



# **Georges River Draft LSPS**

**UDIA NSW Response**

**August 2019**

## CONTENTS

Contact.....	1
About the UDIA.....	1
Introduction .....	2
Delivering the LSPS .....	3
Housing Supply in the LSPS.....	4
Access and Movement.....	4
Infrastructure and Community .....	5
Housing and Neighbourhoods .....	6
Economy and Centres .....	7
Environment and Open Space .....	8
Conclusion.....	8

## CONTACT

For further information about any matter raised in the submission please contact:

**Elliott Hale**

General Manager, Policy, Media and Government Relations

02 9262 1214

[ehale@udiansw.com.au](mailto:ehale@udiansw.com.au)

**Keiran Thomas**

Greater Western Sydney Manager

02 9262 1214

[kthomas@udiansw.com.au](mailto:kthomas@udiansw.com.au)

## ABOUT THE UDIA

Established in 1963, the Urban Development Institute of Australia (UDIA NSW) 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 Georges Local Strategic Planning Statement (DLSPS). Our members have been involved in all major urban renewal and greenfield projects for the past fifteen years in Sydney, including developments in the Georges River LGA.

We recognise that the LSPS provides a welcome high-level vision that is supported by 7 criteria that the industry shares with Council for the LGA:

1. The LGA's special characteristics are retained
2. Growth is supported by green open space, social and physical infrastructure
3. Growth areas are linked to transport corridors and frequent services
4. Kogarah and Hurstville are enhanced as strategic centres
5. All centres have a role in jobs and housing growth
6. A hierarchy of residential zones is developed

Evidence and community consultation provide the framework for strategic planning and decision-making. Ongoing collaboration will be needed to implement the vision through LEP updates next year, we look forward to continuing to work with Council on this.

UDIA congratulates Council on producing a robust draft Local Strategic Planning Statement (DLSPS) that provides an overarching vision for the next twenty years for the LGA. To further support this document, we make the following recommendations:

- 1. The draft LSPS is regularly reviewed to ensure it aligns with the ongoing growth and change in the Georges River LGA.**
- 2. UDIA supports a merit-based approach to planning proposals. UDIA recommends Council sets out clearer targets for supply from rezonings, and a clear approach for additional sites to be rezoned.**
- 3. The LSPS further examine the potential for higher density and new centres around future transport nodes and commit to planning for these centres.**
- 4. Georges River Council advocate for an urban development program as an action in the LSPS.**
- 5. The LSPS is revised to reflect the real shortfall in dwelling capacity and clearly plan for an additional 10,000 potential extra dwellings (as a result of new rezonings, not existing underutilised sites) in the LGA by 2036.**
- 6. The Council adopts an incentive-based approach to any future affordable housing strategy in collaboration with industry.**
- 7. Council revise the DLSPS to define effective employment land and support the regeneration of employment land, not sterilise it from mixed use development.**

## DELIVERING THE LSPS

UDIA NSW seeks a greater understanding of the implementation path for the LSPS in the Georges River LGA. We recognise the intent is for the LSPS is 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 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 in the LEP review.

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 reflects 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 DLSPS requires a series of strategies and studies to be completed prior to rezoning sites, UDIA is concerned that this will not result in the timely completion of a rezoning. The DLSPS should include clear timelines for the completion of studies and the rezoning of the site. Otherwise, we believe the LSPS will act as a constraint of sensible growth and fail to give effect to the District Plan, and Sydney's overarching dwelling baseline of 36,250 dwellings per annum.

Of particular concern is the lack of completed studies which may make it impossible to undertake otherwise meritorious planning proposals that are intended to facilitate outcomes that are consistent with and envisioned in the LSPS.

We note that this strategic planning document is a new part of the planning system, we recommend that it is initially subject to annual review as a living document that will speak to the evolving needs of the community and changing market.

The following provides particular advice on the topics raised in the Georges River DLSPS. The UDIA looks forward to working with Council to further the implementation of the LSPS.

## HOUSING SUPPLY IN THE LSPS

To 2021, the GSC forecast demand for an additional 4,800 dwellings in Georges River. Council has adopted this forecast. To 2036, the DPIE forecasts demand for an additional 13,400 dwellings. Over the same period, Council forecasts demand for an additional 14,700 dwellings.

Given the differences in dwelling forecasts between the DPIE, GSC and Georges River Council, it is important that Council identify reserve supply options that could be delivered by 2036 in the event that demand increases beyond the 14,700 forecast.

**Recommendation 1:** The draft LSPS is regularly reviewed to ensure it aligns with the ongoing growth and change in the Georges River LGA.

Furthermore, Council states that there is capacity for 12,000 additional dwellings if every parcel of land was developed to its full potential, and acknowledges a 2,000 dwelling shortfall. Obviously, the development of every parcel of land to its full potential is an extremely unlikely scenario due to landowner behaviour, economics and planning controls/assessments. Council needs to heavily discount this existing capacity in order to set a realistic target for additional rezonings.

In order to be flexible enough to meet potential future changes in housing demand, Council should be open to the consideration of planning proposals based on merit. Council should also undertake capacity reviews of certain precincts earmarked for new housing that can confirm the potential number of dwellings that can be accommodated within precincts, particularly railway station-based TOD precincts.

**Recommendation 2:** UDIA supports a merit-based approach to planning proposals. UDIA recommends Council sets out clearer targets for supply from rezonings, and a clear approach for additional sites to be rezoned.

## ACCESS AND MOVEMENT

The DLSPS identifies three planning priorities for access and movement:

1. We have a range of frequent, efficient transport options to connect people, goods, services, businesses and educational facilities.
2. Everyone can navigate and experience the LGA in safety.
3. Roads, footpaths and cycleways are safe, accessible and free of congestion

UDIA is generally supportive of these initiatives and notes that Georges River LGA benefits from a number of existing and future rail and road projects. Access to public transport and regional roads is extremely good in the LGA and this should be capitalised upon by encouraging greater densities within walkable distances. We note that Council aims to increased off-street parking and we suggest that, given this high level of public transport accessibility, further parking requirements not be added to private developments through council planning instruments.

**Recommendation 3:** The LSPS further examine the potential for higher density and new centres around future transport nodes and commit to planning for these centres.

## INFRASTRUCTURE AND COMMUNITY

The DSPS identifies three planning priorities for infrastructure and community:

1. Collaboration supports innovation and delivers infrastructure, services and facilities.
2. The community is involved in planning our future.
3. Everyone has access to efficient digital connectivity.

We note that these priorities include collaboration on local and regional infrastructure delivery. 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 NSW'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 last year.

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:** Georges River Council advocate for an urban development program as an action in the LSPS.

## HOUSING AND NEIGHBOURHOODS

The Draft LSPS has five planning priorities for housing and neighbourhoods:

1. Residential suburbs will be protected and retained unless identified as areas of change or investigation.
2. Place based development and quality building design and public art deliver liveable places.
3. A mix of well-designed housing for all stages caters for a range of needs and incomes.
4. Homes are supported by safe, accessible, green, clean, creative and diverse facilities, services and spaces.
5. Aboriginal and other heritage is protected and promoted.

Furthermore, Council states that there is capacity for approximately 12,000 additional dwellings if every parcel of land was developed to its full potential, and acknowledges a 2,000 dwelling shortfall (actually 2,700 on Council's own forecast). Obviously, the development of every parcel of land to its full potential is an extremely unlikely scenario due to landowner behaviour, economics and planning controls/assessments. Council needs to heavily discount this existing capacity in order to set a realistic target for additional rezonings.

UDIA believes Council should be looking to provide a potential additional 10,000 dwellings in the form of new rezonings (i.e. not based on optimal development of every parcel under existing planning controls). This would account for the likely real-world outcome where only some of the existing full potential of existing parcels is realised.

UDIA is concerned about the lack of detail and actions for addressing this known shortfall by rezoning additional areas. It is important that the forthcoming Local Housing Strategy identifies the real supply shortfall and a plan for addressing it via additional rezonings.

**Recommendation 5:** The LSPS is revised to reflect the real shortfall in dwelling capacity and clearly plan for an additional 10,000 potential extra dwellings (as a result of new rezonings, not existing underutilised sites) in the LGA by 2036.

UDIA recognises that the DLSPS has identified a need for affordable housing and a diversity of housing types, including detached houses, dual occupancies, granny flats, townhouses, terraces, villas, apartments and larger lifestyle lots.

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.

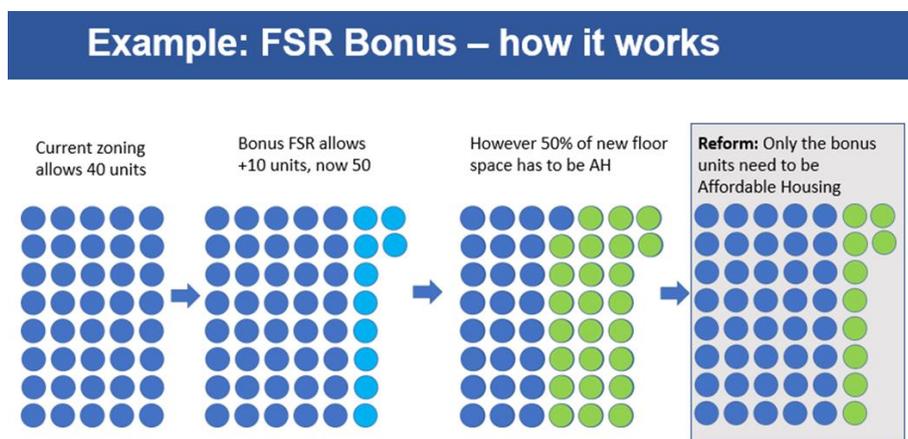
UDIA understands SEPP70 has been seen as the mechanism to implement affordable housing targets; however, the penalty imposed by inclusionary zoning has been empirically shown to increase house prices.

*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, in that there is a net reduction of market housing on the site when utilising the ARHSEPP.



UDIA modelling suggests that this approach reduces the internal rate of return by about 5% through the incentives provided by the SEPP. If only the bonus was affordable, 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.

**Recommendation 6:** The Council adopts an incentive-based approach to any future affordable housing strategy in collaboration with industry.

## ECONOMY AND CENTRES

The Draft LSPS has four planning priorities for economy and centres:

1. Land is appropriately zoned for ongoing employment growth.
2. Planning, collaboration and investment delivers employment growth and attractive and lively centres.
3. Hurstville, Beverly Hills and Kogarah are supported to grow nighttime entertainment, dining and other recreational opportunities.
4. All local centres are supported for long term viability.

UDIA notes that one short-term action in the DLSPS is to retain and manage industrial and urban services land by safeguarding industrial zoned land from residential development and/or mixed-use

zones. However, in many cases industrial uses have now ended and there can be higher and better use for employment land. Some of these sites have low intensity employment uses that do not suit what should be inner-urban locations.

To enable the best use of industrial areas, Council should undertake further work to define effective employment land and support the regeneration of employment lands into the next phase of its existence, instead of sterilising the land from redevelopment.

**Recommendation 7:** Council revise the DLSPS to define effective employment land and support the regeneration of employment land, not sterilise it from mixed use development.

## ENVIRONMENT AND OPEN SPACE

The Draft LSPS has five planning priorities for environment and open space:

1. Our waterways are healthy and publicly accessible.
2. Tree canopy, bushland, landscaped settings and bio-diversity are protected, enhanced and promoted.
3. Environmentally friendly and water sensitive principles are applied to all development.
4. Everyone has access to quality, clean, useable, passive and active open and green spaces and recreation places.
5. Development is managed to appropriately respond to hazard emergencies and risks.

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 community section also apply to the sustainability planning priorities in the DLSPS.

## CONCLUSION

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

## **UDIA NSW**

Level 5, 56 Clarence Street  
Sydney NSW 2000

PO Box Q402  
QVB Post Office NSW 1230

P +61 2 9262 1214  
F +61 2 9262 1218  
E [udia@udiansw.com.au](mailto:udia@udiansw.com.au)

[www.udiansw.com.au](http://www.udiansw.com.au)

ABN: 43 001 172 363

