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12 October 2020

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Dear Mr Conroy

Draft Hawkesbury Local Housing Strategy & Draft Employment Lands Strategy

The Property Council of Australia welcomes the opportunity to provide Hawkesbury City Council (**Council**) with comments on the draft Hawkesbury Local Housing Strategy (**LHS**) and draft Employment Lands Strategy (**ELS**).

As Australia's peak representative of the property and construction industry, the Property Council's members include investors, owners, managers and developers of property across all asset classes. Please find attached our response to the exhibition of these strategies.

The actions set out in these strategies are generally welcomed and will contribute towards Council meeting its housing and employment targets set out within the *Western City District Plan*. We look forward to Council developing planning proposals to amend the provisions of *Hawkesbury Local Environmental Plan 2012* that will give effect to these strategies.

Should you have any questions regarding the content of this submission please contact Troy Loveday, NSW Policy Manager, on 0414265152 or tloveday@propertycouncil.com.au

Yours sincerely

A handwritten signature in black ink, appearing to read "Belinda Ngo".

Belinda Ngo
Acting NSW Executive Director
Property Council of Australia

Submission to Hawkesbury City Council

Draft Local Housing Strategy & Draft Employment Lands Strategy

12 October 2020

1.0 Draft Hawkesbury Local Housing Strategy

1.1 General Comments

We acknowledge that Hawkesbury City Council (**Council**) has prepared this draft LHS as a requirement of the Greater Sydney Regional Plan (Action 3) and the Western City District Plan (Action 17). We support the Council undertaking this work at this time ahead of its deadline to update its local environmental plan to align with the Western City District Plan.

In 2018, the Department of Planning, Industry and Environment (DPIE) issued the publication “Local Housing Strategy Guideline” to all local councils which provided a step by step process for councils developing local housing strategies. We note that Council has prepared its LHS to be consistent with the Department’s guideline.

1.2 Housing Targets

The Property Council and our members have taken the opportunity to review many draft local housing strategies that have been released for consultation in 2020. We applaud Council’s efforts to undertake the strategic planning work required to deliver more housing diversity, especially for seniors and smaller households, and strategies to improve housing affordability.

Together, this LHS and Council’s Local Strategic Planning Statement (LSPS) should identify how medium and long-term housing targets will be achieved. Council’s 6 to 10-year housing target should be informed by this LHS. We support Council accepting this role to identify its own target based on local supply factors.

Council’s draft Strategy indicates:

- Population growing at 0.7% each year between 2006 and 2016.
- DPIE expects population growth to increase to 1.6% between 2026 and 2031.
- Population in 2016 was 67,800 and will increase to 85,050 in 2036.
- Greatest increase will be in age bracket 65 to 84 years – additional 6,100 persons.
- Population aged over 85 will increase from 1,050 to 3,050.
- Households increase from 24,600 in 2015 to 32,000 in 2036.
- DPIE expects additional 8,000 dwellings will be needed in 20 years to 2036.
- This is approximately an additional 400 dwellings per year.
- Between 2016 and 2036 there will be double digit increases in couples only, single parent and multi-family and other-family households.
- Rents and mortgage payments are generally less than the Greater Sydney area.
- 10.5% of Hawkesbury LGA households are experiencing housing stress.
- 8.9% of households experiencing mortgage stress
- 30.2% of households experiencing rental stress.
- 85% of dwellings are detached dwellings
- Approximately 10,000 additional dwellings will be needed between 2016 and 2036.

Extensive parts of Hawkesbury LGA are impacted by natural hazards limiting urban expansion or intensification, including flooding and bushfire. Other significant constraints on development include biodiversity, heritage and aircraft noise from the RAAF base at Richmond. Nonetheless, theoretical capacity for new housing exists in Windsor, Richmond, North Richmond, Hobartville and Vineyard.

We support Council undertaking further work to implement this LHS once it has been endorsed by DPIE. In particular, careful consideration should be given to a supply of suitable dwellings that meet the needs of seniors, couples and other demographic groups identified in the LHS with unmet housing needs.

1.3 Strategies and Actions

Section 6 of the LHS sets out Council's intended strategies and actions to meet the District Plan's housing objectives.

The following table provides the Property Council's response to each of the strategies and actions.

Strategies and Actions	Property Council Response
<p><u>6.3.1 Focus new housing growth in urban release areas</u></p> <p><i>Actions:</i></p> <ul style="list-style-type: none"> • Reviewing the Hawkesbury Growth Centres DCP to require a minimum dwelling mix of dwelling density, • Introducing incentives to encourage multi-unit dwellings near the town centre, • Targeting a proportion of one and two bedroom in multi-unit developments, and • Encouraging innovative housing types such as small lot subdivision, rear lane dual occupancies and secondary dwellings, build to rent schemes. 	<p>The Property Council generally supports these actions as they are positive initiatives that have potential to achieve their intended effect. It is important that any policy measures Council takes to encourage the supply of new housing in its urban release areas can provide an effective boost to meeting Council's housing targets.</p>
<p><u>6.3.2 Maximise the potential of existing urban lands</u></p> <p><i>Actions:</i></p> <ul style="list-style-type: none"> • Investigate rezoning remnant R2 Low Density Residential sites in Windsor and Richmond, as outlined in section 6.3.1, • Advocate for housing on surplus government sites, • Advocate for an increase in the supply of public housing, noting the value of this as an economic stimulus, and • Review planning controls to encourage increased densities in infill development on under-utilised sites. 	<p>The Property Council supports Council taking steps to encourage infill development in existing centres such as Windsor & Richmond. The other actions identified may contribute towards additional supply, subject to appropriate sites being available. If undeveloped sites exist, it may be appropriate for Council to examine the reasons why they remain undeveloped and consider actions to overcome any obstacles.</p>
<p><u>6.3.3 Increase the supply of smaller dwellings</u></p> <p><i>Actions:</i></p> <ul style="list-style-type: none"> • Permit low-rise apartment buildings in selected areas/sites in the R1 zone by allowing for 3-storey development with exceptions for flood management heights and examining the potential FSRs of 0.8:1 to 1:1. • Expand shop-top housing by transitioning centre-based R2 Low Density Residential zones with non-residential uses to a B1 or B2 zone. • In consultation with SES, transition R2 Low Density Residential land directly adjacent to the centres of Richmond and Windsor to R3 Medium Density Residential to enable low-rise medium density complying development, • Expand centre zoning to include neighbouring residual R2 zoned land to promote density and establish stronger boundaries. • Encourage attached dwellings adjacent to centres through mapped additional local provisions. 	<p>The Property Council generally supports Council taking steps to increase the supply of smaller dwellings, particularly in the LGA's major centres close to amenities and transport.</p>

Strategies and Actions	Property Council Response
<p><u>6.3.4 Continue to expand affordable housing options</u></p> <p><i>Actions:</i></p> <ul style="list-style-type: none"> • The <i>Affordable Housing Policy</i> could be strengthened by confirming an expectation for: <ol style="list-style-type: none"> (a) In large scale developments, such as release areas, Council anticipates that the developer would contribute to affordable housing, through an in-kind or cash contribution; (b) Initially, affordable housing contributions would be administered via a Voluntary Planning Agreement with the rate of contribution to be determined through feasibility testing, with Council to obtain an independent peer review of the feasibility testing, (c) The rate of contributions would be determined on a case by case basis with reference to development feasibility, but Council could aim to achieve between 5% and 10% of new residential GFA as affordable housing by 2036, consistent with the GSC's <i>Western City District Plan</i>. (d) Council could monitor opportunities to capture zoning uplift for the benefit of affordable housing and if appropriate, develop an Affordable Housing Contributions Scheme consistent with the NSW Government's requirements, which sets out the areas where an affordable housing contribution is to be paid and the rate based on feasibility testing, (e) Require, on large developments, the dedication of affordable rental housing in Council ownership in perpetuity, (f) Continue to support the development of micro-apartments (boarding houses), secondary dwellings, however, carefully consider the location of boarding houses to ensure they are appropriately located near transport and amenities, (g) Investigate and adopt innovative models which achieve more affordable homes through Build-to-Rent schemes, compact layouts, shared facilities and fewer car spaces in accessible locations, (h) Dwellings contributed will be held in perpetuity as Affordable Housing and managed by a community housing provider (CHP), (i) Affordable dwellings are to be made available to households on low and moderate incomes. • Council could undertake a review of its assets to identify sites that are surplus to requirements and suited to development to meet a specific housing need such as affordable housing. 	<p>The Property Council generally supports more affordable housing and the provision of affordable rental housing for very-low and low income earners.</p> <p>Council would be aware that the Western City District Plan has established a 5 to 10% target for affordable rental housing for each LGA although it did not specify how that target would be implemented. DPIE has issued guidelines for the establishment of affordable housing contribution schemes under SEPP 70 where Council propose to initiate such a mechanism. Viability is an important consideration in this process and Council would need to ensure that viability is not impacted should it proceed down this pathway.</p> <p>The NSW Government recently exhibited a EIE for a proposed Housing Diversity SEPP. That new policy will integrate SEPP 70, the ARH SEPP, Seniors Housing SEPP and introduce new categories of housing such as Build-to-Rent, student housing and co-living housing. There may be opportunities for Council to encourage some of these other housing types and it should consider how it responds to them in its local planning controls.</p>

Strategies and Actions	Property Council Response
<p><u>6.3.5 Maintain a long-term supply of residential land</u></p> <p><i>Actions:</i></p> <ul style="list-style-type: none"> • The Vineyard release area presents significant opportunities for housing growth. It will be important to identify future urban release areas at an early stage to allow adequate time for planning and infrastructure delivery & maintain a buffer of zoned and serviced land to allow for market fluctuations. • Council could undertake environmental investigations of sites to determine future development potential, if any. If no urban potential is found, alternative investigation areas will need to be identified. 	<p>The Property Council supports Council committing to maintaining a long-term supply of residential land. Given the environmental constraints affecting land within the Hawkesbury LGA, where suitable land exists it should be identified early and appropriate zoned to provide an incentive for long term development into the future.</p>
<p><u>6.3.6 Develop a program to monitor housing land supply and housing delivery</u></p> <p><i>Actions:</i></p> <ul style="list-style-type: none"> • Establish a database of residential land supply disaggregated into land that is: <ul style="list-style-type: none"> a) Zoned for residential development b) Zoned and serviced for residential development c) Zoned, serviced and subdivided. • Establish a program to investigate potential new urban areas as indicated in section 6.3. 	<p>The Property Council supports Council's efforts to monitor housing supply and delivery. This information should be coordinated with DPIE which produces an annual Housing Supply Forecast for Sydney and other data on housing that may be used as a starting point for Council to develop its own database.</p>
<p><u>6.3.7 Continue to work with other levels of government, the community, local services and agencies to address homelessness</u></p> <p><i>Actions:</i></p> <ul style="list-style-type: none"> • Consider preparing an updated Homelessness Action Plan which identifies updated needs and actions, • Advocate for the needs of the LGA's homeless people seeking increased funding opportunities and • Investigate the need for additional outreach services targeted to homeless people in the LGA. 	<p>The Property Council welcomes and supports Council tasking steps to address homelessness within the Hawkesbury LGA.</p>

2.0 Draft Employment Lands Strategy

2.1 General Comments

The Property Council welcomes the opportunity to provide comments to Council on its draft Hawkesbury Employment Lands Strategy (ELS). This is an important piece of evidence to guide Council's decision-making on actions to give effect to the Western City District Plan and Council's Local Strategic Planning Statement (LSPS). We generally support the ELS and its actions.

We note that this strategy has been prepared in accordance with the *Greater Sydney Regional Plan* (Action 11) and the *Western City District Plan* (Action 51) and will contribute towards Council updating its land use plan, *Hawkesbury Local Environmental Plan 2012* to give effect to those strategic plans.

It is understood that Hawkesbury LGA currently has 3.4km² of employment land, comprising both business zones (B1, B2, B5 and B6) and industrial zones (IN1 and IN2). These employment lands are mostly located in the southern part of the LGA within the primary centres of Windsor, South Windsor, Richmond, North Richmond, Pitt Town and Mulgrave. There are no employment lands within the rural areas of the LGA.

Although action 53 of the *Western City District Plan* requires Council to “plan and manage” industrial and urban service land, Figure 19 of the Plan indicates the industrial land in Hawkesbury LGA is to be “retained and managed”. We welcome consideration of opportunities to increase the amount of industrial and urban services land where appropriate.

Hawkesbury City LGA has a high employment self-containment rate. Data on workers leaving Hawkesbury City LGA for employment elsewhere mostly travel to jobs in Blacktown (3,560 workers), Penrith (2,829 workers) and The Hills (2,332 workers).

There has been a contraction of established industries traditionally associated with industrial precincts, such as manufacturing. This is reflective of a broader trend in the Greater Sydney economy. The ELS indicates this will require a strategic planning response for Hawkesbury that better aligns industrial land use with the skills of resident workers to improve industry retention or attraction.

2.2 Strategic Considerations

2.2.1 Employment Floorspace – gap analysis

Retail

The ELS has found there is a need for approximately 1,857sqm of retail floor space by 2026, which could increase to 20,237sqm by 2036. The need for additional retail floor space would largely be split between McGraths Hill, Richmond and Windsor.

The Property Council supports the identification of this need and would encourage Council to plan for an appropriate supply of zoned land for the retail uses described in the ELS.

Commercial & Industrial

Analysis presented within the ELS has found there is sufficient floorspace capacity under current planning controls to cater for future demand for commercial/retail and industrial precincts out to 2036. Projections included in the ELS indicate that industrial floorspace demand is expected to grow at around 9,082sqm per year and commercial floorspace demand at 3,372sqm per year. This amounts to about 3 years of capacity in the system for industrial floorspace and 19 years for commercial/retail.

The Property Council acknowledges the available opportunities for these land uses and encourages Council to monitor supply and demand of land for these uses and undertake to intervene where actual production of floor space is failing to keep up with demand.

2.2.2 Emerging business and industrial trends

Retail and commercial

The ELS has identified:

- online retailing,
- emergence of café culture/food centres/ experience dining,
- fine grain retail spaces, and
- coworking spaces

as economic trends that may affect the employment structure and employment lands of the Hawkesbury LGA in the future.

The Property Council supports actions that are intended to adapt to these trends and changes.

Industrial lands

The ELS has identified:

- changes in freight transportation,
- creative uses, and
- agribusiness and sustainability.

as significant issues for industrial precincts.

The Property Council supports actions that are intended to help the Hawkesbury LGA adapt to these emerging and high-growth industrial uses.

Tourism

The ELS has identified the visitor economy as a major economic opportunity for the Hawkesbury LGA.

The Property Council supports actions that are intended to support further growth in the region's tourism sector, including accommodation, tourism destinations and related services such as cafes, restaurants and cellar door premises.

Innovation Precincts

The ELS has identified innovation precincts as a key driver to business productivity growth which translates into economic growth. It suggests that Clarendon contains the Western Sydney University, a research anchor, which is one of the key elements for an innovation precinct.

The Property Council supports Council working with the precinct's stakeholders to build collaboration in relation to agribusiness and STEM and also investigating whether an innovation precinct is feasible

2.3 Place based planning recommendations and implementation

Section 5.4 of the ELS provides 25 recommendations and actions.

The following table provides comments in respect of each of the planning recommendations or actions identified for the locations identified in the ELS.

Planning Recommendations	Response
<p>Richmond operates as a provider of essential services to the local population and a key hub of the LGA as part of the Richmond-Windsor Strategic Centre. Richmond should continue to strengthen this role in line with the <i>Western City District Plan</i> directives. The role of Richmond, as the primary provider of essential services, will become even more important as the needs of the local population change and as the population ages.</p>	
<p><i>Recommended Actions:</i></p> <p>R1 – Develop a social program that is inclusive of the whole community and visitors to the LGA.</p> <p>R2 – Plan for a small increase in retail floor space in the medium to long-term.</p> <p>R3 – Plan for a small addition of commercial floor space (relevant for a local centre) towards 2036.</p> <p>R4 – Encourage small scale health service provision in the centre.</p> <p>R5 – Investigate the applicability of an urban, forum space in the centre.</p> <p>R6 – Improve amenity, safety-by-design and connectivity to and around the rail station.</p>	<p>The Property Council generally supports Council taking action to implement these actions in respect of Richmond. We look forward to Council releasing further information and proposals regarding how it will strengthen the vibrancy and economic role of Richmond.</p>
<p>Windsor – As part of the combined Strategic Centre, Windsor will have to overcome some character and amenity issues and will need a coordinated strategy to maintain activity along the expansive George Street stretch from the rail station and high street to the river. There may be potential for Windsor to expand its small-scale commercial and tourism roles.</p>	
<p><i>Recommended Actions:</i></p> <p>R7 – Investigate precinct planning to develop the Windsor Station as a ‘gateway’ to the Hawkesbury region.</p> <p>R8 – Monitor activity between Windsor station and Hawkesbury Valley Way as the ‘gateway’ is developed. Investigate and consider up-zoning the B1 zone around Windsor station to allow for more commercial activity. Consider expansion of the B1 zone to align with some of the current uses in the area. Consider carefully, the timing of land release for B zones, so that it meets demand and generates momentum.</p> <p>R9 – Investigate and develop character areas.</p> <p>R10 – Plan for a small addition of retail floor space in the medium to long-term.</p> <p>R11 - Plan for a small addition of commercial floorspace (relevant to a local centre) towards 2036, dependent on the outcome of R8.</p> <p>R12 – Support the establishment of a high quality co-working space and the allowance for pop-up businesses in vacancies.</p> <p>R13 – Build the tourism industry, using Windsor as the primary, first hub.</p>	<p>The Property Council generally supports Council taking action to implement these actions in respect of Windsor. We look forward to Council releasing further information and proposals regarding how it will strengthen the vibrancy and economic role of Windsor. We welcome changes to land use zonings within Windsor to support its economic and employment growth.</p>

Planning Recommendations	Response
Clarendon will become a key agri-business and STEM hub within Greater Sydney. There is growing activity and momentum between Clarendon stakeholders to build the agri-business capabilities in the region (the education entities), the STEM capabilities in the region (RAAF), and the career pathway opportunities for students. Council can support growth of these industries and facilities collaboration between stakeholders.	
<p><i>Recommended Actions:</i></p> <p>R14 – Support greater collaboration and dialogue between the Clarendon stakeholders and support industry linkages.</p> <p>R15 – Support the development of the RAAF heritage museum,</p> <p>R16 – Leverage the activity in the precinct for agri-business, food systems and STEM and link it to tourism opportunities,</p> <p>R17 – Encourage and synergise land uses in the Clarendon Precinct,</p>	The Property Council welcomes and supports Council implementing these recommendations regarding the Clarendon precinct. We look forward to receiving updates from Council on progress with these recommendations.
Mulgrave contributes valuable industrial and urban services land to the Hawkesbury LGA and Greater Sydney. The value of this contribution should be recognised and a 'retain and manage' approach applied to these lands. Mulgrave is the preferred industrial precinct in the LGA due to the quality of the built form, transport accessibility and general character. Council should continue to monitor this precinct over time, to assess whether any expansion would be required in the lead up to 2036 and beyond.	
<p>R18 – Monitor the performance of the industrial precinct over time and nominate an area as 'future industrial' for the expansion of the industrial precinct.</p> <p>R19 – Facilitate and monitor the growth of fresh produce processing and align industrial land use capacity as relevant.</p> <p>R20 – Maintain buffers between industrial and residential/commercial land uses.</p> <p>R21 – Consider industrial land operational needs alongside employment generation.</p>	The Property Council supports these recommendations to support the economic development of the Mulgrave precinct. Steps should be taken to progress recommendation R18 to provide for future expansion of the precinct. Council is encouraged to speak with industrial landowners and businesses regarding R21.
South Windsor can reposition its industrial offering, providing smaller lots to meet the demand of local operators, while smaller changes to the public domain and retailing can generated increased vitality in the neighbourhood centre.	
<p>R22 – Improve retail activation and linkages</p> <p>R23 – Consider the addition of smaller lots in the industrial precinct and update DCP to support.</p> <p>R24 – Consider industrial land operational need, not just employment generation.</p>	The Property Council supports these recommendations regarding South Windsor.
Smaller Centres – The focus for smaller centres in the LGA will be to ensure floorspace, urban design and amenity meets the needs of the local population and visitors to the LGA.	
R25 – Plan for small additions to retail and commercial floorspace relevant in the smaller centres in the medium to long-term.	The Property Council supports recommendation R25 and encourages Council to take steps to provide for incremental growth of these centres to meet future demand.

