

3rd September 2021

The Hon. Robert Stokes MLA
Minister for Planning and Public Spaces
GPO Box 5341
SYDNEY NSW 2001

cc. Katie Stevenson Minister Stokes' CoS
cc. Jim Betts Secretary DPIE
cc. Abbie Galvin, NSW Government Architect
cc. David Tanevski, Hon Secretary Treasurer, UTA

Dear Minister

Design and Place SEPP

I write on behalf of our members' on-going concerns with the development and timing of the finalisation of the Design and Place SEPP. Urban Taskforce members work in all sectors, but in particular, our members comprise the vast majority of class 2 residential apartment building construction expenditure in Greater Sydney.

As previously communicated to you and as reflected by the Urban Taskforce submission to the Explanation of Intended Effect, the Design and Place SEPP was not well received by Urban Taskforce members and across industry generally. Of particular concern was the absence of analysis relating to the costs and loss of GFA associated with its recommendations, proposed new controls and the associated guidelines.

Our members acknowledge the work that is now being undertaken by the Government Architect's Office and NSW Treasury. We support the undertaking of a regulatory impact review and cost benefit analysis of the ADG. We also acknowledge the on-going engagement via the industry working groups to further improve and refine the contents of the policy as well as the work being undertaken to better appreciate the cost implications of the policy.

However, since I last wrote to you on this matter, much has changed for the development and construction industry. Needless to say, the closing and then partial re-opening of construction sites continues to challenge the logistics and productivity of our industry. Further, major apartment developers are also dealing with the practical implications of transitioning to the new requirements under the Design and Building Practitioners Act and Regulation. Additionally, developers are continually needing to re-visit project feasibilities and programming in light of escalating land prices, supply chain issues and skilled labour shortages.

Urban Taskforce members have asked me to write to you and advise that now is not the time to progress the Design and Place SEPP to even draft instrument status. The exhibition of a draft instrument will add to the challenges of project financing and add copious layers to the matters to be included in the preparation of development applications and planning proposals, and to be considered as part of assessment processes.

We understand that other industry peaks have written to the Premier requesting a 12 month deferral of the Design and Place SEPP.

Urban Taskforce supports this call. A deferral of at least twelve months will allow industry to focus on the planning and delivery of new homes and jobs and contribute to NSW's post Delta lockdown economic recovery unimpeded.

A twelve month deferral will give the planning system the capacity to better focus on the delivery of approvals, without the additional layering and complexity that a new, or even draft SEPP would create. The deferral will also allow the Design and Place SEPP to be cognisant of the practical implications of the Design and Building Practitioners Act.

Urban Taskforce appreciates the work to better understand the impact on feasibility arising from the evolving SEPP. We suggest the progression of the Design and Place SEPP via a **second Exhibition of an Explanation of Intended Effect**. This would ensure that the document does not progress to Draft Instrument status while details are still being worked through.

Our members are particularly concerned to ensure that the new Design and Place SEPP does not have a negative impact on yield. At a time when housing affordability and housing supply is at a crisis point, any new instrument must ensure that the net impact does not reduce yield. The work to date has not delivered this assurance – through it is heading in the right direction.

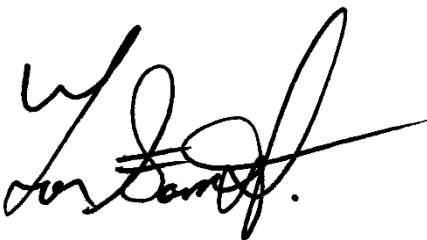
Urban Taskforce recommends that the NSW Government agree to the next iteration of the Design and Place SEPP:

- Be exhibited as an Explanation of Intended Effect that is clear on the *non-applicability* of the EIE in terms of all existing applications that are in the “planning system”
- The timeframe for finalisation and making of the SEPP be deferred for 12 months
- The SEPP must result in no reduction to the yield available to development in NSW under the existing State plans and policies.

The Urban Taskforce strongly encourages the Government to consider the timing and practical outcomes of the Design and Place SEPP.

I look forward to your urgent consideration of these important proposals for the benefit of our industry, housing supply and housing affordability. I Urban Taskforce would welcome the opportunity to speak with you about this at your convenience.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Forrest', written in a cursive style.

Tom Forrest
Chief Executive Officer