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Australia's property industry

Creating for Generations

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PROPERTY COUNCIL OF AUSTRALIA – REGIONAL HOUSING TASKFORCE

The Property Council of Australia welcomes the opportunity to provide comments to the Regional Housing Taskforce.

The Property Council of Australia is the leading advocate for Australia's biggest industry – property. It champions the interest of more than 2200-member companies that represent the full spectrum of the industry, including those who invest, own, manage and develop in all sectors of property.

Property is the nation's biggest industry – representing 13% of Australia's GDP and employing more than 1.4 million Australians. Our members are the nation's major investors, owners, managers and developers of properties of all asset classes. They create landmark projects, environments and communities where people can live, work, shop and play. The property industry shapes the future of our cities and has a deep long-term interest in seeing them prosper as productive and sustainable places.

The Property Council promotes policy solutions that will make housing more accessible right across the market. We also note the impact of the COVID-19 pandemic on the Australian and NSW economies has been severe and the implications for the development industry and residential market are still uncertain. This creates a greater urgency to ensure that housing and planning policy levers are quickly and strategically utilised to ensure the supply of residential housing which is needed to meet future growth predictions and targets.

As noted in our *2020 NSW Draft Housing Strategy* submission we acknowledge the need for positive strategic initiatives for the state with a whole-of-government and whole-of state housing approach, to align public and private stakeholders.

As such we welcome the Government's attention to identifying the issues and challenges for housing supply in regional locations and provide the following comments as a joint submission from the Hunter and Illawarra Chapters of the Property Council of Australia.

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Should you have any questions, please do not hesitate to contact Hunter Regional Director, Anita Hugo on email at ahugo@propertycouncil.ccom.au or Illawarra Regional Director, Michelle Guido at mguido@propertycouncil.com.au.

Yours sincerely

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Property Council of Australia

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What are the critical housing issues faced by your region and what are the key elements contributing to these issues?

1. **Challenging Delivery Landscape**

   Developable land in regional areas often has a high level of land fragmentation and requires a greater degree of vision and leadership from the planning authority and infrastructure agencies to deliver land supply, especially when it is a large-scale delivery of land supply.

   Coordination of essential infrastructure and services can be difficult to align with the acquisition and development of land. It is critical that infrastructure providers are engaged early in the strategic planning and development process and regularly consult with developers and consent authorities in the area to keep track of proposed developments and sites and areas of interest for future development.

2. **Infrastructure lags well behind land use decisions.**

   Often, planning and delivery of essential infrastructure and services is not aligned with the rezoning of new sites and precincts. Once land is zoned, infrastructure agencies and the state and local government need to be proactive with funding applications for the services that can deliver the lots to market.

   The issue exists where land is currently zoned without the necessary sewer, water or major road works upgrade needed, having been identified or funded. There are significant delays with infrastructure provision for example, from Transport for NSW (TfNSW).

   Infrastructure agencies need a proactive approach with prioritising funding applications for services. Their plans need to be aligned with Regional Plans, with funding tied to catalyst area development i.e Transport plans.

   Regional areas historically lack significant state road funding and this needs to be addressed. When lots can't go to market because of delays such as road funding, it pushes the market prices up and we are already seeing this play out in regional areas.

3. **Inflated cost of business activities in regions**

   Undertaking business activities and transactions in the regions often comes with an increased cost, especially in relation to supplies and labour which are often more expensive and markedly less available. This has a flow on effect to the delivery and supply of housing. The current pandemic is compounding this issue.

   The feasibility of development in regional areas is very different to metropolitan areas and policy approaches and mechanisms to support the delivery of housing must consider this to ensure their success.

4. **Planning controls do not reflect desired outcome in some locations**

   An informed, evidence-based approach is needed to investigate and highlight where strategic planning resources should be directed. Good examples include:
   - Mapping where clause 4.6 variations have been approved. This helps spotlight where planning controls have effectively been abandoned and/or where they are not calibrated to allow feasible developments.

- o <u>Mapping the age of planning controls (LEP/DCP) for largely unbuilt Urban Release Areas.</u> This is useful in spotlighting where planning controls, such as place-based targets, might be outdated and should be revised (e.g., dwellings per hectare).
- o <u>Making the mapping available to Councils for LEP reviews</u>. Where council is required to keep a Clause 4.6 register, this could be expanded to be required in a mapped format.

5. **Poorly resourced Councils**

Resourcing in Councils is a challenge across the regions, however the smaller and more regional the Council, the more the challenge increases with limited resourcing and appropriate skill sets. There is often a lack of confidence and level of delegation at Council officer level which impacts developments and planning decisions.

The politicisation of planning for developments is also a challenge, especially when it counteracts the benefits of a project for a community. The influence of elected councillors on long-term strategic documents, including Local Strategic Planning Statements (LSPS) and Local Housing Strategies impacts the delivery of housing and more innovative housing models.

For example, *505 Minmi Road, Fletcher* is a small site that sits beside a large site where of planning controls have previously been set. This includes all state resources required such as connectivity, access, and biodiversity. This planning does not apply to this small site beside it. While it is in keeping with the long-term planning of its neighbouring site, development is unable to progress as Council repeatedly reject applications due to complexity. Council have instead applied to have the LSPS amended to remove the site.

There needs to be a quality assurance process in place before changes such as the above can occur, otherwise it sets a precedent that demonstrates Council can sidestep processes for their own purpose. The Department of Planning should review the implications prior to approving amendments such as this LSPS adjustment.

Recommendation:
The Property Council recommends Government consider introducing more Local Planning Panels to assist in decision making. This could include combined and/or shared panels for certain areas like Greater Newcastle, where a more consistent decision-making approach is highly desirable for investment/delivery coordination reasons.

The Property Council recommends the investigation of establishing 'Joint Organisations of Councils'. These allow neighbouring councils to pool their planning resources to share skills, knowledge and expertise between different councils. This is established in the Hunter and should be investigated for other regions.

The Property Council recommends a review of Council reporting requirements and delegations be undertaken.

A review of Council reporting requirements and delegations would also be beneficial

For example, Port Stephens Council has undertaken a complete reform of its rezoning process over the last 2 years. This includes the introduction of a rezoning request policy in February 2020, which sets out clear criteria and guidelines for preparing Planning Proposals within the LGA. The criteria provided assists with managing expectations around acceptable locations and circumstances where rezonings would be considered and is supported by a rezoning request meeting where Council staff are on hand to advise specifically in relation to

each project. This means that Planning Proposals lodged with Council are more likely to be supportable and contain the information needed to progress the assessment. The Property Council understands this approach has led to a 60 percent reduction in Council's backlog.

The efforts to increase the relevance and quality of information means fewer Planning Proposals are required to be reported to elected Councillors before being submitted to the Department for a Gateway Determination. The rezoning request policy sets out the circumstances for where Councillors should be involved in a more substantive review, otherwise they are simply notified of the submission. We understand Port Stephens is now achieving some of the fastest processing times in the state, averaging 10 days between lodgement with Council and submission to Gateway for Planning Proposals that meet the policy criteria. This should be compared with the typical Council reporting process timeframes that would, by default, mean the minimum turnaround timeframe is 6 weeks.

6. Implications of biodiversity and bushfire planning

Biodiversity is an increasing issue for regional developments. For new projects that require a Biodiversity Development Assessment Report (BDAR) the additional time and costs arising from biodiversity offsets is not known until late in the approval process. This often leads to substantial delays or erodes the feasibility of a project.

Some existing approved subdivisions also face challenges as they now cannot meet the additional Asset Protection Zone (APZ) requirements. This becomes more apparent when the development application needs to be modified.

> **Recommendation:**
> The Property Council recommends the consideration of streamlining or implementing a unilateral approach to modifying approval processes that require a Biodiversity Development Assessment Report to ensure consistency and efficiency for projects subject to these requirements.

Biodiversity and requirements related to bushfires create further constraints for housing delivery in the regions, proving to be particularly challenging in specific regional areas. The more constraints that developers are faced with, the harder it is to find the right land for housing and considering the related costs involved. The challenge in finding land that is serviceable and without constraints is getting harder for developers and impacting on housing supply.

7. Implications of other changes

The implications of changes to the Building Codes Australia (BCA) and other legislation on existing approvals / modifications needs to be addressed. Process changes could be made to ensure that the implications on existing approvals are investigated and consulted on prior to changes being implemented.

One example of the implications of the BCA includes where an apartment building is approved, and a Construction Certificate (CC) issued based on the 2016 BCA. It is now under construction but there is also a Section 4.55 approved to combine two of the units into one. However, if the CC is amended to include this change the applicant has been advised that it will invoke the need to upgrade the building to comply with the 2019 BCA which involves sprinklering the building, which is not now possible and would cost approximately $400K on

top of initial outgoings. This leaves the developer with no option but to give up the already approved Section 4.55 going forward.

8. **Utility Charges**

Outside of metro areas, regional developers are being faced with significant water and sewerage costs to fund infrastructure which has a flow on impact for the delivery of housing that is affordable for the end consumer. The regions require further support from the state government in this area to help fund housing and decrease costs for the delivery of housing. Ideally allocated state funding could be made available to regional councils to access for the delivery of infrastructure, so the costs do not have to be recouped from developers and added to the cost of housing.

9. **Development Applications take too long to go through council processes**

The processing of Development Applications (DAs) is an increasing challenge for the development industry. Often the council process for the approval of DAs is complex and lengthy and increases challenges for projects. Timeliness and efficiency not only is a priority for the delivery of housing but also to ensure costs are reduced as much as possible for the end customer. To assist in overcoming this challenge, Planners in Councils need to be awarded more authority or capacity, and in doing so this could improve the process and decrease the amount of red tape. This is often a cultural issue and/or councils are unwilling to change or have this conversation on their processes.

What are the main planning system barriers to delivering more diverse housing types to suit the varying needs of the community, including housing of different price points, tenures, and types?

1. **Varying level of quality and approach in preparing application documentation**

A major barrier for delivering diverse housing types in regional communities is the varying level of quality and approach in preparing application documentation for rezonings and DAs.

Equally, there are varying expectations from individual councils for applicants and consultants to work towards which makes the process more complex and challenging, especially when trying to innovate and deliver diverse housing types.

> **Recommendation:**
> The Property Council recommends that this taskforce consider recommending the provision of a higher-level of resourcing towards initiatives that can help with clarifying the information/assessment requirements and process management expectations for innovative and diverse housing projects. This could include:
>
> a. More requirements / formalised processes for Pre-DA and Pre-rezoning meetings.
> b. Some kind of locally equivalent process to request for environmental assessment requirements (e.g. SEARs), which could have State/Regional staff support/oversight.

2. **Support from Department of Planning**

Planning processes are designed to 'unlock' supply, but often this stops at the stage of rezoning. Further support is required from the Department of Planning to ensure needs can

be met post the rezoning such as servicing and adjusting controls/approvals over time. As mentioned earlier this is critical to getting rezoned land to market.

> **Recommendation:**
> The Property Council recommends this taskforce explore whether the Department of Planning needs to be committed to working with applicants to create better planning outcomes in areas that have previously been zoned.

3. Regions treated 'uniformly'

Treating regional communities 'uniformly' and 'all the same' provides challenges, as it misrepresents the diversity and scale of each community and also the context of delivering housing in these different communities. Much of the community resistance to growth in regional towns and villages is around character. For example, the local council area of Shoalhaven has very different needs across its LGA due to the different types and size of the communities and the character that each of these towns encompasses. This adds another layer to how a development occurs in each of these communities.

Many people in regional areas don't want 'metro-style' developments that fundamentally change the character of their area, however, Council planning documents rarely address character with any effectiveness which creates a challenge for the development industry. Quality of development is sometimes an issue when planning controls are inadequate, and poor-quality development fuels anti-growth politics within communities.

4. Planning decision challenges and impacts

One of the main barriers that impacts local council planning decisions is the politics associated with elected Councillors leading the decision-making process where there are no local planning panels for DA assessments. In regional areas where Councillors have held positions for many years and are personally embedded in these communities, decision making can be a challenge and pressures from community members to influence the outcome of development assessments. These political and community challenges often stifle the progress of development even when the application was compliant with planning controls set down by Council.

This was evident in the Wingecarribee LGA for many years, where long standing issues within that council and the elected officials became an enormous barrier for development and the delivery of housing in this area. This has since been identified by Minister Hancock and is being resolved, however has been a major barrier for developers in this region for many years.

> **Recommendation:**
> The Property Council recommends that this taskforce explore the removal of politics from planning decisions by requiring each Council to appoint an independent Local Planning Panel.[1]

The selection of panellists with appropriate knowledge and experience will be essential to assist with decision making, especially in those regional areas where the expertise may not be readily available. However, if a Local Planning Panel convenes on a monthly basis for example, it is possible to draw on expertise from outside the region if required.

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[1] Further information on Local Planning Panels - https://www.planning.nsw.gov.au/Assess-and-Regulate/Development-Assessment/Local-Planning-Panels

5. **The willingness of each council to address housing supply and affordability is variable**

   With such a variability in willingness across regional councils to tackle housing supply and affordability, it becomes increasingly difficult to deliver diverse housing typologies and more affordable housing in some local council areas.

   For example, in the Illawarra Shoalhaven which has four local council areas, there is variability across each LGA as to their attitude towards housing and exploring diverse models which makes it challenging for developers. Shoalhaven Council, for example, are the most willing to tackle housing affordability and explore different initiatives. In contrast, Kiama Council is silent on the issue of housing affordability, Shellharbour Council is trying to tackle the issue however hasn't made the right distinctions and Wollongong Council is still developing a housing strategy but is become more willing to explore initiatives with community housing organisations. The attitude towards housing and its delivery can be so variable in one region that developers are having to use a different approach for each LGA, and this is evident in many other regional areas.

   Another challenge with addressing housing supply and affordability is that many local councils do not have a clear distinction between the 'buyers' market' and 'rental market' when considering housing strategies and initiatives to address housing challenges. This often causes confusion across local councils and the development of housing strategies. Many community housing organisations are willing to partner and work with local councils and clear guidelines around this and distinguishing the importance of 'affordability' in the rental market is also key to addressing the housing affordability challenges in regional areas.

   > **Recommendation:**
   > The Property Council recommends due consideration through this inquiry be given to affordable rental options in the regions, alongside the residential buyers' market.

   Local politics also impacts the level of importance each Council places on an effective housing strategy and whether housing growth and diversity is enabled by their LEPs and DCPs. In some cases, there is outright resistance from the community primarily because of the lack of understanding around the factors impacting housing affordability and the diverse housing models available to address these challenges. In addition, many regional Councils do not have resourcing and planning teams with the experience and skills to prepare and implement quality housing strategies and DCPs to match the strategies.

What policies and approaches are in place in your region to address housing supply issues and what challenges are there in implementation?

Note: This submission addresses the Illawarra Shoalhaven and Hunter regions primarily.

1. Local-level strategic planning can be siloed and out-of-date, with no quality assurance in place. For example, the Lochinvar Urban Release Area structure plan was released in 2007. Development control plans for this area are outdated and there is no current mechanism to review these types of plans to ensure they meet contemporary planning requirements.

2. The 15-year housing supply benchmark that is applied everywhere now as the threshold for even considering augmentations to housing supply. Is it right for everywhere? Consider directions / more common methods for:
   o Councils to review the composition of supply, not just the theoretical capacity

o What type of a benchmark should be applied in supply-driven markets, where we're already behind?

3. Where State SEPPs are introduced to support the delivery of more diverse and affordable housing, regional Councils are often given the choice to opt in rather than making the use of the SEPP mandatory in their LGA. More often than not, Councils opt out. In many cases the SEPPs can only be utilised on land where similar development is already permitted under local planning controls. As many of the local controls are outdated and/or intended to prevent density and diversity of housing, the SEPP is immediately useless unless it is made mandatory for regional councils.

4. Regional strategies and housing strategies are typically structured to meet population forecasts, but these forecasts are conservative, and as we have seen with significant COVID driven regional migration, they are in many cases completely outdated. Strategies flowing from these outdated forecasts lead to significant undersupply of housing in regional areas. It would be beneficial to investigate a regular review process for local councils to ensure forecasts are accurate for each region and align with state and regional plans.

Recommendation:
The Property Council recommends that this inquiry consider directions or more common methods for Councils to review the composition of supply, not just the theoretical capacity. Consideration should also be given to what type of a benchmark should be applied in supply-driven markets.

What can the NSW Government do to better support housing delivery in regional NSW via the planning system and other State government levers?

1. **Consider the following items if it would help de-politicise decisions or improve decision timeframes:**
   a. Increase the Local Planning Panel coverage.
   b. Adjust DA delegations, or provide a 'concierge service', so that approvals go to a subject matter expert (this is most relevant in Council areas with limited staff).

Recommendations:
The Property Council recommends that the depoliticization of council decisions be a priority for this inquiry through the exploration of increasing the coverage of Local Planning Panels.

The Property Council recommends that this inquiry explore the introduction of a 'concierge service' to support Council who may need further support to assess DA applications of a complex or controversial nature.

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2. **'Model DCP provisions' for residential projects of different types and scales.**

Recommendation:
The Property Council recommends that this inquiry consider the benefits of 'Model DCP provisions' being drawn up in order to assist the assessment of residential projects of different types and scales.

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3. **Regional leadership on infrastructure coordination and delivery.**

Consider rolling out the equivalent of Place-based Infrastructure Compacts (applied in Sydney Growth Areas) to higher-growth areas (for example, Maitland to Branxton and Maitland to Cessnock Corridors).

High growth areas in the Sydney metropolitan area benefit from a whole of Government approach through, for example, the preparation of Land Use and Infrastructure Plans with supporting Place Based Infrastructure Compacts. These governance and planning frameworks clearly set out the need for and sequence of development to align with growth.

Similar approaches should be considered in high growth regional areas, particularly in the Greater Newcastle Metropolitan Area, where infrastructure delivery needs to be coordinated across multiple LGAs or to service multiple disparate developments. This would rely on regional-level leadership to ensure appropriate skills are involved and cross-jurisdictional outcomes can be achieved.

> **Recommendation:**
>
> The Property Council recommends that this inquiry consider the roll out of a model reflecting 'Place-based Infrastructure Compacts' to high growth areas to support a whole-of-government approach to governance and planning.

4. **Stronger government role in signing-off on / quality assurance for local-level strategic planning** such as LSPSs and LHSs. Strong guidelines for Growth Management Strategies.

5. **Put State-level resources towards diagnostic efforts to pinpoint problems and understand localised issues:**

   a. 'High-level / quality review' of local strategic alignments (structure plans, DCPs, and LEPs) in Greater Newcastle to make sure these are fit-for-purpose to deliver on contemporary targets (e.g., for greenfield areas: 15 dwellings / ha and 25% of lots capable of medium-density products; or 50-75 people/jobs per ha around rail stations, etc.).
   b. Mapping 4.6 clause usage.
   c. Mapping age of Urban Release Area controls.
   d. Planning Services review of all local governments.

> **Recommendation:**
> The Property Council recommends that this inquiry explore utilising state level resources to map the usage of clause 4.6, the age of Urban Release Area controls, and planning services reviews of all local governments to diagnose and pinpoint problems and understand localised issues.

6. **Resource pilot projects, industry upskilling and support council staff.**

7. **Enable and encourage "Meanwhile Use" of underutilised Government land and buildings for the purpose of affordable /social / crisis housing.**

> **Recommendation:**
> The Property Council recommends that this inquiry explore how 'meanwhile uses' can be undertaken on government land and buildings for the purpose of affordable, social and crisis housing, and what the barriers to this might be.

8. **NSW Planning provide increased resources and import expertise to work with local planners to update local housing strategies and planning documents.**

   Each Council needs to develop character controls to manage the anti-development politics and resistance in their community. Without the in-house skills, council need support and access to expertise from outside their region.

   > **Recommendation:**
   > The Property Council recommends that this inquiry explore the impact of anti-development politics and community resistance to housing development and the impact this has on housing affordability.

9. **Populations in regional areas are growing and at the same time ageing.**

   There is a real need for planning policies and documents that override local politics to enable the delivery of new forms of housing to meet the changing needs of regional communities.

   > **Recommendation:**
   > The Property Council recommends that this inquiry seek to understand how local regions can meet the housing demands for the changing populations of regional centres, and how Councils can be tasked with this responsibility and charter.

10. **Build-to-rent**

    Incentives need to be extended to regional areas for build-to-rent, with the scale of projects to be appropriate to the scale of settlements in which they will be located.

    Build to rent has huge potential to provide affordable accommodation options in regional areas, particularly booming regional centres and areas where the supply of affordable rental housing may have been depleted through conversion to short-term accommodation such as Air-BnB. It is critical that built-to-rent policy settings are developed which incentivise the development of BTR in regional areas and can be applied to a range of regional settings.

    > **Recommendation:**
    > The Property Council recommends this inquiry explore the opportunities provided by the emergence of the Build-to-rent model in Australia, and what incentives can be applied to attract development to regional centres that would benefit from this model.

11. **Investigate adoption of an incentive-based approach to increase the supply of affordable housing in regional areas**

    The Property Council believes that the supply of affordable housing can be increased through mixed policy settings which incentivise the delivery of affordable housing through appropriate floor space and height bonuses, prioritised development assessment and other mechanisms which focus on attracting investment in this type of development.

> **Recommendation:**
>
> The Property Council strongly encourages this inquiry and the Department of Planning to investigate incentive based affordable housing policy mechanisms, including affordable rental housing, tailored specifically to regional settings.

Employment impacts in Regional Areas

Lack of supply of affordable and diverse housing options in regional locations is critically impacting the regional workforce. Attracting staff is extremely difficult when there is nowhere for them to live that is within their means. The greatest impact is on lower paying jobs that support the tourism and agriculture industries, as well as key workers in aged care, allied medical, manufacturing, and many more.

Regional economies suffer when local businesses cannot find and retain staff. Unfortunately, it takes time to change planning controls and ramp up housing supply and currently the situation in many LGAs is quite critical. In the short term some employers are coming up with innovative solutions such as buying old country motels for use as "short term" worker accommodation, however prescriptive zoning controls don't often support adaptive re-use of existing buildings that were originally built for a different purpose. Many country towns have old industrial / warehouse / retail buildings that are underutilised and could potentially be adapted if planning controls were more flexible.

Farming and equine businesses are in many cases willing to provide worker accommodation on their properties however this is either not supported by local planning controls or a long and arduous process to gain approvals so is not an immediate and practical solution for an issue that is current and critical.

> **Recommendation:**
> The impact of housing issues on employment and jobs growth is significant and needs to be considered across Departments in future planning.

Conclusion

The Property Council appreciates the opportunity to provide input on this critical issue and looks forward to continued engagement with government around the matter.

The Property Council used a survey tool as an additional method for members to provide feedback and their comments are captured, as submitted, in the Appendix at the end of this document.

APPENDIX: Property Council Survey Results

Property Council of Australia Regional Housing Taskforce comments received as is.

What are the critical housing issues you see in the community and what are the key elements contributing to these issues?

- Limited supply of housing caused by lack of sites with infrastructure and high taxes and levies.
- Housing affordability due to rising prices.
- Multiple levels of taxation on property owners drive up the costs being a supplier of housing stock.
- Housing affordability. Home ownership becomes unattainable to most. The few that can afford them will have multiple investment properties, which will then translate to higher rent prices. Which in turn causes those who can't afford to own a house being unable to save for a house. This cycle will lead to housing monopoly by the rich few, while others are at the mercy of their 'rent' prices, particularly when housing for rent are few and far between.
- Lack of new supply putting significant upward pressure on land values.
- Housing supply and climbing build costs.
- High rents and long-term rental shortages due to Air BNB style rentals.
- Affordability. The average house price in our area has increased to $750,000 which is not affordable for those lower socio-economic areas.
- Young people being increasingly priced out of the market due to the inflationary effects of the property market.
- Problems finding development sites for seniors housing due to restrictions in the planning framework. This has flow on effects including not freeing up existing housing stock for younger generations.

What are the main barriers to delivering housing, including diverse and affordable housing?

- As above but also shortage of skilled staff.
- Suitable sites.
- Profits from build to sell outstrip more affordable models, hence more assistance, supplements or concessions are required to make affordable housing attractive to developers.
- Land value being too high, which will demand that there is a minimum density/selling prices to be economically feasible to clients.
- Transport for NSW requirements and biodiversity legislation.
- Complex and time-consuming approval process.
- Suitable land that can provide high enough yields and likely the cost to construct them not being low enough to have an 'affordable' sale price at the end.
- Land releases are left to the private sector who develop for profit. The planning process and environmental requirements impact on the ability to release land in a timely and cost-effective manner.
- Delays in the Planning Framework, in particular delays in negotiating satisfactory arrangements with the state government (still no SIC in the Hunter), a process that takes 12 months.

- New Biodiversity Legislation with interpretation, especially around the avoid and minimize test still evolving. This creates uncertainty and delays.
- Conservative approach by some Councils to contamination issues which is caused by a lack of formal guidelines. Some Councils default to a DSI if there is any contamination and that equals costs and delays.
- As a Regional Planning Panel expert, I see a number of unprofessional and incompetent development applications and accompanying documentation. Should require a certified planner to sign off on DA before lodged.
- Planning controls, planning timeframes, cost (land price, construction cost), stigma associated with affordable housing.
- (Greater Newcastle) Urban Development Program – not yet fit to inform decisions / lagging behind. Expedite the outcomes here and make the outputs available for industry to use.

What are the challenges for development feasibility? Are there challenges that are unique to regional contexts?

- Potential changes to taxes and levies – uncertainty.
- Mines subsidence issues and costs.
- Expectation of high-density housing, despite the site not being appropriate for the density (in particular site orientation and sun access), this ties in to land value and economical feasibility.
- Unquantifiable timeframe and cost risks in relation to the aforementioned factors
- Biodiversity Act. Too complex and cost estimates are continually changing. Very hard to estimate without significant field work and that the credit costs change.
- Servicing and other infrastructure can affect feasibility if you are not simply tapping into an adjoining network. The cost of offsetting /securing credits required to remove vegetation can also be limiting.
- With the way land prices are going at moment, the only challenge is keeping englobo land prices realistic. There are a lot of players in the market bidding on limited properties. That is bidding up land values and when the market stops, there are going to be a lot of parties that will get burnt.
- Land Cost, uncertainty in approvals time (time = cost), infrastructure in new estates.

What challenges do you face in the planning system when it comes to delivering more housing and what opportunities are there for improvement?

- Council Planners are tied up with complex State Laws causing inconsistency and time delays plus lack of skilled and experienced planning staff.
- Difficult councils which slow the process without confidence of approval.
- Speed of approval is always important - housing projects thrive on momentum. Slow approvals mean slower uptake.
- Better connection of public transport (train in particular) in areas where land prices are much more affordable and focus high density housing in these public transport nodes.
- Time delays with referrals to state agencies resulting in unreasonable costs / DA conditions.
- The primary issue at the current point in time is significantly under-resourced council departments.

- It doesn't appear many residential flat buildings or multi-dwelling developments are being targeted at being affordable. There does need to be more incentives for providing affordable housing to developers.
- Hunter Water's capacity to accept additional lots is also problematic in some areas eg Wyee (now resolved) and Karuah. Karuah is identified as a land release area yet Hunter Water do not have capacity to service additional lots out there. The authorities need to have agreement on the priority areas for land release and ensure they are attainable.
- Getting a Hunter SIC sorted. The VPA process takes 12 months, which typically adds about 6 months to the process.
- The Biodiversity Legislation - they should have biodiversity strategies from a regional to LGA and local level which identify land to be conserved, and everything else is open. Maybe a standard contribution to acquire and rehab conservation land.
- Restrictive planning controls, long approval timeframes. Fast tracked approvals for applications that meet the main controls, fast tracked approvals for developments that will contribute to the improvement of the area (community centred development, employment producing development).

What can the NSW Government and local Government do to better support housing delivery and to help bring supply to the market faster?

- Make it easier for Council Planners and Developers to deliver Housing.
- Provide incentives for development.
- Expansion of the complying development framework.
- Priority development approval assessments for affordable housing.
- Streamline the planning process.
- Zone more land residential and provide more resources to local government to adequately plan for these zoned areas of land. Significant investigation and accurate costing into assets that will prohibit construction commencing in the short term.
- State Government to provide incentives like the Social and Affordable Housing scheme Family and Community Services has run in the past.
- Environmental investigations before applying zonings so that residential land is not burdened by environmental constraints. This will encourage developers to work on unconstrained land which will simplify the planning process and reduce the associated time and costs.
- Foster a better culture in Local Government and the industry generally. Local Government staff culture varies from Council to Council, some have a 'can do' attitude, others a 'can't do attitude' or a 'don't want to make a decision' attitude. For consultants who prepare and lodge DAs - there should be a certification system so that the quality and competency of application lodged improves. There are faults on both sides.
- Fast track infrastructure programs to ensure new areas of housing are able to be accessed quickly, allocate a (decentralized) proportion of affordable housing to new estates, streamline the assessment and approvals process for developments.