

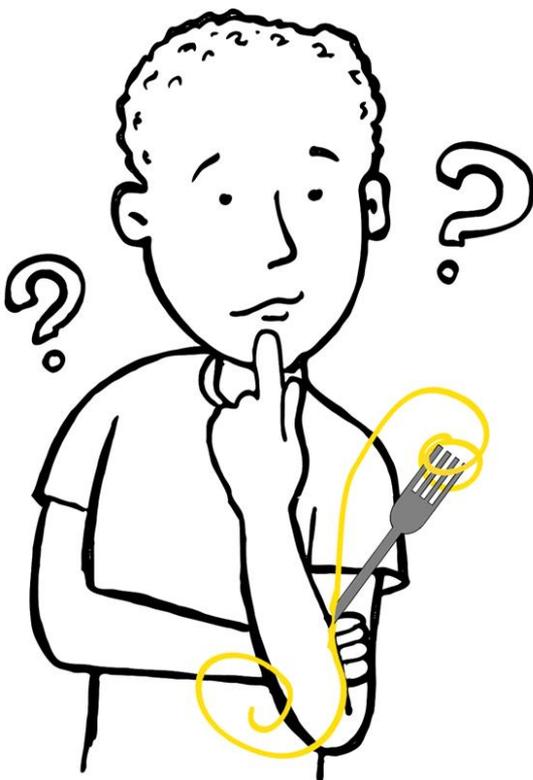


Urban Living Network covers news about new homes and apartment developments, retail trends, job locations, density related to railway stations, urban projects on city fringes, strata and planning reforms. We aim to provide real data on trends, housing supply and demographic change. ULN is essential reading for all those involved in urban living including politicians, councils, planners, architects, developers, financiers, legal firms, real estate agents and strata bodies.

Tom Forrest
CEO - Urban Taskforce Australia

21 JANUARY 2022

Untangling the web of planning responsibility – a challenging task



and Environment, Mick Cassel, are moving quickly to change the tone and focus of the Department.

For the first time since Sam Haddad left the post, there will be a single person at the Head of the Planning – Group Deputy Secretary, Marcus Ray.

The DPIE super department was always complicated and reported to lots of Ministers. It is still complicated – and still reports to lots of Ministers.

Details of the reporting arrangements to each of the Group Deputy Secretaries will be finalised by the end of the month. The Group Deputy Secretaries, who report to Mick Cassel as Secretary, are understood to be:

- Planning – Marcus Ray
- Property and Place – Michael Wright
- Energy and Science – Paul Grimes
- Water and Environment Jim Bentley
- Crown Land Office of Local Government LG Melanie Hawyes

The Super Ministry, DPE, will report to five Ministers:

- Anthony Roberts, Minister for Planning and homes
- James Griffin – Minister for the Environment (as well as Heritage)
- Matt Kean – Minister for Energy (as well as Treasurer of course)
- Wendy Tuckerman – Minister for Local Government
- Kevin Anderson – Minister for Lands and Water (as well as Hospitality and Racing)

In addition, Minister Stokes will continue to have a strong influence on the strategic aspects of the planning system through his Minister for Cities designation. The Greater Cities Commission (or the Greater Sydney Commission) will report to Minister Stokes, as will Infrastructure NSW and the Active Transport Division of Transport for NSW (now led by Kiersten Fishburn, Deputy Secretary of TfNSW). The GSC, under the Act that Governs its functions, continues to be responsible for the Regional Plan and District Plans. Urban Taskforce members are well aware of the difficulties encountered when any proposal is deemed to be inconsistent with the relevant strategic plans.

DPE has made it clear the housing supply and jobs creation is at the very centre of their new mandate. This is a welcome shift in focus, but its success will depend on collaboration with the GSC (now the GCC) and a shared commitment to housing growth and improved efficiency and productivity.

Under the current “Machinery of Government” arrangements, the role of the Cluster Minister Roberts will be the Cluster Lead for the DPE super Ministry. Minister Stokes will be the Cluster lead for the Transport Cluster, meaning that for the first time, Transport and Roads will be led in Cabinet discussions by a Minister who is not responsible for transport or roads.

Planning Reform – working to deliver more homes and improved affordability



Anthony Roberts is back in charge of the planning portfolio and there is an opportunity for reform.

The early indications are that housing approvals, housing supply and a focus on the efficiency of the planning system and the contribution of approvals to the economy will be brought to the front and centre.

Urban Taskforce recommends that DPE get back to its *raison d'être*. Its reason for being is the facilitation of new homes for people to live in and places for people to work, whilst regulating the impact on the environment and providing for amenity commensurate with what is affordable.

There is only 14 months till the next State election. Saturday, March 25, 2023. Here are some early suggestions for reform that should be considered!

Consideration must be given to **speeding up the planning assessment and approval system** for high value high yield new homes developments.

One option is to consider a new state significant development assessment and approval pathway for high yield projects (for example – with a construction value over \$20 million – not including the land value). These projects represent less than 5% of projects assessed by Councils, yet they often dominate Council planners' time. Much of this time is spent considering the meaning of assessment criteria, as Council staff are often not skilled at analysing complicated high value high yield projects. Such a pathway would remove these often-complex development proposals from the Councils and allow them to focus on the 95% of projects that come from the community which are too often forgotten at the bottom of the pile. Under a State Significant Development assessment process, the application would be assessed by a dedicated team of DPIE specialists and would be determined by the IPC or the Regional Planning Panels. Councils would make representations on the applications before the determining authority.

An alternative to taking these projects off Councils altogether could be to establish a specialist regional assessment team for each District in Greater Sydney. These would be led by DPE staff, but the assessment would be undertaken by Council staff seconded into these specialist units. This would upskill the Council staff and ensure that local concerns are properly considered in the assessment process. The determination would be made by either the IPC or the relevant Regional Planning Authority.

Urban Taskforce has been highlighting the fall in approvals for apartments across greater Sydney. It takes significant changes to urban density to put a dent in the housing supply crisis. The environmentally sustainable solution for the growth of Sydney is high rise apartments.

The Design and Place SEPP takes us in the wrong direction

State Significant assessment pathways already exist for high value employment generating activities. This has worked well and reflects positively on DPE.

But these successes have been frustrated by the ludicrous new obligations in the Draft Design and Place SEPP for design reviews for warehouses and cold store facilities, for data centres and logistics facilities, even though they are located in designated industrial estates. The real problem here is the absolute waste of time, which adds to cost and undermines investment in jobs generation. Further, the requirement for 35% green space on employment facilities that house warehouses and trucks is simply ridiculous. Ironically, this adds to urban sprawl, it undermines competitiveness and hinders new jobs generation. All the operators in this space are sophisticated industrial players. The market is driving increased green space around car parks and the common domain. It also demands sustainable energy consumption and built-in energy generation. But is it critical that our planners do not confuse industrial estates with public parks! They are ... different.

The draft Design and Place SEPP is not good for new homes and it is not good for jobs creation. The draft Design and Place SEPP should be shelved (or at least postponed by 12 months so further consultation on the costs / benefits of each aspect of its requirements can be assessed).

Revisit the review Clause 4.6 of the Standard Instrument (the Template Local Environment Plan)

The once noble profession of planning, where each project was assessed against relevant codes but flexibility was enabled where alternatives to the local controls were consistent with the objectives of the relevant planning instrument. Planners have been reduced to behaving like computers. Binary decision makers go through a set of planning controls and offer a tick or a cross. As those controls become ever more complex, they require specialist consultant reports and are increasingly biased towards the answer "no".

Clause 4.6 allows for flexibility where a development application is not consistent with the controls established for a particular site. The current wording of this clause is poor. It fails to deliver the flexibility that the planning system requires if it is to overcome the preponderance of highly prescription rules, codes, guidelines and controls. Former Minister Stokes did a lot of good work in this space, but in the end, stopped short of making any changes. If left as it is, Clause 4.6 of the Standard Instrument will not support planners to exercise their skills and do their job. For example, minor adjustments to allow for service facilities or an adjustment to the mandated setback on a street corner, should be allowed to be considered on a merit basis and should be able to be appealed on a site specific merit basis where assessments by planners have been unreasonably restrictive.

Council Housing Strategies will not deliver enough supply to meet demand

Most Councils were successful in meeting the Housing targets set by the NSW Government for 5-year period 2016-2021. But despite this, there was a significant under supply of housing during that period. Housing did not keep pace with demand for housing. Prices went through the roof. Clearly the targets were too low. This raises a serious question about the next 5 year targets set by the GSC.

In the next 5-year period 2021 – 2026, we need to have planning policies which support Councils that over achieve on housing supply. Those that are not meeting their targets should be able to fast track rezoning proposals to get them back on track, even if they are not consistent with local or even District strategic plans.

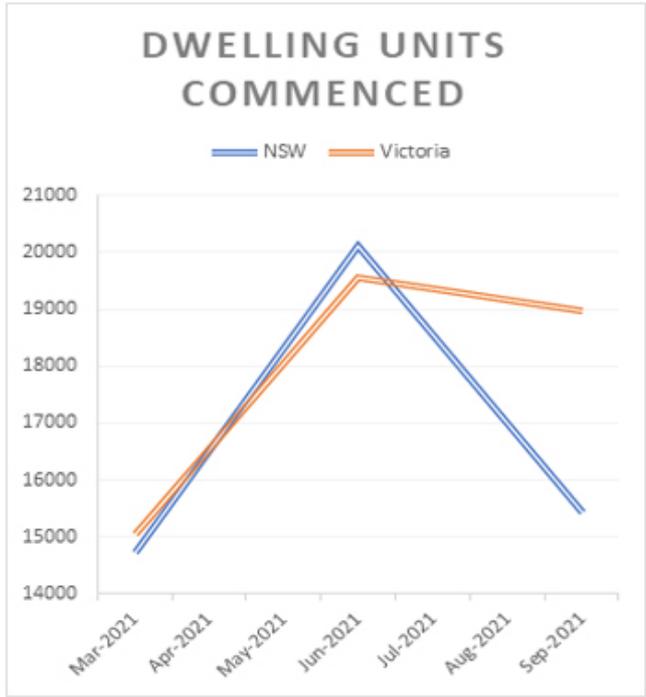
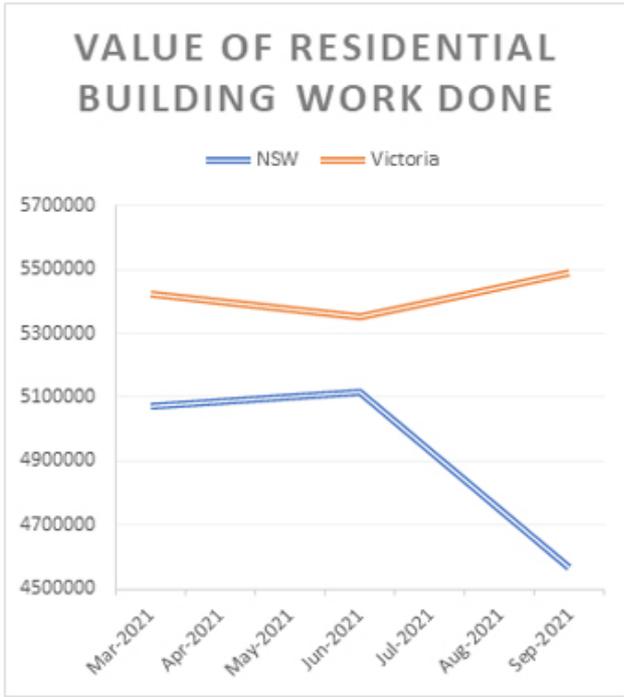
Those Councils that exceed targets should see their communities rewarded with extra funding for public facilities, community green space and local infrastructure. Supporting the growth of Sydney is the responsibility of all Sydneysiders.

A city that stops growing dies. But growth depends on increasing the population and this can not be done unless we increase the number of houses. This requires a change in attitude to height. At present, DPE reports high-rise as anything above 3 floors. 4 storeys and above is called high rise. This is a regulation from 1968. More importantly, it reflects an obsolete view of Sydney.

We need more greenfield houses on the fringes of Sydney, and we need increased density, reasonably spread across the rest of Sydney.

The changes suggested are the beginning of the conversation – but we are excited that we have a Minister and a Secretary willing to consult with industry to drive the planning system to deliver homes and jobs for all of NSW.

Residential development: a tale of two states



Source: ABS

This week ABS released the latest building activity data for the September 2021 quarter.

Once again, the data shows a difference between NSW and Victoria in the total estimated value of building work and number of dwellings commenced.

Both states had been facing the same challenges posed by the Delta variant and have experienced lockdowns and extensive restrictions. Yet, the value of construction, number of dwellings commenced and housing approvals in NSW have taken a steeper dive compared to the smaller state of Victoria.

This difference was mirrored in the housing approvals as well. Back in September 2021, it was reported that NSW had a significant decline in housing approval numbers, after a strong start of 2021.

NSW continued to underperform. As reported last week, ABS data shows that planning approvals in NSW plummeted in the month of November. Apartment (multi-unit dwellings) approvals in the month of November 2021 were the lowest since 2011 at only 972 (this compares to 1,892 in the month of October and 3,741 in the Month of September 2021).

Today, both NSW and Victoria are still facing the challenge posed by the Omicron variant.

In NSW, Premier Perrottet and Minister Roberts have an opportunity to reverse the trend by focusing on housing, ensuring more approvals and guaranteeing that the construction industry operates with the least possible restrictions. It is time for more investments to be enabled in construction that will result in more homes.

The Urban Taskforce hopes that the right policy and planning decisions will be made so that the next few quarter reports by the ABS show that NSW is on par or has outperformed Victoria in all metrics related to housing.

That is a race to the top between the two states in which everyone is a winner.

Additional First Home Loan Deposit Scheme guarantees to become available this financial year



Good news for first homebuyers who are waiting to enter the market. The National Housing Finance and Investment Corporation (NHFIC) will have additional First Home Loan Deposit Scheme guarantees available this financial year.

A new instrument has amended the National Housing Finance and Investment Corporation Investment Mandate Direction 2018 to enable the rollover to 2021-22 financial year of:

- 4,416 unissued guarantees from the NHG for the 2020-21 financial year, and
- 235 unissued guarantees from the FHLDS for the 2020-21 financial year.

The above guarantees have now been added to the existing 10,000 guarantees that were made available from 1 July 2021.

Also, NHFIC's total guaranteed liabilities have been increased from \$3bn to \$3.5bn. The additional \$500 million in low-cost financing are provided to support 2,500 more social and affordable houses.

The series of positive changes are encouraging, however, a lot more needs to be done in the affordable housing space.

The Urban Taskforce has consistently called for the private sector to be given access to NHFIC's low-cost financing so it can further contribute to the delivery of affordable housing.

The Australian Government should allow the private sector to apply for NHFIC loans (as is the case with Community Housing Providers) and rapidly boost the supply of social and affordable housing.

NHFIC own [report](#) from 2020, which included five-year projections for housing supply and demand across Australia's major cities, warned that affordability could deteriorate if supply is not responsive to the rebound in demand once migration returns to pre-COVID levels.

While the private sector should have been allowed to access NHFIC's financing a long time ago, 2022 is the next best chance to make this policy change.

Click [here](#) to read the National Housing Finance and Investment Corporation Investment Mandate Amendment.

REMINDER: Re-exhibition of Mamre Road Precinct Contributions Plan ends next week

A revised draft Section 7.11 Plan Development Contributions Plan for the Mamre Road Precinct is being re-exhibited until **27 January**.

The originally exhibited draft Contributions Plan (CP) projected a cost of \$698,596 per hectare while the updated cost is calculated at \$606,666 (approximately \$90,000 reduction per net developable area).

The reduction is primarily due to removal of trunk drainage from the Mamre Road CP. However, much of the other costs have increased. The Council report explains that the increase of the other costs is due to rising costs of construction and including provisions for design and contingency for collector roads.

Urban Taskforce has made a submission to the exhibited Mamre Road CP in December 2020. Our submission raised concerns about the significant combined cost of proposed S7.11 and the SIC contributions for the precinct. Urban Taskforce warned that the Mamre CP will render many industrial developments unfeasible.

Click [here](#) to access the exhibition page of revised draft Mamre CP.

Click [here](#) to read Urban Taskforce submission on the draft Mamre Road Precinct Development Contributions Plan, December 2020.



PENRITH CITY

MAMRE ROAD PRECINCT

DEVELOPMENT CONTRIBUTIONS PLAN 2021

(Under Section 7.11 of the Environmental Planning and Assessment Act, 1979 amended)

Source: Penrith City Council

Sourceable article: High Rise is the Most Sustainable Housing Option

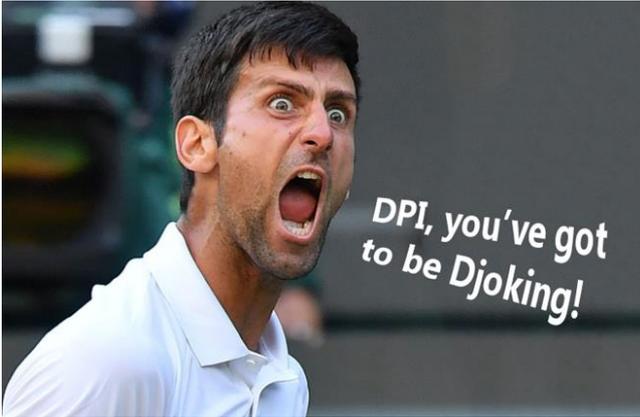


Source: Sourceable (click on the image to read the full article)

A new Urban Ideas Research Paper published by the Urban Taskforce titled: "Standing Tall" has been released and it finds that the construction of high rise buildings results in the lowest embedded carbon-emission when compared with other development types, such as townhouses or suburban homes. That is – the carbon footprint of the total build per dwelling (occupying the same number of people) is the lowest for high rise developments (58 storeys)...

Read the full article by Urban Taskforce CEO, Tom Forrest in Sourceable [here](#).

The Inaugural "You've got to be Djoking" Award goes to DPI for their Draft State Significant Agricultural Land Map



The inaugural award goes to the Department of Primary Industries (DPI) for their Draft State Significant Agricultural Land Map (Draft SSAL Map).

This poorly prepared map aims to identify areas with state significant agricultural land but much of the lands identified by DPI conflicts with councils' designated urban release areas!

Urban Taskforce members have already flagged numerous examples of sites that are wrongly identified in the Draft SSAL Map.

One example is urban land in the West Dapto Urban Release Area (about 15 kilometres south west of Wollongong) being identified as state significant agricultural land. In the Central Coast LGA, there are issues within the Wadalba South Urban Release Area. Similar problems exist in the urban growth areas in Wollondilly Shire Council.

These mistakes have both the community and developers saying "You've got to be Djoking!"

Other things happening this week

New appointments at the GSC

This week the Greater Sydney Commission appointed two senior leaders.

John Lydon has been appointed as Economic Commissioner. Mr Lydon has spent over 25 years working internationally for McKinsey & Company, including as Managing Partner of McKinsey Australia and New Zealand.

The second appointment is Sarah Winter who will lead the Commission's work on the Central Coast jobs and economic strategy and the Macquarie Park innovation precinct. She joins the Commission from Deloitte, where she has been Partner for Investment, Infrastructure and Impact.

Ms Winter will commence as Executive Director Central Coast and Macquarie Park on 31 January 2022.

Read the media release [here](#).

THIS
WEEK...

Build-to-Rent-to-Buy model for at-risk and vulnerable women to be explored

Innovative Build-to-Rent-to-Buy model to help at-risk and vulnerable women become homeowners

The National Housing Finance and Investment Corporation (NHFIC) has signed a Memorandum of Understanding with Ginninderry and community housing provider Community Housing Canberra to explore an innovative women's housing initiative - Build-to-Rent-to-Buy (BtRtB).

The BtRtB model provides renters with the ability to transition to home ownership.

A proof of concept model will be developed in the coming six months. The partners will explore an appropriate funding model to support the initiative. Should the pilot proceed, it is anticipated that construction could commence later in 2022.

Read the media release [here](#).

URBAN TASKFORCE MEMBER NEWS

Meriton's "[catching a] lift to work" idea was smart because changes to ways of work were likely permanent and the post-pandemic norm would be two days a week working from home... [read more](#) ...

The Australian Financial Review, 17 January

Holdmark Property Group has filed plans with the City of Parramatta Council for a dual tower development, one of which will accommodate a five-star Intercontinental-branded hotel... [read more](#) ...

The Urban Developer, 19 February

Despite the most significant increase in building costs in **Meriton's** 60-year history, Harry Triguboff remains bullish about the apartment market, lodging plans for a 200-unit apartment tower... [read more](#) ...

The Urban Developer, 14 January

Phone (02) 9238 3955
Email admin@urbantaskforce.com.au
Web urbantaskforce.com.au

DISCLAIMER: All representations and information contained in this document are made in good faith. The information may contain material from other sources including media releases, official correspondence and publications. Urban Taskforce Australia Ltd accepts no responsibility for the accuracy of any information contained in this document.

[Unsubscribe from our database](#) | [Forward to a friend](#)