

5th March 2021

General Manager
Northern Beaches Council
PO Box 82
Manly NSW1655

<https://yoursay.northernbeaches.nsw.gov.au/local-housing-strategy>

Dear Mr Brownlee

Re: Northern Beaches draft Local Housing Strategy

I write regarding the Northern Beaches draft Local Housing Strategy (draft LHS) exhibited by Northern Beaches Council (the Council).

The Urban Taskforce welcomes the draft LHS in so far as it articulates the Greater Sydney Commission's (GSC) housing targets, identifies the shortfall in the capacity of land as currently zoned to meet targets and proposes a strategy to meet the shortfall.

Delivery of new housing across Greater Sydney has been on a downward trajectory since 2018. The GSC housing targets provide a significant opportunity to correct this downward trend and substantially improve housing supply, thus making new homes more affordable. Council's efforts in articulating a strategy to meet housing targets is acknowledged.

However, the Urban Taskforce **objects** to the proposed inclusion of excessive local character considerations and affordable housing provisions.

Excessive Local Character considerations

The draft LHS set out:

"Planning in Dee Why must retain and restore its character given the substantial development in recent years ... (constraints include):

- *the high number of walk-up flats to the east of Pittwater Road, unlikely to redevelop and already providing good quality and relatively affordable medium density housing in an attractive location"*

Why does a centre identified for revitalisation need to retain and restore its character? This is a gross manifestation of anti-development sentiment and should be removed.

Including a 'no change sentiment' into the LHS ignores the need to plan for longer term population increases and deliver on GSC housing targets for the delivery of new homes and jobs.

When governments fail to plan for the new houses and jobs needed by future generations this will further drive up the price of, and capacity to pay for, housing. To give effect to a 'no change sentiment' will exacerbate the growing issue of intergenerational inequity resulting in future generations of Northern Beaches families needing to leave the LGA to find more affordable housing options.

Urban Taskforce asserts that while there is a legitimate need to preserve genuine items on heritage and cultural significance, the protection of local character per se will kill off economic growth right at the time when the very opposite approach is required (post COVID-19). Accordingly, Urban Taskforce **recommends** that consideration relating to the retention and/or restoration of local character in centres identified for growth be deleted from the final Local Housing Strategy.

Inclusion of Affordable Housing Provisions

The NSW Productivity Commission has found that:

“Local contributions should be used to fund development-contingent costs; that is costs that would be avoided if a development did not go ahead. Affordable housing does not fall within this definition... The limited uptake of affordable housing schemes by councils suggests the contributions system plays a minor role in affordable housing supply. Moreover, it is not clear that housing is being made more affordable as a result of these schemes, as some stakeholders noted: the creation of a small quantity of “affordable housing”, may be at the cost of making other housing more expensive.”¹

Affordable housing is best addressed by more approvals and faster re-zonings of land to boost supply, not the application of affordable housing levies.

Affordable housing contributions impact the ability of the planning system to increase housing supply in general. Any additional contribution affects project feasibility which leads to an impact on supply when projects do not go ahead. Affordable housing contributions actually push up the price of new homes as the price of 'market' homes is increased to off-set the cost of the affordable housing.

The best way to make housing more affordable is not to slap a tax on new home buyers. Urban Taskforce members report that Council's proposed 10% affordable housing levy will have a significant impact on feasibility and is likely to result in limited investment in new development within the LGA.

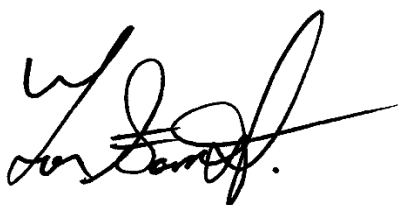
¹ NSW Productivity Commission, Review of Infrastructure Contributions in NSW, November 2020

Urban Taskforce **recommends** that the proposed 10% affordable levy not proceed and instead Council focus its efforts on the delivery of rezonings to meet GSC targets and faster development approvals to deliver affordable housing outcomes.

Table 1 includes a summary of Urban Taskforce recommendations.

The Urban Taskforce would welcome the opportunity to expand on the matters raised and to provide a development industry perspective on the draft LHS as proposed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Forrest', with a stylized flourish extending to the right.

Tom Forrest
Chief Executive Officer

Table 1: Summary of Urban Taskforce Recommendations

	Urban Taskforce recommendation
1.	Consideration relating to the retention and/or restoration of local character in centres identified for growth be deleted from the final Local Housing Strategy.
2.	The proposed 10% affordable levy should not proceed and instead Council should focus its efforts on the delivery of rezonings to meet GSC targets and faster development approvals to deliver affordable housing outcomes.