

2 August 2019

The Hon Rob Stokes MP  
Minister for Planning and Public Spaces  
52 Martin Place  
Sydney NSW 2000

**By Email:** [REDACTED]

Dear Minister,

**RE: Local Strategic Planning Statements**

The Urban Development Institute of Australia – NSW Division (UDIA) seeks to continue its collaborative relationship with the government as a trusted adviser on creating liveable, affordable and connected cities. We recognise and are broadly supportive of the shift toward more strategic planning.

UDIA understands the government's intent is for the Local Strategic Planning Statement (LSPS) is to give effect to the regional and district plans in Local Government Areas (LGA) by guiding updated strategic planning documentation for an updated Local Environmental Plan (LEP) including meeting any dwellings and jobs targets. We have long advocated for sensible strategic planning to guide adequate planning for housing supply in this state.

UDIA has substantial concern about the draft LSPSs on exhibition, as they do not provide clear guidance on housing supply, lack transparency, and have been prepared absent of a clear Government position on infrastructure funding. In addition to the following information we provide, we would like to call for an industry round table to further develop solutions in consultation with Government.

**1. Housing Targets and Supply**

Most of the draft LSPSs focus on the first five years and rely only on existing capacity. This means there is likely to be no rezoning or uplift in the updated LEPs. Rather, the lack of medium-term forecasts will maintain the status quo. Many councils justify the status-quo pathway because they are on-track to meet the 2021 housing targets. However, we are now three years into this period, and it is critical that there are new targets to 2026 to guide growth. The continuation of the status-quo would appear to conflict with significant metro infrastructure investment by Government that would arguably support increased densities in appropriate locations.

The LSPS is intended to be supported by housing strategies for each local area. These are supposed to outline how housing growth is to be managed and identify the right locations for additional housing supply and inform updates of local environmental plans.

Given that updated LEPs that respond to housing strategies are due to be finalised by mid next year, there seems to be a disconnect between the housing strategies, draft LSPS and new updated LEPs. Of the 12 LSPSs on exhibition, 10 Councils refer to a draft housing strategy. However. They have not made them available. We are concerned that this lack of transparency will undermine industry and community confidence in this strategic planning process, particularly as some LSPSs, such as Cumberland, do not include a housing target. UDIA would like to see government leadership on housing targets.

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Similarly, some Councils' LSPSs refer to a range of technical studies (not just housing) that have also not been released; with some even suggesting they have not been commenced. The lack of a robust evidence basis is extremely concerning for the veracity of the LSPSs generally.

One council claims it only needs 2,000 additional dwellings over the next 20 years because it already has capacity for 12,000 dwellings under existing controls and only needs 14,000 dwellings in the next 20 years. The justification for this in the draft LSPS is that the population growth rate has halved and seemingly will not change. This would appear to be a large, unsubstantiated assumption.

Further, there is almost no commitment to additional capacity, and little mention of dwelling targets beyond 2021. North Sydney Council specifically discourages oversupply of residential capacity in St Leonards. In the absence of the State Government or Greater Sydney Commission setting targets or providing clear leadership for growth, it is challenging for UDIA to make comment on specific Council's policies in the LSPS. UDIA recommends district targets beyond 2021 be released as a matter of urgency to properly inform the community and industry of the location of intended growth.

Finally, the LSPSs identify Affordable Housing as a core issue, but the LSPSs that UDIA has reviewed mostly rely on future affordable housing studies that have not yet been commenced. The lack of transparency is concerning and compounded by the very real risk that councils may seek to introduce inclusionary zoning provisions without adequate feasibility testing, particularly as the infrastructure funding approach has not yet been finalised.

## **2. Infrastructure Provision and Funding**

The current round of LSPSs are being prepared and released in the absence of a clear government position on infrastructure funding. We are concerned that Government could formalise its funding frameworks posts adoption of the LSPSs, in which case the documents will be advocating a stunted growth strategy that is misaligned with infrastructure investment. This misalignment means significant revision to the LSPS will be required in the next 18-24 months, particularly, as none of the draft LSPSs UDIA has reviewed provide a guide for meritorious development outside of growth areas. We are concerned that once an LEP is made, there will be no potential to pursue a planning proposal even if good planning outcomes or broad LSPS objectives can be achieved.

While this strategic planning framework could provide a clear strategy for housing, the only way housing can be delivered, particularly in greenfield areas, is with the clear coordination of infrastructure agencies. The UDIA Building Blocks report identified key gaps in enabling infrastructure caused by a lack of coordination. The renewed focus on strategic land-use planning provides an excellent opportunity to reconsider strategic infrastructure planning through the introduction of an Urban Development Program to coordinate infrastructure across the Greater Sydney metropolis.

## Summary

The concerns noted above are common across the LSPs and therefore the UDIA recommends:

1. Government or the Greater Sydney Commission set housing targets between 2021 to 2026 at the LGA level.
2. Government provide greater clarity as to the current and future infrastructure funding policy.

While we appreciate that the LSPs are being prepared to a tight timeframe (and applaud Government for imposing and enforcing this timeframe), unless these concerns are resolved, the LEP updates due to be completed in 2020 will continue the status quo, which unfortunately, will not provide Sydney with adequate housing supply or the enabling infrastructure beyond 2021. This will lead to deteriorating housing affordability and lower living standards for Sydney residents.

We would be pleased to meet with your office and relevant officials in an industry round table to assist in resolving these key issues, please contact Elliott Hale, General Manager Policy, Media and Government Relations on (02) 9262 1214 or at [ehale@udiansw.com.au](mailto:ehale@udiansw.com.au) to arrange.

Yours sincerely



Steve Mann  
**Chief Executive**

## Copied

1. Lucy Turnbull, Greater Sydney Commission
2. Jim Betts, Secretary, DPIE