

22 July, 2020

### NSW Planning Approvals Drop Off

Urban Taskforce Chief Executive, Tom Forrest, today expressed concern that new home approvals data\* shows approvals in Greater Sydney have dropped to 16,087 for the 6 months up to and including May 2020 - the lowest half yearly number since May 2013.

Mr Forrest said the Urban Taskforce is on record welcoming the NSW Government's Planning System Acceleration Program which has seen a number of approvals for large projects come through over the last two months. However, the fact is that approvals were already down to 16,338 for the 6 months leading up to and including November 2019, well before COVID-19 was a factor.

"Part of this drop off in housing approvals is no-doubt due to the close down period associated with COVID-19. But there has been a clear downward trend in new dwelling approvals in Greater Sydney since its peak in November 2016 when 31,000 new dwellings were approved in the six months prior to that date. The figures released by DPIE yesterday show a 48% drop in the 6 month approval data since the peak in November 2016.

"The property and construction industry is a big employer in NSW. Keeping the approvals flowing through the system is critical to employment in NSW and to meeting the demand for housing.

"Approvals today are a clear indicator of work in progress in 12 months' time. The Department of Planning is pushing strongly for a pro-jobs culture, evidenced by the recent planning reforms and announcement of a new Planning Delivery Unit.

"But culture change is desperately needed at council officer level. Council planning staff need to work with proponents to deliver projects which provide housing, industrial and commercial employment, retail centres as well as open space and public amenity. The key here is working together with businesses to produce financially feasible solutions", Mr Forrest said.

To quote two great philosophers:

- Voltaire (1770) *"The best is the enemy of the good."*
- Confucius (circa 500 BC) *"Better a diamond with a flaw than a pebble without."*

Mr Forrest said the NSW planning system had slowed down in the context of the 2019 election and a focus on strategic planning. Now is the time to hit the "go" button on approvals. In the current economic context, the planning system needs to grant at least double the number of approvals to half the number of new dwelling completions.

The NSW Government's draft Housing Policy says that 50,000 new homes will need to be completed in Greater Sydney each and every year till 2040 to meet forecast demand for housing. That means we need 50,000 new dwelling approvals **every six months**. The DPIE's most recent data shows that the last 6 months delivered a mere 16,000 new dwelling approvals, as did the 6 months prior to that (well before COVID-19).

"Fast-tracking is good and it has driven a new 'can-do' attitude in DPIE, but the entire planning system needs to work together to deliver for the NSW people and the economy", Mr Forrest said.

\*See <https://www.planning.nsw.gov.au/Research-and-Demography/Metropolitan-Housing-Monitors/Metropolitan-Housing-Monitor> for DPIE data – the numbers quoted can be found on the Sydney Approvals Monthly tab.

The **Urban Taskforce Australia** is a property development industry group, representing Australia's most prominent property developers and equity financiers.

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