



Camden Draft LSPS

UDIA Response

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ABOUT THE UDIA

Established in 1963, the Urban Development Institute of Australia (UDIA) is the leading industry group representing the property development sector. Our 550 member companies include developers, engineers, consultants, local government, and utilities. Our advocacy is focussed on developing liveable, connected, and affordable cities.

INTRODUCTION

The Urban Development Institute of Australia – NSW Division (UDIA) welcomes the opportunity to provide a submission into the exhibition of the Draft Camden Local Strategic Planning Statement (DLSPS). Our members have been involved in all major greenfield projects for the past fifteen years in Sydney, including in the Camden LGA.

We recognise that the LSPS will provide a welcome high-level vision for Camden:

In 2040, Camden is renowned as a liveable, inclusive, family friendly and community-focused place. The Camden community is highly engaged, passionate and proud of their home, and are empowered to play their role in making Camden a better place to live. Camden is a place of opportunity, built on a foundation of respect for the environment, a well-managed approach to growth, social inclusion and economic innovation.

While, this is an admirable objective, we are concerned the provisions in the Camden DLSPS and its ongoing implementation through substantial LEP updates next year will not be achieved. UDIA congratulates Council on producing a DLSPS, however, we believe there needs to be more work to ensure an appropriate vision for Camden over the next 20 years. Consequently, we make the following recommendations:

- 1. Council review Housing Targets following the finalisation of the Camden Local Housing Strategy.**
- 2. UDIA recommends Council sets out an approach for new sites to be included based on strategic merit.**
- 3. The Camden DLSPS be revised to include growth strategies for existing centres prior to the completion of the North-South rail line, and to reflect proximity to the Western Sydney International Airport.**
- 4. Camden advocate for an urban development program as an action in the Camden DLSPS.**
- 5. Council fully consider the challenges facing each precinct before deciding on a sequencing plan for growth.**
- 6. The Camden DLSPS identify a higher target for medium and high density housing, and include more detailed strategies for fostering these types of dwelling.**
- 7. UDIA recommends the Council adopt an incentive-based approach for Affordable Housing in collaboration with industry.**
- 8. Council collaborates closely with industry to create incentives for land consolidation and local infrastructure delivery in areas of fragmented land ownership.**
- 9. Council revise the Camden DLSPS to clarify the concept-scale mapping of environmentally sensitive lands.**

DELIVERING THE LSPS

UDIA seeks a greater understanding of the implementation path for the LSPS in the Camden LGA. We recognise the intent is for the LSPS to give effect to the regional and district plans in the LGA by guiding updated strategic planning documentation for an updated LEP including meeting any dwelling and jobs targets.

We seek to work collaboratively with Council and Greater Sydney Commission (GSC) to ensure that there are adequate jobs targets for the entire district, and this is apportioned across local government areas. UDIA is concerned that the strategic collaboration between communities has been missing in the development of the strategies. Thereby, potentially not leading to adequate rezoning and supply of housing and employment lands in the LEP review.

Housing Targets

UDIA notes that Camden is forecast to have the largest housing growth to 2036 of any council area in Sydney. We believe this will require significant proactive growth planning and servicing on the part of Council, in the absence of additional support from the NSW Government.

The Camden DLSPS targets 55,060 additional dwellings between 2016 and 2036, or an average of 2,753 dwellings per year. UDIA will reserve judgement on the housing targets until we have been able to fully review both Camden's Local Housing Strategy, and Sydney's housing supply targets to be set by the GSC. UDIA seeks greater understanding, not just for Camden, but across Sydney and we are looking for State Government direction.

Camden Council expects 12,000 dwellings to be approved from 2016 to 2020, which exceeds the minimum benchmark for housing delivery of 11,800 set by the GSC. However, these are approvals, not completions, and the general rule-of-thumb is to discount approvals by a third to derive completions. This would suggest Camden is at risk of not reaching its 5-year target. Furthermore, the Greater Sydney Region Plan, A Metropolis of Three Cities states:

The 0–5 year housing supply targets are a minimum and councils will need to find additional opportunities to exceed their target to address demand. (GSC, p62)

With that in mind, we congratulate the Council for following the GSC plan to improve dwelling supply and address demand in Sydney. However, we remain concerned that dwelling completions will not meet these targets unless a coordinated approach to housing supply is implemented through an Urban Development Program. We are also concerned that Camden's Local Housing Strategy will identify the need for higher targets, and it is vital that the Camden DLSPS is revised to reflect this, including possibly identifying additional areas for new supply.

Recommendation 1: Council review Housing Targets following the finalisation of the Camden Local Housing Strategy.

Flexibility in the Planning System

The planning priorities outlined in the Statement will inform Councils' review of their LEPs and development control plans; planning proposals must indicate whether the proposed LEP will give effect to the Statement. Whether a planning proposal respects the Statement will become a relevant consideration for the Minister in determining if a planning proposal has the strategic merit to proceed past the gateway process. While the Statement does not contain detailed and technical planning controls it will clarify the future character of an area and with it, compatible and incompatible uses.

We recognise that the Department of Planning increased the Strategic Merit Test requiring proposals to be consistent with the regional plans, and any endorsed local strategy.

The Camden DLSPS should retain sufficient flexibility to allow new sites to be rezoned for growth. Otherwise, we believe the Camden DLSPS will act as a constraint of sensible growth and fail to give effect to the District Plan, and Sydney's overarching dwelling supply baseline of 36,250 dwellings per annum.

Of particular concern is the lack of flexibility in the Camden DLSPS may make it impossible to undertake otherwise meritorious planning proposals that are intended to facilitate outcomes that are consistent with the end result envisioned in the LSPS.

Recommendation 2: UDIA recommends Council sets out an approach for new sites to be included based on strategic merit.

INFRASTRUCTURE AND COLLABORATION

UDIA supports the clear nexus between growth and infrastructure. We recognise that infrastructure requires coordination between local government, stage government, and other infrastructure providers.

The Camden DLSPS does not drive strategic centres forward in any significant way, particularly given the rapid growth that will occur in Camden over the next 10-15 years before the North-South rail line is completed. The Camden DLSPS focuses on planning future centres once rail is confirmed but there is little to no focus on planning existing centres where stations are already identified. The Camden DLSPS is too binary, such as not allowing any change in centres like Narellan until the rail line is completed. These existing centres need to evolve and grow to meet existing needs as well as emerging needs, and that can happen in a beneficial and meaningful way prior to the delivery of the North-South rail line.

UDIA would also encourage Council to include more strategies in the Camden DLSPS for capitalising on Camden's proximity to the future Western Sydney International Airport.

Recommendation 3: The Camden DLSPS be revised to include growth strategies for existing centres prior to the completion of the North-South rail line, and to reflect proximity to the Western Sydney International Airport.

Housing Growth and Infrastructure

The commitment to align infrastructure delivery with growth is focused on advocacy and collaboration rather than identifying land use planning initiatives to encourage the delivery of the key transport infrastructure and support its viability. UDIA is disappointed that the 2006 Transport Strategy and 1996 Bike Plan were not reviewed in time to support the preparation of the Camden DLSPS.

The UDIA has long advocated for an urban development program across Sydney. The establishment of an Urban Development Program (UDP) was a key recommendation of UDIA's *Making Housing More Affordable* report. The re-establishment of a UDP is urgently required for metropolitan Sydney and would:

- Coordinate and monitor housing supply and targets in urban renewal areas, infill and new communities in land release areas;
- Coordinate and prioritise the delivery of the necessary supporting infrastructure;
- Signal early identification of blockages;
- Integrate social and affordable housing targets and ensure their programming; and
- Involve a transparent annual program enabling monitoring and input back into policy development and housing supply programs.

Since the Department of Planning ceased the Metropolitan Development Program in 2011/12 a void in strategic planning has emerged which has impacted most demonstrably on infrastructure servicing agencies. In the absence of 'one source of truth' various growth forecasts and servicing strategies are being produced with differing base data, different assumptions, differing language and differing time horizons.

UDIA has convened a UDP Taskforce comprised of 20 senior industry and infrastructure agency representatives to help prosecute the case for the return of a UDP. We strongly believe that a robust UDP requires close development sector liaison in order to validate and update annual housing supply timings and yields and accordingly there is a clear facilitation role which UDIA can perform to assist this process.

To help chart the way forward, a UDP Pilot was completed in conjunction with Blacktown Council with Research Partners Urbis and Mott MacDonald in 2018.

The UDP has an important role to play in the prioritisation and coordination of infrastructure funding and delivery. It will identify infrastructure requirements and ensure it is funded. It can also troubleshoot infrastructure bottlenecks, which would support the orderly delivery of housing supply.

Recommendation 4: Camden advocate for an urban development program as an action in the Camden DLSPS.

Growth Sequencing

UDIA believes it is important for Council to consider all factors transparently when sequencing growth. Some precincts that have been released for a long period of time may suffer from fragmented ownership or planning reviews which have delayed their development progress. Other

precincts may only have been released recently but the pattern of land ownership or proximity to infrastructure make them good candidates for progressing as soon as possible.

For example, the Camden DLSPS refers to Leppington being the logical first release for a range of housing over the next 5-10 years. UDIA notes that development in Leppington has been delayed for a number of reasons, including the highly fragmented nature of land ownership, and ongoing review of planning provisions by the NSW Government. If other precincts do not face these challenges, they should not be precluded from progressing first.

Recommendation 5: Council fully consider the challenges facing each precinct before deciding on a sequencing plan for growth.

LIVEABILITY

Under the Camden DLSPS detached housing remains the most predominant form (90%) of housing to be delivered. Camden has very low proportions of high and medium density housing. There exists a real challenge to deliver and incentivise the delivery of higher density and smaller housing. This challenge, will however be addressed to some extent with the completion of the full North-South rail line. Whilst the Camden DLSPS touches on this, we need to understand what actions Council is proposing to take to foster housing diversity.

The Camden DLSPS regards established suburbs as having limited opportunity for additional housing growth. UDIA notes that the Camden DLSPS looks to 2040, by which time much of the housing stock in some of the established suburbs will be 50-70 years old. There are clearly opportunities for densification in some existing suburbs over that timeframe, particularly given large existing lot sizes. This is one of Camden's opportunity to contribute to the missing middle – the need for more terraces and small homes.

Recommendation 6: The Camden DLSPS identify a higher target for medium and high density housing, and include more detailed strategies for fostering these types of dwelling.

The DSLPS looks at SEPP70 mechanisms to deliver affordable housing. UDIA recommends that any affordable housing contribution is provided as an incentive not a penalty, so as not to negatively impact the viability of the development in the area. An affordable housing policy, which makes housing affordability harder to obtain is an irony which must be avoided if we are to provide housing for the Next Generation.

UDIA established in 2018 a taskforce of 20 industry leaders to investigate social and affordable housing including developers, CHPs, legal, and planning experts.

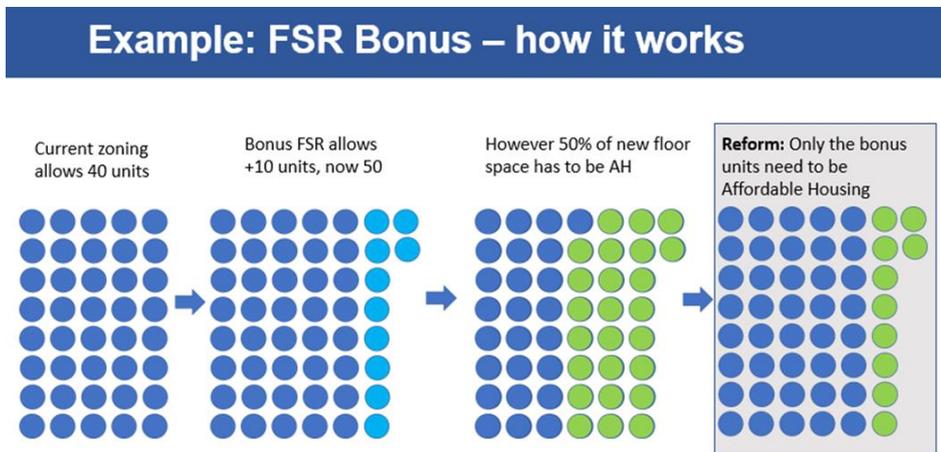
UDIA understands SEPP70 has been seen as the mechanism to implement affordable housing targets; however, the penalty imposed by inclusionary zoning has been empirically shown to increase house prices:

The analysis found that inclusionary zoning policies had measurable effects on housing markets in jurisdictions that adopt them; specifically, the price of single-family houses increase and the size of single-family houses decrease.

Bento et al (2009), 'Housing Market Effects of Inclusionary Zoning' Cityscape: A Journal of Policy and Research 11(2), US Department of Housing and Urban Development.

Bento et al. (2009) found that where inclusionary zoning was adopted, housing prices increased approximately 2 to 3 percent faster than in cities that did not adopt such policies.

The Affordable Rental Housing SEPP attempts to provide affordable housing; however, it does not act as a genuine incentive. The SEPP provides a 0.5 FSR bonus if 50% of dwellings are affordable. The SEPP provides a carrot and a stick bigger than the carrot, that there is a net reduction of market housing in the site, when utilising the ARHSEPP.



UDIA modelling suggests that the approach results in the internal rate of return is reduced by about 5% through the incentives provided by the SEPP. If only the bonus was affordable housing, then the IRR would be reduced by 1.5%, which would mean projects become unviable. If half the bonus was affordable then the IRR would be equivalent, and the market housing would not subsidise affordable housing. UDIA believes a different approach might need to be applied for housing different to that complemented in the ARHSEPP.

Recommendation 7: UDIA recommends the Council adopt an incentive-based approach for Affordable Housing in collaboration with industry.

PRODUCTIVITY

One action in this section of the Camden DLSPS states that Council will investigate opportunities to overcome challenges presented by land fragmentation and its limitations on delivering enabling infrastructure. UDIA is very aware of the impact of land fragmentation on the development of Catherine Fields and Leppington in the Camden LGA. We note the difficulties with funding and

delivering local infrastructure in these areas where small holdings are the norm and works in kind agreements are less likely to be feasible for the developer. It is vitally important that Council take the lead in delivering local infrastructure in these areas as a catalyst to development, rather than waiting for landowners to deliver.

UDIA would like to work with Council in considering incentives for the consolidation of land holdings in these precincts to facilitate larger scale development and the funding of local infrastructure.

Recommendation 8: Council collaborates closely with industry to create incentives for land consolidation and local infrastructure delivery in areas of fragmented land ownership.

SUSTAINABILITY

UDIA has some concern over the validity of the 'ecologically sensitive lands' shown in the Camden DLSPS on page 65. We would like Council to release all of its studies relating to biodiversity as part of the Camden DLSPS consultation process. We are concerned that lands where no detailed studies have been done to confirm vegetation extents have been identified in this map. Identifying this land in the Camden DLSPS has the potential to sterilise it and mapping should either be revised or have a clear disclaimer.

Recommendation 9: Council revise the Camden DLSPS to clarify the concept-scale mapping of environmentally sensitive lands.

UDIA supports the improvement of open spaces and we consider open space to be part of the supporting social infrastructure for a development. The comments made in the Infrastructure and Collaboration section also apply to sustainability.

CONCLUSION

UDIA looks forward to working with Camden Council collaboratively to progress the DSLPS to the next stage and implementing appropriate LEP controls that will achieve the vision outlined in the Camden DLSPS. Please contact Elliott Hale, General Manager, Policy, Media and Government Relations at ehale@udiansw.com.au or 0478 959 917 to arrange a meeting.

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