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**Urban Consolidation:
Current Developments**

by

Stewart Smith

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NSW PARLIAMENTARY LIBRARY RESEARCH SERVICE

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Ms Rachel Simpson (9230 3085) Research Officer, Law

Mr Stewart Smith (9230 2798) Research Officer, Environment

Ms Marie Swain (9230 2003) Research Officer, Law/Social Issues

Mr John Wilkinson (9230 2006) Research Officer, Economics

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EXECUTIVE SUMMARY

Demographics in Australia have changed dramatically over the last 25 years. In the 1990's, the traditional family of two parents and dependent children is now in the minority and accounts for only 25% of all households. More than half of all households comprise only one or two people, and the number of elderly people will increase by over 50% in the next twenty years. In the light of these statistics, it is noteworthy that more than 66% of dwellings in Sydney comprise the traditional detached family house (page 1).

These changing demographic patterns, as well as a growing population, help account for the fact that Sydney will, on present trends, require an additional 520,000 new dwellings between 1991 and 2021. In response to these projections, State governments have pursued policies of urban consolidation.

Urban consolidation is the process of increasing or maintaining the density of housing in established residential areas (page 3). The ultimate aim of consolidation is to reduce development on the fringe areas of the city. Arguments for and against urban consolidation centre on three main issues: economic, environmental and social. It is apparent that one of the driving forces of urban consolidation in the later half of the 1990's is to help reduce air pollution in Sydney, especially that affecting Sydney's western suburbs.

Commentators have noted that to achieve urban consolidation goals, land prices, distribution of employment and access to transport are key factors that influence where people choose to live (page 5). Local government is responsible for day to day land use planning and housing management. It is argued by some that historically, councils have entrenched the idea of a single dwelling on a quarter acre block through regulatory fiat (page 6). The policies of State governments towards urban consolidation targets has been of great significance to councils and their land use planning procedures since the mid 1980's (page 7).

With the election of the Carr ALP government in early 1995, previous State government policies on urban consolidation were repealed, and councils were invited to prepare their own residential development strategies (page 12). The strategies were to identify urban consolidation opportunities, and if the strategy was accepted by the State government the council would be exempt from the newly drafted State Environmental Planning Policy No 53: Metropolitan Residential Development (page 13). SEPP 53 was released in September 1997. Of the 53 councils in the greater metropolitan area of Sydney, 36 have prepared strategies that meet the government's urban consolidation goals, whilst the remainder have been given an additional six months to prepare an acceptable strategy or their council area will be subject to SEPP 53.

1.0 Introduction

Housing is an issue that effects everybody on a day to day basis. This paper concentrates not on housing itself, but provides an historical context to contemporary policies that attempt to deal with the question: “how and where to house all the people that wish to live in the Greater Sydney Metropolitan Area?”

The demographics of Australia have changed dramatically in the last 25 years. The National Housing Strategy (1992) has highlighted the following:

- the traditional household of 2 parents and dependent children is now in the minority and accounts for only 25% of all households;
- by early next century almost 50% of income units will consist of single persons or childless couples over 35;
- more than 50% of all households comprise only 1 or 2 people. The average household size has fallen by 20% over the last 30 years and this trend is continuing;
- 40% of women over 16 were in the workforce in 1986 and in the next 15 years that percentage will increase to 60%;
- our population is ageing - the number of elderly people will increase by over 50% in the next 20 years.

Notwithstanding these dramatic changes in demographics, more than 66% of dwellings in Sydney comprise the traditional detached family house.¹ It therefore seems necessary that more varied housing options are made available to cater for our changing social needs.

Table 1 shows the Sydney population trends since 1881, and a projected population of 4.48 million people by the year 2021. Based on this projected Sydney population of 4.48 million people by the year 2021, it is expected that 520,000 new dwellings will be needed by the year 2021 (with a base year of 1991) in the Sydney region alone. Of these, 375,000 will be needed for additional population, 90,000 for the increased demands arising from a changing demographic and social structure², and 55,000 for replacing old housing stock.³

¹ Department of Planning publication, *Housing Choice - a new direction for UC policy*, November 1993.

² This is brought about by the fact that more people are living alone, fewer people are having children, the population is ageing and older people are living at home longer. All these trends lead to a demand for housing.

³ NSW Government, *Cities for the 21st Century*, 1995 at 28.

Table 1: Population of Sydney⁴

Year	Population of Sydney
1881	224,900
1947	1,484,000
1966	2,447,200
1994	3,713,500
2021	4,480,000

From 1980-81 to 1995, total dwelling approvals have averaged 23,156 per annum in Sydney, ranging from a low of 14,297 to a high of 31,363. In 1995-96, approvals were expected to reach 21,450 dwellings.⁵ Over the 30 year time period (1991-2021), an average of 17,300 new dwellings will need to be built each year to satisfy the market demand of 520,000 new dwellings by the year 2021.

This demand for new housing leads to the question: where are the new dwellings going to go? In response to this question, various State governments have formulated strategies and policy initiatives to contain Sydney's growth. The overriding theme of these strategies has been the pursuit of urban consolidation. In September 1997, the Carr ALP government released its Residential Development Strategy.

2.0 What is urban consolidation ?

Urban consolidation is a means by which more people can be brought into existing residential areas where the necessary infrastructure such as public transport, schools and utilities are already in place. For social as well as economic reasons, it is seen by many as preferable to creating new residential developments on our metropolitan outskirts.

Two definitions are:

Urban consolidation is ... a planning policy directed to bringing about the more efficient use of a finite resource namely existing or likely future urban land and involves increased density.⁶

⁴ NSW Government, *Cities for the 21st Century*, 1995, at 55.

⁵ BIS Shrapnel, "Major trends in Australian residential demand" in *The Valuer and Land Economist*, Vol 34, No 3, August 1996.

⁶ Simpson, W. *Report to the Minister for Local Government and Minister for Planning on an inquiry pursuant to Section 119 of the EPAA with respect to REP 12, SEPP 5 and SEPP 25*, January 1989, p50.

and

Urban consolidation is the process of increasing and/or maintaining the density of housing in established residential areas in order to increase or maintain the population densities of those areas.⁷

Some of the terms used in the urban consolidation debate include dual occupancy, cluster housing, high rise, home units and integrated development. More often, these terms are grouped under the heading 'multi unit housing'. Dual occupancy⁸ is where there are two independent dwellings on a single block of land. Cluster housing has not been defined by any State government policy, but is defined in the Greater Taree LEP 1995 as: the erection of more than two dwellings or duplex dwellings, or both, on a single allotment of land where the occupants of each dwelling share communal open space whether or not they also share other facilities. Integrated housing development means development that consists of: the subdivision of land into five or more allotments; and the erection of a single dwelling house on each of the allotments created by that division.⁹

3.0 Arguments for and against urban consolidation

The ultimate aim of urban consolidation is to reduce urban development on the fringe areas of the city. As important and sensitive ecological systems border Sydney (Nepean/Hawkesbury River for instance), reducing the impact of urban development on these areas is important. In western Sydney in particular, air pollution is a major concern, and it is hoped that controlling the urban expansion of the city will also help reduce air pollution.

The debate on urban consolidation revolves around three main issues, which can be summarized as: economic; environment; and social.¹⁰

3.1 Economic Aspects

The debate centres on the premise that consolidation is a technique that can help reduce capital expenditure costs on urban infrastructure by making the use of land and existing infrastructure more efficient. Several studies have supported this view, although other

⁷ This definition appears in a publication by the Western Sydney Regional Organisation of Councils entitled *Study of the implications of Urban Consolidation for the planning and provision of human services*, 1990 and was cited by Carol Mills in 'Urban Consolidation', *Western Sydney Quarterly Bulletin*, Vol 1 No 3, July 1990, p26.

⁸ See: Swain, M. *Urban Consolidation and Dual Occupancy Development*. NSW Parliamentary Library Briefing Paper No 12/95.

⁹ Integrated housing was defined in SEPP 25 - Residential Allotment Sizes.

¹⁰ Hillier, J *et al* "Forum special: Urban consolidation - an introduction to the debate" in *Urban Policy and Research*, Vol 9, No 1, 1991, at 78.

commentators suggest that savings are more intuitive than actual, and others suggest that inner city infrastructure is expensive to maintain and in urgent need of upgrading.¹¹

It is also argued that other economic savings arise from consolidation, including decreased travel times resulting in energy savings, and reduced space or land consumption.¹² Higher urban densities can also result in the more efficient use of public transport for instance. However, several commentators have also argued that there are serious problems of calculating costs and benefits of consolidation and that the economic savings from consolidation are illusory.¹³

While it is accepted that the economic argument is one of the major reasons behind the urban consolidation strategies being pursued by governments at both state and federal level, support for this rationale is not universal. Stephen Ellis argues that the assumption that urban sprawl is inefficient and unfairly subsidised and that urban consolidation is economically desirable is "based on surprisingly slight factual evidence on the economics of urban settlement in Australia".¹⁴

3.2 Environmental Aspects

The environmental arguments advanced to support urban consolidation include the claim that compact cities use less fossil fuels, emit less greenhouse gases, enable more attractive public transport types to be provided, and conserve agricultural and water catchment areas. Two major environmental reasons exist to support urban consolidation in Sydney: to protect the Hawkesbury Nepean River catchment; and attempt to reduce air pollution. Detractors claim however, that an increase in the urban density in established areas may result in extra pressure on existing environmentally sensitive land, outweighing any benefits of consolidation.

3.3 Social Aspects

The claims of the social benefits of urban consolidation are described as 'contentious' by Hillier et al, centering on the social merits of various residential densities and the contribution of consolidation to social equity. The belief is that higher densities will make facilities and services more accessible, and that greater awareness of civic life and communal

¹¹ See for example: Sorensen,A. "The False Promise of Urban Consolidation" in *Policy*, Winter 1989, at 20.

¹² Hillier,J *op cit* at 78.

¹³ McLoughlin,J.B. "Urban consolidation: A modern urban myth." in *Policy*, Spring 1993 at 19.

¹⁴ Ellis,S."Report challenges negative view of the urban sprawl." in The Sydney Morning Herald, 2 January 1993, in response to the Industry Commission Draft Report on *Taxation and Financial Impacts on Urban Settlement*.

responsibility comes about when certain urban densities are reached.¹⁵ Others such as Troy argue that consolidation is more likely to be socially regressive, and that people may have to pay ‘more for less’ in a higher density environment.¹⁶

Whilst the costs and benefits of consolidation may be difficult to define, governments have been anxious to avoid the Sydney metropolis from expanding to ever bigger dimensions, and have actively pursued policies of urban consolidation.

4.0 How to achieve urban consolidation

The factors influencing a persons choice and location of residence are many, but everybody is affected by affordability of housing. Kirwan considers that the key to increasing the intensity of residential land use in the inner part of cities lies in the structure of land prices, the distribution of employment and the transport system.¹⁷ Land and housing in Sydney, as in most cities, has been cheaper at the periphery, which may attract the first home buyer. Similarly, as the price of land in the inner city areas has increased, and with a scarcity of sites, new industries have had to build new plants on the periphery of the city rather than close to the inner city areas. Kirwan notes that without either a greater centralisation of employment, or greatly improved transport system within inner areas, not matched by similar improvements further out, the economic incentives will simply not be there for people to look closer to the city for their housing. However, as Kirwan acknowledges, one would scarcely want to advocate a deterioration of transport in outer areas merely to encourage consolidation.

In contrast, in Europe tight policies of urban containment have meant that new industries have had to be located in regional areas, supporting regional development. Europeans have achieved urban consolidation by preventing the demand for residential land use from spilling over into more distant locations on the urban fringe. The serious repercussion from this is to drive the price of housing in established areas up. This policy also creates an urban ‘frontier’, in which speculative buyers purchase land on the immediate outskirts of the urban area, in the hope that windfall gains may be made from shifts in the outer limit of development. Kirwan notes that overseas this speculation has had an impact on local and national politics.¹⁸

Policies of urban consolidation need to be developed carefully to avoid increasing housing densities ‘in the wrong areas’. For instance, increasing the densities of new housing lots in periphery development areas alone may result in a ‘doughnut’ effect. This is where low

¹⁵ McLoughlin, J.B. *op cit* at 20.

¹⁶ Troy, P. *The Perils of Urban Consolidation. A discussion of Australian housing and urban development policies.* The Federation Press, 1996.

¹⁷ Kirwan, R. “Urban consolidation. The economic potential.” in *Australian Planner*, March 1992, at 16.

¹⁸ *Ibid* at 18.

population density suburbs, well serviced by infrastructure and facilities surrounding the city centre, are in turn surrounded by high density living with minimal access to services and infrastructure - the exact opposite to what urban consolidation practitioners were trying to achieve. To avoid this scenario, governments have promoted 'infill' development of established areas, through the redevelopment of old industrial sites into medium density housing, cluster development around transport nodes and dual occupancy.

4.1 The Planning System

Local government is primarily responsible for the day to day planning and administration of land use. A system of local environment plans, drawn up by local government, regulates land use, including housing densities and minimum lot sizes. Regional and State environmental plans and policies formulated by the State government may impact on the local environment plan.

Sorensen notes that the planning system has been innately conservative for two main reasons. The ideal of the single dwelling unit on a quarter acre block in a spacious suburb was encouraged and reinforced by regulatory fiat - notably by local council. Substantial minimum block sizes, setbacks from roadways, wide verges and wide streets all contributed to low population density suburbs. The second reason as identified by Sorensen concerns the development industry's response to this regulatory environment. The industry has tended to 'play by the rules' to avoid expensive delays fighting the planning system, and because the single dwelling unit is apparently what the public thinks they want. The housing industry has not provided a wide range of living experiences, while the public is unaware of the housing choices.¹⁹ Sorensen made these points in 1989, and since then both the industry and the Department of Urban Affairs and Planning have promoted a much wider diversity of housing forms.

Whilst local government is the lead agency in regards to land use planning in the local area, it is the responsibility of the State government to plan for the city and State as a whole. Many local councils, often in response to local resident groups, have hindered attempts by the State government to increase urban densities in established areas. This has led the State government to introduce a wide variety of regional environmental plans and State environmental planning polices in an attempt to increase the urban consolidation of the greater Sydney metropolitan area.

5.0 A History of Urban Consolidation in Sydney²⁰

Back in the late 1960's, the then State Planning Authority predicted that another 2.75 million people would have to be housed in the Sydney region by they year 2000. The 'Sydney Region Outline Plan' was developed to formulate regions and strategies to accommodate

¹⁹ Sorensen,A *op cit* at 21.

²⁰ This section has been adapted from: Swain,M. *Urban Consolidation and Dual Occupancy Development*. NSW Parliamentary Library Briefing Paper No 12/95.

this growth, largely on the outskirts of Sydney. When the Outline Plan was reviewed by the then Department of Environment and Planning in 1980, it observed that the 1968 plan had taken as given the “characteristically Australian pattern of low density suburbs.” It was concluded that the Outline Plan had emphasised growth and urban expansion to a greater extent than management of existing urban areas. By the 1980's, the high cost of providing new infrastructure services to periphery areas was acknowledged, and urban consolidation became one of the foundation stones of a new metropolitan strategy released in 1988, *Sydney into its Third Century*.²¹

In 1982 the State government placed a draft State Environmental Planning Policy to permit medium density housing in all residential areas on public exhibition. The policy was met with widespread opposition from local government and communities, and was withdrawn on the understanding that councils would pursue their own urban consolidation initiatives.²² However, local councils were still reluctant to introduce their own initiatives to increase housing densities. One successful State government initiative was the introduction in 1982 of SEPP No 5 - Housing for Aged or Disabled Persons. This SEPP facilitated the construction of units for specific sectors of the community, and assisted the planning and construction of thousands of units.

When councils were originally encouraged to introduce dual occupancy provisions into their local planning instruments in the late 70s and early 80s, the provisions were intended primarily to permit "granny flat" type development - simple dwellings built in the backyard to house relatives. And certain restrictions applied: the owner of the block of land had to live in one of the dwellings; no second title was created for the second dwelling which meant it was often difficult to raise finance to build; and that it could not be sold separately. To overcome these problems, and with the introduction of the *Environmental Planning and Assessment Act 1979*, a variety of Environmental Planning Instruments were introduced to facilitate urban consolidation. For instance, in April 1986, Sydney Regional Environment Plan No 7 - Multi-unit Housing: Surplus Government Sites was gazetted. The plan aimed to release suitable surplus government land in residential areas for multi-unit housing.

5.1 Sydney Regional Environmental Plan 12 - Dual Occupancy

This REP was gazetted on 19 June 1987 with the following objectives: encourage fuller use of existing services and community facilities; and to reduce the trend towards declining population levels in established areas. The REP performed the following functions: providing uniform controls for the provision of dual occupancy in the Sydney region; permitting the conversion of a dwelling house into two dwellings; permitting the erection of a second dwelling house on an allotment of land upon which a dwelling house is already situated

²¹ Spearritt, P & DeMarco, C. *Planning Sydney's Future*. Allen and Unwin, Sydney, 1988, at 33.

²² NSW Government, 1991, *Urban Consolidation Review 1991*. Department of Planning, at 5.

5.2 State Environmental Planning Policy No 25 - Residential Allotment Sizes

This SEPP was gazetted on 28 August 1987 and has the following aims: to reduce the consumption of land for residential purposes; to reduce housing costs by reducing, in certain cases, the minimum area of land on which residential development may be carried out; to encourage innovation and diversification in subdivision patterns, site plans and building designs; and to facilitate development for the purposes of residential flat buildings containing three or more dwellings.

The introduction of the above two EPIs meant councils could no longer restrict dual occupancy development by means of provisions in their LEPs. For example, REP 12 set down the minimum site area for an attached dual occupancy development as 400 square metres and 600 square metres for a detached dual occupancy development. A council could no longer refuse to allow a dual occupancy development merely because it did not comply with the size the council had stipulated in its LEP.

In late 1988 the Minister directed that a public inquiry pursuant to Section 119 of the EPAA be held to examine three EPIs dealing with urban consolidation: SEPP 25 - Residential Allotment Sizes and Dual Occupancy, SEPP 5 - Housing for Aged or Disabled Persons and REP 12 - Dual Occupancy. The Commission of Inquiry was to examine: what these EPIs were intended to achieve; their effect in practical terms; their administrative impact on councils and more generally their impact on local communities; the attitudes that were held by groups such as local councils, developers and the community to them; and whether the EPIs should continue in their current form or whether they should be repealed or amended.

5.3 The Simpson Report²³

Commissioner Simpson handed down his report in January 1989. His general findings in relation to SEPP 25 and REP 12 were as follows:

- little or no detailed studies were carried out by the Department of Planning prior to introduction of the three EPIs and little or no monitoring had occurred since they had been in place. It was difficult therefore to assess their effect and impact, but overall there appeared to be a need for such planning instruments (p53).
- based on a sample of statistical returns provided by councils on the extent and form of dual occupancy development in their area for the period 1982-1988, the Commission made the following observations. On average 4.9% of all dwelling house approvals were for dual occupancy. (Dual occupancy development in Melbourne at the same time was about 10% of all dwelling house approvals.) Dual occupancy development in the older established areas such as Marrickville and Willoughby, made up a significant proportion of all dwelling house approvals.

²³ Simpson, W. *Report to the Minister for Local Government and Minister for Planning on an inquiry pursuant to Section 119 of the EPAA with respect to REP 12, SEPP 5 and SEPP 25*, January 1989

However in large growth areas such as Sutherland and Baulkham Hills, dual occupancy development accounted for a very small proportion of all dwelling house approvals (pp82-83).

- in many cases council's opposition to dual occupancy was directly related to local resident opposition to such development (p85).
- the issues of greatest concern to local communities were privacy, overshadowing, noise, loss of trees, visual bulk and streetscape. All of these could be addressed by design guidelines. Other objections such as traffic generation, parking problems and undesirable tenancy were considered to be unfounded or unreasonable (p73).
- dual occupancy was a housing form that was gaining popularity amongst all sectors of the development industry. However the inability to create a second title for dual occupancy development was a disincentive (p84).
- REP 12 had not reduced environmental quality or seriously affected residential amenity (p75) and
- councils should complement the controls in REP 12 by developing design guidelines for dual occupancy having regard to the character of a locality and its streetscape (p88).

Some of the main recommendations were:²⁴

- a SEPP on urban consolidation should be made.
- the effect and impact of dual occupancy development should be monitored by the Department of Planning in consultation with local government.
- the continuing public and local government opposition should be addressed by making the process more flexible with amendments to the EPIs to enable recognition of relevant local environmental factors. For instance, it may be that dual occupancy is unsuitable in some locations due to special environmental factors or that in certain areas more off-street parking is required than that currently stipulated. It would be up to the council to satisfy the Director of Planning that this were the case.
- appropriate streetscape, building design and landscape guidelines for dual occupancy development should be put in place.
- creation of a second title for dual occupancy development should be permitted.
- the restriction to owner-occupied dual occupancy should cease and

²⁴

ibid pp 210-220.

- a council, where justified, should be able to seek a Section 94 contribution.

5.4 The Response to the Simpson Report

The Government of the day accepted many of the recommendations of the Simpson Report, and the following policies were implemented:

- SEPP 32 dealing with urban consolidation was gazetted on 15 November 1991. This SEPP mainly dealt with the 'infill' development of urban sites zoned non residential, but were no longer used for the original purposes of their zoning. The SEPP facilitated the identification of these sites by local government and their redevelopment into medium density housing.
- SEPP 28 - Town Houses and Villa Houses was gazetted in 1989 and came into effect on 30 March 1990. This SEPP permitted medium density housing on suitable residential land in the Sydney region and the metropolitan areas of Newcastle and Wollongong.
- Amendments were introduced in 1991 to permit the creation of a second title of a dual occupancy. This could take the form of a conventional Torrens title, a strata title or a community title depending on the sort of dual occupancy undertaken. In 1992 SEPP 25 was amended to permit subdivision of dual occupancy developments.
- The restriction on owner-occupied dual occupancy development was lifted.
- Councils were granted a degree of flexibility in that a mechanism was introduced to permit exemptions from SEPP 25 and REP 12. If a council could show that its LEP and DCP contained provisions consistent with the Government's urban consolidation strategy then the Minister may grant an exemption. Provision was made for newer residential areas in country towns to be exempted from SEPP 25. For councils in metropolitan areas to obtain an exemption they needed to demonstrate that:

... their LEPs and DCPs ensure a gross residential density of 15 dwellings per hectare ... and that a genuine and adequate housing strategy which significantly increases both the choice and stock of housing in existing urban areas is in place.²⁵
- A design guidelines manual was introduced in late 1994²⁶; and
- The effect and impact of dual occupancy and urban consolidation more generally

²⁵ Media Release, Minister for Planning, 'Dual Occupancy Exemptions', 31 March 1993.

²⁶ NSW Government, *Dual Occupancy. Design solutions manual*. Department of Planning, 1994.

were to be monitored and assessed by the Department of Planning in strategy documents such as *Sydney's Future*²⁷ and *Cities for the 21st Century*²⁸.

With the implementation of the Simpson Report recommendations, dual occupancy restrictions became more popular with developers and ceased to be solely of the 'granny flat' variety. This fact is cited frequently by those councils not in favour of dual occupancy development as being one of their major reasons for opposition.²⁹ Moreover dual occupancy development is seen by some as "a form of de facto medium density housing."³⁰

The town planner Stephen Driscoll studied dual occupancy development trends.³¹ These showed:

- a trend towards a rise in dual occupancy approvals over the 80s;
- a substantial rise in approvals in 1987-1988, which were the boom years in property development which also coincided with the introduction of REP 12;
- at no time since 1987-1988 have dual occupancy approvals fallen below pre-REP 12 levels; and
- most of the post 1987-1988 increase has occurred in the outer Sydney local government areas. For instance, in Blacktown in 1987 there was a ratio of 1 dual occupancy development created for every 32 detached dwellings. In 1993, the ratio was up to 1 dual occupancy development for every 2.7 detached homes.

²⁷ This was a discussion paper put out by the Department of Planning in October 1993 which aimed at updating the metropolitan planning strategy for Sydney that had been set down in the 1988 report, *Sydney into its Third Century*.

²⁸ *Cities for the 21st Century* was released by the Department of Planning in January 1995. This report was the final product resulting from the earlier discussion papers, *Sydney's Future* and the *Integrated Transport Strategy*. These reports were discussed in the Library's *Briefing Note Sydney's Future and The Integrated Transport Strategy: A Summary*, by Sharon Rose, No 001/93.

²⁹ Mayor Rankin of Sutherland Council was attributed as saying that council did not oppose dual occupancy in its original form, that is for construction of a second dwelling to house grandparents or extended families, but it wanted to stop the "outrageous existing situation" where developers were making money at the expense of adjoining property owners, Paola Totaro, 'State poised to end shire land dispute', *Sydney Morning Herald*, 8 February 1995.

³⁰ Paper by Stephen Driscoll presented to a seminar on dual occupancy organised by the Young Planners, a subcommittee of the Royal Australian Planning Institute (NSW Chapter) on 12 October 1994, p3.

³¹ According to Driscoll no current official figures regarding trends in dual occupancy development throughout the Sydney Region during the 80s and 90s were available from the Department of Planning. The figures he used were taken from a university dissertation done in 1992, p4.

Driscoll suggested that this increase in dual occupancy development and the decrease in the more traditional forms of medium density housing such as villas, townhouses, in areas such as Blacktown, reflect the ease with which builders can develop dual occupancies - both in terms of council approval and construction times - as opposed to traditional medium density housing, as well as a growing community acceptance or preference for this form of housing.³²

It would appear from documents such as *Cities for the 21st Century*, that dual occupancy is no longer seen as a stand alone policy, but part of the larger urban consolidation strategy. This is clear from a number of key principles included in the Report such as:

- more compact cities - less new land will be taken up and better use made of existing urban land and infrastructure;
- containing Sydney's urban expansion within linear corridors along major efficient public transport routes, principally railways;
- using redevelopment opportunities to improve public transport;
- encouraging a wide diversity of housing in all areas; and
- controlling urban encroachment into rural areas to protect agriculture, recreation, tourism and heritage resources.³³

From the above, a shift in the reasoning behind the need for dual occupancy development can be discerned. Put simplistically, in the beginning it was intended primarily as in-law accommodation and rental property, the emphasis changed however when requirements were freed up. These changes were made to encourage more dual occupancy development following on from findings of the Simpson Report. Once it was possible to create a second title and owner-occupiers were no longer obliged to reside in one of the dwellings, dual occupancy development did indeed increase.

However, the increasing frequency of dual occupancy developments, many of bad design, led to an increasing outcry from affected people. Some of the most common objections to dual occupancy developments were:³⁴

³² Ibid, p5.

³³ Media Release, Minister for Planning, 'Dynamic new metro strategy prepares for next century', undated.

³⁴ Paper by Stephen Driscoll presented to a seminar on dual occupancy organised by the Young Planners, a subcommittee of the Royal Australian Planning Institute (NSW Chapter) on 12 October 1994, p3.

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- loss of privacy
 - overshadowing of adjoining properties
 - poor address to street
 - loss of property values
 - increased traffic development

In response, the then State government encouraged local councils to prepare housing strategies so they could be eligible for exemption from dual occupancy policies.³⁵ However, the widespread dissatisfaction with ‘rampant’ dual occupancy development across the city led to a rethinking of urban consolidation policies.

5.5 A change in Government - New Directions

With the election of the ALP government in early 1995, the Hon Craig Knowles MP Minister for Urban Affairs and Planning revamped urban consolidation policies. The new Minister claimed that under the former polices, urban consolidation was not encouraged in areas where there is good access to employment, transport and community facilities. Instead, speculative dual occupancies occurred largely on the urban fringe.³⁶ In May 1995 the new government removed the right to separate titling of dual occupancies, and abolished SEPP 28 which related to town houses and villa homes in residential areas. Recently Minister Knowles has described the government’s urban policies as comprising the following five areas:³⁷

- ℄ seeking to transform urban growth in Sydney by reducing the reliance on new fringe development.
- ℄ urban design and access to employment and services will be improved
- ℄ urban consolidation will still be pursued, although the emphasis is now on increasing residential densities only in those areas which have good access to transport, employment and community facilities.
- ℄ air quality concerns will continue to drive the agenda with respect to improving the integration of land use and transport planning.
- ℄ underlying all of these points, a whole of government approach to decision making on urban management is being pursued. This involves communicating more effectively with local and federal government, as well as improving coordination of the activities of the various state government agencies and departments.

³⁵ See for example: Media Release “Lane Cove Dual Occupancy Exemption” 17 March 1995. Minister for Planning.

³⁶ Knowles, C. “The NSW State Government’s Urban Management” in *Australian Planner*, Vol 33 No 2, 1996, at 68.

³⁷ *Ibid* at 67.

In October 1995, local councils in the Greater Metropolitan Area were 'invited' by the State government to prepare residential development strategies to address both local housing needs and to contribute to the metropolitan objective of more compact cities. The 'stick' was that the State government was to concurrently prepare their own State Environmental Planning Policy on residential development, which would apply to all those local council areas that did not prepare an acceptable strategy of their own.

The Department of Urban Affairs and Planning published suggested guidelines on developing residential strategies, which were to cover three broad areas: identification of local housing opportunities such as development or redevelopment of identified sites or areas; improvement to existing residential development controls; and the reform of local development approval processes.³⁸ Initially, councils were given until September 1996 to prepare their strategies. However, this deadline was extended to early 1997.

In September 1997 Minister Knowles announced that of the 53 local councils in the greater metropolitan area, 36 have prepared residential strategies that met the Government's urban consolidation goals. The council areas of Cessnock, Maitland, Port Stephens and Wollondilly were deemed to be too far out of the metropolitan region to aid urban consolidation, and were considered inappropriate to be included in the strategy. The thirteen councils that did not prepare an adequate strategy or prepared no strategy will be subject to SEPP 53 - Metropolitan Residential Development. However, the Minister has stated that he will delay the implementation and enactment of the SEPP for at least six months to give the 13 councils who have not yet prepared an acceptable residential growth strategy another chance to do so.³⁹ The SEPP 53 is explained in greater detail below.

6.0 SEPP No 53 - Metropolitan Residential Development

This SEPP is the Government's response to urban consolidation.

Part 1 - Preliminary

The SEPP aims to encourage the provision of housing in metropolitan areas that will: broaden the choice of building types and locations available in the housing market; make more efficient use of existing infrastructure and services; reduce the consumption of land for housing on the urban fringe; and be of good design. The SEPP will apply to all local councils in the Illawarra - Sydney - Hunter region except those councils who have prepared and the Minister approves of a local residential strategy.

³⁸ NSW Government, *Residential Strategies. Residential development strategies for local governments in the greater metropolitan region*. Department of Urban Affairs and Planning, 1995.

³⁹ NSWPD, 25 September 1997, p. 608.

Part 2 - Integrated housing development

The objective of this Part is to create opportunities for a group of dwellings on separate small allotments of land to be planned, designed and assessed as a single development in an urban release area. This Part allows the subdivision of land into five or more allotments and the erection of one dwelling on each allotment created by that subdivision, despite the provisions of any other planning instrument. The Part defines minimum allotment sizes (average for the five is 230 square metres each, with a floor space ratio of 0.5:1 or less. Floor space ratio = the ratio of the built floor area to site area. So for a 0.5:1 FSR, you could have up to half a square km of floor space built on a 1km x 1km sq block of land. The half a square km applies to all floor spaces in the dwelling. For example, for the same FSR you could have a 2 storey dwelling as long as it was on ¼ of the land.)

Part 3 - Dual Occupancy

The objective of this part is to allow two dwellings to be developed on a single allotment of land. This Part allows development that results in two dwellings being located on the one allotment of land if another planning instrument permits a dwelling house to be erected on that allotment and the development is carried out according to this Part and Part 5. This Part prescribes minimum allotment sizes for dual occupancy - 400 square metres or more where the two dwellings are attached or 600 square metres or more where the two dwellings are detached. Floor space ratios are specified as 0.5:1 or equal to the floor space ratio of any dwelling before the development was carried out, or higher if another planning instrument allows higher density development. A dual occupancy development is not allowed to be separately titled as a result of this SEPP.

Part 4 - Targeted Sites for Multi-unit housing

The objective of this Part is to provide an opportunity to stimulate the redevelopment of specific sites and localities that are suitable for multi-unit housing, especially those close to transport and employment opportunities, where local planning controls do not satisfactorily deal with redevelopment of that kind. Sites or localities will be affected only in those local government areas that do not prepare suitable residential development strategies. If a Council does not prepare a strategy the Minister may identify sites for redevelopment and involve the Council to rezone to allow residential development if required.

Part 5 - Design Requirements

This Part requires certain design aspects to be taken into account when a consent authority considers an application for a building development that is covered by this SEPP. Factors to consider include: a site analysis; street scape; visual and acoustic privacy; solar access and design for climate; stormwater; crime prevention; accessibility, waste management; and visual bulk. The design requirements do not outline prescriptive standards to be achieved with no exceptions or justification, but incorporate principles that must be taken into account.

7.0 Conclusion

It is apparent that State governments of all persuasions have sought to limit Sydney's fringe growth. The driving forces of urban consolidation in the 1990's include protecting water catchments and reducing air pollution, especially in the western suburbs of Sydney. Under present procedures, local councils have an important part to play in the formulation and implementation of residential development strategies.

Kirwan identifies the bottom line in relation to increasing densities in established areas as market demand. He writes: "Australians are not going to give up their traditional ways merely because some of their leaders have a yen for what they believe to be a European lifestyle. They are far too shrewd. They are going to look, as people have always looked, at what is happening to the transport system and to the price of space. If that tells them that medium density housing is the right answer, they will go for it. But not otherwise."⁴⁰

⁴⁰ Kirwan, R *op cit* at 19.