



30 August 2022

The Hon Anthony Roberts MP
Minister for Planning and Minister for Homes
GPO Box 5341
SYDNEY NSW 2001

By email: office@roberts.minister.nsw.gov.au

Dear Minister

Re: Balancing Risk Mitigation with Housing Delivery and Affordability

I write to request that our councils and the Department of Planning and Environment (DPE) work together to mitigate the impacts and risks identified through the development of resilience and sustainability strategies.

SSROC councils are concerned that some of the provisions of the defunct Design and Place State Environmental Planning Policy (DP SEPP) were valuable improvements to planning mechanisms that would address the effects of these impacts and risks. Being equally concerned with the provision of housing and affordability, we are keen to achieve a balance between these priorities.

The draft DP SEPP and its supporting documents were developed over two years by DPE with unparalleled engagement with local councils and other stakeholders. Our councils valued the opportunity to provide input and feedback to help shape the policy and guidelines. Importantly, councils embraced the intent and ambition of the DP SEPP putting sustainability, resilience and quality of place alongside development delivery in a range of urban, suburban and regional contexts.

Councils seek to use their local plans and strategies to deliver liveable, sustainable and resilient homes and neighbourhoods. As you know, these are all important to foster community confidence and partnership when new developments and more homes are proposed, and as housing targets need to be delivered. The DP SEPP represented a significant and much needed step towards achieving this outcome and councils are disappointed that it is not being progressed.

SSROC welcomes the recently announced Sustainable Buildings State Environmental Planning Policy to encourage more sustainable buildings across NSW. The updated BASIX standards, consistent with the National Construction Code 2022, will improve the performance of new homes. New sustainability measures will improve the energy performance of many non-residential developments.

However, many of the DP SEPP's provisions were also critical for the future of more resilient homes and neighbourhoods.

Recent media coverage reinforces the impression that the views of building industry groups, with vested interests in lower standards and opposed to the draft SEPP, have been prioritised over the feedback from local councils, councils' professional staff, professional organisations and other stakeholders supportive of many of the changes.



Mitigations needed

In a warming climate, it is hard to understand the decision to reject measures to help new buildings deliver on the State's Net Zero emissions target by 2050, while delivering more sustainable and climate-resilient housing. New housing supply must be fit for purpose, affordable to insure and minimise the burden of predictable, expensive retrofitting for its residents and future occupants over a building's forty years plus life cycle.

Building regulations need to be carefully structured to deliver these essential characteristics, avoiding the prospect of rapid depreciation and even stranded assets for investors and owners alike. Continuing to build on flood plains is a clear example of failure to deliver effective long-term housing. These considerations are not optional extras, but need to be factored into initial production costs and profitability drivers.

The consultations led by the DPE and NSW Government Architect for the DP SEPP referred to cost benefit analysis undertaken to demonstrate the merit and low financial impact of the proposed DP SEPP. Cost impacts on consumers are reported to have been the major driver of the decision not to introduce the DP SEPP, so to enable councils to better understand this element of housing provision, could this work be made available to assure SSROC councils?

Improved policy settings to deliver more resilient and well-designed places are a key priority for SSROC and our member councils. Our submission on the DP SEPP highlighted this strong alignment between the proposed State policy framework and the outcomes sought by councils for improved sustainability, resilience and design. SSROC is concerned that a significant opportunity to elevate the importance of design excellence and place-based design has been missed. So too have opportunities to promote green infrastructure, enhanced landscaping, deep soil provisions and the integration of Caring-for-Country principles.

Affordable Rental Housing

Councils acknowledge the need for adequate supply, diversity and affordability of housing, and therefore welcome your commitment to deliver more homes. However much of our analysis indicates that the housing supply gap includes a large component that is due to the lack of affordable rental housing.

The absence of key provisions that were in the draft D&P SEPP may have the greatest impact on those in our community most in need of affordable housing options. Vulnerable people in our communities, such as the elderly and disabled, will be most affected by poorly designed homes, yet they have the least capacity to adapt their homes to respond to increasing climate risks. Housing affordability issues will be compounded where homes have not been designed with better sustainability and resilience standards and instead become reliant on costly mechanical heating and cooling systems.

Local councils also recognise that newly constructed housing and its surrounding neighbourhoods must be supported by good design to withstand natural hazards and create communities that are liveable, safe and affordable.

Despite assertions by the development industry that the DP SEPP would have a detrimental impact on housing investment, affordability and job creation, we understand there are a number of initiatives in the DP SEPP package that are nevertheless supported by industry. This was demonstrated by many in the industry welcoming the announcement of the Sustainable Buildings SEPP.



Exploring opportunities to partner

Local councils have been keen to partner with the NSW Government in meeting the challenges posed by the pandemic and a succession of natural disasters in recent years. Councils have demonstrated their capacity to effectively channel government funding directly into local community infrastructure and services, helping to provide for new homes and create jobs. Councils and the NSW Government must be able to plan jointly for a changing climate and deliver well designed, sustainable communities while meeting housing needs. Ensuring we have the right policy settings and tools to do this is critical.

In the spirit of partnership, I ask you to consider how we can collaborate to improve the NSW planning system to ensure it can better respond to future challenges and deliver well-designed and resilient communities. An Urban Design Guide could set an agreed baseline for State Government agencies and local councils to follow, helping to expedite the assessment of Planning Proposals and development applications and achieving better results for urban heat mitigation, open space provision, and promotion of active transport.

We understand that a new *Local Government Design Review Panel Manual* is to be finalised this year as a means of continuing to develop elements of the DP SEPP. We strongly recommend consultation with Councils on this planning document.

With better community outcomes in mind, what provisions will be put in place so that the planning system ensures best practice is achieved for cooler suburbs and buildings and green space? SSROC strongly supports the delivery of Net Zero 2050, further improvements to BASIX standards, tree canopy retention and increase, more effective provisions for deep soil, EV-ready apartments, resilience to dangerous urban heat, fire and floods, community health and sustainability, biodiversity protection, waste minimisation and recycling, and water efficiency – all in an integrated and coordinated framework adapted to the local context. This approach would provide consistency for landowners, developers and the community.

In summary, SSROC seeks the following:

1. How we can collaborate to improve the NSW planning system to ensure it can respond to future challenges and deliver well-designed and resilient communities?
2. Council participation in the development of the new *Local Government Design Review Panel Manual*.
3. What provisions will be put in place so that the planning system ensures best practice is achieved for cooler suburbs and buildings and green space?
4. The full cost benefit analysis undertaken to demonstrate the merit and low financial impact of the proposed DP SEPP.

I would welcome the opportunity to further discuss these concerns with you and explore potential ways forward. If your office has queries or requires further information, our Chief Executive Officer, Ms Helen Sloan can be contacted at ssroc@ssroc.nsw.gov.au or on 8396 3800.

Thank you for your consideration on this matter and we look forward to your response.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'John Faker', is written over a light blue horizontal line.

Cr John Faker

Burwood Mayor

President of the Southern Sydney Regional Organisation of Councils (SSROC)



cc Mr Paul Scully MP, Shadow Minister for Planning and Public Spaces
All SSROC Mayors

Cr Khal Asfour, Senior Vice-President SSROC, Mayor of Canterbury Bankstown
Cr Susan Wynne, Junior Vice-President SSROC, Mayor of Woollahra
Cr Christina Curry, Mayor of Bayside
Cr Angelo Tsirekas, Mayor of Canada Bay
Cr Nick Katris, Mayor of Georges River
Cr Darcy Byrne, Mayor of Inner West
Cr Dylan Parker, Mayor of Randwick
Cr Matthew Blackmore, Mayor of Strathfield
Cr Carmelo Pesce, Mayor of Sutherland
Cr Clover Moore, Lord Mayor of Sydney
Cr Paula Masselos, Mayor of Waverley

Cr Carolyn Corrigan, President of the Northern Sydney Regional Organisation of Councils (NSROC), Mayor of Mosman
Cr Barry Calvert, President of the Western Sydney Regional Organisation of Councils (WSROC), Deputy Mayor of Hawkesbury
Mr Luke Nicholls, Director, Western Sydney Planning Partnership