land release would be of assistance.⁸¹

e-Planning and digital integration

- 2.31 e-Planning was proposed as a tool which would improve coordination of decision making, monitoring and reporting. The Urban Development Institute of Australia (UDIA) proposed the integration of e-Planning into a digital platform with other agencies and service providers. It would be driven by the property unique identifier that maps development sequencing for better coordination and monitoring. The

⁷⁶ Mr Chris Johnson, Urban Taskforce Australia, transcript of evidence 26 March 2018, p25

⁷⁷ Mr Chris Johnson, Urban Taskforce Australia, transcript of evidence 26 March 2018, p25

⁷⁸ Mr Fletcher Rayner, Campbelltown City Council, transcript of evidence, 26 March 2018, p7

⁷⁹ Ms Nicole Magurren, Camden Council, transcript of evidence, 26 March 2018, p2

⁸⁰ Ms Tina Chappell, Camden Council, transcript of evidence, 26 March 2018, p6

⁸¹ Mr Fletcher Rayner, Campbelltown City Council, transcript of evidence, 26 March 2018, p5

UDIA described a digital platform that could provide a range of information to consent authorities, industry, communities and government. In the UDIA's view, this becomes an important benchmarking tool to monitor performance, identify blockages in the system and measure delivery targets.⁸²

Better data and the Urban Development Program

- 2.32 The UDIA also called for the reintroduction of the former Urban Development Program to improve coordination of decision making. It described the Program as the best means of identifying, coordinating and prioritising housing supply, and the necessary funding and timing for facilitating infrastructure. The Program would be reported on annually and outline a rolling five year program of the number of lots, divided into those zoned, those serviced and ready for development, and those delivered.⁸³
- 2.33 Other industry and professional stakeholders argued that publishing data in the manner of the former Program would not only improve transparency, but provide a better basis for land supply forecasting and monitoring, thus assisting all parties to better coordinate decision making.
- 2.34 The Property Council of Australia (PCA) made a detailed case for the value of the Program. It said that the Program provided all players with the same robust data source on which to base their plans and their collaboration.⁸⁴
- 2.35 The PCA argued that in the absence of the Program, the current focus of NSW Government monitoring and reporting was on dwelling approvals and completion figures. It said that this approach ignored the importance of rezoning, and in particular land servicing, which were the prerequisites for enabling land to be development ready.⁸⁵
- 2.36 The PCA called for the NSW Government to reinstitute the Program as a priority. It argued that annual reporting of land supply and monitoring each step in land release would enable delays and impediments to be identified and addressed effectively. It also argued for the Program to be extended to encompass brownfield as well as greenfield land supply. The PCA envisaged that the Program would drive coordination between government agencies and developers to ensure that zoned land is serviced with infrastructure in a timely manner.⁸⁶
- 2.37 Local government stakeholders also called for more and better data reporting. Randwick City Council suggested that the Department of Planning and Environment should expand its current reporting to publish 'real time' data on housing supply. This should include development approvals, development

⁸² Submission 24, Urban Development Institute of Australia NSW, p7

⁸³ Submission 24, Urban Development Institute of Australia NSW, p7

⁸⁴ Submission 37, Property Council of Australia, p11

⁸⁵ Submission 37, Property Council of Australia, p13

⁸⁶ Submission 37, Property Council of Australia, p15

applications under assessment, development completions, and potential net dwelling yields in planning proposals.⁸⁷

2.38 Council argued that more up to date reporting would assist key agencies to:

- identify infrastructure planning and funding needs to support growth;
- identify barriers to housing supply;
- assist the preparation of local housing strategies; and
- provide the evidence base for the Department and the Greater Sydney Commission to track housing targets against regional plans.⁸⁸

2.39 Blacktown City Council also addressed the availability of data. It argued for the development of a reporting model to monitor housing supply and infrastructure delivery that is universally available to state and local government. This model would track development from lodgement through assessment and construction to completion. Council said this level of reporting would provide clearer direction to infrastructure providers as to where and when key infrastructure needed to be supplied, and show whether dwelling supply aligning with plans.⁸⁹

2.40 In response to calls for better and more available data, Mr Brett Whitworth, Executive Director Strategic Planning and Programs, Department of Planning and Environment, acknowledged a current lack of data, and advised that the Department was working with other agencies to incorporate data across the whole of government. He described blending data from Transport for NSW, including Opal Card data, from Education and Sydney Water to provide for housing forecasts which would be much more accurate than the estimates available under the former program.⁹⁰

Referrals to government agencies

2.41 Many stakeholders called for more efficient and better coordinated management of referrals to government agencies. The requirement for an application to be referred to a state agency was frequently described as being slow and time consuming, a duplication of strategic planning decisions, and lacking transparency and accountability. Stakeholders drew the Committee's attention to what they saw as better practices in Queensland and the Australian Capital Territory.

2.42 Blacktown City Council proposed that referrals might be better managed by providing more effective advice to councils and consent authorities upfront. Council argued that clearer upfront guidelines on when concurrence is required or the provision of standard conditions of approval for councils to apply, could avoid the need for many referrals and concurrences altogether.⁹¹

⁸⁷ Submission 33, Randwick City Council, p4

⁸⁸ Submission 33, Randwick City Council, p4

⁸⁹ Submission 34, Blacktown City Council, p6

⁹⁰ Mr Brett Whitworth, Department of Planning and Environment, transcript of evidence, 26 March 2018, pp36-37

⁹¹ Submission 34, Blacktown City Council, p3

There is support for the Queensland model for managing referrals

- 2.43 Ms Jane Fitzgerald, NSW Executive Director, Property Council of Australia, highlighted the Queensland State Assessment and Referral Agency (SARA) as a model of good practice. She described it as 'a one-stop for approvals' and compared it with the absence of a similar coordinating body in New South Wales.

...there may be an argument that we need a SARA in New South Wales...Even though there is a whole raft of State agencies that might need to have their say, at least it would make one agency responsible for approvals and would ensure that deadlines could be followed up and adhered to.⁹²

- 2.44 Mr Chris Johnson, Urban Taskforce Australia, unfavourably compared NSW agency performance processing referrals with Queensland. He invited the Committee to examine the SARA website:

They have got key performance indicators [KPIs] and turnaround dates. They transparently show when an application came in and within 30 days the percentage rate that they resolve and get them back out again. None of the current agencies have got anything like those sorts of KPIs, performance measures or even a culture that is project managed or about performance.⁹³

- 2.45 Mr Mike Scott, representing the UDIA, compared state agency referrals unfavourably to making online purchases:

If I order a pair of shoes I can ring up and find out if they are in the Atlanta hub but I cannot find out where the referral to the RMS (Roads and Maritime Services) is on a road widening. I have got to keep ringing the same person at council and hassling them or ringing the person at the Department of Planning and Environment and hassling them. Surely you could just see online that that referral has gone here and there like everything else we operate.⁹⁴

- 2.46 The PIA described additional measures which would improve the efficiency of referrals to state agencies. Mr Paul Brockhoff, Principal Policy Officer, told the Committee that these included:

...applying binding time frames with limited stop-the-clock provisions to decisions made by those referral bodies; treating the failure of an agency to meet a referral time limit as a deemed approval from the referral agency as currently adopted by Queensland and the Australian Capital Territory, having clear and concise pro forma development approval conditions and model conditions to be used by referral bodies that have been mutually agreed by the planning authorities; and having memoranda of understanding between referral bodies and planning authorities regarding what advice will be provided to referral bodies, how that advice will be dealt with by planning authorities and how conditions will be included in DA (development application) approvals.⁹⁵

⁹² Ms Jane Fitzgerald, Property Council of Australia, transcript of evidence, 5 March 2018, p40

⁹³ Mr Chris Johnson, Urban Taskforce Australia, transcript of evidence, 26 March 2018, p23

⁹⁴ Mr Mike Scott, Urban Development Institute of Australia NSW, transcript of evidence, 5 March 2018, p64

⁹⁵ Mr Paul Brockhoff, Planning Institute of Australia, transcript of evidence, 26 March 2018, p14

Current efforts are being made to improve coordination

- 2.47 The Committee sought the response of the NSW Government witnesses to the various suggestions from stakeholders for better coordination of decision making. Mr Brett Whitworth told the Committee that the Department of Planning and Environment had been working on a project for the electronic lodgement of development applications:

...(e-Planning)...has been quite a difficult road. But one of the bases of that program is the creation of an electronic referral mechanism as well so that we are able to start collecting data on the referral process: which agencies are receiving referrals, how long are they taking with the referral time frames and what other sorts of issues they are dealing with.⁹⁶

- 2.48 Mr Whitworth also told the Committee of a solution to the problems regarding referrals:

The recent changes to the planning legislation also give it some teeth that if an agency does not respond in a certain period of time the secretary of planning is able to step into their shoes.⁹⁷

There is concern at the lack of published data

Finding 5

The Committee finds there is genuine concern at the perceived lack of published data on the land release and housing supply program, and encourages the expanded use of e-planning and other tools to address this concern.

- 2.49 The stakeholders who expressed concern at the lack of published data on land release and housing supply generally referred to the former Urban Development Program. They viewed the Program favourably as both an information source, and as a monitoring and reporting tool, compared with current data publishing and reporting practices.
- 2.50 These stakeholders saw the former Program as a source of reliable information for making their own planning and investment decisions. They also saw it as a reliable source of public information to which reference could be made in order to make arguments in support of development policies and processes, and particularly to discern trends in land release and housing supply performance.
- 2.51 These stakeholders argued that the current reporting of land release and housing supply is less thorough than the Program and consequently, the published data provides less support for the metropolitan planning process as a whole.
- 2.52 The evidence of the Department of Planning and Environment, however, suggested that for all practical purposes, current reporting provides a similar level of detail as did the former Program, while also reflecting the more strategic approach taken by the Greater Sydney Commission as the lead planning agency.

⁹⁶ Mr Brett Whitworth, Department of Planning and Environment, transcript of evidence, 26 March 2018, p41

⁹⁷ Mr Brett Whitworth, Department of Planning and Environment, transcript of evidence, 26 March 2018, p41

- 2.53 The Committee has not explored the current arrangements in any detail compared with the former Program. As proposed throughout the report, however, the Committee believes that transparency is essential for ensuring that the community are well informed about planning directions and decisions. A constructive public debate on Sydney's and the state's future relies on thorough and accessible information.

Referrals are uncoordinated and untimely

Finding 6

The Committee finds that referrals to government agencies are uncoordinated and cause delay.

- 2.54 Stakeholders argued that:
- referrals to government agencies are time consuming; and
 - referrals may duplicate a decision already made at the strategic planning level, and which can be revisited on referral with the possibility of an inconsistent or contradictory decision being the outcome.
- 2.55 Regarding timing, the Committee received little quantifiable evidence about how long it takes government agencies to deal with referrals. It is clear, however, that stakeholders, and particularly local government, are frustrated by delays.
- 2.56 The revisiting by agencies of decisions which have already been taken at the strategic planning stage is unnecessary. In the spirit of interagency collaboration, a decision to make a land release, for example, should be a decision to agree to all aspects which entail making that release. This includes the provision of access and transport infrastructure, agreement that threatened species are not at risk, agreement that floodplains are not impinged, and agreement that the land is not a bushfire risk. For NSW Government agencies to re-examine an approved land release, or to reverse their agreement, or to make determinations contrary to those which supported the release, seems to the Committee to be inconsistent with the collaborative approach to making the original approval.
- 2.57 The Committee heard the NSW Government evidence that the Secretary of the Department of Planning and Environment had some new powers to deal with referral problems.
- 2.58 The Committee believes it should be a goal of all parties in the planning process to reduce both the number of referrals and the time taken to process a referral.
- 2.59 The Queensland model of a State Assessment and Referral Agency (SARA) is a good one. SARA aims to deliver a coordinated, whole-of-government approach to state assessment of development applications. The Director-General of the Department of Infrastructure, Local Government and Planning is responsible for managing the referral process where the state has jurisdiction. SARA publishes referral times and outcomes and is accountable for performance.

Reform the referrals process along the lines of the Queensland model

Recommendation 3

The Committee recommends that the NSW Government implements a coordinated and transparent referral scheme for concurrent approvals by NSW Government agencies.

- 2.60 The current referral arrangements to NSW Government agencies are time consuming, inefficient and opaque. They appear to allow for individual agencies to revisit decisions made collaboratively at the strategic planning stage.
- 2.61 Firstly, the opportunity for any single agency to revisit or thwart a decision already taken should be removed.
- 2.62 Secondly, referrals should be managed in an efficient and transparent way. The Committee believes this is best done by the creation of an office with responsibility for managing and reporting on all referrals. The Queensland State Assessment and Referral Agency exists as a model to be examined. The Committee recommends that the NSW Government establish a similar agency which can provide transparent whole-of-government referral management.

The importance of interagency collaboration

- 2.63 Interagency collaboration is the cornerstone of the NSW Government submission. The NSW Government stressed the importance of government agencies working together to ensure the timely release of land and supply of housing. It also described the collaborative nature of the Greater Sydney Commission and the way it operates.
- 2.64 The NSW Government witnesses who appeared before the Committee emphasised the importance of interagency collaboration. Ms Sarah Hill, Chief Executive Officer of the Commission, expanded on the Commission's approach to collaboration and detailed the extent to which it is occurring across government:
- ...we very much see our role as collaborators and coordinators. In all our work, including our region and district plans—for example the recent announcement of the city deal—we see our role as to informally and formally bring other government agencies together. By formally I mean we have a number of committees that are part of our governance. We have an infrastructure delivery committee which is an incredibly important one that has five secretaries as part of that board, and two observers, being the chief executive officers of UrbanGrowth NSW and Infrastructure NSW. The five secretaries represent Health, Education, Treasury, Transport, and Planning...Informally, we certainly meet regularly daily—hourly—with our colleagues across State Government to ensure that we do have that coordinated approach.⁹⁸
- 2.65 Mr Brett Whitworth, Department of Planning and Environment, also emphasised the significance of interagency collaboration in order to achieve planning goals. He outlined how strategic planning at its core is a collaborative process which brings

⁹⁸ Ms Sarah Hill, Greater Sydney Commission, transcript of evidence, 5 March 2018, p2

agencies together in order to establish priorities and make business cases for funding them:

There is a sense of the broad scale footprint of the development and understanding of the environmental issues, and then people can actually start to say: This is how we need the road network and the transport network to be planned. This is how we can start prioritising that against other areas. This is where we bring the concept of the infrastructure prioritisation through strategic business cases into the equation as well where the infrastructure providers are able to go to Treasury and say: We have development fronts here, here, and here. These are the priorities based on our infrastructure assessment and our business case assessment of that process.⁹⁹

- 2.66 Mr Tim Raimond, Executive Director Future Transport, at Transport NSW, told the Committee that interagency collaboration was essential if traditional network-based transport planning was going to be integrated with land use planning:

...one of the things that we are doing in transport as a result of the collaboration of the Future Transport Strategy and so on is to develop place-based teams. We will still have a network interest in our road and rail networks, but through matrix ways of working those resources it will be put into places, so we will be able to engage at the same level of place that the Department of Planning and Environment and the GSC (Greater Sydney Commission) do, so we can have a more sensible conversation than maybe we have had in the past.¹⁰⁰

Stakeholder experience of interagency collaboration is mixed

Local government wants interagency collaboration formalised and strengthened

- 2.67 Councils had mixed experiences of interagency collaboration, but high expectations of it. They were positive about how it could be improved and the roles of the various agencies. The Greater Sydney Commission has been well received by councils, and the Department of Planning and Environment is respected as an expert partner. Generally speaking, councils advocated for a more formal process of interagency collaboration to clarify and strengthen it.

- 2.68 Camden Council said the precinct planning process took two to three years to be finalised. A substantial portion of this time involved council and the Department of Planning and Environment jointly liaising and negotiating with state government agencies to agree on outcomes and priorities.¹⁰¹ Ms Nicole Magurren, Director Planning and Environment, told the Committee:

We found that often with State agencies, during the course of doing precinct work there is lots of liaison back and forth; issues arise and at the end of the day someone needs to make a decision. We found that you can go round in circles in terms of time frames – when things arise they get parked and deferred.¹⁰²

- 2.69 Camden Council proposed that a governance structure be established for future land releases and precinct planning setting out formally the roles and

⁹⁹ Mr Brett Whitworth, Department of Planning and Environment, transcript of evidence, 26 March 2018, p34

¹⁰⁰ Mr Tim Raimond, Transport for NSW, transcript of evidence, 26 March 2018, p34

¹⁰¹ Submission 40, Camden Council, p2

¹⁰² Ms Nicole Magurren, Camden Council, transcript of evidence, 26 March 2018, p2

responsibilities of council and the state agencies. As a result the interagency collaboration at the heart of the planning process would be clarified and strengthened.¹⁰³

- 2.70 Wollondilly Council proposed that the Department of Planning and Environment be repurposed as a conduit between councils and state agencies to resolve critical infrastructure planning issues which constrain land supply.¹⁰⁴

- 2.71 Bayside Council also reported interagency collaboration which could benefit from formalising the process and role clarification. Mr Michael McCabe, Director City Futures, described the Department of Planning and Environment's 'big picture' coordinating role, but said for individual works, the relevant authority was responsible:

So if it is a local infrastructure product, it is local council; if it is a road, it is Roads and Maritime Services; if it is a school, it is the Department of Education and Communities. Yet we have not been part of that conversation on that nexus and the cost.¹⁰⁵

- 2.72 Ms Clare Harley, Manager Strategic Planning, described a disconnect between district planning by the Greater Sydney Commission and implementation by the Department of Planning and Environment has implemented. She told the Committee that clarifying the role of each state agency would improve the situation.¹⁰⁶

- 2.73 Tweed Shire Council endorsed the regional coordination process for achieving interagency collaboration. Mr Vincent Connell, Director Planning and Regulation, said that the Regional Coordination Committee, which the NSW Government established to support the regional planning process, had Council's full support.¹⁰⁷

The development industry wants interagency collaboration to deliver consistency

- 2.74 Development industry stakeholders were concerned that some agencies operated within silos, and their activities were not always consistent with overall planning.

- 2.75 The HIA reported concerns about ensuring utility planning was consistent with land use and development planning. Its submission stressed as an example, the importance of regular reviews and updates by Sydney Water Corporation to plan for infrastructure delivery.¹⁰⁸ Regarding interagency collaboration, Mr Troy Loveday, Assistant Director Residential Development and Housing Industry, told the Committee:

We have had discussions with various government agencies, and everyone tends to operate within silos. One arm is not aware of what the other is doing, and we have to go and repeat ourselves to different groups.¹⁰⁹

¹⁰³ Submission 40, Camden Council, p2

¹⁰⁴ Submission 43, Wollondilly Council, p5

¹⁰⁵ Mr Michael McCabe, Bayside Council, transcript of evidence, 26 March 2018, pp52-53

¹⁰⁶ Ms Clare Harley, Bayside Council, transcript of evidence, 26 March 2018, 53

¹⁰⁷ Mr Vincent Connell, Tweed Shire Council, transcript of evidence, 5 March 2018, p22

¹⁰⁸ Submission 31, Housing Industry Association, p9

¹⁰⁹ Mr Troy Loveday, Housing Industry Association, transcript of evidence, 26 March 2018, p19

- 2.76 This sentiment was echoed by the UDIA. Mr Mike Scott stressed the importance of working together:

There are obviously a lot of stakeholders in the process and it is important we get that balance. I think everyone is approaching it in good faith and the biggest thing is sharing information and coordination of information between agencies, councils, industry and everybody else. It seems as we go forward there are still a lot of people in their silos.¹¹⁰

Interagency collaboration needs to be assured

Finding 7

The Committee finds that the process of interagency collaboration, which underpins the New South Wales planning system and the New South Wales Government's written submission and oral evidence, is positive, but requires continual review and reform to ensure that all aspects of development can accommodate the expected growth.

- 2.77 The NSW Government submission focuses on the achievements of bringing agencies together, under the leadership of the Greater Sydney Commission and the stewardship of the Department of Planning and Environment, to collaborate.
- 2.78 The apex of this process is the completion of the Greater Sydney Region Plan and the alignment with this plan of the State Infrastructure Strategy 2018-2038 and Future Transport 2056. By this alignment of land use, transport and infrastructure, the NSW Government promises to rebalance growth in Sydney and deliver the benefits of growth more equally and equitably to Sydney residents.
- 2.79 The collaboration which underpins metropolitan planning informs the Department of Environment and Planning's approach to implementing these plans.
- 2.80 While some stakeholders called for rewriting planning legislation, or for the establishment of a central planning agency with power to direct other agencies, the Committee is not convinced that sweeping new powers or additional layers of bureaucracy are the solution to improving land release and housing supply. The opposite is the case, especially in a climate of increasing pressure on Sydney to accommodate more people and with a shortage of planning resources. A bureaucratic response is likely to spread resources more thinly and complicate approval processes, or alternatively speed the process up by cutting stakeholders out of it.
- 2.81 The Committee accepts the Greater Sydney Commission as a model of collaboration working. It also accepts the evidence of the NSW Government agencies that they are collaborating throughout the planning process to overcome barriers, use resources wisely, and achieve good results earlier.
- 2.82 The Committee also accepts the evidence of local government that councils are willing and able to be part of this process.

¹¹⁰ Mr Mike Scott, Urban Development Institute of Australia NSW, transcript of evidence, 5 March 2018, pp59-60

2.83 The question, then, is how to assure and enhance interagency collaboration.

Interagency collaboration should be formalised

Recommendation 4

The Committee recommends that the New South Wales Government document and publish the process of interagency collaboration, which underpins the New South Wales planning system, and report publicly the activities and outcomes of the collaboration.

2.84 In order for the process of interagency collaboration to endure and the benefits of the process to be secured, the Committee recommends that the process is formalised by:

- Describing and documenting the process;
- Identifying the interagency partners; and
- Regular reporting on the activities and outcomes of the collaboration process.

2.85 The Committee envisages that the information listed above be provided to the public on the Department of Planning and Environment website and be updated on a regular basis to reflect the patterns of meetings and collaborative decision making which underlie the process.

The sufficiency of planning powers

2.86 Many stakeholders questioned whether the lead planning agencies, the Greater Sydney Commission and the Department of Planning and Environment, had sufficient powers to achieve their goals. While this concern was broadly shared, stakeholders did not necessarily share common views about which powers were deficient and how they should be expanded.

Stakeholders' calls for expanded planning powers

2.87 Some stakeholders proposed the creation of a central planning authority, either to manage both planning and infrastructure delivery, or to manage one of those functions. The UDIA advocated for a lead agency to receive, budget and allocate infrastructure funding.¹¹¹

2.88 The PIA described in detail a model for expanding the powers of the Greater Sydney Commission. It said that neither the Commission nor the Department had authority to coordinate the agencies responsible for infrastructure planning and provision.¹¹² In the absence of this authority:

Other agencies are allowed to continue the old practice of politely participating in planning exercises only to put off making decisions on preferred infrastructure options.¹¹³

¹¹¹ Submission 14, Urban Development Institute of Australia, p14

¹¹² Submission 32, Planning Institute of Australia, p8

¹¹³ Submission 32, Planning Institute of Australia, p9

- 2.89 The PIA went further and called for the Commission to be accountable for the timely delivery of the Priority Infrastructure List. It said the strategy of using the Commission's 'cross-agency' Infrastructure Delivery Committee to facilitate collaboration on infrastructure issues was insufficient, and that the Commission should be the conduit for infrastructure delivery, not a mere stakeholder agency.¹¹⁴
- 2.90 The PIA also recommended that the NSW Government strengthen the infrastructure integration role of the Commission's Infrastructure Delivery Committee and empower the Commission to take the lead on infrastructure prioritisation in the NSW Infrastructure Plan and the state budget. It saw the Commission charged with facilitating and directing programs and budgetary allocations of other state agencies so that infrastructure and services implementation were aligned with the rate, locations and scale of planned development patterns.¹¹⁵
- 2.91 The PIA supported a power for the Secretary of the Department of Planning and Environment to act on slow referrals. According to the Institute:
- the [current] facilitation model does not address power imbalances among planning and major infrastructure agencies nor a culture of non-decision making and risk averseness.¹¹⁶
- 2.92 Finally, the PIA advocated for planning referrals and concurrence to be carried out through a hub which would provide clearer criteria as to the circumstances of the Secretary using 'step-in powers', and not just for Integrated Development or State Development. It advised that the Act should clarify whether the Secretary is acting with the legal authority and protection of the agency whose powers is being executed via the Secretary of the Department. This approach is similar to the SARA (State Assessment and Referral Agency) model discussed above.
- 2.93 Some stakeholders argued for increased powers for the Department and the Commission in order to ensure that local government was meeting housing targets. Grattan Institute advocated for greater powers for the Commission to ensure councils met District Plan housing targets, especially in Sydney's inner and middle ring suburbs.¹¹⁷
- 2.94 The Property Council of Australia supported empowering an agency which could suspend councils' Local Environmental Plans that were not updated every five years, and take over development assessment.¹¹⁸
- 2.95 The PIA also wrote that many councils did not have the budget, technical expertise or political will to consider genuine opportunities for new housing, as delegated under the Greater Sydney Commission's district planning process. In the view of

¹¹⁴ Submission 32, Planning Institute of Australia, p9

¹¹⁵ Submission 32, Planning Institute of Australia, p12

¹¹⁶ Submission 32, Planning Institute of Australia, p18

¹¹⁷ Submission 36, Grattan Institute, p23

¹¹⁸ Submission 37, Property Council of Australia, p17

the Institute, the Commission should be empowered to prescribe the location and amount of new housing to be provided under its District Plans.¹¹⁹

Alternative approaches to expanded planning powers

- 2.96 Mr Brett Whitworth, Department of Planning and Environment, advised that while the Department did not have the power to compel agencies in regard to infrastructure delivery, it did have the capacity to coordinate interagency communication:

Do we have the capacity to compel [other agencies]? No. Do we need the capacity to compel them? I do not think we do. We need a more strategic approach.¹²⁰

- 2.97 Mr Whitworth reasoned that different agencies have different approaches and solutions, and sometimes do not agree on the problem. Collaboration, he advised, was sometimes the only way to address problems rather than enforceability:

...my problem is not necessarily the next person's problem and they see the problem in a slightly different way. I am saying that classic collaboration is about resolving problems because not everyone sees the issue in the same way. Often you do not know what the answer is because you do not know what the problem is, and you can only work out the problem by coming together in a room and talking.¹²¹

- 2.98 The Greater Sydney Commission noted that many of the submissions it received while soliciting feedback on its Greater Sydney Region Plan advocated for the Commission to have an increased 'ability to coordinate and collaborate':

Whether that means additional legislative powers or additional resources is something we are certainly looking at the moment.¹²²

- 2.99 The Commission did not advocate for broader powers itself, and instead emphasised the importance that the agency be small enough to pivot quickly to shifting priorities:

It is important for the commission that we stay a nimble organisation that is able to focus on the key requirements of the government at the time. Certainly as we evolve as an organisation we will need to shift our resources to most effectively implement them and that is something as part of this next transition of the commission we are looking to achieve.¹²³

The problem of developing land in fragmented ownership

- 2.100 A notable example of insufficient powers offered by local government was the problem of land fragmentation.

- 2.101 Several councils described the problem of overseeing the release of land subject to multiple and complex ownerships. Camden Council pointed out the difference

¹¹⁹ Submission 32, Planning Institute of Australia, p6

¹²⁰ Mr Brett Whitworth, Department of Planning and Environment, transcript of evidence, 26 March 2018, p35

¹²¹ Mr Brett Whitworth, Department of Planning and Environment, transcript of evidence, 26 March 2018, p35

¹²² Ms Sarah Hill, CEO, Greater Sydney Commission, transcript of evidence, 5 March 2018, p3

¹²³ Ms Sarah Hill, CEO, Greater Sydney Commission, transcript of evidence, 5 March 2018, p3

between managing the release of such land compared with managing the release of land in single ownership or limited ownerships.

Our experience with Oran Park is where we are dealing effectively with one or two families that own that whole precinct, and they are able to fund a lot of detail work and the delivery of a lot of the servicing after land is rezoned as opposed to the issue that we confront in areas such as Leppington where we have fragmented land ownership...Up at Leppington, where we have got, say, some 300-odd land owners, it is a very different experience in coordination, in the precinct planning work, and in the extent of detail that is required.¹²⁴

- 2.102 The Committee was grateful to Camden Council for the clarity of its submission on this question, which was graphically emphasised during the Committee's site visit to Camden on Monday 20 November 2017. Other councils raised similar issues with managing development in areas of fragmented land ownership including Campbelltown, Lake Macquarie and Wollongong.
- 2.103 Mr Fletcher Rayner, Executive Manager Urban Release and Engagement, Campbelltown City Council, explained that it took many years to collect infrastructure contributions from land in fragmented ownership. This hindered councils trying to provide infrastructure to new residents in a timely way. Less complicated ownership with a single developer allowed for the forward funding of infrastructure which could be delivered in concert with people taking up residence. He called for a more coordinated approach from the NSW Government to the management of such areas.¹²⁵

Current planning powers are generally sufficient

Finding 8

The Committee finds that the Greater Sydney Commission, the Department of Planning and Environment and local councils generally have sufficient powers to ensure the successful implementation of the metropolitan plans.

- 2.104 The Committee accepts, broadly speaking, that expanded planning powers are not required.
- 2.105 There may be some roles and relationships, however, around which planning legislation needs to be adjusted to give an improved outcome or overcome a barrier.
- 2.106 In the Committee's view, the answer to power deficits in the Commission and the Department, perceived or otherwise, is to make decision-making transparent, hence the recommendation above to formalise interagency collaboration.
- 2.107 Transparency will make public the way the Commission and the Department work with other agencies to achieve planning outcomes. The community will be able to

¹²⁴ Ms Nicole Magurran, Camden Council, transcript of evidence, 26 March 2018, pp2-3

¹²⁵ Mr Fletcher Rayner, Campbelltown City Council, transcript of evidence, 26 March 2018, p3

assess where responsibility for lack of cooperation lies and respond through their representatives accordingly.

The powers of planning authorities should be clarified or expanded where necessary

Recommendation 5

The Committee recommends that the New South Wales Government:

- **priorities work with the affected local councils to overcome the problems identified for managing the development of land in fragmented ownership; and**
- **clarifies, and amends where necessary, the powers of the Greater Sydney Commission, the Department of Planning and Environment, and local councils to implement planning decisions, and to ensure there is a clear accountability for implementing and overseeing metropolitan and regional planning.**

- 2.108 While the Commission and the Department did not ask for more powers, there was an expectation amongst other planning stakeholders that both agencies, and particularly the Commission, should have sufficient powers to implement their plans, to direct other agencies, and to sanction agencies which did not collaborate or meet targets.
- 2.109 The Committee has recommended new powers and procedures elsewhere in this report, such as a new referrals process.
- 2.110 There may be a need to clarify the powers of the Commission and the Department in particular, to ensure planning goals can be achieved. The management of development of land in fragmented ownership is one example of where current powers are insufficient. The Committee recommends that the NSW Government work with planning agencies and stakeholders to overcome this deficit as a priority, and to identify any other areas which may require legislative amendment.

Chapter Three – Infrastructure funding and delivery

Introduction

- 3.1 In this chapter the Committee examines the various ways that infrastructure is funded and delivered. It considers evidence that there are many different mechanisms for raising the funds to provide infrastructure, but that infrastructure provision is often delayed and not available when required by the community or new residents it is designed to serve.
- 3.2 The Committee also considers suggestions that value may not be captured from the right parties at the right time in the land delivery and housing supply process.
- 3.3 The Committee finds that the current infrastructure funding and delivery mechanisms are costly, complex and opaque.
- 3.4 It recommends that the current infrastructure funding and delivery mechanisms be simplified and made more transparent.
- 3.5 It also recommends that a comprehensive investigation of alternative infrastructure funding models be undertaken.

How infrastructure is funded

- 3.6 The NSW Government described several infrastructure funding arrangements in its submission.

The Special Infrastructure Contribution

- 3.7 The Special Infrastructure Contribution (SIC) Scheme is a cost recovery funding tool used in land release areas. The SIC is a long-range funding scheme that identifies infrastructure items to be delivered within the next 20 years. The costing of infrastructure items determines the developer contribution per dwelling. As development applications are approved, the SIC funds collected are used to finance infrastructure needed to unlock an area for development.¹²⁶

The Housing Acceleration Fund

- 3.8 The Housing Acceleration Fund (HAF) is funded by the NSW Government to provide infrastructure which supports housing development. HAF funds have contributed to road upgrades, water supply and drainage, and power supply. NSW Government contributions continue to be made to HAF to accelerate housing supply.¹²⁷

¹²⁶ Submission 46, NSW Government, p12

¹²⁷ Submission 46, NSW Government, p12

Voluntary Planning Agreements

- 3.9 Voluntary Planning Agreements (VPA) are facilitated by the Department of Planning and Environment. A VPA is a negotiated, binding contract entered into by the Minister for Planning and developers seeking to accelerate land release within priority growth areas. In such cases, the developer agrees to fund precinct planning and deliver enabling infrastructure at no additional cost to the NSW Government. VPAs have been used to fund road construction and for the dedication of land to provide for community facilities.¹²⁸

Development contributions

- 3.10 Development contributions, usually referred to as Section 94 contributions, are collected by local councils from developers and used to fund local infrastructure. Each council manages a local contributions scheme and collects contributions from developers as development is assessed and approved.¹²⁹ Local government development contributions have been capped since 2010 with the NSW Government applying funding, now called the Local Infrastructure Growth Scheme (LIGS), to fund any gaps between the capped contributions and the actual cost of the local infrastructure. This cap is being phased out and the LIGS closed.¹³⁰

Major infrastructure investment

- 3.11 The NSW Government also described major infrastructure investments made outside the planning system, such as rail links, Western Sydney Airport, and delivery of bus transport which create opportunities for housing release due to increased levels of service provided to an area.¹³¹

How infrastructure is delivered

- 3.12 The NSW Government advised that 'infrastructure availability is often the determining factor on the timely delivery of homes within land release sites'.¹³²
- 3.13 New land releases tend not to rely on existing infrastructure, but rather require new infrastructure networks to be installed including new roads, substations, pumping stations, reservoirs and trunk mains. The delivery of new infrastructure networks requires considerable investment by state agencies, and careful planning to ensure infrastructure is available when it is required. Delays in supplying new infrastructure mean new land is not serviced, resulting in delays in housing construction, and financial impacts for the development industry.¹³³
- 3.14 The NSW Government described how infrastructure investment and delivery is programmed by the Department of Planning and Environment through

¹²⁸ Submission 46, NSW Government, p12

¹²⁹ Submission 46, NSW Government, p17

¹³⁰ Submission 46, NSW Government, p20

¹³¹ Submission 46, NSW Government, p16

¹³² Submission 46, NSW Government, p18

¹³³ Submission 46, NSW Government, p19

interagency collaboration so that land release and infrastructure delivery are more closely aligned and delays minimised.¹³⁴

The lack of infrastructure plans causes costs and delays

- 3.15 Local government provided the Committee with many examples of how councils levied and allocated development contributions, including both the benefits and the shortcomings of the mechanisms under their control. Many of the councils which provided evidence reported delays and gaps in funding infrastructure by various mechanisms.

The non-metropolitan experience

- 3.16 Wollongong City Council compared its development contributions plan which funded local infrastructure with the lack of an equivalent state-level plan and program dedicated to funding regional infrastructure. Mr Andrew Carfield, Director Planning and Environment, told the Committee that Council's plan:

...does give the upfront commitment that all that infrastructure will be there to support that community in the future. Having the equivalent provided by the State or a joint infrastructure plan would give a lot of confidence to investors in that land release and would also give confidence to the council moving forward that it can effectively plan for its part of that infrastructure list.¹³⁵

- 3.17 In its submission, Wollongong City Council described the draft West Lake Illawarra Special Infrastructure Plan which established a SIC. Council advised that although the plan was exhibited in 2011, it had not been finalised by the Department of Planning and Environment. Consequently, the Department was managing infrastructure contributions by negotiating individually with each developer on a site-by-site basis. Council said the absence of the SIC plan was adding uncertainty, cost and delays to the subdivision process.¹³⁶
- 3.18 Council also reported that the Department had been unable to determine the contributions framework for the West Dapto Release Area. Uncertainty in the infrastructure funding arrangements for this land release has stalled rezoning and housing delivery.¹³⁷
- 3.19 Council suggested that the experience at West Dapto highlighted a key challenge in the current infrastructure funding settings. It proposed the preparation of a joint State and Local Infrastructure Plan as a commitment to deliver funding and guide the timing of state and local infrastructure.¹³⁸
- 3.20 Tweed Shire Council argued for the need to reform infrastructure funding in order to ease delays and speed up the delivery of developable land. Council called for a comprehensive review of infrastructure charges and a fit-for-purpose financing structure which enabled equitable apportionment of costs between governments

¹³⁴ Submission 46, NSW Government, p19

¹³⁵ Mr Andrew Carfield, Wollongong City Council, transcript of evidence, 5 March 2018, p16

¹³⁶ Submission 44, Wollongong City Council, p2

¹³⁷ Submission 44, Wollongong City Council, p2

¹³⁸ Submission 44, Wollongong City Council, p3

and developers.¹³⁹ It saw infrastructure funding as broader than just housing supply, but in a regional development context where the provision of industry and employment in regional areas was also a goal.¹⁴⁰

- 3.21 Council was especially concerned that private developer decisions exposed councils to infrastructure costs which were neither planned nor strategic. Council argued that developers should bear the costs of infrastructure required to service development which was not part of a strategic regional plan.¹⁴¹
- 3.22 Lake Macquarie City Council also argued for more strategic infrastructure funding based on staged development so that it was not exposed to developer-driven decisions which required funding on too many development fronts.¹⁴²
- 3.23 Council also advised the Committee of its concerns regarding potential mismatches between where funds were raised and spent. Ms Sharon Pope, Manager Integrated Planning suggested infrastructure levies lacked transparency:

...there is no mechanism that insists that the money collected in the Hunter must be spent in the Hunter...There is no annual reporting on how much they have collected or where they have spent it.¹⁴³

The metropolitan experience

- 3.24 Blacktown City Council described a lack of coordination between land release and rezoning, and the provision of infrastructure, affecting the capacity of the market to respond to housing demand. Council pointed to its Riverstone precinct, rezoned in 2010, but in much of which water and sewerage services remained unavailable.¹⁴⁴
- 3.25 Council also described challenges in timing the preparation of Section 94 contributions plans concurrently with the precinct planning process. It suggested that lack of concurrence resulted in council being unable to recover contributions from developers where Ministerial approval of the contributions plan was untimely. Council suggested that an option for councils in this position was to delay granting development consents until contributions could be levied.¹⁴⁵
- 3.26 Blacktown also advised that contributions plans could not factor in anticipated costs and so did not keep pace with actual costs of providing infrastructure over time. It said the process for reviewing a contributions plan already in place was not effective.¹⁴⁶
- 3.27 Finally, Council suggested that the list of essential local infrastructure for which a contribution could be levied was inadequate. It gave the example of community

¹³⁹ Submission 27, Tweed Shire Council, p3

¹⁴⁰ Submission 27, Tweed Shire Council, p3

¹⁴¹ Submission 27, Tweed Shire Council, p5

¹⁴² Submission 10, Lake Macquarie City Council, p4

¹⁴³ Ms Sharon Pope, Lake Macquarie City Council, transcript of evidence, 5 March 2018, p23

¹⁴⁴ Submission 34, Blacktown City Council, p1

¹⁴⁵ Submission 34, Blacktown City Council, p8

¹⁴⁶ Submission 34, Blacktown City Council, p9

facility buildings and environmental works for which it said Council could only levy for land acquisition costs and not building construction.¹⁴⁷

3.28 Randwick City Council asked for a review of infrastructure funding arrangements to improve certainty. It also called for a review of 'value share schemes' and better policy guidance and support from state agencies.¹⁴⁸

3.29 Camden Council echoed the submission of Blacktown City Council in pointing out that councils do not have a mechanism for collecting development contributions prior to the development of land. Ms Nicole Magurren, Director Planning and Environment told the Committee:

The current system as it is set up is such that the section 94 contributions are paid after the development is determined...In areas such as Leppington, where we do not have any development on the ground, the only way for council to fund it would be to forward fund the delivery of that infrastructure.¹⁴⁹

3.30 Campbelltown City Council also reported the issue of having to delay contributions pending development rather than demand. Mr Fletcher Rayner, Executive Manager Urban Release and Engagement said:

Where you have fragmented land holdings councils are normally saddled with the responsibility of collecting infrastructure contributions. That generally means that council is behind the eight ball in how it can deliver facilities, which tends to come many years after people have moved into the community.¹⁵⁰

3.31 The Committee makes a recommendation regarding the development of land in fragmented ownership in Chapter Two.

3.32 Camden Council reported delays between land release and the availability of essential infrastructure such as utilities. It recommended a central coordinating authority to oversee the planning and delivery of essential infrastructure in identified growth areas.¹⁵¹

3.33 The Hills Shire Council pointed to lengthy timeframes to achieve state approval for contributions plans as onerous and not facilitative of good coordination and funding of enabling infrastructure.¹⁵² Council called for the Department of Planning and Environment to be subject to legislated timeframes in which to consider contributions plans to provide certainty to Council and the community.¹⁵³ It described one precinct which lacked a contributions plan five years after rezoning and the lack of certainty this creates.¹⁵⁴ Council went on to recommend 'meaningful State infrastructure plans to cover schools, roads and transport to

¹⁴⁷ Submission 34, Blacktown City Council, p10

¹⁴⁸ Submission 33, Randwick City Council, p5

¹⁴⁹ Ms Nicole Magurren, Camden Council, transcript of evidence, 26 March 2018, p3

¹⁵⁰ Mr Fletcher Rayner, Campbelltown City Council, transcript of evidence, 26 March 2018, p3

¹⁵¹ Submission 40, Camden Council, p4

¹⁵² Submission 30, The Hills Shire Council, p7

¹⁵³ Submission 30, The Hills Shire Council, p9

¹⁵⁴ Submission 30, The Hills Shire Council, p7

support the agreed growth areas'. In Council's view these plans must identify timeframes and committed funding sources.¹⁵⁵

- 3.34 Parramatta City Council also called for substantial reforms to current infrastructure funding and enabling arrangements. It proposed a legislative review of development contributions and infrastructure funding more broadly, including value sharing.¹⁵⁶

Infrastructure contributions add to housing costs

- 3.35 The representatives of the development industry generally argued that development levies added to the cost of housing and hence, had a negative impact on investment and housing affordability. Many argued for a greater contribution to the funding of infrastructure by the NSW Government.
- 3.36 The Urban Development Institute of Australia (UDIA) argued that the property sector boom had contributed additional taxation receipts which could be redirected to fund infrastructure, pay for other demands such as social housing, and delay the introduction of any new developer charges such as the uncapping of council development contributions.¹⁵⁷ The UDIA called for a moratorium on new charges and taxes until the impact of proposed charges were quantified and understood.¹⁵⁸
- 3.37 The Property Council of Australia listed three key aspects of council development contributions which needed to be addressed:
1. Industry needs certainty of costs to enable it to make investments. Developers are unable to assess the feasibility of projects if the cost of developer levies is unknown.
 2. Downward pressure should be maintained to minimise the cost of local infrastructure. Some councils are more efficient in procuring or delivering infrastructure. Their experience and knowledge should be shared across local government.
 3. The NSW Government should be an ongoing partner in funding local infrastructure to support growth, representing a contribution from the broader community to invest in building future cities and communities.¹⁵⁹
- 3.38 The Council also argued for an ongoing role for the NSW Government to assist councils in funding local infrastructure that is required to support growth.¹⁶⁰
- 3.39 Urban Taskforce Australia argued that the whole community benefits from the new roads, parks and upgraded facilities funded through council developer contributions, and not only the incoming residents. It was fair, therefore, that general revenue be used to fund a portion of this infrastructure. The Taskforce called for the NSW Government to ensure new homebuyers are not burdened with

¹⁵⁵ Submission 30, The Hills Shire Council, p9

¹⁵⁶ Submission 17, Parramatta City Council, p4

¹⁵⁷ Submission 24, Urban Development Institute of Australia NSW, pp4-5

¹⁵⁸ Submission 24, Urban Development Institute of Australia NSW, p29

¹⁵⁹ Submission 37, Property Council of Australia, p6

¹⁶⁰ Submission 37, Property Council of Australia, p6

the cost of new facilities and services for infrastructure which is used by a much broader community.¹⁶¹

- 3.40 The Taskforce expressed concern that uncapping council development contributions would result in the charges increasing until they compromised project viability.¹⁶² The Taskforce was generally wary of levies on developers which it saw being applied across Sydney by various levels of government working in isolation. It listed these as special infrastructure contributions, uncapped section 94 contributions, biodiversity offsets, increased foreign investor surcharges, affordable housing levies through inclusionary zoning, value capture levies, payments made through voluntary planning agreements, stamp duty and other taxes.¹⁶³
- 3.41 The Taskforce called for an independent and transparent governance structure to provide oversight and to ensure that levies and fees are considered in a holistic, cumulative proactive manner. It nominated the Department of Planning and Environment as the agency best placed to provide this oversight, calling for the Department to report publicly every six months on the cumulative impact of fees, charges, levies and taxes on property development.¹⁶⁴
- 3.42 The HIA also argued that the imposition of levies and charges on new housing significantly affects affordability and contributes towards making a new home unaffordable for new homebuyers. It nominated SICs and council development contributions as impediments affordable housing release, and suggested uncapping development contributions and introducing new SIC levies would only worsen affordability and project viability.¹⁶⁵
- 3.43 The HIA echoed Urban Taskforce Australia's argument that infrastructure funded through levies was enjoyed by both existing and new residents as well as workers and visitors. It said it is neither fair nor equitable for new homebuyers to fund infrastructure and amenities and that general taxation revenues should be applied.¹⁶⁶
- 3.44 The HIA also criticised voluntary planning agreements as an opportunity to extract additional contributions from developers that would not typically have been paid under a contributions plan. It saw this as a by-product of upzoning being encouraged in the absence of coordinated strategic land use and infrastructure planning.¹⁶⁷

Comprehensive infrastructure planning is required

- 3.45 The PIA wrote that given the lengthy timeframe for rezoning and servicing land, and the lack of certainty this creates for developers, comprehensive infrastructure

¹⁶¹ Submission 35, Urban Taskforce Australia, p4

¹⁶² Submission 35, Urban Taskforce Australia, p4

¹⁶³ Submission 35, Urban Taskforce Australia, p5

¹⁶⁴ Submission 35, Urban Taskforce Australia, p6

¹⁶⁵ Submission 31, Housing Industry Association Ltd, p1

¹⁶⁶ Submission 31, Housing Industry Association Ltd, p11

¹⁶⁷ Submission 31, Housing Industry Association Ltd, p12

planning is essential.¹⁶⁸ An infrastructure plan would identify key infrastructure and allocate who should pay for it, being not only developers, but a mix of funding sources and mechanisms. The Institute described a transparent planning process involving community, government and property stakeholders before funding responsibility was apportioned.¹⁶⁹

- 3.46 The PIA acknowledged the need to balance contributions between those who directly benefit from infrastructure and broader taxpayers, with users and other beneficiaries taking a share of the funding burden to release taxpayer dollars to meet the wider needs of a growing and ageing population. It described charges on development, especially where additional value is created (and captured), as a key part of a broader 'beneficiary pays' framework.¹⁷⁰
- 3.47 The PIA argued that contributions obligations needed to be made known upfront and as a package to be effective. The charges should be predictable for land purchasers so that the full fair share of any value uplift created by subsequent rezonings is returned to the new community through infrastructure upgrades.¹⁷¹
- 3.48 The PIA described a comprehensive planning process which included sign-off by all funding agencies, and Treasury costing, review and auditing of state and regional plans.¹⁷²
- 3.49 In the PIA's planning model, comprehensive infrastructure funding and delivery plans would be provided for identified growth or renewal areas. These plans would be underpinned by a funding mix which outlined the funding shares to be provided by contributions, value sharing/betterment, special rates, grants, other taxes and charges. In such a comprehensive approach all state and local infrastructure contributions and infrastructure schedules would be contained in the one plan for each growth area. The Institute nominated value sharing to play a role and anticipated that a broad based regional property levy might apply to fund open space acquisition and other requirements outside the scope of council development contributions.¹⁷³
- 3.50 The PIA also made significant criticisms of the SIC, noting there was no annual reporting of receipts or expenditure, and no guidelines for planning and delivering infrastructure using SIC funds. Nor, it said, is the SIC system integrated with local development contributions.¹⁷⁴

¹⁶⁸ Submission 32, Planning Institute of Australia, p6

¹⁶⁹ Submission 32, Planning Institute of Australia, p9

¹⁷⁰ Submission 32, Planning Institute of Australia, p9

¹⁷¹ Submission 32, Planning Institute of Australia, p10

¹⁷² Submission 32, Planning Institute of Australia, p11

¹⁷³ Submission 32, Planning Institute of Australia, p10

¹⁷⁴ Submission 32, Planning Institute of Australia, p9

Value capture can be improved

What is value capture?

3.51 Noting the widely varying views of stakeholders on how to fund and enable infrastructure, the Committee used its two public hearings to explore how and why to best capture value, when and from whom, in the development process.

3.52 The community housing sector described value capture broadly in terms of taxation, and as a means to reap community benefit from uplifting land values. Mr Adam Farrar, Principal Policy Officer, ShelterNSW, told the Committee:

...value sharing is a crucial part of both good corporate citizenship and good planning so that everyone can benefit from the changed land use that delivers the increased supply. I reiterate that done properly it is priced into the land in the first place so it is not passed on to developers or consumers.¹⁷⁵

3.53 Mr Farrar added:

...ShelterNSW has for some time supported a land tax approach. We have tended to say that a land tax is a benefit in and of itself simply as a very efficient tax to raise much-needed revenue if we seem to have a blockage about our ability to invest directly in the supply of affordable housing and social housing.¹⁷⁶

3.54 Tenants Union NSW agreed, adding that a broad-based land tax would also encourage more efficient use of land by property owners.¹⁷⁷

3.55 The UDIA also described value capture in taxation terms. Mr Steve Mann, Chief Executive Officer, told the Committee the development industry was supportive of value sharing, but wary of multi-layers of value capture:

But it is coming at developers from absolutely every level of government; so it is value capture on value capture on so many different levels. I would call the one from rezoning a betterment tax, and a betterment tax probably is a relevant issue where it is managed carefully. But then we have got a value capture coming in when you are often getting a larger rezoning scenario or you are getting a sick environment hitting a betterment tax. And then we will get the Federal Government having a go on major transport infrastructure.¹⁷⁸

3.56 Ms Sarah Hill, Chief Executive Officer, Greater Sydney Commission, described a fundamental requirement of getting value capture right:

One of the preconditions to a good value capture policy is understanding what is the infrastructure required for that value capture to deliver.¹⁷⁹

¹⁷⁵ Mr Adam Farrar, ShelterNSW, transcript of evidence, 5 March 2018, 46

¹⁷⁶ Mr Adam Farrar, ShelterNSW, transcript of evidence, 5 March 2018, 48

¹⁷⁷ Mr Leo Patterson Ross, Tenants Union NSW, transcript of evidence, 5 March 2018, p48

¹⁷⁸ Mr Steve Mann, Urban Development Institute of Australia, transcript of evidence, 5 March 2018, p62

¹⁷⁹ Ms Sarah Hill, Greater Sydney Commission, transcript of evidence, 5 March 2018, p3

- 3.57 The development industry was keen to stress its need for certainty whatever the funding mechanism. The HIA saw value capture as an additional process to current infrastructure financing regimes. Mr David Bare, Executive Director, said:

To us value capture would need to deliver considerable benefits and to some degree at the expense of other measures, such as section 94 contributions. It cannot be seen as an additional tax.¹⁸⁰

.....

Having uncapped section 94 levies and so forth is only putting uncertainty in the developer market and the building market, and that is never a good thing.¹⁸¹

- 3.58 The Property Council of Australia agreed. Ms Jane Fitzgerald, NSW Executive Director, said that not knowing the costs of levies and other requirements like biodiversity would simply result in the large national housing suppliers moving elsewhere.¹⁸²

- 3.59 The PIA similarly stressed the value of certainty. Ms Jenny Rudolph, President, told the Committee that not knowing infrastructure contributions upfront caused inefficiencies for the development industry and loss of support for development in the community:

Local and State infrastructure, including any affordable housing contribution imposts, need to be known upfront to be effective so the development industry can do its feasibility work on that basis. I have seen lots of examples of early announcements of opportunities for land release without the contributions regime being down pat.¹⁸³

- 3.60 Mr Tim Raimond, Executive Director Future Transport, Transport for NSW, stressed the value of transparency:

...so that it is clear to the community and everybody what the costs are, what the benefits are, what the windfall gains are to developers and how much they are being asked to contribute, and then the size of the infrastructure investment that is required to actually support that development.¹⁸⁴

- 3.61 Mr David Farmer, General Manager, Wollongong City Council, stressed the need for consistency. Inconsistent treatment of land and levies, especially by capping development contributions, had the effect of inflating land value:

All of a sudden you are going to have a huge issue trying to pull back vendor expectations in terms of the value of that land because you have artificially compressed the cost of development in that location. What I have seen in my time is a large number of chops and changes from the State in terms of their approach, all

¹⁸⁰ Mr David Bare, Housing Industry Association, transcript of evidence, 26 March 2018, p21

¹⁸¹ Mr David Bare, Housing Industry Association, transcript of evidence, 26 March 2018, p20

¹⁸² Ms Jane Fitzgerald, Property Council of Australia, transcript of evidence, 5 March 2018, p42

¹⁸³ Ms Jenny Rudolph, Planning Institute of Australia, transcript of evidence, 26 March 2018, 13

¹⁸⁴ Mr Tim Raimond, Transport for NSW, transcript of evidence, 26 March 2018, p38

trying to be helpful but none of them actually being able to give somebody like us any confidence that there is a comprehensive plan to deliver.¹⁸⁵

How to get value capture right

3.62 The question for the Committee then, was to determine the best way to view value capture in light of the current funding arrangements, and then to identify a way forward.

3.63 Mr Brett Whitworth, Department of Planning and Environment, provided the following helpful definition, when he compared State Infrastructure Contributions with the concept of value capture:

...the concept of a SIC is about collecting money from the developer for the provision of infrastructure that is needed for that development. Value capture is about saying, "We could have that development there or there or there. Who is willing to facilitate that by entering into arrangements with the Government?" The planning legislation says that if you create a development that has an impact on infrastructure you can levy a contribution to recover that cost, whereas value capture is a much more nuanced approach about planning, economic and infrastructure that is needed.¹⁸⁶

3.64 Mr John Brockhoff, Principal Policy Officer, PIA, also provided a thorough summary of the benefits of getting value capture right:

...costs need to be transparent. They need to be worked through and be orderly and logically set out. The earlier they are announced and the more clearly they are justified the better able the development industry is able to build them into their feasibility. It is just a matter of managing the impacts for property owners to ensure that supply keeps online, for the development industry to ensure that viability is maintained, and for the community to ensure that their risks are managed because they have a stake in ensuring that development occurs in a way that does not impact their community to an unacceptable level, and that there are a range of amenities provided that offset that development and address the long-term needs of those communities.¹⁸⁷

3.65 Ms Rudolph summed up the PIA's view:

Our view is not that there should not be one [system of value capture], but there should be one that is applicable and appropriate to that particular area and that it should be known and should stay the same for a couple of years. So that the developers know what it is, the communities know what they are getting and the councils can also understand what is being delivered for the community.¹⁸⁸

3.66 Ms Sharon Pope, Lake Macquarie City Council, called for a 'reality check' in order to understand the mechanisms which allowed housing to be supplied at the right price while meeting the community's wider requirements:

...we need to make it more cost-effective for developers to do what they do best, which is delivering houses. Supply is not the ultimate answer, in my professional view,

¹⁸⁵ Mr David Farmer, Wollongong City Council, transcript of evidence, 5 March 2018, p14

¹⁸⁶ Mr Brett Whitworth, Department of Planning and Environment, transcript of evidence, 26 March 2018, p39

¹⁸⁷ Mr John Brockhoff, Planning Institute of Australia, transcript of evidence, 26 March 2018, p16

¹⁸⁸ Ms Jenny Rudolph, Planning Institute of Australia, transcript of evidence, 26 March 2018, p16

to affordability, but it is certainly one of the levers, one of the mechanisms, for moderating house prices. That is going to be very difficult going forward, if we keep asking more and more of developers, which we do in the environmental offsets and a variety of other things that we ask for.¹⁸⁹

- 3.67 Grattan Institute argued for infrastructure charges to be reformed to align with the Productivity Commission's general principles on infrastructure costs:

This would involve levying charges on developers when local residents will primarily benefit from local infrastructure, such as local parks and roads. Infrastructure charges on developers should be set as close as possible to the cost of providing the local infrastructure in new developments. Where councils aim to capture a share of windfall profits from rezoning or planning gain, this should be explicit, charges should be predictable, and only aim to capture a share of the economic value added above costs and a reasonable risk adjusted return on capital.¹⁹⁰

The complexity of infrastructure funding contributes to costs and delay

Finding 9

The Committee finds that infrastructure funding and delivery is costly, complex and opaque, and causes delay.

- 3.68 For many stakeholders the observation that infrastructure delivery lags behind demand was their most significant issue. Infrastructure funding and enabling mechanisms were frequently described as costly, complex and opaque.
- 3.69 The NSW Government has responded to blockages and delays by adding new ways to fund and enable infrastructure. Individual options are generally well received by the individuals and communities who benefit from them, but they do not necessarily improve the situation for communities relying on the more traditional mechanisms.
- 3.70 In addition to complexity, the Committee believes that a lack of published information on how mechanisms work, and what funds are available from what sources contributes to frustration.
- 3.71 Further, the Committee acknowledges the evidence that the whole notion of value capture, including who contributes at what point in the value uplift cycle, should be examined.

Infrastructure funding should be simplified

Recommendation 6

The Committee recommends that the New South Wales Government ensure infrastructure funding mechanisms are simple and made transparent by:

¹⁸⁹ Ms Sharon Pope, Lake Macquarie City Council, transcript of evidence, 5 March 2018, p25

¹⁹⁰ Submission 36, Grattan Institute, p27

- **undertaking an audit of current infrastructure funding arrangements and funds available, publishing the results, and ensuring ongoing transparency; and**
- **consulting with local government, professional planners and the development industry on the most effective ways to simplify the current arrangements.**

Alternative infrastructure funding models should be investigated

Recommendation 7

The Committee recommends that the New South Wales Government instruct the New South Wales Productivity Commissioner to investigate alternative infrastructure funding models, and value capture and sharing regimes as a matter of urgency.

- 3.72 The complexity of infrastructure funding and the speed at which funds are allocated often means that development occurs in advance of the provision of enabling infrastructure. The perceived lack of infrastructure is a major cause of community cynicism and dissatisfaction with development.
- 3.73 While there was widespread agreement that infrastructure funding arrangements need reform, there was little consensus on how this should be achieved.
- 3.74 Further, many stakeholders were concerned that the value which accrues to landowners and developers through zoning changes and development approvals is often poorly identified and quantified, and arguably levied on the wrong parties at the wrong point in the development process. It was argued that the failure to adequately measure and capture value, and to do so at the right point in the process, contributes to housing unaffordability.
- 3.75 The Committee recommends that the NSW Government, as a matter of urgency, conduct an audit of current infrastructure funding arrangements and funds available, and publish the results in order to clarify what resources are available, to whom, and in what timeframe.
- 3.76 Having published the audit, the Committee recommends that the NSW Government work with stakeholders to identify the most effective way to simplify the current arrangements. This may include comprehensive infrastructure planning.
- 3.77 The Committee also recommends that the NSW Government refer the questions of infrastructure funding and value capture to NSW Treasury for urgent inquiry by the NSW Productivity Commissioner.

Chapter Four – Demand for planners

Introduction

- 4.1 In this chapter the Committee examines the evidence that there is a shortage of planners at both at the state and local government levels, and the impact of this on the effectiveness of the planning system.
- 4.2 The Committee considers the various proposals for alleviating the shortage and for better managing the demand for planners.
- 4.3 The Committee finds that the shortage of planners is impacting on the efficiency of the planning system, especially for local government. It recommends that better use of planning resources is a practical response to the shortage.

Planning resources are in high demand

Planning demands on councils are increasing

- 4.4 Campbelltown City Council told the Committee that in addition to the typical assessment, approval and certification being undertaken by planners, there is the added undertaking of forward planning in order to meet the demands of the current housing market. This is taxing Council's current planning capacity:

In short, there is a chronic disparity between what's required and what's available in terms of qualified and experienced development professionals, within both the Local and State Government arenas.¹⁹¹

- 4.5 Similarly, Blacktown City Council wrote that large areas of land rezoning has led to a noticeable increase in development, creating 'a great deal of pressure on staff to assess and determine the influx of applications'.¹⁹²
- 4.6 Mr Fletcher Rayner, Executive Manager Urban Release and Engagement, Campbelltown City Council, advised that it was difficult to attract planners. He described this as 'common to the region' and was leading to delays in planning approvals:

[Difficulty in attracting staff] introduces pressures in regard to having appropriately qualified staff and appropriate numbers of staff to process rezoning applications and development applications quickly, which puts pressure on the process: particularly at the end of construction certificate approvals and then releases which are at the stage where developers have committed to contracts with buyers.¹⁹³

- 4.7 The Committee noted that Campbelltown and Blacktown Councils are experiencing significant greenfield land release. Not all councils, however, raised a shortage of planners as an issue they are currently facing.

¹⁹¹ Submission 39, Campbelltown City Council, p4

¹⁹² Submission 34, Blacktown City Council, p5

¹⁹³ Mr Fletcher Rayner, Campbelltown City Council, transcript of evidence, 26 March 2018, p3

There is competition for planners between sectors

- 4.8 Another factor contributing to a shortage of planners is competition across sectors. Mr Tim Raimond, Executive Director Future Transport, Transport for NSW, told the Committee:

There is so much transport development going on, so many big projects, and the big projects tend to offer our planners more money than we can offer them, so that is where they go.¹⁹⁴

- 4.9 Mr Chris Johnson, Chief Executive Officer, Urban Taskforce Australia, agreed, indicating that insufficient resources at the state and local government levels, combined with the healthy state of the housing and development industry, has led to 'a lot of planners [being] sucked into the private sector and out of the government sector'.¹⁹⁵

Stakeholders proposed solutions to the shortage of planners

Recruit more planners

- 4.10 Ms Jane Fitzgerald, Chief Executive, Property Council of Australia, told the Committee that some local councils struggle with a shortage of planners because they are 'small and do not have the financial clout of the big guys':

What I see and what I am being told by my members and the people I talk to in the councils and State government is that the planning pond is pretty shallow at the moment. If that means that we need strategies to get planners from elsewhere, then we should be doing that. We have done it for teachers, nurses and other professions.¹⁹⁶

- 4.11 Ms Jenny Rudolph, President, PIA, gave evidence that councils in Western Sydney are seeking more planners in a climate of increased levels of Federal funding to councils.¹⁹⁷ She proposed the NSW Government advocate that the Commonwealth Government recognise planning as a critical skill shortage to assist with the recruitment of planners from overseas.¹⁹⁸
- 4.12 The Committee also received evidence that while there is a shortage of planners generally, there is, more specifically, a shortage of experienced planners. These experienced planners are skilled in areas of high planning complexity, substantial workloads, and strategic and forward planning.
- 4.13 The Property Council argued that the increase in land rezoning has resulted in an increased workload for local council planners. It argued that experienced planners with 'specialist expertise' are needed so that councils are able to update their local

¹⁹⁴ Mr Tim Raimond, Transport for NSW, transcript of evidence, 26 March 2018, p35

¹⁹⁵ Mr Chris Johnson, Urban Taskforce Australia, transcript of evidence, 26 March 2018, p23

¹⁹⁶ Ms Jane Fitzgerald, Property Council of Australia, transcript of evidence, 5 March 2018, p40

¹⁹⁷ Ms Jenny Rudolph, Planning Institute of Australia, transcript of evidence, 26 March 2018, p15

¹⁹⁸ Ms Jenny Rudolph, Planning Institute of Australia, transcript of evidence, 26 March 2018, p15

environmental plans (LEPs) in line with the NSW Government's vision, as well as perform their ordinary functions.¹⁹⁹

- 4.14 The HIA also reported delays as the result of staff shortages. According to Mr David Bare, Executive Director:

A significant factor in the time councils take to assess development applications is due to a shortage of experienced planners working for councils. Many councils are faced with employing relatively inexperienced planners in senior roles and assigning them to undertake complex planning assessments. The Government needs to act to ensure that councils have adequate staff resources to undertake their DA assessment functions in reasonable timeframes.²⁰⁰

Share planning resources

- 4.15 In addition to recruiting planners, the Committee heard that the Department of Planning and Environment and the Greater Sydney Commission are seconding experienced planners from local councils. According to Mr Brett Whitworth, Executive Director Strategic Planning and Programs at the Department:

There is a demand for planners and we are paying a premium for planners. We are looking at options as to how we can bring younger planners in, and how we can get diversity in things like secondments from councils and so on. I also know from my council colleagues that they are very much in the same situation, and the challenge we have is not to poach from each other but to try to work together.²⁰¹

- 4.16 The PIA supported the concept of secondments in order to expand planning knowledge and improve strategic planning, but warned against creating a shortage of planners in local councils as a result.²⁰²

- 4.17 Ms Sarah Hill, Greater Sydney Commission, described how the Commission used shared planning resources to undertake its work:

...local government was heavily involved in the preparation of our district plans. Over half the team were seconded from local government and I am very thankful to councils for their ability to do that.²⁰³

- 4.18 Local government witnesses confirmed the value of the Commission's resource sharing practice. Mr Chris Stewart, Director Planning, Wollondilly Shire Council, for example, reported that sharing Council's planners with the Commission to assist in the preparation of district plans achieved positive outcomes.²⁰⁴

Improve planning efficiency

- 4.19 In addition to recruitment and sharing resources, the Committee received evidence that another solution may be to simplify the planning process. The Planning Institute told the Committee that in light of the current shortage and the

¹⁹⁹ Submission 37, Property Council of Australia, p3

²⁰⁰ Submission 31, Housing Industry Association, p5

²⁰¹ Mr Brett Whitworth, Department of Planning and Environment, transcript of evidence, 26 March 2018, p35

²⁰² Ms Jenny Rudolph, Planning Institute of Australia, transcript of evidence, 26 March 2018, p15

²⁰³ Ms Sarah Hill, Greater Sydney Commission, transcript of evidence, 5 March 2018, p2

²⁰⁴ Mr Chris Stewart, Wollondilly Shire Council, transcript of evidence, 26 March 2018, p4

time it takes to train planners, 'we need to be more clever and more efficient in what we do in the planning process.'²⁰⁵

- 4.20 The Department of Planning and Environment advised that in light of the demands of the Western Sydney City Deal, it was adapting its approach to the planning shortage by having its planners work more broadly across similar regions, rather than on specific projects. Mr Whitworth told the Committee:

I think that is why the Western Sydney Planning Partnership that was announced as part of the city deal is such a useful enterprise, because it is starting to say we know that we have a shortage of planners in Western Sydney. One of the responses to that is can we make our planning resources go further rather than having someone who is in Campbelltown who is just working on Campbelltown issues? Can they work on issues that go across the Western Sydney area? In respect of a development assessment process, can you share some of those resources as the need and the demand arises? I am not saying that is what the planning partnership is going to do, but I can see the opportunity for it to evolve to that point over time.²⁰⁶

The shortage of town planners is having an impact on planning efficiency

Finding 10

The Committee finds that there is a high demand for town planning resources and a shortage of qualified town planners, especially in local government, which is having an impact on planning efficiency.

- 4.21 The Committee accepts the evidence that there is a shortage of town planners and that local government, and particularly councils experiencing high planning demands, are most affected.
- 4.22 The Committee notes that stakeholders are employing various solutions to address the shortage, including recruiting more planners, sharing planning resources, and improving planning efficiency, although it is unable to judge the effectiveness of these solutions with any certainty.
- 4.23 Recruiting more planners is arguably the least practical of the three strategies described in evidence. If planners are in short supply, recruiting them will merely move the shortage around, and exacerbate the shortage in the parts of the industry least able to compete.
- 4.24 Training more planners is a longer term solution which should be explored.
- 4.25 In the Committee's view, pooling scarce planning resources and using them more efficiently is a sensible approach to the problem. The evidence the Committee heard from both state and local government representatives is that resource pooling occurs now as and when required, and has achieved positive results. The Committee endorses this practice.

²⁰⁵ Ms Jenny Rudolph, Planning Institute of Australia, transcript of evidence, 26 March 2018, p11

²⁰⁶ Mr Brett Whitworth, Department of Planning and Environment, transcript of evidence, 26 March 2018, p35

- 4.26 The other practical solution is to simplify the planning process. Wherever the workload on planners can be reduced the demand for planners should be similarly reduced. In Chapter One the Committee recommended a process to identify ways to simplify and improve the planning system. In Chapter Two the Committee also considered evidence relating to tools for better coordination of decision-making.

Planning agencies should make better use of planning resources

Recommendation 8

The Committee recommends that the New South Wales Government identify and implement opportunities to make better use of existing planning resources including pooling of planning staff, and using smarter work practices to reduce demand for planners.

- 4.27 The shortage of planners is a significant barrier to more efficient and effective planning.
- 4.28 Solutions which focus on training or recruiting planners are time consuming or transfer the shortage from one sector to another.
- 4.29 The Department of Planning and Environment and local councils are already working together to overcome the shortage by using their finite planning resources more cleverly.
- 4.30 The Committee recommends that planning agencies take every opportunity to employ available techniques to reduce the demand for more planners and to employ the current planning resources effectively. This includes pooling of planning staff, as well as better use of the coordination tools described elsewhere in this report.
- 4.31 Use of regional governance mechanisms, for example, may allow non-metropolitan councils to use their planning resources more efficiently by employing the pooling and joint-working arrangements which Sydney councils reported.

Chapter Five – Liveability and character

Introduction

- 5.1 In this chapter the Committee discusses liveability and character, what these terms mean to planners and the community, and how they are delivered and measured.
- 5.2 The Committee finds that 'liveability' and 'character' are not well understood. The use of the terms in debate about planning decisions and impacts, often interchangeably, does not always contribute to shared understanding and informed debate. A common understanding of these terms may improve planning decisions and the efficiency of land release and housing supply.
- 5.3 The Committee recommends that the terms be better defined and measured, so that they can be better employed in planning advocacy and decision making, as discussed elsewhere in this report.

Defining, delivering and measuring liveability and character

- 5.4 One of the areas which generated the most discussion during this inquiry was the question of liveability and character: how they are defined, how they are delivered, and how they are measured.
- 5.5 For some stakeholders liveability and character are interchangeable terms. The Committee determined, however, that the terms are different and are viewed differently, whether by planners trying to deliver them, or by people seeking them as attributes to be retained, enhanced or delivered in their neighbourhoods and communities.

What is liveability?

Improving liveability is a NSW Government objective

- 5.6 The NSW Government submission noted that improving liveability is one of the objectives of the Greater Sydney Commission under its establishing Act.²⁰⁷
- 5.7 Ms Sarah Hill, Chief Executive Officer of the Commission, explained that each of the Commission's five district plans has a chapter on liveability.²⁰⁸ She emphasised that a key aspect of liveability in the plans was housing diversity, from social housing to affordable rental housing to housing for purchase, as well as diversity across the different parts of Sydney.²⁰⁹
- 5.8 Ms Stephanie Barker, the Commission's Director Metropolitan Planning, told the Committee that liveability was more than just housing numbers and supply, but concerned the amenity of neighbourhoods and communities. The Commission identified tree canopy, for example, as a measure of liveability:

²⁰⁷ Submission 46, NSW Government, p14

²⁰⁸ Ms Sarah Hill, Greater Sydney Commission, transcript of evidence, 5 March 2018, p1

²⁰⁹ Ms Sarah Hill, Greater Sydney Commission, transcript of evidence, 5 March 2018, p2

That was an important measurement around amenity and place making. We have also done an open space audit. So there are different elements that we are being able to measure that we are pulling in, and into the future we will be able to develop with councils what databases would assist them in measuring liveability as well.²¹⁰

- 5.9 Ms Barker also pointed to the Commission's research into active lifestyles and social indicators as a measure of the quality of the communities being planned:

To that we have done quite a bit of research around active lifestyles, healthy living, connections and walkability, and in the region plan we have got some objectives there around socially connected and community diversity as well. We have looked at things like social connectors that are important to building trust and relationships within communities. There is a two-pronged approach, which is about what peoples' needs are and the services they need, but also about how they live in the community and then the actual quality of the places...It is more qualitative at this stage.²¹¹

Stakeholders define liveability in different ways

- 5.10 Other stakeholders most commonly referred to liveability as a planning goal to be delivered. The PIA wrote that planning was not merely a matter of housing supply, but should seek to shape communities by agreements which enabled housing to be supplied as part of an integrated process of delivering employment, and social and economic infrastructure.²¹² The PIA argued that delivering improved liveability was a special responsibility of planners who were well qualified to engage with communities, manage trade-offs, and ensure best planning practice.²¹³

- 5.11 Mr Paul Brockhoff, PIA, told the Committee that there is no one definition of liveability, and that it differed from one location to another:

In greenfields it might be the availability of sporting fields, roads, commuter parking, community facilities, services for young people, and in the inner and middle ring it might be really sophisticated public domain improvements around high-rise developments and really good access to public transport.²¹⁴

- 5.12 Tweed Shire Council noted that when the community expressed concern for planning, it was not about housing numbers, but how development ensured quality of life.²¹⁵ Mr Iain Lonsdale, Coordinator Strategic Planning, suggested that liveability is not well understood by planners or the wider community, and changes meaning from community to community:

It is something that really needs to be defined in planning terms so that we can start looking at measuring liveability within the urban environment so that it can be encapsulated within master planning...In some areas of the Tweed, for example, liveability means anything less than three storeys, whereas in other areas it means if

²¹⁰ Ms Stephanie Barker, Greater Sydney Commission, transcript of evidence, 5 March 2018, p6

²¹¹ Ms Stephanie Barker, Greater Sydney Commission, transcript of evidence, 5 March 2018, p5

²¹² Submission 32, Planning Institute of Australia, p3

²¹³ Submission 32, Planning Institute of Australia, p23

²¹⁴ Mr Paul Brockhoff, Planning Institute of Australia, transcript of evidence, 26 March 2018, p15

²¹⁵ Submission 27, Tweed Shire Council, p2

it has got trees on it, it is liveable. It changes dramatically. I think it is in the mainstream vernacular in planning and so it should be defined.²¹⁶

- 5.13 Ms Sharon Pope, Manager Integrated Planning, Lake Macquarie City Council, defined liveability as a measure of housing diversity, affordability and amenity. Diversity fostered communities populated by a range of household types, while affordability referred to communities where lower income households could afford to buy a house and live an affordable lifestyle:

It is affordability in that you will not necessarily need to have five cars in your household; you may be able to get by with one because you have public transport or good footpaths and cycleways so people can walk and cycle to where they need to go. It is about having local schools so that children can walk to school; they do not need to be driven to school. It is about having people living close to at least a small shopping centre where they can get their daily needs and they do not have to hop in the car and go to a major centre to get a bottle of milk. It is about amenity. It is about having some open space. It is about having some trees....We certainly look at liveability and ways to maintain it, ways to improve it and ways to capitalise on it. That is where we are looking to place more medium density housing or a more diverse range of housing compared with the single dwelling on a block of land that tends to exist in most of the city.²¹⁷

- 5.14 Blacktown City Council cited access to open space as a measure of liveability valued by its community. Council wrote that as residential densities increase, 'access to quality open space leads to increased physical activity, tolerance and social connectedness', all attributes of liveable communities.²¹⁸

- 5.15 Bayside Council described liveable places as being close to:

- Public transport;
- High quality public and private open space;
- Health and education services;
- Community facilities; and
- Are easy to move around in sustainably; and
- Are in proximity to meaningful employment opportunities.²¹⁹

- 5.16 Council expressed concern that the Greater Sydney Commission's Draft District Plans do not establish quantifiable benchmarks for these attributes of liveability, ie the social, open space, public transport, education, environmental, health and employment needs required to support forecasted population growth.²²⁰ Council called for benchmarking to ensure planning delivered liveability, and not just

²¹⁶ Mr Iain Lonsdale, Tweed Shire Council, transcript of evidence, 5 March 2018, p24

²¹⁷ Ms Sharon Pope, Lake Macquarie City Council, transcript of evidence, 5 March 2018, p24

²¹⁸ Submission 34, Blacktown City Council, p4

²¹⁹ Submission 22, Bayside Council, p7

²²⁰ Submission 22, Bayside Council, p7

housing supply. It recommended that the Committee investigate the quantifiable objectives, targets and indicators which could be applied to plans so that their contribution to liveability could be assessed beforehand and measured afterwards.²²¹

5.17 Appearing before the Committee Mr Michael McCabe, Director City Futures, Bayside Council, gave support for housing diversity as a liveability indicator. He said that housing diversity not only catered to people with different needs, but activated town centres given that different demographics result in different behaviours.²²²

5.18 Ms Clare Harley, Manager Strategic Planning, Bayside Council, emphasised the importance of environmental objectives in defining and delivering liveability. She told the Committee that housing supply needs to focus on the constraints of long-term environmental impacts such as flooding, and not just on short-term housing supply costs.²²³

How is liveability benchmarked?

5.19 Inner West Council referred the Committee to the Southern Sydney Regional Organisation of Councils (SSROC) which had prepared liveability benchmarks. These benchmarks could be applied by councils and others to assess the wellbeing of a community being subject to change through development.²²⁴

5.20 The Southern Sydney Regional Organisation of Councils published its report *Liveability Benchmarks for Central and Southern Sydney* in November 2015.²²⁵

5.21 The report examined urban intensification with the aim of establishing a mechanism to measure the impact on local communities and make state and local governments accountable for their delivery of services and infrastructure as part of their management of the process. The report defined liveability as the wellbeing of a community and the characteristics that make a place where people want to live:

It is the sum of the aspects that add up to the quality of life of a place, including its economy, amenity, environmental sustainability, health and wellbeing, equity, education and learning, and leadership.²²⁶

5.22 The report listed ten issues which encompass liveability, identified desirable goals for each, and proposed how each aspect could be measured practically to demonstrate how liveability is being maintained and enhanced. The issues proposed for benchmarking in the report were:

²²¹ Submission 22, Bayside Council, p8

²²² Mr Michael McCabe, Bayside Council, transcript of evidence, 5 March 2018, p58

²²³ Ms Clare Harley, Bayside Council, transcript of evidence, 5 March 2018, p58

²²⁴ Submission 41, Inner West Council, p2

²²⁵ Southern Sydney Regional Organisation of Councils, <http://ssroc.nsw.gov.au/liveability-benchmark-report/>, viewed on 12 October 2018

²²⁶ Southern Sydney Regional Organisation of Councils, Liveability Benchmark Report, p7, <http://ssroc.nsw.gov.au/liveability-benchmark-report/>, viewed on 12 October 2018

- Active open space and recreation
- Housing affordability
- Access to centres of employment
- Parking
- Schools and other education facilities
- Hospitals and health facilities
- Community and cultural facilities including childcare
- Precinct sustainability
- Local employment and economic development
- Utilities and stormwater.²²⁷

What is character?

- 5.23 Character was discussed by stakeholders less frequently than liveability.
- 5.24 The NSW Government submission made several references to character as an attribute of local areas. It said that planners and decision-makers must be mindful of character when making planning decisions, especially when considering the impact on local character of new developments.²²⁸ The submission acknowledged the expertise possessed by local councils when addressing local character.²²⁹
- 5.25 Randwick City Council called for a model for planning in brownfield areas which involved the local council and community from the start. Council proposed a process which considered increased housing supply in the context of community needs. It envisaged that such a model might allow for the achievement of population and density targets in a way which avoided high-rise development and was 'sympathetic to the local streetscape and character'.²³⁰

How is a balance struck between development and character?

- 5.26 The Committee asked Mr David Birds, Group Manager Planning, Inner West Council how Council balanced development demands with maintaining suburban character, especially in light of the views reported elsewhere in this report, that development was not being shared equitably across Greater Sydney.
- 5.27 Mr Birds drew the Committee's attention to the Department of Planning and Environment's process for examining local character, referred to below. In particular he acknowledged concern in communities which felt they were being

²²⁷ Southern Sydney Regional Organisation of Councils, Liveability Benchmark Report, pp38-40, <http://ssroc.nsw.gov.au/liveability-benchmark-report/>, viewed on 15 October 2018

²²⁸ Submission 46, NSW Government, p16

²²⁹ Submission 46, NSW Government, p17

²³⁰ Submission 33, Randwick City Council, p3

asked to accommodate development without ownership of the amount and form it would take:

There is great concern about the impact on the built environment and the area in which people love to live.²³¹

- 5.28 Mr Birds proposed that engagement with the community in strategic planning through a 'bottom-up approach' would encourage community buy-in and make later development approvals simpler and less antagonistic:

It is really important that we do respect local character in every area. It does not mean you cannot undertake growth but you have to plan carefully for it.²³²

- 5.29 Mr Brett Whitworth, Executive Director Strategic Planning and Programs, Department of Planning and Environment, confirmed the distinction between the terms liveability and character which the Committee had been hearing from witnesses. He described the challenge for the Department when working with councils and the community:

How do we say to them, "We appreciate the character of your area is this and we want to make more houses but we also want you to see that the area is still the same and that there are greater opportunities for green space and open space". That is why our planned precincts program is very much built around building local character statements, preparing green plans that identify opportunities for more open space, better environmental connections as well as the opportunities for better density and better designed development around railway stations.²³³

How is the character of one neighbourhood compared with another?

- 5.30 The Committee explored the question of local character further, asking how the individual character of different neighbourhoods was reflected in planning. It asked how character was retained when some development in some neighbourhoods was height capped and in others not, especially around railway stations identified by the NSW Government as the focus for development.
- 5.31 Mr Whitworth advised that height limits were flexible and only one input in each council's local planning scheme. He stressed that planning was a partnership, not only between state agencies, but with local councils who would prepare the plans which addressed local character.²³⁴
- 5.32 The Committee surmised that imposing different development constraints on neighbourhoods may indicate that one neighbourhood's character was more valued than another, and if so, queried how equity could be demonstrated in the planning system across Sydney. The question of demonstrating equity and why it is important is discussed in Chapter Six.

²³¹ Mr David Birds, Inner West Council, transcript of evidence, 5 March 2018, p56

²³² Mr David Birds, Inner West Council, transcript of evidence, 5 March 2018, p56

²³³ Mr Brett Whitworth, Department of Planning and Environment, transcript of evidence, 26 March 2018, p41

²³⁴ Mr Brett Whitworth, Department of Planning and Environment, transcript of evidence, 26 March 2018, p42

Councils are preparing local character statements

- 5.33 Both Mr Birds and Mr Whitworth referred above to 'local character statements'. These are described on the Department of Planning and Environment's website.²³⁵
- 5.34 Under the heading 'what is character' the Department gives a detailed definition:
- Character is what makes a neighbourhood distinctive. It is created by a combination of the land, public and private spaces and how they interact to make a distinctive character and identity of an area. This includes the relationship between buildings, architectural styles, subdivision patterns, activity, geography and vegetation.²³⁶
- 5.35 The Department describes as an aim of government that 'planning to accommodate housing and job growth in new and existing communities recognises and enhances local character'. It lists three key strategies for achieving this, including 'recognising and championing the important role communities play in defining existing character and shaping a desired future character for their local area'.
- 5.36 In October 2018, the Department published the first Draft Local Character Statement for St Leonards and Crows Nest, which will be available for exhibition for the remainder of 2018. The document reflects the community consultation that was undertaken as part of this process, and outlines what is valued and appreciated by the community.²³⁷
- 5.37 Under changes to the *Environment Planning and Assessment Act 1979*, councils will prepare local strategic planning statements setting out the 20 year vision for land-use in each area, the special character to be preserved, and how to manage change.²³⁸
- 5.38 The Department has issued a Planning Circular giving guidance on respecting and enhancing local character.²³⁹ The Circular repeats the definition of local character given above, but emphasises it is distinct from 'considerations of heritage and conservation'. Importantly, the Circular states that 'all places have character'.²⁴⁰
- 5.39 The Circular also emphasises the role of good design in ensuring that development can occur which builds on valued characteristics of individual neighbourhoods, and

²³⁵ Department of Planning and Environment, <https://www.planning.nsw.gov.au/Plans-for-your-area/Priority-Growth-Areas-and-Precincts/St-Leonards-and-Crows-Nest/Key-actions-and-documents>, viewed on 15 October 2018

²³⁶ Department of Planning and Environment, <https://www.planning.nsw.gov.au/Policy-and-Legislation/Local-character>, viewed on 15 October 2018

²³⁷ Department of Planning and Environment, <https://www.planning.nsw.gov.au/Plans-for-your-area/Priority-Growth-Areas-and-Precincts/St-Leonards-and-Crows-Nest>, viewed 24 October 2018

²³⁸ Department of Planning and Environment, <https://www.planning.nsw.gov.au/policy-and-legislation/local-character>, viewed on 15 October 2018

²³⁹ Department of Planning and Environment, <https://www.planning.nsw.gov.au/~media/Files/DPE/Circulars/local-character-planning-circular-2018-01-16.ashx>, viewed on 15 October 2018

²⁴⁰ Department of Planning and Environment, <https://www.planning.nsw.gov.au/~media/Files/DPE/Circulars/local-character-planning-circular-2018-01-16.ashx>, viewed on 15 October 2018

commits the NSW Government to consultation with local communities so that character is defined and identified, and respected in strategic planning.²⁴¹

- 5.40 The Department has set a timeframe of 1 December 2019 for Sydney councils to have completed their local strategic planning statements.²⁴²

Liveability and character are not well understood

Finding 11

The terms 'liveability' and 'character' are widely used, but not well understood.

- 5.41 As noted above, the terms 'liveability' and 'character' were used throughout the evidence the Committee received. The Committee was concerned to understand exactly what they mean given the importance being placed on achieving them in both existing and new neighbourhoods.
- 5.42 In finding that the terms are not well understood, the Committee believes it is important, firstly, to stress that they are not the same thing. The terms are often used interchangeably, and particularly to signal the aspects which people like about their existing neighbourhoods and which might be threatened by planning and development decisions.

Liveability is measured

- 5.43 Liveability figures prominently in the Greater Sydney Commission's Greater Sydney Region Plan. At the heart of the plan is the aim of boosting Greater Sydney's 'liveability, productivity and sustainability by spreading the benefits of growth to all its residents'. The Commission lists ten directions in its plan which will boost liveability, productivity and sustainability.²⁴³
- 5.44 As discussed above, some witnesses referred the Committee to the Southern Sydney Regional Organisation of Councils' Liveability Benchmarks which provided a detailed list of benchmarks and a practical scheme for measuring them.
- 5.45 The elements commonly described as amounting to liveability, both by the Commission and others, tend to be measurable. They include access to employment, recreation and services; availability of open space; walkability; proximity to transport for both work and leisure; the amount of tree cover and waterways; and so on.
- 5.46 The Committee is satisfied that liveability is a quantitative concept. Its achievement can be monitored, measured and reported by reference to observable and measurable features of the urban environment.

²⁴¹ Department of Planning and Environment, <https://www.planning.nsw.gov.au/~media/Files/DPE/Circulars/local-character-planning-circular-2018-01-16.ashx>, viewed on 15 October 2018

²⁴² Department of Planning and Environment, <https://www.planning.nsw.gov.au/policy-and-legislation/environmental-planning-and-assessment-act-updated/guide-to-the-updated-environmental-planning-and-assessment-act-1979/part-3-strategic-planning>, viewed on 15 October 2018

²⁴³ Greater Sydney Commission, <https://www.greater.sydney/directions-greater-sydney>, viewed on 15 October 2018

Character is perceived

- 5.47 Character, on the other hand, is a qualitative concept. The Department of Planning and Environment defines character as ‘what makes a neighbourhood distinctive’.²⁴⁴
- 5.48 Unlike liveability, what gives a neighbourhood character seems to the Committee to be less measurable and more instinctive. Character might relate to density or appearance, but also to how it feels to live in a particular place.
- 5.49 Assuming the inputs which produce distinctiveness can be described, how the sum of these inputs produces character is a matter for those who experience and perceive it. Hence the Department, in listing the strategies by which it will plan to enhance local character, refers to the characteristics of neighbourhoods which are valued, and the role of communities in defining and shaping character.
- 5.50 When witnesses talked about character, however, there was a tendency to see it in environmental terms. Yet urban tree cover (the ‘green grid’), open space, and urban waterway management are more likely to be measured in planning documents as liveability concepts. These are aspects which may contribute to character, yet the character of many neighbourhoods valued by the people who live there, such as inner city neighbourhoods about which much of the debate concerning loss of character is occurring, are notable for the absence of aspects like tree cover, open space or waterways.

What is the character of any particular area?

- 5.51 While the Committee is generally comfortable with the way the Commission and the Department describe and measure liveability, it is less comfortable with the way they describe character. What is the character of any particular area? What is the character of Wollstonecraft or Roseville, Jannali or Carlingford, Punchbowl or Ingleburn? Which of these neighbourhoods has more or less character, whether compared with each other or against some objective standard? Is it possible for a person who does not live in a neighbourhood to say what is its character?
- 5.52 The Department proposes that local communities, through their local councils, will draw up character statements by the end of 2019. The Committee is unclear as to how a character statement will be judged as correct or acceptable. It is clear, however, that given the current rates of development, the character of neighbourhoods will continue to be impacted by development decisions while character statements are being prepared.

Local communities are best placed to describe character

- 5.53 The Committee agrees that local communities are best placed to identify and describe the character of their neighbourhoods. The question is, once it has been identified, how should character be understood and protected?

²⁴⁴ Department of Planning and Environment, <https://www.planning.nsw.gov.au/Policy-and-Legislation/Local-character>, viewed on 15 October 2018

- 5.54 In Chapter Six the Committee discusses advocacy for metropolitan planning and the changes which population growth and development will bring to Sydney. The impact of the changes must be communicated persuasively to the community if their consent is to be gained. In the Committee's view, the failure to communicate persuasively is resulting in community dissatisfaction on a widening scale.

Does development mean loss of character?

- 5.55 If liveability is about positive changes which make it easier to live in a neighbourhood and can be communicated to the people who will be affected, the planning challenge is how to communicate about character. Too often, development is portrayed as occurring at the expense of the character which existing residents value.
- 5.56 The Committee believes this is the nub of the current debate about Sydney's growth: the failure to resolve the tension which exists between development and loss of character.
- 5.57 How planners determine, measure and protect character is critical. Is there a planning assumption, whether explicitly or implicitly, that some neighbourhoods have more character than others? How is this measured and who decides? Are neighbourhoods deemed by planners to be of comparatively lower character somehow an easier sell for development? These processes need to be clarified and made transparent.
- 5.58 It is true that the residents in some neighbourhoods may be more active in advocating for the protection of their neighbourhoods from developments, than others. The cynicism the Committee detects in people about planning decisions and loss of character, however, is widespread.

Can character be traded off for improved liveability?

- 5.59 In the end, the idea that character and development can go hand-in-hand may be misguided. The community might be more accepting of development if it can be shown that what they trade away in character, they gain in liveability.
- 5.60 A community that does not wish to trade off character for liveability may be satisfied to forego improvements if that is the price of protecting character. The challenge is explaining the costs and benefits of development upfront, in the terms of 'the bargain' as it was described by the Planning Institute of Australia, and then leading communities through to consent. Understanding the idea of a bargain and what it means for community consent is discussed more in Chapter Six.

Liveability and character should be better defined

Recommendation 9

The Committee recommends that the New South Wales Government:

- **works with councils, stakeholders and the community to better define and promote liveability and character and how they are used in planning; and**

- **ensures liveability and character become primary factors in development assessment and approval, are measured and reported on, and inform planning advocacy.**

- 5.61 Liveability and character are not well understood. Despite confusion and lack of definition, they are not interchangeable terms.
- 5.62 The Committee believes liveability is more than a goal, and can be measured.
- 5.63 The Greater Sydney Commission has put forward its ten liveability factors as keys to the outcomes it hopes to achieve.
- 5.64 The liveability benchmarks prepared by the Southern Sydney Regional Organisation of Councils represent a basis for measuring and reporting on liveability. Benchmarks like these should be adopted by the NSW Government and adapted for the purpose of measuring and publicly reporting on the improvements to liveability which plans and planning decisions promise to deliver. If the promise of improved liveability is at the core of Sydney's metropolitan planning, it must be measured and demonstrated to have been delivered.
- 5.65 Character is a more vexed question. The Committee does not believe it can be quantitatively measured. Nevertheless, questions of potential or perceived loss of character are one of the main reasons for community opposition to planning and development decisions. The difficulty in defining character and measuring its preservation, enhancement or loss make character a contentious subject in any planning debate.
- 5.66 The Department of Planning and Environment is right to have initiated the development of community-driven local strategic plans which will identify the distinctive character of different areas. These plans should be completed as a priority.
- 5.67 The outcomes of measuring liveability and identifying character will be a better informed planning and development debate, and a foundation for negotiating with communities to seek their consent to changes in their neighbourhoods.
- 5.68 Ultimately, the Committee believes that the changes which Sydney's metropolitan planning anticipates can be expressed as a bargain. The bargain can be best understood as what communities may trade-off in character to gain in liveability. A community-based process to define, measure and report on liveability and character, and then present planning proposals to the community in terms of making and fulfilling a bargain, is a natural extension of the successful strategic planning approach adopted by the Greater Sydney Commission. The Committee believes this approach is a better way to negotiate for community consent than currently.

Chapter Six – Advocating for planning and development

Introduction

- 6.1 In this chapter the Committee examines issues around advocating for planning decisions and development proposals. It considers who the advocates are, what messages they broadcast and how community agreement is achieved.
- 6.2 The Committee finds that public advocacy is not well coordinated and is often unpersuasive.
- 6.3 It also finds that it is difficult to demonstrate that development is shared equitably across Sydney, which is one of the key contributions to the current debate.
- 6.4 The Committee recommends that information be collected and published to support evidence-based advocacy so that a better informed community debate occurs.

Achieving community agreement through advocacy rather than imposition

- 6.5 Many stakeholders commented on advocacy for planning and development decisions. Comments ranged across questions of community consultation and engagement about planning decisions at all levels, to whom should be responsible for advocating for planning generally and for more controversial aspects of planning such as increased densities.
- 6.6 The question of how to achieve community agreement to and ownership of planning decisions figured prominently in the discussion about character and liveability in Chapter Five. For many stakeholders, the challenge confronting planners and decision makers was how to advocate in a political climate for development which impacted on liveability and character.
- 6.7 Inner West Council wrote that 'a fundamental feature of a good planning system is the movement towards cooperation and consensus' and away from being regulated and imposed from the top.²⁴⁵

The politics of planning are 'poisonous'

- 6.8 Grattan Institute described the politics of planning as 'poisonous'.²⁴⁶ The Institute drew particular attention to the resistance of residents in established middle ring suburbs, to development and increased densities.
- 6.9 The Institute, describing the construction of medium density housing in middle ring suburbs as 'vital to the future prosperity of Sydney',²⁴⁷ wrote that while the

²⁴⁵ Submission 41, Inner West Council, p2

²⁴⁶ Submission 36, Grattan Institute, p21

²⁴⁷ Submission 36, Grattan Institute, p21

benefits of population growth accrue to society as a whole, decisions about development approvals are made by local councils. Existing residents, it wrote, usually prefer their suburb to stay the same, and restricting development effectively increases the scarcity value of their properties. Conversely, prospective residents who might wish to, but do not already reside in these suburbs, have no influence over council decisions so are left unrepresented in local decision making.²⁴⁸

- 6.10 The Institute suggested that the politics will only change if more people understand the trade-offs that are implicit in opposing development. It said public engagement is vital in providing the framework for residents to think about choices facing their cities and neighbourhoods.²⁴⁹
- 6.11 Grattan Institute argued that the NSW government needs to clearly articulate the benefits of people accepting more households into their area. Managed well, accepting more residents can lead to improved infrastructure, more and better services, more shops and more funding for community facilities. In particular, linking higher density development to the provision of new and improved social and transport infrastructure may help overcome community resistance to development. The Institute argued that medium density dwellings in established areas are exactly the kind of dwellings that current residents would like their children to buy, as well as being the kind of housing existing residents will wish to downsize into.²⁵⁰

Who should advocate for planning and development?

- 6.12 As the Committee discussed in Chapter One, the Greater Sydney Commission has generally been well received, particularly in its role as an advocate for the planning outcomes it has produced using its district engagement approach. In Chapter Five the Committee discussed the opportunities to measure planning impacts, both in terms of their impact on existing communities and the positive changes development can bring. A question for the Committee, then, was to examine how advocacy for planning changes occurs and who is responsible for this advocacy, not just in light of Grattan Institute's comments about middle ring suburbs, but across Sydney and the state as a whole.
- 6.13 Mr Chris Johnson, representing Urban Taskforce Australia, told the Committee that some parts of the community were better represented by advocates than others. He described, similar to Grattan Institute, incoming or prospective residents as unrepresented in the local debates about planning and development:

...the number of people coming is greater and greater, but the local council does not represent them.²⁵¹

²⁴⁸ Submission 36, Grattan Institute, p21

²⁴⁹ Submission 36, Grattan Institute, p22

²⁵⁰ Submission 36, Grattan Institute, p22

²⁵¹ Mr Chris Johnson, Urban Taskforce Australia, transcript of evidence, 26 March 2018, p25

6.14 Mr Johnson suggested that this group needs stronger advocates and that the job of Ministers for Planning 'is to represent this group'.²⁵²

6.15 He went on to suggest that in the absence of this role being fulfilled, the development industry was being unfairly targeted as the advocate for growth and increasing urban densities, when this should be the role of politicians:

I think it is very important that the political world, both State and local, understands the importance of growth, not just letting it be exploited as a bit of a negative issue.²⁵³

6.16 Mr Johnson described the need to legitimise higher density development, not just through advocacy of development, but through advocacy of the benefits of higher density living and the lifestyles which it fostered. He described how diversity of housing in higher densities around transport nodes would encourage the inflow of different family and household types, and the establishment of the variety of economic and social infrastructure to cater for a diverse community's needs.

I think advocacy about this is a social plus not a congestion negative – which is the way it is portrayed a lot in the media – it is quite important to make it work.²⁵⁴

6.17 Mr Steve Mann, Chief Executive Officer, UDIA, told the Committee that the Institute had developed a community consultation phone-based app which it recommended to government. The 'urban pin board' allowed stakeholders to critique development applications online and receive responses to their concerns which showed the results of the development being modified as they proposed:

You can pin your thinking on a release, on a DA and say, "I wish it was green" or "I wish it was half the size", and it can show the alternatives: If this development is smaller you get less open space because it is wider, you get less community facilities because it does not have as much funding; if it is bigger you get these outcomes.²⁵⁵

6.18 Mr Mann conceded, however, that while the development industry might be well placed to advocate at the individual development level, it was not necessarily good at advocating for development to the wider community or at the regional level.²⁵⁶

6.19 Mr John Daley, Chief Executive, Grattan Institute, nominated the State Government as responsible for advocating for planning and development decisions. He told the Committee that public pressure to wind back development along transport corridors 'will mean that Sydney kicks an enormous own goal' when the mechanisms to increase the number of dwellings built are starting to catch up with population growth.²⁵⁷

...this is a city-wide conversation and obviously it is the State Government that can conduct a conversation across the whole of Sydney—you have to have the public conversation that very clearly says: This is what is at stake here. We need to build more accommodation. We would rather that we did not build most of that

²⁵² Mr Chris Johnson, Urban Taskforce Australia, transcript of evidence, 26 March 2018, p25

²⁵³ Mr Chris Johnson, Urban Taskforce Australia, transcript of evidence, 26 March 2018, p26

²⁵⁴ Mr Chris Johnson, Urban Taskforce Australia, transcript of evidence, 26 March 2018, p27

²⁵⁵ Mr Steve Mann, Urban Development Institute of Australia NSW, transcript of evidence, 5 March 2018, p63

²⁵⁶ Mr Steve Mann, Urban Development Institute of Australia NSW, transcript of evidence, 5 March 2018, p63

²⁵⁷ Mr John Daley, Grattan Institute, transcript of evidence, 5 March 2018, p29

accommodation on the edge of the city. That means we are going to have to take existing areas and increase the number of people who live there. If we do not do that, our children will not be able to buy their own home, and when we turn 75 and want to downsize, which is what most 75-year-olds want to do, we will not be able to do that.²⁵⁸

- 6.20 Mr Daley emphasised the central importance of explaining to people the trade-off at the heart of providing more and more diverse housing in order for people of various ages and household types could be accommodated.²⁵⁹

Understanding and explaining development trade-offs to the community

- 6.21 In light of comments from witnesses about the trade-offs at the heart of development decisions, the Committee explored the question of how to manage community resistance to development and community perceptions that government commitments to provide infrastructure had not been delivered. Mr Paul Brockhoff, PIA, pointed to the Greater Sydney Commission's approach as a way of bringing the community along with development decisions. He said the Commission understands 'the bargain' between existing and future communities:

(The Commission) has called it a growth infrastructure compact – we will see how that pans out. But the Commission does respect that there is a bargain being undertaken.²⁶⁰

- 6.22 Mr Brockhoff said that planners also understood the bargain and the need for community engagement and agreement, and delivery if community cynicism was to overcome.²⁶¹

- 6.23 The Committee asked the NSW Government witnesses to comment on this question of advocacy for planning and development and who should be responsible for it. Mr Brett Whitworth, Department of Planning and Environment, said that density done well could improve liveability, protect local character, and be sustainable, and could achieve community support when advocated well:

Explaining how those things come together...are all things that we need to be able to do and to explain to the community as we do our precinct planning. Whether there is a broader narrative that the Government should take up—or industry, academia or councils should take up—I am not sure. I am not certain which is the right agency.²⁶²

Public advocacy for development is unpersuasive

Finding 12

The Committee finds that public advocacy for metropolitan planning decisions, particularly around the need for higher residential densities, is unpersuasive, and there needs to be more information to address community concern.

²⁵⁸ Mr John Daley, Grattan Institute, transcript of evidence, 5 March 2018, p33

²⁵⁹ Mr John Daley, Grattan Institute, transcript of evidence, 5 March 2018, p33

²⁶⁰ Mr Paul Brockhoff, Planning Institute of Australia, transcript of evidence, 26 March 2018, p17

²⁶¹ Mr Paul Brockhoff, Planning Institute of Australia, transcript of evidence, 26 March 2018, p17

²⁶² Mr Brett Whitworth, Department of Planning and Environment, transcript of evidence, 26 March 2018, p40

- 6.24 Metropolitan planning decisions and the future of Sydney are matters for daily discussion in the media. It is difficult to see how the debate this generates, and advocacy for planning and development generally, could be quarantined from politics as some stakeholders suggested.
- 6.25 As discussed above, several stakeholders argued that people in certain parts of Sydney, notably the developed inner and middle rings, were resisting development with some success, but to the detriment of good planning for the metropolitan area as a whole.
- 6.26 The Committee was not presented with useful evidence showing how development is shared across Sydney. It is the view of Committee members, however, that many people in the community believe that development sharing is inequitable, just as many others believe that their suburbs are being targeted for development to the detriment of the neighbourhood character which they enjoy.
- 6.27 The question for planners is not how to share the impact of development, but rather to identify where development can be best accommodated for the benefit of all. Answering this technical question may see more development proposed for one area than another, rather than shared.
- 6.28 The question being posed to the Committee, however, is whether the advantages of developing some areas before others, by leveraging off existing infrastructure in developed suburbs rather than pursuing greenfield development, are being taken. This question should be answerable because the costs and benefits of developing in existing versus greenfield suburbs can be measured and the results published.
- 6.29 Sharing development is a political question. Measuring the costs of developing different areas and publishing the results will contribute to a more informed debate. In the absence of this information, however, the current debate is not well informed. In this climate, it is harder to argue persuasively for planning and development decisions without information to counter simple anti-development messages.
- 6.30 It is not possible to quarantine debate about planning and development from politics. It is possible, however, to ensure the debate is better informed.
- 6.31 The responsibility of governments, state and local, is to represent everyone in the debate, to explain the need for development, the costs and benefits it will bring, and how community concerns will be alleviated. With the right tools and the right information, advocacy for metropolitan planning decisions might be more persuasive.

Planning advocacy needs to be re-assessed and improved

Recommendation 10

The Committee recommends that the New South Wales Government:

- **examine the requirements for evidence-based advocacy of planning decisions, particularly in light of the community's concern about higher density living;**

- **ensure that information is collected and published to better inform this advocacy; and**
- **re-design its current advocacy methods and program accordingly.**

- 6.32 Progress is being made in engaging the community in planning. The Greater Sydney Commission in particular provides a good model of effective engagement.
- 6.33 The Commission's community engagement successes are only part of the process. Once made, the need to advocate for planning choices and decisions does not evaporate, but continues throughout the implementation process.
- 6.34 Advocating for development will always be more complicated than opposing it. Calls to remove politics from the planning debate are not realistic.
- 6.35 The Committee makes several recommendations in this report for making the planning system easier to explain and understand, including making transparent the way decisions are made and who makes them. It also recommends that the NSW Government undertake a process to identify opportunities to simplify the planning system, and introduce reporting which will provide the evidence to better measure and explain the costs and benefits of planning decisions and outcomes.
- 6.36 Hopefully these changes will make it easier for planning commentators, including politicians, to advocate for planning decisions and explain the trade-offs of development to the community.

Chapter Seven – Housing affordability

Introduction

- 7.1 In this chapter the Committee considers the evidence it received addressing housing affordability and the provision of affordable housing.
- 7.2 While the terms of reference for the Committee's inquiry do not explicitly include issue of housing affordability, the supply of housing includes the supply of affordable housing for purchase and rental. Further, housing affordability is nominated by the NSW Government as a major priority.²⁶³ The recommendations in this report to improve the delivery of land release and housing supply will inevitably impact on housing costs and hence affordability.
- 7.3 The Committee finds there is support from all stakeholders for a greater effort to secure affordable housing, but continuing debate on how best to achieve it. This level of support for action presents an important opportunity to progress the issue.
- 7.4 The Committee recommends that the NSW Government engage with stakeholders as a priority to address the supply of affordable housing.

Housing affordability and affordable housing defined

- 7.5 While the terms 'housing affordability' and 'affordable housing' are often used interchangeably, they can be distinguished.
- 7.6 According to the *Environmental Planning and Assessment Act 1979* (EP&A Act), affordable housing is housing for lower income households.²⁶⁴
- 7.7 The NSW Federation of Housing Associations (the Federation) defined affordable housing as:
- ...housing provided to lower income households at below market price...affordable housing can comprise social housing provided by the State Government and [community housing providers] CHPs, other subsidised rental housing and some shared equity and home purchase options...CHPs generally provide affordable housing at below market rent, either as a maximum percentage related to income or a discount from market rates. Residents with the lowest incomes will require higher levels of subsidy to ensure their housing is affordable.²⁶⁵
- 7.8 Housing affordability, on the other hand, was defined by the Federation as 'the relationship between expenditure on housing (prices, mortgage payments or rents) and household incomes.'²⁶⁶

²⁶³ NSW Government, <https://www.nsw.gov.au/improving-nsw/premiers-priorities/making-housing-more-affordable/>, viewed on 15 October 2018

²⁶⁴ *Environmental Planning and Assessment Act 1979*, s1.4

²⁶⁵ Submission 16, NSW Federation of Housing Associations, p8

²⁶⁶ Submission 16, NSW Federation of Housing Associations, p8

Housing is becoming less affordable

7.9 The Federation described Sydney as one of the least affordable cities in the world:

Unaffordable rents and high house prices in Sydney have impacted on housing markets along the NSW coast and in many regional centres... The number of NSW moderate income households in rental stress increased from 26% to 34% between 2006 and 2011. Moderate income earners wanting to purchase a home also face issues with only 30% homes available for sale being affordable to this group in NSW during 2016.²⁶⁷

7.10 Mr Adam Farrar, Principal Policy Officer, ShelterNSW, attributed rising costs in the housing market to the renewal of existing housing stock, which he said, makes housing less and less affordable:

When we think about the shape of Sydney and the densification of Sydney it is that renewal which is driving the market...it is taking the existing affordable housing out of the market because renewal basically knocks down the old, which was affordable and in many cases where people, for example, who have retired with very low incomes but have managed to get the toe hold into home ownership, are being forced out by redevelopment. There is a real risk there...They suggest that high cost will filter down in the market into affordability. They say it is just under 2 per cent a year. In 50 years it will have filtered down. Once upon a time an economic life of 50 to 100 years was a reasonable thing. New apartments in particular have no such economic life. It will not be there to filter down in time. As soon as it has filtered down to an affordable level we will see the urban development displacement effect take it out of the market again.²⁶⁸

How to improve housing affordability

7.11 The chief areas of debate regarding housing affordability focused on the importance of needs-based assessment of housing affordability across Greater Sydney, and housing choice and diversity.

7.12 Stakeholders did not argue against the importance of housing affordability. Some warned that if affordability was not addressed the result may have a domino effect on households facing financial stress, ultimately increasing the demand for affordable housing in the long term.²⁶⁹

7.13 The common view of local councils and the affordable housing sector was that simply increasing housing supply alone would not solve the issue of housing affordability in Sydney.²⁷⁰

7.14 According to ShelterNSW, there are many aspects that contribute to housing affordability and need to be addressed beyond just supply:

²⁶⁷ Submission 16, NSW Federation of Housing Associations, p9

²⁶⁸ Mr Adam Farrar, ShelterNSW, transcript of hearing, 5 March 2018, p45

²⁶⁹ Submission 36, Grattan Institute, p18; Submission 16, NSW Federation of Housing Associations, p10

²⁷⁰ Submission 33, Randwick City Council, p2; Submission 45, ShelterNSW, pp1-2; Submission 26, Tenants' Union of NSW, pp1-2

Aggregate housing supply targets are...important to plan effectively for population growth, and to contribute to the reshaping and renewal of the city to make better use of infrastructure (although there is considerable debate about whether this is really achieved through approaches such as densification). But unless housing supply meets the needs of all segments of households, supply alone will not be effective in responding to demographic changes, social needs, or economic objectives.²⁷¹

7.15 The PIA agreed, noting demand factors as well as supply factors, and said it was 'a critical balance and a complicated one'.²⁷²

7.16 The UDIA identified three key actions required in Sydney to facilitate affordability:

1. Target a more equal delivery of high, medium and lower density residential built form
2. Permit more housing diversity
3. Permit more innovative housing options.²⁷³

7.17 The Federation advocated for a general housing strategy and housing needs assessment to be undertaken at the State level in order to better inform and assist local government in examining local housing needs.²⁷⁴

7.18 Councils emphasised the importance of ensuring a diversity of housing types, as a way to achieve housing affordability for all income levels. According to Mr Fletcher Rayner, Executive Manager, Urban Release and Engagement, Campbelltown Council:

...it is really about having a diversity of housing product that provides for the different price points where people enter into the market...the key in providing feasibility and affordability is about diversity of housing product and providing those different entry points.²⁷⁵

7.19 Mr Rayner cautioned, however, that appropriate forward planning and a balance were necessary in order to prevent risks associated with over-densifying an area:

I think there is a tipping point. If you have too much density you get to the point where, if not planned properly, you have real social issues – you may achieve affordability but the social outcomes would be quite detrimental.²⁷⁶

There is a shortage of affordable housing

7.20 The affordable housing sector argued that there is currently a shortage of affordable housing for low income households such as nurses and teachers, those facing housing-related stress and the homeless.

²⁷¹ Submission 45, ShelterNSW, p1

²⁷² Submission 32, Planning Institute of Australia, p2

²⁷³ Submission 24, Urban Development Institute of Australia NSW, p33

²⁷⁴ Submission 16, NSW Federation of Housing Associations, pp13-14

²⁷⁵ Mr Fletcher Rayner, Campbelltown City Council, transcript of evidence, 26 March 2018, p10

²⁷⁶ Mr Fletcher Rayner, Campbelltown City Council, transcript of evidence, 26 March 2018, p10

- 7.21 The chief areas of debate focused on how to determine an appropriate percentage of affordable housing to be provided, and the mechanisms to be designed and implemented to achieve it.
- 7.22 According to Yfoundations, in 2009-10 the Council of Australian Governments (COAG) reported that 8.5 per cent of NSW homes were affordable to low income households, below the national average of 11.5 per cent.²⁷⁷ It said that currently, 'neither the supply of social housing, nor new residential development produced by the market, has been able to meet the needs of NSW's low or moderate-income earners'.²⁷⁸
- 7.23 Randwick City Council agreed that affordable housing targets needed to be re-examined, as supply was insufficient to meet current demand.²⁷⁹ Ms Tina Chappell, Manager Strategic Planning, Camden Council, advocated for government-mandated affordable housing, stating 'if it is up to the developer to choose to deliver or not to deliver it is unlikely that it is ever going to be delivered'.²⁸⁰
- 7.24 Ms Sharon Pope, Manager Integrated Planning, Lake Macquarie City Council, agreed that the current supply of affordable housing was not meeting demand or locational requirements:
- We tend to find that medium density housing, because it requires either knocking down a house and building several homes or going up two or three storeys, is a relatively expensive form of housing to build compared with the greenfield housing. But medium density close to town centres is really where you want people who need affordable housing to live because you do not want them to have to spend so much of their budget running a household car or multiple cars to get to a job or the supermarket or to do anything.²⁸¹
- 7.25 The affordable housing sector also submitted that the supply of affordable rental housing was in decline. According to the Tenants' Union of NSW, this decline was occurring even though the supply of housing generally is on the rise in the private market. The Union said this indicated that there is not necessarily a direct inverse relationship between rental prices and growth in private rental markets.²⁸²
- 7.26 Yfoundations noted that young people are the most affected by unaffordability in the rental market, and that an ever higher number of young people under the age of 25 are experiencing homelessness.²⁸³

Meeting demand for affordable housing

- 7.27 The UDIA advocated for an Affordable Housing Program. The Program would encompass policy setting, planning and delivery across all levels of government, and include the identification of funding models and land, particularly surplus

²⁷⁷ Submission 23, Yfoundations, p8

²⁷⁸ Submission 23, Yfoundations, p11

²⁷⁹ Submission 33, Randwick City Council, p2

²⁸⁰ Ms Tina Chappell, Camden Council, transcript of evidence, 26 March 2018, p9

²⁸¹ Ms Sharon Pope, Lake Macquarie City Council, transcript of evidence, 5 March 2018, p24

²⁸² Submission 26, Tenants' Union of NSW, p2

²⁸³ Submission 23, Yfoundations, p6

government land, as well as explore innovations like shared equity and build-to-rent.²⁸⁴

- 7.28 Yfoundations advocated for a government scheme for developer contributions towards affordable housing in major redevelopment precincts. This scheme would include a minimum percentage of the redevelopment to be provided as affordable housing, with sunset clauses excluded from rental contracts.²⁸⁵

Increasing the use of inclusionary zoning

- 7.29 The Committee noted the support across stakeholders for the use of inclusionary zoning as a way of ensuring the provision of affordable housing. Inclusionary zoning is a land use planning technique which either mandates or creates voluntary incentives so that a proportion of a residential development includes a number of affordable housing dwellings.²⁸⁶ The main tool for managing inclusionary zoning in NSW is SEPP 70.

SEPP 70

- 7.30 The NSW Government introduced State Environmental Planning Policy No 70 (SEPP 70) in July 2009. According to the Department of Planning and Environment, which oversees the policy, SEPP 70 is:

...a mechanism that allows specified councils to prepare an affordable housing contribution scheme for certain precincts, areas or developments within their local government area.²⁸⁷

- 7.31 Local government and affordable housing sector witnesses recognised the need to increase the amount of affordable housing in urban areas in NSW. They recommended increasing the number of councils accepted into and participating in SEPP 70 and to increase the minimum required percentage of affordable housing.²⁸⁸ Six councils are currently included in SEPP 70: City of Sydney, Randwick, Inner West, Northern Beaches, Ryde, and Canada Bay.²⁸⁹
- 7.32 While SEPP 70 was seen as the enabling mechanism for increasing the supply of affordable housing, it attracted some criticism. In particular, SEPP 70 was seen as narrow in its scope and difficult for councils to qualify.
- 7.33 Ms Elena Sliogeris, Coordinator City Planning, Randwick City Council, reported that the application process for councils seeking to be accepted as part of SEPP 70 has been difficult:

²⁸⁴ Submission 24, Urban Development Institute of Australia NSW, p8

²⁸⁵ Submission 23, Yfoundations, p7

²⁸⁶ Australian Housing and Research Institute (AHURI), <https://www.ahuri.edu.au/policy/ahuri-briefs/Understanding-inclusionary-zoning>, viewed on 15 October 2018

²⁸⁷ Department of Planning and Environment, <https://www.planning.nsw.gov.au/policy-and-legislation/housing/affordable-rental-housing>, viewed on 15 October 2018

²⁸⁸ Submission 32, Planning Institute of Australia, p24; Ms Elena Sliogeris, Randwick Council, transcript of hearing, 5 March 2018, p55; Submission 17, City of Parramatta Council, p3

²⁸⁹ Department of Planning and Environment, <https://www.planning.nsw.gov.au/Policy-and-Legislation/Housing/Affordable-Rental-Housing>, viewed on 15 October 2018

It has been such a hard slog to get into SEPP 70, which has not yet been finalised. It will be a huge opportunity for those councils that are to be included to be able to require affordable housing dwellings as a mandatory requirement as part of any development proposal in growth areas. The pity of it all is that the time taken to get moving on this means that we have missed a lot of property cycles and property booms. We have lost a big opportunity.²⁹⁰

7.34 The PIA said that due to the constraining nature of SEPP 70, coupled with the uncertainty about the NSW Government's expectations in regard to minimum inclusionary zoning requirements, councils were developing their own benchmarks. Not surprisingly, these benchmarks varied by council, and 'increasingly [slow] down the rezoning processes due to negotiations and outcomes to be achieved'.²⁹¹

7.35 The Federation warned that the constraining framework of SEPP 70 prohibits councils from exercising planning powers to protect and facilitate affordable housing under the *Environmental Planning and Assessment Act 1979* even if they are not a part of SEPP 70.²⁹²

If councils can come forward with well-evidenced affordable housing policy that demonstrates the need then why make them jump through hoops and go through SEPP 70, and every time they have a project to go back for approval? You are extending the time it will take for that to be on the ground. If they come forward with something reputable and the assumptions made about affordable housing are there I do not see the need for that bureaucratic addition to the process.²⁹³

Affordable housing targets and viability

7.36 The Greater Sydney Commission has currently set affordable housing targets at five to ten per cent of new residential floor space in defined precincts prior to rezoning. The application of the target 'will be the subject of a viability test' so as 'not to inhibit housing supply outcomes, or affect existing home and property owners'.²⁹⁴

7.37 According to Ms Sarah Hill, Chief Executive Officer, the Commission had determined the five per cent to ten per cent range through public consultation:

What we needed to do was nuance [the affordable housing percentage] based on the economics of an area and what could be achieved. This is also important because our proposed approach really recognises and takes into account other forms of contributions, such as local section 94 contributions as well as a potential State Infrastructure Contribution. We have included those in our analysis because we think it is important based on what we have heard from Sydneysiders and what I referenced

²⁹⁰ Ms Elena Sliogeris, Coordinator City Planning, Randwick Council, transcript of hearing, 5 March 2018, p55

²⁹¹ Submission 32, Planning Institute of Australia, p6

²⁹² Submission 16, NSW Federation of Housing Associations, p18

²⁹³ Ms Wendy Hayhurst, NSW Federation of Housing Associations, transcript of evidence, 5 March 2018, p68

²⁹⁴ Greater Sydney Commission, <https://www.greater.sydney/metropolis-of-three-cities/liveability/housing-city/housing-more-diverse-and-affordable>, viewed on 16 August 2018

earlier: that we do not want affordable rental housing in lieu of local and State infrastructure that supports the area.²⁹⁵

- 7.38 ShelterNSW generally supported the concept of the Commission's affordable housing target as a positive mechanism 'that will deliver affordability as part of our planning system and planning framework'.²⁹⁶ It also noted that including the viability clause:

...undercuts the necessary housing affordability targets for a genuinely inclusive community, but it seriously compromises the efficient transfer of the cost of delivering affordable housing into lower land prices²⁹⁷

- 7.39 The question of how to determine an affordable housing target and its impact on viability was raised by many stakeholders. Newcastle City Council advised of the action in its local planning strategy to investigate incentives which would reward developers who set aside part of a development for affordable housing. Council suggested further study was required to determine the economic feasibility of such a mechanism and its impact on financial viability and land prices.²⁹⁸

- 7.40 Inner West Council had adopted a policy of seeking 15 percent affordable housing in new developments and 30 per cent on government land. Mr David Birds, Group Manager Strategic Planning, told the Committee that Council would pursue voluntary planning agreements with developers to achieve these targets.²⁹⁹

- 7.41 Community housing sector advocates proposed that higher-end targets should be the aim of developers of government land. Ms Wendy Hayhurst, Chief Executive Officer of the Federation, told the Committee that not setting higher targets for government land was a 'missed opportunity' and that a 30 per cent target was both higher than what developers were proposing and lower than what is being achieved overseas.³⁰⁰

- 7.42 Development industry advocates, on the other hand, expressed concern that higher targets and higher affordable housing contributions were simply added to the cost of housing. Both Ms Jane Fitzgerald, Executive Director, Property Council of Australia, and Mr Chris Johnson, Chief Executive Officer, Urban Taskforce Australia, told the Committee that targets as high as 30 per cent called the viability of developments into question.³⁰¹

Surplus NSW Government land

- 7.43 Affordable housing sector witnesses overwhelmingly advocated for the release of government land for affordable housing. According to Ms Hayhurst:

²⁹⁵ Ms Sarah Hill, Greater Sydney Commission, transcript of evidence, 5 March 2018, p7

²⁹⁶ Mr Adam Farrar, ShelterNSW, transcript of evidence, 5 March 2018, p43

²⁹⁷ Submission 45, ShelterNSW, p3

²⁹⁸ Submission 13, Newcastle City Council, p19

²⁹⁹ Mr David Birds, Inner West Council, transcript of evidence, 5 March 2018, p54

³⁰⁰ Ms Wendy Hayhurst, NSW Federation of Housing Associations, transcript of evidence, 5 March 2018, p67-68

³⁰¹ Ms Jane Fitzgerald, Property Council of Australia, transcript of evidence, 5 March 2018, p36; Mr Chris Johnson, Urban taskforce Australia, transcript of evidence, 26 March 2018, p24

The access to land is fundamental. Even where there are in other jurisdictions grants to support the construction, access to land is fundamental. The not-for-profit community housing sector will not compete on equal terms with private developers for land. A mechanism which allocates a proportion of a site for social and affordable housing is important. It is not the sole mechanism but it is incredibly important, the access to land. The access to government land would make a tremendous difference.³⁰²

7.44 ShelterNSW³⁰³ and Tenants' Union NSW agreed. Mr Leo Patterson-Ross, Senior Policy Officer, Tenants' Union, told the Committee that setting aside government land for social or affordable housing would increase real affordability more than applying affordability targets to developments.³⁰⁴

7.45 According to Mr Adam Farrar, Principal Policy Officer, ShelterNSW, getting cheaper land into the affordable housing equation:

...makes all the difference and it means that those sorts of mechanisms can really do their job and we can get the supply of affordable housing and a pipeline rather than a one-off deal here or there.³⁰⁵

There is unanimous support for affordable housing measures

Finding 13

The Committee finds there is unanimous in-principle support for a greater effort to secure affordable housing.

- 7.46 No stakeholder argued against making greater effort to supply more affordable housing. The debate focuses, unsurprisingly, on how to achieve this.
- 7.47 The Greater Sydney Commission informed the Committee of the five to ten per cent specifications for affordable housing in developments.
- 7.48 Other stakeholders, notably in the affordable housing and local government sectors, argued for up to 30 per cent to be specified.
- 7.49 The development industry put forward the proposition that affordable housing can be provided where it can be funded, either through government funding or development offsets.
- 7.50 The local government stakeholders were keen to explore the mechanisms for specifying affordable housing targets, notably qualifying more councils more quickly to manage affordable housing provision through State Environmental Planning Policy 70.
- 7.51 Unlike some of the other areas of interest to this inquiry, there was unanimous in-principle support for a greater effort to secure affordable housing. In the

³⁰² Ms Wendy Hayhurst, NSW Federation of Housing Associations, transcript of evidence, 5 March 2018, p67

³⁰³ Submission 45, ShelterNSW, p3

³⁰⁴ Mr Leo Patterson Ross, Tenants Union NSW, transcript of evidence, 5 March 2018, p45

³⁰⁵ Mr Adam Farrar, ShelterNSW, transcript of evidence, 5 March 2018, p43

Committee's view, this level of support for a greater effort to secure affordable housing is an invaluable foundation for this debate to proceed.

Work with stakeholders to increase the supply of affordable housing

Recommendation 11

The Committee recommends that the New South Wales Government engage with stakeholders as a priority to identify and implement opportunities to increase the supply of affordable housing to obtain greater residential diversity in our communities.

- 7.52 Given the support for greater affordable housing efforts across all stakeholders, in the Committee's view the NSW Government should harness this goodwill.
- 7.53 The debate about affordable housing focuses on finding the right mechanisms to achieve agreed percentages of affordable housing in particular developments and neighbourhoods. While the Committee heard evidence of support for affordable housing initiatives, there was less consensus around the mechanisms and percentages. Stakeholders argued for a range of percentages to be addressed through inclusionary zoning and development consent measures, as well as varying responses to the viability of market-based housing provision compared with government-funded housing.
- 7.54 Importantly, the Committee heard evidence from local government that it was ready and willing to take more responsibility for affordable housing initiatives, but was being delayed by the constraints of qualifying for the provisions of State Environmental Planning Policy 70.
- 7.55 The Committee recognises that the level of support it heard during this inquiry indicates that stakeholders are willing to work together to address the issue.
- 7.56 The Committee envisages the NSW Government commencing as soon as possible a consultative process with all stakeholders of affordable housing to identify how better affordable housing delivery can be achieved, and a program to implement it.

Appendix One – Conduct of the inquiry

Terms of reference

The Hon Anthony Roberts MP, Minister for Planning, Minister for Housing and Special Minister of State, wrote to Mr Jai Rowell MP, Chair on 20 June 2017 inviting the Committee to examine land release and housing supply, and the support needed within the Department of Planning and Environment to deliver a housing supply process, including the coordination and funding of enabling infrastructure.

On 21 June 2017 the Committee resolved to inquire into land release and housing supply in NSW. The Committee adopted five terms of reference which are published at the front of this report.

The Committee resolved to advertise the inquiry on its website and the Chair issued a media release on 27 June 2017 seeking submissions from the public. The Chair also wrote to a number of stakeholders inviting submissions, including government departments and agencies, local councils, and groups representing the housing industry, land developers, planners, and community housing.

Submissions

Submissions closed on 1 August 2017, which was extended to 5 September 2017. The Committee received 46 submissions. A full list of submissions is published at Appendix Two.

The Committee resolved to publish the submissions it received on the Committee's webpage. Two submissions were made confidential or partially confidential at the request of the authors.

Briefings

The Committee received a briefing from officers of the Department of Planning and Environment at its meeting of Wednesday 9 August 2017 held at Parliament House.

Site inspection

The Committee conducted a site visit on Monday 20 November 2017. Three Committee members and three staff inspected various sites in the Macarthur Region where they were briefed by staff of the Department of Planning and Environment. The Committee then visited Camden Council where they were briefed by council officers followed by an inspection of various sites within the council area.

Public hearings

The Committee held two public hearings. The first hearing was held at Parliament House on Monday 5 March 2018 where it heard from 21 witnesses. The second hearing was held at Campbelltown City Council on Monday 26 March where it heard from 12 witnesses.

A list of witnesses who appeared at each hearing is available at Appendix Three. Full transcripts of the hearings are also available on the Committee's webpage.

Appendix Two – List of Submissions

No.	Author
1	Wingecarribee Shire Council
2	Burwood Council
3	Sydney Water
4	Calibre Consulting
5	Clarence Valley Council
6	Maitland City Council
7	Mrs Tina Sorrenti
8	Liverpool City Council
9	Mr L Morelli
10	Lake Macquarie City Council
11	Shoalhaven City Council
12	Western Sydney Regional Organisation of Councils
13	Newcastle City Council
14	Cessnock City Council
15	Confidential
16	NSW Federation of Housing Associations
17	City of Parramatta Council
18	Riverina Regional Cities
19	Dubbo Regional Council
20	AHURI
21	WaterNSW
22	Bayside Council
23	Yfoundations
24	UDIA NSW
25	Wycob Pty Ltd
26	Tenants' Union of NSW
27	Tweed Shire Council
28	Sutherland Shire Council
29	Strathfield Council
30	The Hills Shire Council
31	Housing Industry Association Ltd
32	Planning Institute of Australia

No.	Author
33	Randwick City Council
34	Blacktown City Council
35	Urban Taskforce Australia
36	Grattan Institute
37	Property Council of Australia
38	Local Government NSW
39	Campbelltown City Council
40	Camden Council
41	Inner West Council
42	Central Coast Council
43	Wollondilly Shire Council
44	Wollongong City Council
45	Shelter New South Wales
46	Department of Premier and Cabinet

Appendix Three – List of Witnesses

05 March 2018

Parliament House, Macquarie Room, Sydney, NSW

Witness	Position and Organisation
Ms Sarah Hill	Chief Executive Officer, Greater Sydney Commission
Mr Greg Woodhams	Executive Director, City Planning Projects, Greater Sydney Commission
Mr Halvard Dalheim	Executive Director, City Planning Strategy, Greater Sydney Commission
Ms Stephanie Barker	Director Metropolitan Planning, Greater Sydney Commission
Mr Andrew Carfield	Director Planning & Environment, Wollongong City Council
Mr David Farmer	General Manager, Wollongong City Council
Mr Vincent Connell	Director, Planning and Regulation, Tweed Shire Council
Ms Sharon Pope	Manager Integrated Planning, Lake Macquarie City Council
Mr Iain Lonsdale	Coordinator Strategic Planning, Tweed Shire Council
Mr John Daley	Chief Executive, Grattan Institute
Mr Brendan Coates	Fellow, Grattan Institute
Ms Jane Fitzgerald	NSW Executive Director, Property Council of Australia
Mr Adam Farrar	Principal Policy Officer, ShelterNSW
Mr Leo Patterson Ross	Senior Policy Officer, Tenants' Union of NSW
Mr Michael McCabe	Director City Futures, Bayside Council
Ms Clare Harley	Manager Strategic Planning, Bayside Council
Mr David Birds	Group Manager Planning, Inner West Council
Ms Elena Sliogeris	Coordinator Strategic Planning, Randwick City Council
Mr Steve Mann	Chief Executive Officer, Urban Development Institute of Australia NSW
Mr Mike Scott	Life Member, Urban Development Institute of Australia NSW

Ms Wendy Hayhurst	Chief Executive Officer, NSW Federation of Housing Associations
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28 March 2018

Campbelltown Civic Centre, Macquarie Room, Campbelltown

Witness	Position and Organisation
Ms Nicole Magurren	Director Planning and Environmental Services, Camden Council
Ms Tina Chappell	Manager Strategic Planning, Camden Council
Mr Fletcher Rayner	Executive Manager Urban Release & Engagement, Campbelltown City Council
Mr Christopher Stewart	Director Planning, Wollondilly Shire Council
Ms Jenny Rudolph	President, Planning Institute of Australia
Mr John Brockhoff	Principal Policy Officer, Planning Institute of Australia
Mr David Bare	Executive Director, Housing Industry Association
Mr Troy Loveday	Assistant Director – Residential Development & Planning, Housing Industry Association Ltd
Mr Chris Johnson	Chief Executive Officer, Urban Taskforce Australia
Mr Brett Whitworth	Executive Director Strategic Planning and Programs Planning and Design, Department of Planning and Environment
Mr Tim Raimond	ED Future Transport, Transport for NSW
Mr Paul Mulley	Manager Growth Planning and Development, Sydney Water

Appendix Four – Extracts of Minutes

MINUTES OF MEETING 18

Wednesday, 21 June 2017
Room 1043, Parliament House

Members present

Mr Rowell (Chair), Mr Taylor, Mr Chanthivong, Mr Parker

Officers in attendance

Carly Maxwell, David Hale, Jacqueline Linnane, Abigail Turingan

The meeting opened at 4.09pm.

1. Apologies

Mr Geoff Provest (Deputy Chair)

2. Confirmation of minutes

Resolved, on the motion of Mr Parker:

That the minutes of the meeting held on 1 June 2017 be confirmed.

3. Correspondence

Resolved, on the motion of Mr Taylor, seconded by Mr Chanthivong:

That the correspondence from the Hon Anthony Roberts MP, Minister for Planning, dated 20 June 2017 regarding a potential inquiry into land release and housing supply in NSW be noted.

4. Potential inquiry

a) Terms of reference

The Chair tabled draft terms of reference for the Committee's consideration. Discussion ensued.

Resolved, on the motion of Mr Chanthivong, seconded by Mr Taylor:

That the Committee on Environment and Planning inquire into and report on land release and housing supply in NSW, with particular focus on:

- a) The resources and support needed within the Department of Planning and Environment for:
 - i. The delivery of a housing supply process
 - ii. The coordination and funding of enabling infrastructure
- b) Delivery mechanisms following the rezoning of land through to construction
- c) The complementary roles of state authorities, local councils and utilities
- d) The different characteristics of Greater Sydney and non-metropolitan NSW
- e) Other related matters.

b) Call for submissions and advertising

Resolved on the motion of Mr Chanthivong, seconded by Mr Taylor:

That the Committee advertise the call for submissions to the inquiry on the Committee

website and write to relevant stakeholders, with a closing date of 1 August 2017.

c) Media

Resolved on the motion of Mr Parker, seconded by Mr Chanthivong:

That the Chair issue a media release announcing the inquiry and it be placed on the Committee website.

5. Next meeting

The Chair adjourned the meeting at 4:13pm until a time and date to be determined.

MINUTES OF MEETING 19

Wednesday, 9 August 2017

Room 1136, Parliament House

Members present

Mr Rowell (Chair), Mr Provest (Deputy Chair), Mr Chanthivong, Mr Parker, Mr Taylor

Officers in attendance

Simon Johnston, David Hale, Jacqueline Linnane, Madeleine Dowd, Ze Nan Ma, Mohini Mehta

The meeting opened at 4.05pm.

1. Confirmation of minutes

Resolved, on the motion of Mr Chanthivong, seconded by Mr Parker:

That the minutes of the meeting held on 21 June 2017 be confirmed.

2. Correspondence

Resolved, on the motion of Mr Parker, seconded by Mr Provest:

That the correspondence from Minister Roberts MP dated 23 June 2017 regarding a proposed inquiry into the planning and regulation of decentralised power generation and distribution, be noted.

3. Inquiry into land release and housing supply in NSW

3.1 Briefing from representatives of the Department of Planning and Environment

The Chair welcomed Mr Brett Whitworth, Acting Deputy Secretary Growth, Design and Programs; Mr George Koshy, Director Land Release; and Ms Grace MacDonald, Planning Officer. Discussion ensued.

Resolved on the motion of Mr Parker, seconded by Mr Provest:

That Mr Whitworth, Mr Koshy and Ms MacDonald be thanked for their presentation.

3.2 Extension of deadline for making submissions to Tuesday 5 September 2017

Resolved on the motion of Mr Parker, seconded by Mr Provest:

That the closing date for submissions be 5 September 2017.

4. Next meeting

The Chair adjourned the meeting at 5:13pm until a time and date to be determined.

MINUTES OF MEETING 20

Wednesday, 11 October 2017
Room 814-815, Parliament House

Members present

Mr Rowell (Chair), Mr Taylor, Mr Chanthivong, Mr Parker

Staff present

Simon Johnston, David Hale, Jacqueline Linnane, Madeleine Dowd, Ze Nan Ma, Mohini Mehta

The meeting opened at 1.15pm.

1. Apologies

Mr Provost (Deputy Chair)

2. Confirmation of minutes

Resolved, on the motion of Mr Parker, seconded by Mr Chanthivong:
That the minutes of meeting No 19 held on Wednesday 9 August 2017 be confirmed.

3. ***

Inquiry into land release and housing supply in NSW

4. Publication of submissions

Resolved, on the motion of Mr Parker, seconded by Mr Chanthivong:
That the submissions received be published to the Committee's website according to the following schedule:

- That submission 15 be kept confidential to the Committee as requested by the author.
- That submission 41 be kept partially confidential to the Committee as requested by the author.
- That submissions 1 to 14 and 16 to 43 be published with the redaction of all signatures and direct personal contact details.

5. Proposed inquiry schedule

Resolved, on the motion of Mr Chanthivong, seconded by Mr Parker:

- That the Committee hold site visits on Monday 13 November 2017 and Monday 20 November 2017 in order to meet with interested stakeholders and inspect sites which illustrate land release and housing supply issues pertinent to projects governed by the Greater Sydney Commission and governed by non-metropolitan councils.
- That the staff formulate draft schedules for visits to the Macarthur Region and the Hunter Region for circulation and approval out of session.

6. Briefing from Greater Sydney Commission

Resolved, on the motion of Mr Taylor, seconded by Mr Chanthivong:
That the Committee invite officers of the Greater Sydney Commission to attend the next meeting to provide a briefing on the role and achievements of the Commission.

7. Next meeting

1.00pm on Wednesday 22 November 2017

The Chair adjourned the meeting at 1.26pm.

MINUTES OF MEETING 21

Wednesday, 14 February 2018

Room 1043, Parliament House

Members present

Mr Rowell (Chair), Mr Provest, Mr Taylor, Mr Chanthivong, Mr Parker.

Staff present

Jonathan Elliott, David Hale, Jacqueline Linnane, Madeleine Dowd, Mohini Mehta.

The Deputy-Chair opened the meeting at 1.05pm.

1. Confirmation of minutes

Resolved, on the motion of Mr Chanthivong, seconded by Mr Parker:

That the minutes of meeting No 20 held on Wednesday 11 October 2017 be confirmed.

Inquiry into land release and housing supply in NSW

2. Briefing from the Greater Sydney Commission

The Committee was joined by the following representatives from the Greater Sydney Commission:

- Ms Sarah Hill, Chief Executive Officer
- Ms Stephanie Barker, Director, Metropolitan Planning
- Mr Greg Woodhams, Executive Director, City Planning Projects

The Committee were briefed on the work of the Greater Sydney Commission, and other matters relating to the inquiry's terms of reference.

The Chair joined the meeting at 1.17pm.

The Chair thanked representatives from the Greater Sydney Commission for their briefing.

3. Publication of submissions

Resolved, on the motion of Mr Taylor, seconded by Mr Chanthivong:

That the following submissions be published to the Committee's website with the redaction of all signatures and direct personal contact details:

- Submission 44 – Wollongong City Council
- Submission 45 – Shelter NSW
- Submission 46 – NSW Government

4. Site visits

The Committee noted their site visit to the Macarthur region on Monday 20 November 2017.

5. Witnesses and public hearings

Resolved, on the motion of Mr Parker, seconded by Mr Provest:

That the Committee hold public hearings to hear evidence for its inquiry on Monday 5 March 2018 in Parliament House, and Monday 26 March 2018 in Campbelltown, that the Chair

publicise these hearings by issuing a media release, and that the Committee staff issue invitations to witnesses.

Resolved, on the motion of Mr Chanthivong, seconded by Mr Parker:
That the witnesses identified by the Committee be invited to appear.

6. Next meeting

The next meeting will precede the public hearing and commence at 8:45am on Monday 5 March 2018 in the Macquarie Room.

The Chair adjourned the meeting at 1.54pm.

MINUTES OF MEETING 22

8.45am Monday 5 March 2018
Macquarie Room, Parliament House

Members present

Mr Geoff Provest (Deputy Chair), Mr Mark Taylor, Mr Anoulack Chanthivong,
Mr Jamie Parker

Staff present

David Hale, Jacqueline Linnane, Madeleine Dowd, Ze Nan Ma

The Deputy Chair opened the meeting at 8.48am.

1. Apologies

Mr Jai Rowell

2. Minutes of meeting 21

Resolved, on the motion of Mr Taylor, seconded by Mr Parker:
That the minutes of meeting No 21 held on Wednesday 14 February 2018 be confirmed.

3. ***

Inquiry into land release and housing supply in NSW

4. Public hearing Monday 5 March 2018

Resolved, on the motion of Mr Taylor, seconded by Mr Parker:
That the Committee invites the witnesses listed in the notice of the public hearing for Monday 5 March 2018 to give evidence in relation to the inquiry into land release and housing supply in NSW.

4.1 Media

Resolved, on the motion of Mr Parker, seconded by Mr Taylor:
That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 5 March 2018 in accordance with the NSW Legislative Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.

4.2 Transcript of evidence

Resolved, on the motion of Mr Taylor, seconded by Mr Parker:

That the corrected transcript of evidence given on 5 March 2018 be authorised for publication and uploaded on the Committee's website.

4.3 Answers to questions on notice

Resolved, on the motion of Mr Parker, seconded by Mr Taylor:

That witnesses be requested to return answers to questions taken on notice within 1 week of the date on which the questions are forwarded to the witness, and that once received, answers be published on the Committee's website.

4.4 Documents tendered during the public hearing

Resolved, on the motion of Mr Taylor, seconded by Mr Parker:

That documents tendered during the public hearing be accepted by the Committee and published on the Committee's website.

The Deputy Chair closed the meeting at 8.52am.

The public hearing

The public hearing commenced at 9.00am. Witnesses, the public and the media were admitted. The Deputy Chair welcomed the witnesses and the gallery.

The following witnesses representing the Greater Sydney Commission were sworn and examined:

Ms Sarah Hill, Chief Executive Officer

Mr Greg Woodhams, Executive Director City Planning Projects

The following witness representing the Greater Sydney Commission was affirmed and examined:
Ms Stephanie Barker, Director Metropolitan Strategy

Evidence concluded, the witnesses withdrew.

The following witnesses representing Wollongong City Council were sworn and examined:

Mr David Farmer, General Manager

Mr Andrew Carfield, Director Planning and Environment

Evidence concluded, the witnesses withdrew.

The following witness representing Lake Macquarie City Council was affirmed and examined:

Ms Sharon Pope, Manager Integrated Planning

The following witness representing Tweed Shire Council was affirmed and examined:

Mr Vince Connell, Director Planning and Regulation

The following witness representing Tweed Shire Council was sworn and examined:

Mr Iain Lonsdale, Coordinator Strategic Planning

Evidence concluded, the witnesses withdrew.

The following witnesses representing Grattan Institute were affirmed and examined, by telephone:

Mr John Daley, Chief Executive

Mr Brendan Coates, Fellow

Evidence concluded, the witnesses withdrew.

The following witness representing the Property Council of Australia was sworn and examined:
Ms Jane Fitzgerald, NSW Executive Director

Evidence concluded, the witness withdrew.

The following witness representing ShelterNSW was affirmed and examined:

Mr Adam Farrar, Principal Policy Officer

The following witness representing the Tenants Union of NSW was affirmed and examined:

Mr Leo Patterson Ross, Senior Policy Officer

Mr Patterson Ross tabled the following document:

Tenants Union of NSW Evidence Package March 2018

Evidence concluded, the witnesses withdrew.

The following witness representing Bayside Council was sworn and examined:

Mr Michael McCabe, Director City Futures

The following witness representing Bayside Council was affirmed and examined:

Ms Clare Harley, Manager Strategic Planning

The following witness representing Inner West Council was affirmed and examined:

Mr David Birds, Group Manager Planning

The following witness representing Randwick City Council was affirmed and examined:

Ms Elena Sliogeris, Coordinator City Planning

Evidence concluded, the witnesses withdrew.

The following witnesses representing the Urban Development Institute of Australia NSW were sworn and examined:

Mr Steve Mann, Chief Executive Officer

Mr Mike Scott, Life Member

Evidence concluded, the witnesses withdrew.

The following witness representing the NSW Federation of Housing Associations was affirmed and examined:

Ms Wendy Hayhurst, Chief Executive Officer

Evidence concluded, the witness withdrew.

The public hearing concluded at 5.01pm.

5. Next meeting

The next meeting will be held on Monday 26 March 2018 at 9.45am in Campbelltown Civic Centre.

MINUTES OF MEETING 23

10.00am Monday 26 March 2018

Campbelltown Civic Centre

Members present

Mr Jai Rowell (Chair), Mr Mark Taylor, Mr Anoulack Chanthivong, Mr Jamie Parker

Staff present

David Hale, Jacqueline Linnane, Madeleine Dowd, Ze Nan Ma

The Deputy Chair opened the meeting at 10.00am.

1. Apologies

Mr Geoff Provest (Deputy Chair)

2. Minutes of meeting 22

Resolved, on the motion of Mr Taylor, seconded by Mr Parker:

That the minutes of meeting No 22 held on Monday 5 March 2018 be confirmed.

3. ***

Inquiry into land release and housing supply in NSW

4. Questions on notice

Resolved, on the motion of Mr Chanthivong, seconded by Mr Parker:

That the Committee notes the questions on notice, and responses received from Inner West and Randwick Councils.

5. Public hearing Monday 26 March 2018

Resolved, on the motion of Mr Taylor, seconded by Mr Parker:

That the Committee invites the witnesses listed in the notice of the public hearing for Monday 26 March 2018 to give evidence in relation to the inquiry into land release and housing supply in NSW.

5.1 Media

Resolved, on the motion of Mr Parker, seconded by Mr Taylor:

That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 26 March 2018 in accordance with the NSW Legislative Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.

5.2 Transcript of evidence

Resolved, on the motion of Mr Taylor, seconded by Mr Parker:

That the corrected transcript of evidence given on 26 March 2018 be authorised for publication and uploaded on the Committee's website.

5.3 Answers to questions on notice

Resolved, on the motion of Mr Parker, seconded by Mr Taylor:

That witnesses be requested to return answers to questions taken on notice within one week of the date on which the questions are forwarded to the witness, and that once received, answers be published on the Committee's website.

5.4 Documents tendered during the public hearing

Resolved, on the motion of Mr Taylor, seconded by Mr Parker:

That documents tendered during the public hearing be accepted by the Committee and published on the Committee's website.

The Chair thanked Campbelltown City Council for their hospitality in hosting the public hearing.

The Chair closed the meeting at 10.04am.

The public hearing

The public hearing commenced at 10.05am. Witnesses, the public and the media were admitted. The Chair welcomed the witnesses and the gallery.

The following witness representing Camden Council was sworn and examined:

Ms Nicole Magurran, Director Planning and Environment

The following witness representing Camden Council was affirmed and examined:

Ms Tina Chappell, Manager Strategic Planning

The following witness representing Campbelltown City Council was affirmed and examined:

Mr Fletcher Rayner, Executive Manager, Urban Release and Engagement, Campbelltown City Council

The following witness representing Wollondilly Shire Council was affirmed and examined:

Mr Christopher Stewart, Director Planning

Mr Stewart tabled the following documents:

- Extract from Create Wollondilly – Community Strategic Plan 2033
- State and Federal Issues Paper 2016
- Wilton...a great new town or no town at all

Evidence concluded, the witnesses withdrew.

The following witnesses representing the Planning Institute of Australia were sworn and examined:

Ms Jenny Rudolph, President

Mr John Brockhoff, Principal Policy Officer

Evidence concluded, the witnesses withdrew.

The following witnesses representing the Housing Industry Association were sworn and examined:

Mr David Bare, Executive Director

Mr Troy Loveday, Assistant Director Residential Development and Housing Industry

Evidence concluded, the witnesses withdrew.

The following witness representing UrbanTaskforce Australia was affirmed and examined:

Mr Chris Johnson, Executive Officer

Evidence concluded, the witness withdrew.

The following witnesses representing the NSW Government were affirmed and examined:

Mr Brett Whitworth, Executive Director Strategic Planning and Programs, Department of Planning and Environment

Mr Tim Raimond, Executive Director Future Transport, Transport for NSW

Mr Paul Mulley, Manager Growth Planning and Development, Sydney Water Corporation

Evidence concluded, the witnesses withdrew.

The public hearing concluded at 3.34pm.

6. Next meeting

The next meeting will be held on Wednesday 11 April 2018 at 1.00pm in Room 1136 at Parliament House.

MINUTES OF MEETING 24

1.00pm Wednesday 11 April 2018

Room 1136, Parliament House

Members present

Mr Jai Rowell (Chair), Mr Mark Taylor, Mr Anoulack Chanthivong, Mr Jamie Parker

Staff present

Jonathan Elliott David Hale, Jacqueline Linnane, Madeleine Dowd, Ze Nan Ma

The Chair opened the meeting at 1.02pm.

1. Apologies

Mr Geoff Provost (Deputy Chair)

2. Minutes of meeting 23

Resolved, on the motion of Mr Chanthivong, seconded by Mr Taylor:

That the minutes of meeting No 23 held on Monday 26 March 2018 be confirmed.

Inquiry into land release and housing supply in NSW

3. Public hearing Monday 26 March 2018 - question on notice and other matters

Resolved, on the motion of Mr Chanthivong, seconded by Mr Parker:

That the Committee notes the question on notice sent to Mr Brett Whitworth representing the NSW Government who appeared at the public hearing on Monday 26 March 2018.

4. Possible recommendations and findings

The Committee discussed possible recommendations and findings for the report on the inquiry into land release and housing supply in NSW.

5. Next Meeting

The next meeting will be held on Wednesday 23 May 2018 at 1.00pm in Room 1136 at Parliament House.

The Chair adjourned the meeting at 1.24pm.

MINUTES OF MEETING 25

Wednesday 26 September 2018
Room 814-15, Parliament House

Members present

Mr James Griffin (Chair), Mr Geoff Provest (Deputy Chair), Mr Mark Taylor, Mr Anoulack Chanthivong, Mr Jamie Parker

Staff present

Clara Hawker, David Hale, Jacqueline Linnane, Madeleine Dowd, Ze Nan Ma, Mohini Mehta

The Deputy Chair opened the meeting at 10.59am.

1. ***

2. ***

Mr Griffin assumed the Chair and thanked Mr Jai Rowell MP for his work as Chair of the Committee.

3. Minutes of meeting 24

Resolved, on the motion of Mr Parker, seconded by Mr Provest:
That the minutes of meeting 24 be confirmed.

4. Inquiry into land release and housing supply

The Committee noted its inquiry into land release and housing supply is ongoing, and the Chair will be briefed on the progress of the report.

5. Next meeting

The next meeting will be held on a date and time to be determined.

The Chair adjourned the meeting at 11.04am.

UNCONFIRMED MINUTES OF MEETING 26

Wednesday 24 October 2018

Room 1254, Parliament House

Members present

Mr James Griffin (Chair), Mr Geoff Provest (Deputy Chair), Mr Mark Taylor, Mr Anoulack Chanthivong, Mr Jamie Parker

Staff present

Clara Hawker, David Hale, Jacqueline Linnane, Madeleine Dowd, Ze Nan Ma, Mohini Mehta

Visitors present

Graeme Tualaulelei, Tonymelbourne Natanielu, Christine Saifoloi, Karen Asovale, Amosa Gaseata

The Chair opened the meeting at 4.03pm.

The Chair welcomed the visitors from the Parliament of Samoa, Parliamentary Committee Office and invited them to observe the meeting.

1. Minutes of meeting 25

Resolved, on the motion of Mr Taylor, seconded by Mr Parker:

That the minutes of meeting 25 be confirmed.

2. Inquiry into land release and housing supply in NSW

The Chair tabled his draft report of the inquiry into land release and housing supply in NSW.

Discussion ensued.

Members attended a division in the chamber at 4.15pm. Mr Provest tendered his apology for the remainder of the meeting.

Members returned at 4.28pm. The Chair resumed the meeting.

Resolved, on the motion of Mr Taylor, seconded Mr Parker:

- a) That the Committee adopts the recommendations as set out in the report.
- b) That the draft report be the report of the Committee and that it be signed by the Chair and presented to the House.
- c) That the Committee staff be permitted to correct stylistic, typographical and grammatical errors.
- d) That, once tabled, the report be published on the Committee's webpage.
- e) That the Chair issues a press release announcing the tabling of the report.

The Chair and members thanked the Committee and staff for their contributions to the inquiry.

The Chair adjourned the meeting at 4.40pm.