



Friday, 14 May 2021

Mr David Fitzgibbon  
Urban Release Manager  
Wollongong City Council

via email: DFitzgibbon@wollongong.nsw.gov.au

**Joint Urban Development Institute of Australia and Property Council submission on the review of the Wollongong City Council Neighbourhood Planning Process**

Dear Mr Fitzgibbon,

This letter provides a submission by the Urban Development Institute of Australia – NSW (UDIA) and Property Council of Australia on the review of the neighbourhood planning process currently being undertaken by Wollongong City Council (Council). It provides a collective response to the key issues that must be addressed to achieve a smoother planning pathway, that leads to good development outcomes in the key urban release areas of the Wollongong City Local Government Area (LGA).

The combined membership of UDIA NSW and Property Council includes Illawarra based landowners, developers, lessees, manufacturers, government agencies, universities, and consultants, who are presently involved in shaping strategic planning and delivery infrastructure across the Illawarra region.

We support Council's decision to undertake a review of the neighbourhood planning process for the West Lake Illawarra urban release area. We contend that the process has become rather onerous and ineffectual, with too much time spent by Council on resolving issues in a neighbourhood plan. This results in an increase in development assessment costs with a resulting impact on development feasibilities.

We are particularly concerned that what was originally intended as a simple high level planning process to ensure adequate provision for road and drainage connections between adjoining developments, has now become unnecessarily complex and detailed.

We recommend that there are more efficient ways to achieve Council's original intent and our primary concerns with the neighbourhood planning process are presented below.

**1. Excessive time to prepare and assess a neighbourhood plan**

It is our members' experience that it can take almost two years to obtain a consent from Council for a neighbourhood plan, which can be longer than compared to a subdivision development application (DA). This impacts on developer certainty, development viability and project delivery which in turn erodes housing affordability and housing supply. The process creates a significant resistance to

investment, due to the uncertainty surrounding approval timeframes and costs required to prepare, lodge and gain approval for a neighbourhood plan.

Experience suggests that the neighbourhood plan requirements, which an applicant must respond to, are excessive. This results in increased costs to assess the various engineering, environmental and planning issues, which should typically be addressed once a DA has been lodged. In situations where the lead developer does not have the support of other landowners covered by a proposed neighbourhood plan, this cost burden is even more prohibitive.

It also puts developments in the Wollongong LGA at a commercial disadvantage when compared to other LGA's in the Illawarra Shoalhaven, which can offer reduced time to market and less exposure to long term changes and fluctuations in the market.

We note that the neighbourhood planning process is not applied by any other council in the Illawarra Shoalhaven.

## **2. The legal status of a neighbourhood plan**

We are acutely aware that a neighbourhood plan approval process cannot be challenged from a legal viewpoint. Unlike a DA, there are no statutory timeframes that Council must adhere to with a neighbourhood plan. This essentially leaves an applicant in a powerless position and unable to hold the Council accountable for the decisions or requirements, which inevitably leads to uncertainty, delays, and stalemates between key stakeholders.

With no legal status, it means that DA concurrence agencies (Sydney Water) have no obligation to respond to a neighbourhood plan. This can result in Council having to re-visit previously resolved issues in a neighbourhood plan, when a concurrence agency comments on a DA. This again creates uncertainty, further delays and additional cost for applicants.

## **3. Planning on property, developers do not own.**

The requirement for neighbourhood plans to cover multiple properties, regardless of the consent and/or participation of all landowners in a designated neighbourhood, is also questionable. It can lead to a developer being forced to cover the planning cost for the entire neighbourhood and make planning decisions over properties for which they have no legal or financial interest. The process allows for neighbour interference should they disagree with what is proposed on the primary land, potentially creating disputes, complex negotiations, and further stalemates.

## **4. Preferred Option**

We have considered several options (Refer to **Attachment No.1**) for paring back and refining the neighbourhood planning process. We seek to achieve Councils original objective to ensure suitable road and drainage connections between neighbouring development sites, avoid the excessive cost, time, and uncertainty that the current process creates for the development industry.

Our preferences are for the following:

- The neighbourhood planning process should deal with high-level rather than detailed requirements and address precinct wide road and drainage networks only.
- Council to lead the process across each precinct, ensuring consistency in approach, fairness in the process and a more certain outcome.

- The process be structured upon workshops with pre-determined steps and timeframes for completion.
- The cost of the process be recouped from landowners as development occurs.
- Landowners who wish to be involved, be invited to have input early in the process.
- The more detailed planning considerations be left to the DA phase, as is typical in other LGAs.

## 5. Conclusion

UDIA NSW and Property Council support Council's review of the neighbourhood planning process which has caused long term frustration within the development industry.

Based on the issues presented in our submission and the assessment undertaken, we urge Council to abandon the current developer managed neighbourhood planning process.

We support a Council led precinct planning approach that allows for upfront industry engagement followed by a contribution from each applicant once a DA is approved.

We would like to be further involved with Council's review of the neighbourhood plan to work together and achieve better planning and development outcomes.

If you have any enquiries regarding our submission, please contact Mr David White, GWS and South Regional Manager at UDIA NSW on 0415 914 612 or [dwhite@udiansw.com.au](mailto:dwhite@udiansw.com.au).

Yours sincerely,



Steve Mann  
**Chief Executive**  
**UDIA NSW**



Michelle Guido  
**Regional Director (Illawarra)**  
**Property Council of Australia**



## Attachment No.1 – Assessment of Potential Options

Options	Advantages	Disadvantages
1. Maintain current Neighbourhood Planning Process	<ul style="list-style-type: none"> <li>• Provides Council with step-up in planning and design detail not contained in the overarching Structure Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Significant delays</li> <li>• Skewed assessment focus and double-up on Planning efforts.</li> <li>• No ability to legally challenge Council's assessment of the neighbourhood plan</li> <li>• No statutory agency referral process</li> <li>• Inequitable cost arrangements for lead developer.</li> </ul>
2. Seek a concurrent process of assessment by Council of a DA and neighbourhood plan	<ul style="list-style-type: none"> <li>• Reduces timeframe assessment and allows a more appropriate level of DA assessment focus over the neighbourhood plan</li> </ul>	<ul style="list-style-type: none"> <li>• Can result in amendments to DA if Council identify core issues which have not been resolved in the submissions</li> </ul>
3. Council Lead Neighbourhood Planning Process – Council to lead on precinct-wide plan funded by developer contributions based on City of Shoalhaven model	<ul style="list-style-type: none"> <li>• Council can lead with upfront developer involvement</li> <li>• Increased certainty in development potential and land values (including land for acquisition by council)</li> <li>• Council may observe greater State government agency participation.</li> </ul>	<ul style="list-style-type: none"> <li>• Interrupts existing Neighbourhood Planning processes.</li> </ul>
4. Lessen the requirements in a neighbourhood plan	<ul style="list-style-type: none"> <li>• Reduced developer costs and focusses councils' assessment on DA</li> <li>• Council assessment time reduced</li> </ul>	<ul style="list-style-type: none"> <li>• No ability to legally challenge a neighbourhood plan</li> <li>• Inequitable cost arrangements for lead developer.</li> </ul>