

23rd July 2021

Mr Brett Whitworth
Deputy Secretary – Infrastructure and Place
Department of Planning, Industry and Environment
Ingleside draft Place Strategy Submission
Locked Bag 5022
PARRAMATTA NSW 2124

On-line submission

Dear Mr Whitworth

Re: draft Ingleside Place Strategy

I write regarding *draft Ingleside Place Strategy* (Draft Strategy) and the accompanying Explanation of Intended Effect prepared by the Department of Planning, Industry and Environment (the Department).

The Urban Taskforce has supported State-led rezoning processes as a co-ordinated response to delivering precinct plans as an opportunity to meet Greater Sydney Commission (GSC) job and housing targets. The State-led precinct planning process presents an opportunity for the Government to lead the delivery of new homes in all LGAs for medium to longer term housing supply. When governments fail to plan for the new houses needed by future generations this will further drive up the price of, and capacity to pay for, housing.

Urban Taskforce is concerned about the significant reduction to new dwellings under the revised, Draft Strategy and the impacts on housing supply and affordability. We note the originally exhibited (late 2016) draft Strategy proposed an additional 3,400 dwellings for the precinct. The revised maximum number of new dwellings for the precinct is now 980 dwellings. This concern is heightened by the draft Northern Beaches Local Housing Strategy (LHS) that provides very limited opportunities for feasible and market responsive long-term housing supply and choice.

Urban Taskforce appreciates that for the Ingleside area, the reduction in dwellings is *“principally in direct response to bushfire impact issues, bushfire evacuation capacity, and servicing requirements”*. We support strategic plans for development that are a commensurate response to risk. However, the risk assessment must be evidence based and mindful of the need to generate housing supply and choice, particularly in response to escalating housing prices in the area and across Greater Sydney. Bushfire impact issues should not be used as a means to avoid change to “local character” and delivery of new homes across the entire Northern Beaches local government area.

In the interest of housing affordability and diversity it is imperative that the local government area is still capable of generating new housing supply and housing choice as set out in the GSC's assurance of the Northern Beaches Local Strategic Planning Statement.

The draft revised Place Strategy when viewed alongside the draft Northern Beaches LHS raises concerns about the area's capacity to deliver long term housing supply.

Urban Taskforce recommends that DPIE's consideration and endorsement of the Northern Beaches LHS be cognisant of the reduced dwelling capacity of the Ingleside precinct and subsequent impacts on housing supply and affordability.

Affordable Housing Levy

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

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

In the event that a decision is made to proceed with the affordable housing levy the **Urban Taskforce recommends** that the feasibility testing of the impact of the levy be undertaken with the advice of industry representatives familiar with the commerciality of development in the area.

SEPP Exemptions

The Urban Taskforce objects to the proposal to exempt the precinct from the following SEPPs: SEPP (Exempt and Complying Development) 2008, SEPP (Affordable Rental Housing) 2009 and SEPP (Housing for Seniors or People with a Disability) 2004.

The economic impacts of the COVID-19 pandemic have given even greater impetus for clear planning frameworks and streamlined, certain development approval and planning processes. Exempting entire precincts from State-wide policies only serves to add to the complexity of NSW planning system. Further, the development controls arrived at from the state-led precinct planning process set the parameters of development in terms of amenity impacts and risk management.

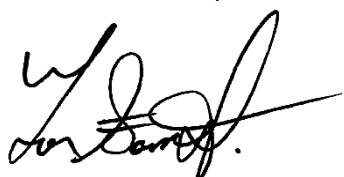
Urban Taskforce members report that there is considerable demand for housing for seniors across the Northern Beaches. Further, this demand covers a variety of different settings across the local government area, not just in its existing centres. The Ingleside precinct presents an opportunity for new seniors' housing that would allow existing residents to age in place, meet market demand and through increased supply improve the affordability of this much needed housing type.

Urban Taskforce recommends that in the interests of minimising further complexity being added to the NSW Planning System and driving efficient approvals that deliver housing choice and supply, the proposed SEPP exemptions not proceed.

Table 1 includes a summary of all Urban Taskforce recommendations

The Urban Taskforce is always willing to work closely with the Government to provide a development industry perspective on proposed policy and planning changes.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Forrest', written over a horizontal line.

Tom Forrest
Chief Executive Officer

Table 1:

Summary of Urban Taskforce recommendations

	Urban Taskforce recommendation
1.	<p>Urban Taskforce recommends that DPIE's consideration and endorsement of the Northern Beaches LHS be cognisant of the reduced dwelling capacity of the Ingleside precinct and subsequent impacts on housing supply and affordability.</p>
2.	<p>Urban Taskforce recommends that the proposed 10% affordable levy not proceed and instead Council be directed to focus its efforts on the delivery of rezonings to meet GSC targets and faster development approvals to deliver affordable housing outcomes.</p> <p>In the event that a decision is made to proceed with the affordable housing levy the Urban Taskforce recommends that the feasibility testing of the impact of the levy be undertaken with the advice of industry representatives familiar with the commerciality of development in the area.</p>
3.	<p>Urban Taskforce recommends that in the interests of minimising further complexity being added to the NSW Planning System and driving efficient approvals that deliver housing choice and supply, the proposed SEPP exemptions not proceed.</p>