

# BUSINESS WESTERN SYDNEY

25 March 2022

Department of Planning and Environment  
The Design and Place SEPP 2021

Via: NSW Planning Portal

Dear SALUTATON,

## **RE: SEPP Reference Group**

As a non-aligned group of developers, property financiers, statutory planning consultants, local government leadership and business peak-body, we write in strong support of the proposed Place and Design SEPP and of the changes now being proposed. The principles of this SEPP aim at creating a higher quality housing supply are crucial to the success and wellbeing of Western Sydney, both in the short-term but most importantly long-term. Everyone has a right to quality housing in great places.

As the New South Wales and Sydney housing markets change because of affordability, demographics, and, importantly, the lasting impact COVID has had on how we work and live, how we design our homes needs to change too. The proposed changes in the documents are welcomed, especially the clarity of a streamlined and consistent process for design review, a more flexible application of the apartment design guide, and clear definitions for precinct thresholds. The principle-based system proposed will allow for more flexibility to suit local planning contexts too. Meanwhile, ensuring the appropriate qualification and training for all in the value chain will minimise pinch points in the process and provide greater certainty for those in the planning community.

Our submission highlights areas of interest and support and some areas where further engagement can be made to ensure the best possible planning outcomes.

## **Illustrated user guide/handbook**

The changes though welcome, are extensive and require the understanding and interpretation of several documents concurrently; as such, we recommend the creation of an illustrated handbook that guides users through the many documents that must work together to deliver the outcomes envisaged. The guide will walk through the principles and outcomes will allow those anywhere along to value chain to better understand the outcomes and principles driving the changes.

The handbook should provide a logic flow map, with notes for guidance, how certain sections are to be used, providing milestones and critical decisions points along the way, design verification statement or other, some explanation as to what the other side, e.g., the authority wants to know. This information in totality will provide the user the context to be able to present a full response and plan relevant to the council.

context. Furthermore, it should provide some guidance on responding to a code item or required to assess if you're meeting an objective or outcome.

This will allow users to know how long key processes will take, what path you need to follow and most importantly, what skills are required, both as a council officer and as a development team. With these elements addressed, it should reduce incorrect interpretations, reducing approval times and costs as the number of reviews or changes required post submission diminish.

### **Implementation and training**

The changes proposed in the documents are significant. To ensure that there are no compliance and competency deficits, the group recommends delaying the introduction of these policies for a further six months, bringing the implementation period to 12 months. This will allow for the appropriate training across the industry. The worst outcome would be to have applications under the new SEPP lodged before staff are trained to process them. Furthermore, this longer transition period will allow for the changes required to the Council DCPs to be made to reduce and remove conflicts. This will provide greater clarity and certainty for all involved in the project under development and assessment.

The Government Architects' office becomes the logical point from where the training and implementation are coordinated. The training should be made available as soon as possible to allow adequate competency.

It is crucial that the Government Architect's office immediately set up training that can be undertaken to provide a strong understanding of the desired outcomes, reduce refusals, improve approval times and ensure a more compliant and efficient process.

The training should be available for both the private and public sectors via an online forum (including links to simple process maps) in a simple and scalable manner. This training should be continuous, cumulative, and sequential. Allowing for further training and upskilling as the process evolves. Consideration should be taken for how marginal training is implemented; different councils and professionals will have different knowledge gaps; it is important that these are addressed and filled in.

The training should also allow for an understanding of what applying these planning flexibility means to ensure that planning proposals are not knocked back that are otherwise great planning outcomes. Part of this training will establish how to assess whether a proposal will lead to a better outcome.

All those who sit in the development value chain should undergo the training, including design panels members, regional and local planning panel members. We have seen and heard of examples of panel members who haven't always understood the context of the local areas, understanding their roles and what they need to do. It might be an on-going engagement issue.

With the implementation of training, there should be a consideration for a two-tier approach to training and accreditation to recognise the complexities and innovation opportunities of large-scale developments, e.g., value threshold test (say >\$50m). Larger developments tend to deliver a higher multiplier in terms of economic activity impacts and the delivery of public benefits, and it's important that those administering large scale developments are suitably trained to prevent a lowest common denominator 'box ticking' approach that may stifle innovation, e.g., formal accreditation processes linked to mandatory training processes for larger-scale developments.

### **Early Consultation**

The housing sector would welcome earlier engagement opportunities and formal mechanisms to allow for in-principle support at key milestones during the planning process to prevent misinterpretations, abortive works, and unnecessary time delays. By this, we should create a learning organisation, we want this process to be different, one-off, it's a constant engagement, continually, a source of learning and authority in the area, you want to be an exemplary, learning organisation, learning more, and sharing this back with the community. This could be shared back through an annual conference or advisory group.

### **Resourcing**

There are fears that the implantation of this system will create an upward monopolisation of development. This could be combatted by providing dedicated resources from DPIE to interface with lower-tier developments to help them navigate the requirements of the D&P SEPP (investment in resources required if one of the strategic objectives is to lift the bar for this end of the market).

Following on from this resource, the combination of the hand guide, and training should allow for the capacity building of lower-tier developers to better match the outcomes and provide better community contexts.

### **Cost-benefit modelling**

To ensure the viability of these changes, we encourage further public cost-benefit modelling with key partners, including a Tier-1 Developer, Tier-2/3 developer, and community housing sector. This will allow for a better understanding of the cost equation. Allowing for a better and more certain valuation of projects and business cases.

In this process, the market will better understand the assumptions, how they apply in the real world, and any impacts that the changes will have on yield.

### **State Environmental Planning Policy (Design and Place) 2021**

A great callout for affordable housing across all LGA's, we have seen a lot of affordability density provided in Western Sydney. This should be spread out to ensure the right mixes and opportunities for these families.

The SEPP should include a more specific requirement for the distribution of affordable housing across Sydney. Introduce bonuses for affordable housing providers that go beyond what is currently provided. Although it is intended that the additional requirements will not impact on project feasibility, development projects generally are constrained by setbacks and height limit requirements and any additional density bonus cannot be easily applied to compensate additional design and construction requirements proposed under the Design SEPP, especially for community housing.

We strongly recommend that affordable housing needs to be considered early, as part of the planning and design of large sites. This needs to include consideration of the specific mechanisms that will be used to support affordable housing delivery – such as mandatory zoning requirements or other planning incentives. Design controls also need to be tested, as they are being established, to ensure they support the feasibility of new affordable housing

### **Apartment design guide**

The changes to the apartment design guide are welcome, especially as the changing nature of work means that more and more people are working from home and affordability issues require people to raise their families in apartments where they would have otherwise sought out a house. The guide should remain objective, and principle driven, allowing the developer to explain how their proposal meets the outcome and describe their engagement process with the principles, allowing greater flexibility and local context to be rule.

We understand and support the requirements for increased cross ventilation in apartments, including in hallways. These changes are crucial as the climate change and the urban heat island effect makes many parts of our cities less liveable.

There seems to be no explicit consideration for acoustic provisions. As we develop a truly global city and more life stages are taking place in apartments, having a minimum acoustic rating for shared walls would significantly increase the amenity of these dwellings.

### **Design review panels (DRPs)**

Design review panels must have a consistent approach to accreditation and mandatory training to ensure a minimum standard of competency. There may be different training and accreditation requirements based on the scale development, this could be a threshold of greater than \$50M, which will add more consistent and integrity to the process.

A standard Terms of Reference or Charter to be created for DRPs to clearly define roles and responsibilities, objectives, exclusions, and deliverables for DRPs and an annual audit (with published results) of DRP performance against Terms of Reference or Charter or pre-agreed KPIs, similar to a board review.

Ensure the resourcing of these panels to ensure that the development process isn't delayed. Create open workshop and consultative frameworks that allow members to discuss in a more collaborative and constructive manner and be more certain about acceptable solutions.

### **Local design forums**

Western Sydney at times has been plagued with poor design and planning outcomes locally, there have been no strong measures to foster design excellence. The creation of a local design forum that includes planning staff, local design workers and the development community to sit down and review in detail a cross-section of completed developments to understand what's working well and poorly in a design sense could become a key component of a continuous improvement program for design.

The purpose is to open a dialogue and encourage shared responsibility for good design rather than a competitive or combative approach. The forum should not be overly prescriptive, and report driven. It is designed to foster stronger collaborative working relationships. Architects and design teams want to know what town planners expect in good design. Secondly, planners should be open to understanding why designers design buildings the way they do, especially building feasibility constraints.

The forum could allow residents to voice their views on local design issues, especially as CDC's become more commonplace. This in theory, should allow developers and planners work on reducing approval times too. The forum will focus on lifting the lowest common denominator of design and ensuring that all of Sydney and NSW has beautiful urban outcomes.

### **Other considerations**

Though not a consideration of this review, a pattern book for small developments should be created to ensure that all ends of the market have great design. Many areas in Western Sydney have suffered from poor urban design outcomes because of attempting to create bespoke or value-driven designs. The group will continue separately to advocate for the creation of a Western Sydney or Sydney pattern book, like the [Essex Design Guide](#).

The effective implementation of the guide could be aided by effective engagement. Cumberland Council has had great success engaging the development community, with over 4,000 people on a single zoom call. There can be effective channels of engagement, that could also be amplified through existing networks such as the Business NSW. A list of industry associations to assist in the implementation should be published.

**Consultation and continuous feedback**

To ensure the ongoing success of the changes, a new working group should be formed that meets on a semi-regular basis with representatives from the public and private sectors to exchange feedback in a non-confrontational and constructive manner to ensure continuous feedback loop, particularly in relation to training and accreditation.

Thank you for your time and engagement. We welcome any further engagement with this process, and we will happily continue to engage and provide input where possible to ensure the success of this process.

Regards,

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