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Dear Mr Head

Hornsby Draft Local Housing Strategy

The Property Council welcomes the opportunity to provide comments to Council on the draft Local Housing Strategy.

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.

We are pleased to provide the following comments for your consideration.

General Comments on Hornsby Council's Draft Local Housing Strategy

We acknowledge that the Hornsby Shire Council has prepared this Local Housing Strategy as a requirement of both the Greater Sydney Regional Plan (Action 3) and North District Plan (Action 17). We support the Council participating in the NSW Government's Accelerated LEP Review Program which has allowed for this important piece of strategic planning work to be completed earlier than would otherwise have been possible.

In 2018, the Department of Planning, Industry and Environment issued "*Local Housing Strategy Guideline*" to local councils that provides a step by step process for councils developing local housing strategies. We note that Council has prepared its Draft Local Housing Strategy to be consistent with the Department's guideline.

Together the draft Local Housing Strategy and Council's Local Strategic Planning Statement (LSPS) should identify how medium and long-term housing targets will be achieved. It is understood the Greater Sydney Commission identified a 6-10 year housing target for the period 2021/22 and 2025/26 of between 3,800 and 4,200 additional dwellings during the LSPS assurance process. The draft Local Housing Strategy has found that Hornsby has sufficient appropriately zoned land and the development pipeline capacity to accommodate the anticipated short to medium term dwelling growth (2016-2026).

The Property Council and our members have taken the opportunity to review many draft local housing strategies that have been released for consultation and most have found an adequate supply pipeline to meet short and medium-term targets. We look forward to these statements being tested by the Department during its endorsement/approval process.

Specific Needs Housing Gaps

Section 2.5 of the draft Local Housing Strategy indicates that the projected housing supply is likely to offer a high-density residential product and that Council will need to plan for a range of dwelling sizes and types to provide a diversity of housing. This is an accurate reflection of many areas across Sydney and highlights the need to encourage greater variety in housing types and tenure.

Demographic trends have revealed a growing mismatch in the type of housing people want and the type of housing to be built in the future. The Draft Local Housing Strategy has correctly identified a mix of smaller studio and 1-bedroom apartments, medium density and affordable rental housing will be needed in the Hornsby Shire. Council should consider what actions it can pursue, through amendments to its LEP zones and DCP development standards to encourage and incentivise the supply of these specific needs housing types in the right locations.

The Priorities – Objectives

The draft Local Housing Strategy has identified six (6) objectives that reflect the strategic priorities that are set out in the LSPS. Each objective is considered below:-

Objective 1- Promote design excellence to ensure new housing delivers high quality buildings and an urban realm that respects current and future desired local character, green spaces and landscaping.

Response: This objective is generally supported. Earlier this year Council exhibited a planning proposal to amend Hornsby LEP 2013 (Housekeeping Amendment Planning Proposal) which involves the insertion of a design excellence clause into Council's LEP, which we support, provided it doesn't lead to unnecessary delays in approval processes. Council should also use its DCP to support the achievement of this objective.

Objective 2- Ensure new housing development minimises environment impact and promotes ecologically sustainable development.

Response: This objective is generally supported. Council's LEP and DCP can go some way towards support the achievement of this objective. Any requirements that will be applied to new housing must be clearly explained so that proponents can fully understand compliance costs.

We also note that in 2019, we jointly released a policy toolkit titled – '***Every building counts: A practical plan for emissions reduction***' - which was jointly developed by the Property Council of Australia and the Green Building Council of Australia (GBCA) and was launched by the Federal Minister for Energy and Emissions Reduction, the Hon Angus Taylor MP.

It provides a pathway for transforming Australian homes, workplaces and other buildings into low carbon, high-performance structures while cost-effectively reducing emissions.

The package includes 75 recommendations to federal, state and territory and local governments, designed to transform Australia's built environment and achieve net zero emissions by 2050. Buildings currently account for over 50% of Australia's electricity use and almost a quarter of our carbon emissions.

It specifically notes the importance of planning tools needing to be streamlined with consistent and transparent outcomes across state and local boundaries to support industry buy-in. It can be downloaded from www.everybuildingcounts.com.au/

Objective 3 - Protect sensitive areas from development and ensure new housing does not detract or erode an area's local character.

Response: This objective is supported in principle as it is important that inappropriate development is not allowed in environmentally sensitive locations or on land subject to natural hazards (extreme bushfire or flooding risk). Council's LEP should provide the basis for the identification and zoning land that is not suited to medium density development.

The Property Council is aware of Council's concerns regarding the use of Site Compatibility Certificates to allow developments that are contrary to Council's local planning requirements. State policies that override local planning controls can play an important role to deliver diverse housing types that would otherwise not be allowed under local planning controls. We urge Council to work with the Department, GSC and other local councils to develop an appropriate mechanism to plan and deliver housing for all members of the community, including seniors.

Objective 4 - Identify opportunities to encourage housing diversity including medium density, adaptable housing for the ageing and multi-unit housing in areas of limited choice and availability.

Response: This objective is supported. This Strategy provides Council with an opportunity to develop planning controls that will actively encourage the development of diverse housing types by the market, including flexibility in planning controls, land tax remissions and waivers and other policy levers (including identification of land), to make investment in these dwellings types feasible and attractive.

We note that the Department is currently exhibiting an Explanation of Intended Effects for a Housing Diversity SEPP. The policy will encourage planning and development of three new housing types, including Build-to-rent housing, student housing and co-living, as well as changes to boarding houses, seniors housing and affordable housing. Council should consider how it can use the SEPP to encourage greater diversity of housing in Hornsby Shire.

Objective 5 - Promote sustainable locations for housing growth close to transport, which support the role of centres, have adequate infrastructure and maximise opportunities through collaboration.

Response: This objective is supported. Council is encouraged to continue its support for new housing in existing housing precincts, Hornsby Town Centre and the Cherrybrook Metro Station Precinct, which provide both an economic boost and enhancement of social infrastructure for local communities.

The construction of significant transport infrastructure is critical to this. As we have seen in many cities around the world who face similar growth challenges it has been proven that by applying the principles of Transit Orientated Development (TOD)– can deliver more affordable, compact, sustainable housing that ensures that the vulnerable, the ageing and skilled workers in our community are able to live close to transport routes, close to work, health, retail, education and recreational opportunities without requiring private transportation. We would encourage Council to consider application of these principles in future strategic planning.

Objective 6 - Ensure housing growth aligns with the Region and District Plan priorities, planned infrastructure growth and will deliver the District Plan housing targets.

Response: This objective is supported. As outlined above, it is important that new growth is aligned to infrastructure delivery, particularly transport. Council should ensure that its planning controls (HLEP 2013 and DCP) and local infrastructure contributions plans are aligned to deliver its short, medium and long-term housing targets.

Actions - Liveable Priorities and Actions

LP1 - Protecting the character of our low-density neighbourhoods

Response: Four actions are proposed under Liveable Priority #1. Actions 1 and 2 are supported as they involve the continuation of existing housing opportunities in the Hornsby Town Centre and other housing precincts. Actions 3 & 4 seek exemption from State policies for medium density housing. We do not support any changes to these policies at this time until Council can demonstrate to the Department that it has an appropriate medium density housing policy response.

LP2 - Promoting design excellence for new housing

Response: Two actions are proposed under Liveable Priority #2 that involve greater focus on design excellence for development within Hornsby Shire. We generally support these actions and refer Council to our detailed comments provided earlier this year on the Housekeeping Planning Proposal.

LP3 - Supporting the development of community and cultural facilities that will adequately service our current and future community.

Response: Two actions are proposed under Liveable Priority #3. We do not oppose Council investigating opportunities to provide improvements to the social and cultural facilities available for residents. The funding of those facilities must be consistent with the State's development contributions framework and any value sharing models must comply with State Government policy.

LP4 - Aligning the delivery of local infrastructure and public domain improvements with current and future growth.

Response: Three actions are proposed under Liveable Priority #4, including the finalisation of updated Section 7.11 Contribution Plans and Section 7.12 Contributions Plan. As the NSW Government has announced a Review of Infrastructure Contributions by the NSW Productivity Commission that will report to Government by November 2020, we urge Council to consider the outcomes of that review as part of completing these contributions plans.

LP5 - Protecting, conserving and promoting our natural, built and cultural heritage.

Response: Three actions are proposed under Liveable Priority #5. These actions involve implementation of the Hornsby Heritage Action Plan 2019 and commencing a comprehensive heritage study. These actions are supported.

LP6 - Providing housing in the right locations that meets the needs of our community with regard to housing type and mix, design, sustainability, affordability and safety.

Response: Four actions are proposed under Liveable Priority #6. These actions are all appropriate and we support the completion of Actions 15 to 17 in the stated expected timeframe, being during 2020.

LP7 - Promoting the arts, creative industries and temporary uses as well as the night-time economy.

Response: One action is proposed under Liveable Priority #7. We support Council undertaking further work on this issue.

We look forward to Council finalising this Local Housing Strategy and its eventual submission to the Department for endorsement. Should Council require further input from our members on this strategy or other planning strategies under development, we would welcome the opportunity for Council to provide a briefing to members at a later date.

Should you have any questions regarding the content of this submission, please contact Troy Loveday, NSW Policy Manager, on 0414 265 152 or tloveday@propertycouncil.com.au

Yours sincerely



Belinda Ngo
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Property Council of Australia