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9 October 2020

Mr Steve Hartley
Executive Director
Green and Resilient Places Division
Department of Planning, Industry and Environment
Locked Bag 5022
Parramatta NSW 2124

Dear Steve,

Draft Cumberland Plain Conservation Plan

Thank you for the opportunity to comment on the Draft Cumberland Plain Conservation Plan (the Plan). The Housing Industry Association (HIA) represents the interests of the residential building industry with members operating across the Western Sydney area and we are pleased to make a submission to DPIE in this regard. However, as much of the scientific and technical biodiversity content covered within the Plan is outside of the scope of HIA's expertise, our comments are focussed on strategic planning matters.

HIA supports the strategic approach that the Plan has taken to balance development and biodiversity interests and also its alignment with other planning frameworks, including the Greater Sydney Region Plan and the Western City District Plan. HIA advocates that the planning system should embed a strategic approach to spatial planning which balances competing priorities and requires planning authorities to take a holistic approach to achieving planning outcomes, recognising a balance between economic, social and environmental factors.

In addition, HIA supports a key principle of the Plan to provide planning certainty with upfront biodiversity mapping and biodiversity approvals undertaken as part of the process. In support of this we note the following statement within the Plan's executive summary:

The Plan is being developed to meet requirements for strategic biodiversity certification under the Biodiversity Conservation Act 2016 (NSW) (BC Act) and strategic assessment under the Environment Protection and Biodiversity Conservation Act 1999 (Cth) (EPBC Act). It will facilitate the biodiversity approvals required to deliver four nominated areas for development in Western Sydney and supporting major transport infrastructure. The nominated areas are:

- *Greater Macarthur Growth Area*
- *Greater Penrith to Eastern Creek Investigation Area*
- *Western Sydney Aerotropolis*
- *Wilton Growth Area*

It is noted that the Plan will identify the areas within the 'nominated areas' that will be certified under the BC Act as having the biodiversity approvals to progress development – described as 'certified-urban capable land'.

HIA acknowledges the benefits of spatially mapping 'certified-urban capable land', 'non-certified land' and 'excluded land' using a digital platform for landowners, developers and the community to find out information about the conservation status of land.

The proposal for a comprehensive, independent review on the status of implementation of the plan and its outcomes every 5 years over the life of the plan is noted and considered by HIA to be very important to the success of the Plan for all stakeholders.

Against the backdrop of the comments raised above, a key concern that HIA has with the Plan is the impact for landowners holding sites already zoned for urban use, but not categorised as 'certified-urban capable land'. Whilst we understand that future rezonings happening ahead of the implementation of the Plan will match the proposed 'certified-urban capable land' footprint, this will potentially miss any undeveloped land that has previously been zoned for urban use. If these parcels of land exist, will these landowners receive compensation for the loss of development opportunity, bearing in mind that developers land-bank sites for future use? The key question arising is whether the Plan will sterilise land already held by the development industry?

The funding of the Plan is discussed within the *Implementation and Assurance* section. The Plan (refer page 70¹) uses the term developer contributions, however HIA suggests that the correct terminology may be development contributions as used within the *Environmental Planning and Assessment Act 1979*. This section of the Plan outlines the funding of the conservation program through developer contributions, recovering the costs from industry through a biodiversity component of a Special Infrastructure Contribution (SIC) on development in the four 'nominated areas'.

HIA has an established policy platform on infrastructure charges, including SICs, which incorporates the following position statements:

- An up-front charge against a new development is the least efficient manner in which infrastructure costs may be recovered.
- The costs of broader community, social and regional infrastructure should be borne by the whole community and funded from general rate revenue, borrowings or alternative funding mechanisms.
- The imposition of up-front levies on new homebuyers for community, social and regional infrastructure is inequitable, discriminatory, inflationary, and erodes housing affordability.

SIC levies are a direct tax on new home construction that is passed onto homebuyers and impacts housing affordability and the feasibility of projects. In recent years the amount of development contributions passed onto the industry has become so significant that they impact the orderly delivery of affordable residential development. In addition, this contributes significantly to the upfront costs of new homes, potentially rendering some projects unviable.

¹ Please note that there may be an error with the page numbering of this section – page numbers 69-71 appear twice.

HIA's position is that the development industry should only be contributing to the cost of infrastructure which is project specific, or infrastructure that provides essential access and services provision. This is considered by HIA to be the core requirements for housing development and includes local roads, stormwater drainage, and land for neighbourhood open space. In many cases levies are charged without the establishment of a nexus between the infrastructure item being funded and the community who will directly benefit from its use.

In the case of the Cumberland Plain Conservation Plan area it will be the whole of the Western Sydney community as well as those from outside the area who will enjoy the new and expanded national parks and reserves created by the Plan, and not just the homeowners within the newly built residential precincts.

In conclusion, as the strategic conservation planning of Western Sydney directly impacts the interests of HIA members we would welcome the opportunity to continue to be consulted on the development and implementation of the Plan. In the meantime, if you have any questions about the matters raised in this letter, please contact Cathy Towers, Assistant Director Planning, on telephone number [REDACTED]

Yours sincerely
HOUSING INDUSTRY ASSOCIATION LIMITED

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Executive Director