



## ORDINARY MEETING OF COUNCIL

14 OCTOBER, 2014

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**ITEM-3** **REVIEW OF SEPP 65 AND THE APARTMENT DESIGN GUIDE (FP58)**

<b>THEME:</b>	Balanced Urban Growth
<b>OUTCOME:</b>	7 Responsible planning facilitates a desirable living environment and meets growth targets.
<b>STRATEGY:</b>	7.2 Manage new and existing development with a robust framework of policies, plans and processes that is in accordance with community needs and expectations.
<b>GROUP:</b>	<b>STRATEGIC PLANNING</b>
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**EXECUTIVE SUMMARY**

It is recommended that this report form the basis of a submission from The Hills Shire Council on the review of *State Environmental Planning Policy 65 – Design Quality of Residential Flat Development* and the new supporting Apartment Design Guide which is currently on exhibition until 31 October 2014.

The purpose of this report is to highlight specific matters of importance to The Hills Shire including housing affordability, application of development control plans, apartment sizes, car parking and building in quality of life for apartment living in The Hills Shire. The submission will also raise significant concern regarding the approach being pursued through the review as it will not achieve housing affordability and will not improve housing design and diversity. It is recommended that a request be made within the submission that the SEPP not apply to the Shire as it will erode local planning controls and mandate the lowering of development standards for future high density residential development.

As outlined within this report concern is raised in relation to the proposed amendments to State Environmental Planning Policy No.65 and the new Apartment Design Guide. The changes which are being proposed will have significant ramifications on future development and planning outcomes within Council's high density areas as it is a 'one size fits all Policy' which will result in a product that fails to meet the needs and expectations of future residents. The product which will be delivered and supported through this Policy will contribute nothing towards promoting high density living as a viable lifestyle option. Furthermore this "guideline" will override key areas of Councils Development Control Plan which is unacceptable. The "Guidelines" are not statutory in weight yet override Council own adopted planning controls.

The proposed changes will provide a pathway that will undermine the key policy objective of promoting housing affordability. It is apparent that the approach being pursued seeks to promote housing affordability through the lowering of development standards. While promoting "minimum" standards and allowing at the developers discretion to provide "higher standards", the regulatory power to achieve that is taken away by clause 30A and Clause 6A of the SEPP. Strong objection is raised to this approach as the cost savings are simply not passed on to home buyers through more

affordable housing. Council's continued position in relation to housing affordability is that it is best achieved by addressing supply (land use zonings and provision of critical infrastructure like sewerage, water and power to influence developer take up) and ensuring product diversity. These matters have not been appropriately addressed as part of the review.

This State Policy will undermine local controls prepared as a result of evidence based planning that respond to the housing stock our current and future population desires and needs. The operation of the SEPP is an unacceptable outcome, especially considering Council has been accepting its responsibility for population growth and has a proven track record in achieving its housing and job targets while maintaining the character, amenity and quality of life of The Hills Shire.

## HISTORY

<b>26/07/2002</b>	Commencement of State Environmental Planning Policy No.65 – Design Quality of Residential Flat Development
<b>20/12/2002</b>	<p>SEPP 65 amended to require consideration of the Residential Flat Design Code (RFDC) when determining development applications for residential flat development and when preparing local environmental plans, development control plans and master plans relating to residential flat development.</p> <p>SEPP 65 amended to insert apartment size and ceiling heights as standards that cannot be used as grounds for refusal, if the ceiling height and apartment sizes proposed are equal to, or greater than, the minimum standards identified within the Residential Flat Design Code.</p>
<b>16/11/2011</b> <b>24/02/2012</b>	– Public Exhibition of the SEPP 65 and Residential Flat Design Code Review - Discussion Paper
<b>28/02/2012</b>	Council resolved to that a submission be forwarded to the Centres and Urban Renewal Branch of the then Department of Planning and Infrastructure highlighting matters of importance to The Hills Shire.
<b>23/09/2014</b> <b>31/10/2014</b>	– Public exhibition of the review of SEPP 65 and the new Apartment Design Guide.
<b>07/10/2014</b>	Councillor Workshop on the review of SEPP 65 and the new Apartment Design Guide.

## BACKGROUND

*State Environmental Planning Policy 65 – Design Quality of Residential Flat Development* (SEPP 65) was first introduced in 2002 with the principal aim of improving the overall quality of residential flat development in New South Wales. In order to achieve this, the SEPP establishes principles for good design and provides guidance for evaluating the merit of design solutions.

SEPP 65 establishes ten design quality principles which are intended to ensure high quality development outcomes and more liveable urban areas. Any environmental planning instrument or development control plan which includes provisions relating to residential flat development must achieve the design quality principles and have regard to the Residential Flat Design Code. The ten principles are listed below:

- Principle 1 – Context;
- Principle 2 – Scale;
- Principle 3 – Built Form;
- Principle 4 – Density;
- Principle 5 – Resource, Energy and Water Efficiency;
- Principle 6 – Landscape;
- Principle 7 – Amenity;
- Principle 8 – Safety and Security;
- Principle 9 – Social Dimensions and Housing Affordability; and
- Principle 10 – Aesthetics.

When determining applications for residential flat development consent authorities must consider:

- The advice of the relevant design review panel (if any);
- The design quality evaluated against the ten design quality principles; and
- The Residential Flat Design Code.

The existing Residential Flat Design Code was prepared to support SEPP 65 and lift the design outcomes of apartment developments. It provides specific guidance to developers and Council on how the ten design quality principles identified within the SEPP should be applied. It deals with key elements such as location, size and scale, appearance and amenity of buildings and is used as a source of best practice benchmarks for the planning and design of residential flat buildings.

There has been no substantial review of SEPP 65 since its commencement in 2002. Accordingly, a review (commenced in 2011) has been undertaken by the Department of Planning and Environment to ensure that the SEPP and the Design Guide remain a relevant resource for developers and Councils through the design, development assessment and plan making process.

Following preliminary consultation in mid-2011, the Department of Planning and Environment prepared a discussion paper which was exhibited in late-2011. At its meeting of 28 February 2012 The Hills Shire Council considered a report on the discussion paper and resolved that a submission be forwarded to the Centres and Urban Renewal Branch of the then Department of Planning and Infrastructure. The key matters of importance to The Hills Shire related to the following:

- SEPP framework;
- Application of the Policy;
- Application of the Residential Flat Design Code;
- Standards that cannot be used as grounds for refusal;
- Parking;
- Site coverage; and
- Qualified Designers.

Following further review by the Department, a number of changes are now proposed to the Policy, together with the new Apartment Design Guide (replacing the Residential Flat Design Code). The proposed amendments are on exhibition until 31 October 2014. The Apartment Design Guide has no statutory weight however through the clauses in SEPP 65, Council's DCP in a number of key outcome areas is overridden by the Guidelines. The changes are aimed at increasing the supply of well designed, affordable apartments, to introduce greater consistency in the adoption of basic design principles, and to encourage more innovative design.

The Department of Planning and Environment will consider submissions and feedback received during the exhibition period. A final report will be put to the Minister for Planning for a decision on whether the changes to SEPP 65 and the design guide be adopted for use.

## REPORT

The purpose of this report is to provide recommendations for a submission on the review of SEPP 65 and the Apartment Design Guide. This report provides an outline of the proposed changes and comments addressing specific matters that are considered to be of high importance to The Hills Shire.

### 1. COUNCIL PREVIOUS SUBMISSION

As mentioned within the background of this report Council, at its meeting of 28 February 2012, considered a report on the draft discussion paper on the review of SEPP 65 and the Residential Flat Design Code and resolved that a submission be forwarded to the then Department of Planning and Environment. The following table provides Council previous comments and identifies how the comments were addressed.

Submission Comment	How the issue was addressed
<b>SEPP 65 Framework</b>	
<i>SEPP 65 must be rationalised and simplified with many of its requirements transferred into the Environmental Planning and Assessment Act 1979 (EP&amp;A Act), Environmental Planning and Assessment Regulation 2000 (the Regulation), the Standard Instrument Local Environmental Plan and Section 117 Ministerial Directions.</i>	This has not occurred. The SEPP is principally in its existing format. New provisions are proposed to be included within the SEPP, giving the standards within the Guide more weight to override locally prepared controls.
<b>Application of the Policy</b>	
<i>No objection is raised in relation to broadening the SEPP to apply to serviced apartments. However, there must be additional guidance provided to ensure that serviced apartments are located separately to residential apartments, when both are proposed within a single development. Serviced apartments are focused on the provision of short term tourist and visitor accommodation and are generally serviced or cleaned by the owner or manager of the building. The separation of these two forms of development will ensure that the amenity of the residential apartments is maintained.</i>	The SEPP has not been expanded to apply to serviced apartments.
<i>The broadening of the SEPP to include design quality principles that apply to villas and townhouses is not supported. Council's current controls provide guidance on built form and relationship to surrounding</i>	Whilst the SEPP has been broadened to apply to shop top housing and mixed use development, the Policy will not apply to villas or townhouses.

Submission Comment	How the issue was addressed
<i>development for villas and townhouses that has resulted in many good developments across the Shire. Council is in a better position to develop controls that work with local circumstances rather than a one size fits all. The setting of minimum standards only undermines Council's ability to encourage innovative development that deals with local conditions.</i>	
<b>Application of the Residential Flat Design Code</b>	
<i>The Residential Flat Design Code should be given weight as part of a State wide development control plan template. This will enable the inclusion of the design quality principles within the Code and will ensure consistent design quality benchmarks for residential flat buildings.</i>	A State wide development control plan has not been pursued at this stage. As part of the review of the planning system, planning controls are proposed to be included within proposed 'Local Plans'.
<i>If the Code becomes part of a State wide development control plan, the content must be flexible so as to enable the design solutions to be adapted to the unique contexts of each local government area.</i>	
<b>Standards that cannot be used as grounds for refusal</b>	
<i>Objection is raised to the inclusion of standards which relate solely to the design and amenity of apartments. Consent authorities must retain the authority to refuse applications if it is considered that a proposal is inappropriate for a particular location based on local conditions. This will ensure that the SEPP and design solutions remain flexible and sensitive to the localities within which they are applied.</i>	<p>Provisions related to development standards have been expanded to include car parking as a 'Standard' that cannot be used as grounds for refusal.</p> <p>A new provision of SEPP 65 is proposed to allow key sections of the Apartment Design Guide to prevail over development control plans. Controls contained within development control plans relating to the following matters will have no effect:</p> <ul style="list-style-type: none"><li>• Visual privacy;</li><li>• Solar and daylight access;</li><li>• Common circulation and spaces;</li><li>• Apartment layout (including apartment sizes);</li><li>• Ceiling heights;</li><li>• Balconies and private open space;</li><li>• Natural ventilation; and</li><li>• Storage.</li></ul>
<i>The Standards that cannot be used as</i>	The Standards that cannot be used as grounds for refusal have been retained

Submission Comment	How the issue was addressed
<i>grounds for refusal should be removed from the SEPP and included within the Standard Instrument Local Environmental Plan template and Development Control Plans. State wide development standards must be implemented through the Standard Instrument LEP as opposed to SEPPs.</i>	and expanded to include parking. The Standards within the Code which are referred to within the provision have also been refined and made more prescriptive.
<b>Parking</b>	
<i>No objection is raised, in principle, to the promotion of reduced parking requirements within areas that have access to frequent public transport services. However, minimum standards should be applied through Development Control Plans that respond to local conditions. The promotion of reduced parking requirements within areas outside of key centres will increase on-street parking. This will have an unacceptable impact on the amenity of the Shire's residential areas.</i>	Car parking standards have been included within the Apartment Design Guide which removes or reduces car parking requirements for land within 0-400 and 400-800 metres from a railway station or light rail stop.
<i>Council objects to the inclusion of a specific reduced car parking rate within the Code. Specific parking requirements must be established at the local level and have regard to local conditions.</i>	
<b>Site Coverage</b>	
<i>The inclusion of a primary development control which provides guidance on site coverage within the SEPP is not supported. Development standards should be applied through Development Control Plans that respond to local conditions.</i>	Site coverage has not been included as a primary development control within the SEPP. This is consistent with Council's submission.
<b>Definition – Qualified Designer</b>	
<i>That the General Manager write to the Director-General of the Department of Planning and Infrastructure requesting an amendment to the definition of 'Qualified Designer' within the Environmental Planning and Assessment Regulation 2000 to 'a Registered Architect in accordance with the Architects Act 2003 or a suitably qualified Building Designer.</i>	The definition of 'qualified designer' has remained unchanged.

**Table 1**  
Previous Submission Comments– Discussion Paper

As can be seen from the table, some matters raised in Council's previous submission have been taken on-board. However, the key concern that the SEPP gives weight to development standards relating to apartment size remains. Furthermore rather than being removed or reduced, these standards have been extended to prevail over most of Council's development controls and have been added to.

## **2. Housing Delivery within The Hills Shire**

The Hills is one of the key locations for housing delivery in the Sydney Metropolitan Region and over the past decade, the Shire has been undergoing rapid growth at a rate greater than many other Sydney Metropolitan Local Government Areas. Over the past 30 years the Shire's population has grown by 100,000 people, with an additional 100,000 people planned over the next 30 years. The growth will be the second largest population increase within the Metropolitan Region. By 2031 The Hills Shire will be home to the third largest population in Sydney.

Whilst most Sydney Local Government Areas are development averse, The Hills has been consistently planning for and delivering new housing to meet the State's growth objectives. Since the setting of the state government residential growth targets in 2004, around 10,000 new homes have been delivered – with over 3,000 of these being for multi-unit dwellings or apartments. Between 2001 and 2010 The Hills had annual percentage population growth rate of 4.5%. This was substantially above the Sydney average for this time which was only 1.1%. This was also the highest growth rate for an outer Sydney statistical area, and only falling second overall across the whole region to inner Sydney.

Many more homes are in the pipeline across a variety of dwelling types. Over the past 10 years approximately 3,700 residential apartment units have been approved, with over 380 approved so far this year. Council is also meeting Sydney's needs for traditional house and land packages with over 900 residential lots approved this year alone in the North Kellyville and Balmoral Road Release Areas.

Strategically Council also works to increase housing supply. Over the past 6 years numerous planning proposals have been supported by Council that have the potential to increase the residential yield across the Shire in the order of at least 6,200 dwellings. Many of these are for medium and high density housing. Another major generator of growth is the North West Rail Link and the development which will occur within each of the Railway Station Precincts. The State Government has identified that the areas surrounding the eight (8) new stations are predicted to provide up to 28,000 new homes by 2036. Most of this growth is forecast to occur within The Hills Local Government Area. The renewal project is expected to stimulate investment in new residential and commercial development to the value of \$35 billion by 2036.

As can be seen The Hills Shire has been more than accepting of the need to accommodate future population through a balanced growth approach. Council's housing strategy and Local Environmental Plan identifies and zones sufficient land to ensure The Hills Shire can provide homes for the additional population expected over the coming 30 years. Despite shortages in critical but basic infrastructure that supports housing production and despite the Global Financial Crisis and the subsequent lag in development, Council is delivering on its targets.

## **3. SEPP 65 – KEY CHANGES**

An overview of the key changes to the Policy is provided below.



#### Application of the Policy

The Policy will be extended to apply to mixed use development and shop top housing of three or more storeys. Currently the Policy only applies to residential flat buildings containing three (3) or more storeys.

#### Design Review Panel

The proposed amendments specify that members of a design review panel are to be qualified and experienced in the fields of architecture, landscape architecture or urban design. It is noted that Council does not currently have a design review panel.

#### Application of Development Control Plans

A new provision of the SEPP 65 is proposed to allow key sections of the Apartment Design Guide to prevail over development control plans. Council's controls relating to the following matters will have no effect:

- Visual privacy;
- Solar and daylight access;
- Common circulation and spaces;
- Apartment layout (including apartment sizes);
- Ceiling heights;
- Balconies and private open space;
- Natural ventilation; and
- Storage.

#### Car Parking

A car parking standard has been included within the Apartment Design Guide which removes or reduces car parking requirements for land within 800 metres of a railway station or light rail stop. With respect to the potential implications of The Hills Shire, the Guide identifies that for any land within 800 metres of a railway station or light rail stop, the car parking requirement contained within the *RMS Guide to Traffic Generating Development*, or the car parking requirement prescribed by the relevant Council would apply, whichever is less. It is noted that the RMS car parking rates are significantly lower than Council's current parking rates (refer to table 3 in Section 4 of this report). Council would not be able to refuse a development on the ground of car parking, if it complies with these rates.

#### Design Quality Principles

The Design Quality Principles are proposed to be consolidated, simplified and included within a schedule to the Policy. The SEPP is proposed to contain the following nine (9) principles:

- Principle 1 – Context and Neighbourhood Character;
- Principle 2 – Built Form and Scale;
- Principle 3 – Density;
- Principle 4 – Sustainability;
- Principle 5 – Landscape;
- Principle 6 – Amenity;
- Principle 7 – Safety;
- Principle 8 – Housing Diversity and Social Interaction; and
- Principle 9 – Architectural Expression.

## **4. APARTMENT DESIGN GUIDE – KEY CHANGES**

The Residential Flat Design Code has been renamed as the Apartment Design Guide. The changes proposed to the Guide include the following:

- Specific criteria and solutions for design outcomes;
- Greater flexibility for applicants to propose alternative design solutions in areas such as deep soil and open space, balconies, and apartment layout, to suit the needs of a particular development;
- A minimum size of 35m<sup>2</sup> for studio apartments (other minimum apartment sizes are already specified);
- Greater flexibility for applicants to reduce or remove car parking spaces, where there is good access to public transport and there is market demand to do so; and
- Criteria and solutions for managing external noise and for limiting noise transfer between apartments, buildings and their private open spaces.

The existing Code apartment sizes of 50m<sup>2</sup> for 1 bedroom apartments, 70m<sup>2</sup> for 2 bedroom apartments and 95m<sup>2</sup> for 3 bedroom apartments are to be retained and strengthened through the provisions of the SEPP which gives the Guide apartment sizes significant weight over Council's locally prepared controls.

## **5. KEY ISSUES FOR THE HILLS SHIRE**

Whilst a number of changes are proposed to both SEPP 65 and the Apartment Design Guide, there are some specific matters that are considered to be of high importance to The Hills Shire. These matters are listed below:

- (a) Housing Affordability;
- (b) Application of Local Controls;
- (c) Apartment Size and Mix;
- (d) Car Parking; and
- (e) Quality of Life

A detailed response to each of the abovementioned issues is set out below.

### **(a) Housing Affordability**

Apartment buildings are long term building stock so it is very important that if they are to be built, they are to be resilient over the long term. Unlike house and land packages where landowners can choose the style and size of their home, a homeowner wanting an apartment can only choose from what is being provided. It is therefore imperative that there be diverse unit sizes and diverse unit typologies.

Whilst there are many factors which impact on housing affordability it is evident that the SEPP, with a specific focus on the 'Standards that cannot be used as grounds to refuse development', has failed and has not achieved its key objective of improving housing affordability. It is noted that as part of the review there has not been any evidence provided which demonstrates that the Policy has improved housing affordability since its commencement, nor has any evidence been provided to demonstrate that the proposed changes will improve housing affordability into the future.

Comments continually put forward by the development industry are that smaller apartments are cheaper to construct and that the provisions of "excessive" car parking spaces increases the cost of apartments, which ultimately impact on housing affordability.

While that is true, removing these standards ultimately become “priced in” to the overall development costs which in the long run, lowers the standard and amenity of our apartment stock.

The planning system has failed if the key way in addressing housing affordability is through lowering development standards. It is considered that affordability is best achieved by addressing supply (land use zonings and critical infrastructure like sewerage, water and power to influence developer take up), ensuring product diversity and providing a financial incentive. Council’s experience is that concessions targeted at reducing the cost of construction become factored into the market. A similar situation has been seen with the capping of developer contributions within the Shires release areas. Removing a car parking space will not save a homeowner \$40,000-\$50,000 as it will be factored into the base price of the land just as it is when Council rezones land for higher density or increases floor space ratio or height controls. As a result, Council continually receives applications where developers seek variations to controls. The SEPP 65 policy, with a specific focus on the ‘Standards that cannot be used as grounds for refusal’, gives legitimacy to that behaviour.

The State’s Policy under SEPP 65, including the proposed amendments, will do nothing to address housing affordability in the long run. Reducing car parking requirements will price apartments with an off-street car parking space higher into the market which is of no benefit for the future families of The Hills Shire.

#### **(b) Application of Local Controls**

Concern is raised in relation to the new provision of the SEPP which enables developers to disregard locally prepared controls. As mentioned previously within this report, an additional provision is proposed to be included under Clause 6 of the SEPP which identifies that:

*‘The provisions of a development control plan under Division 6 of Part 3 of the Act, whenever made, are of no effect to the extent to which they aim to establish standards with respect to any of the following matters in relation to residential flat development that are inconsistent with the standards set out in the Apartment Design Guide:*

- (a) visual privacy;*
- (b) solar and daylight access;*
- (c) common circulation and spaces;*
- (d) apartment layout;*
- (e) ceiling heights;*
- (f) balconies and private open space;*
- (g) natural ventilation; and*
- (h) storage’.*

These are key local development standards that should be the domain of the local Council and its community. Rather than being used as a guide for developers, designers, planning practitioners and the community in the delivery of well-designed affordable apartments, the Policy will simply continue to be used as a tool for developers to avoid and disregard local controls prepared through evidence based planning. This clause is contrary to the NSW Government Policy of ensuring Local Councils and their communities are given control over local planning.

The changes which are proposed, allow for the mandating of prescriptive standards across the entire State with little to no regard for local context. Under the planning reforms it was clearly stated that it would be built on a partnership between the state,

the community, local council's agencies and the private sector and that NSW Planning Policies would be high level documents that would not be prescriptive nor set-out detailed development controls. It was stated that a key focus of a new planning system was to allow *"people, businesses and organisations...to be fully engaged in the decisions that shape their local area and economies"* and to make *"a shift in focus from one that restricts and controls development to one that enables positive development outcomes"* that protect the environment and enhance people's way of life.

The changes proposed as part of this review will have significant ramifications on future development and planning outcomes within Council's high density areas as it is a 'one size fits all Policy' which will result in a product that fails to meet the needs and expectations of future residents. It is areas like The Hills where lowering development standards will result in higher profits as history has shown people are prepared to pay a high price to live in The Hills, but to a standard. If the apartment developments are built to the minimum standards of this Policy, high density living as a viable lifestyle option for families will not be achieved.

Council has a proven track record in accommodating housing growth, through both land release and urban consolidation around transit centres. In recognition of the serious implications which will occur as a result of these changes, it is recommended that Council strongly oppose the provisions within the SEPP which enable developers to disregard locally prepared controls. This will include the proposed Clause 6A 'Development control plans cannot be inconsistent with Apartment Design Guide' and proposed Clause 30 'Standards that cannot be used as grounds to refuse development consent or modification of development consent'.

### **(c) Apartment Size**

One of the key issues is that people wanting to move into a larger apartment near services and amenities are unable to find them, and as a result are forced into smaller accommodation. Recent experience by Council is that developers are only providing the smallest apartment sizes possible, and are not having appropriate regard to the amenity of future residents. It is considered that these developments do not comply with the principles of the SEPP, however are being approved as they comply with the apartment sizes identified within the existing Guide. The proposed changes to the SEPP and Guide will not address this situation. Rather, the changes will simply cement these prescriptive minimum standards.

Proposed 'Principles 8 – Housing Diversity and Social Interaction' includes the following:

*'Good design achieves a mix of apartment sizes, providing housing choice for different demographics, living needs and household budgets. Well designed developments respond to social context by providing housing and facilities to suit the existing and future social mix.'*

*Good design involves practical and flexible features, including different types of communal spaces for a broad range of people, providing opportunities for social interaction amongst residents'.*

As can be seen the Principle identifies that *'Good design achieves a mix of apartment sizes'*. However the SEPP identifies apartment area as a standard that cannot be used as a ground for refusal if the areas comply with the minimum apartment areas within the Guide. The inclusion of apartment size within this provision is clearly inconsistent with proposed Design Principle 8 which requires a mix of apartment sizes. It is highly likely that there will be regular occurrences where applications for residential flat

developments are received and propose apartments which are at the lowest sizes possible, which would be clearly inconsistent with the Principle, however these would be approved on the basis that they comply with the minimum apartment size areas within the Guide. In other words, the SEPP's own aims and principles can be undermined by the "flexibility" provided by the State. Such an outcome is known to be occurring and has been the subject of many submissions to the Department of Planning and Environment.

Through its growth strategies Council has acknowledged that Sydney needs to find houses and jobs for another 1.6 million residents over the next 20 years. If the expected 1.6 million people are to be housed in the same ratios of housing typologies that we have historically produced, Sydney will have insufficient land and it will become increasingly difficult to service by future Governments. Accordingly, planning and development practitioners need to change the perceptions about living in high rise apartments. Standards must be established that make high rise apartment living a desirable alternative to families choosing single dwellings on single lots. It is wrong to suggest that the same minimum standards should be applied broadly across the entire Sydney property market. The result of this approach will be a housing product which maximises yield however does not provide for the needs and expectations of the future residents within these apartments. Lack of appropriate diversity will also result in a reduction in housing affordability.

To address the trend for apartment developments currently being approved to be dominated by a propensity for single bedroom homes, and with apartment sizes that are at the smallest end of the market, Council has embarked on a body of strategic planning work. This strategic work had regard to population trends, local demographic knowledge and examined housing diversity and affordability in relation to residential flat buildings. Council has prepared and publicly exhibited a change to its DCP in relation to apartment sizes and apartment mix principally aimed at ensuring housing diversity and therefore maintaining affordability. Importantly, the controls will ensure that homeowners have access to a range of apartment options to exercise market choice and provide apartment stock that responds to what people would like to own rather than what is only available. The standards are squarely aimed at giving local context to the Design Quality Principles of SEPP 65. However, the changes proposed as part of this review will make Council's locally prepared controls obsolete. The fact that a State Policy can undermine local controls prepared as a result of evidence based planning is inappropriate, especially considering Council has been accepting its responsibility for population growth and has a proven track record in achieving its housing and job targets while maintaining the character and amenity of The Hills Shire. The Hills Shire Council deserves to have its controls, policy and standards upheld.

#### **(d) Car Parking Rates**

The proposed amendments seek to include car parking as a 'standard that cannot be used as a ground for refusal' if the the proposed car parking for a building is equal to, or greater than, the recommended minimum amount of car parking set out in Part 3 of the Apartment Design Guide. The Guide sets the following car parking requirements for land within the vicinity of railway stations.

Metropolitan Sydney	
Location	Minimum requirement
Sites within 400m of a railway station or light rail stop in nominated inner and middle ring metropolitan Sydney areas <sup>1)</sup>	No specific requirement
Sites within 400m of a railway station or light rail stop in the remainder of metropolitan Sydney areas	The relevant requirement set out in the RMS' Guide to Traffic Generating Development or the car parking requirement prescribed by the relevant council, whichever is less
Sites within 400 – 800 metres of a railway station or light rail stop	The relevant requirement set out in the RMS' Guide to Traffic Generating Development or the car parking requirement prescribed by the relevant council, whichever is less

**Table 2**  
Car parking requirements (Apartment Design Guide)

It is noted that The Hills Shire Local Government Area is not located within a nominated inner and middle ring metropolitan Sydney area. Accordingly any application for development within 800 metres of a railway station in the Shire, which would include the railway stations proposed as part of the North West Rail Link, would only need to address the parking rates identified within the RMS 'Guide to Traffic Generating Development'.

A comparison of the parking rates identified within the Guide to traffic generating development and Council's current Centres Parking Rate is included within the following table.

	The Hills Shire – Centres Parking Rate	RMS Guide to Traffic Generating Development
<b>Medium Density Residential Flat Buildings (2-20 dwellings)</b>	<ul style="list-style-type: none"> <li>1 space per 1 bedroom unit.</li> <li>1.5 spaces per 2 bedroom unit.</li> <li>2 spaces per 3 bedroom unit.</li> <li>2 visitor spaces per 5 units.</li> </ul>	<ul style="list-style-type: none"> <li>1 space per unit plus an additional 1 space per each 5x2 bedroom unit or part thereof. Also an additional 1 space per each 2x3 or more bedroom unit or part thereof.</li> <li>Visitor: 1 space per 5 units.</li> </ul>
<b>High Density Residential Flat Buildings (more than 20 dwellings)</b>	<ul style="list-style-type: none"> <li>1 space per 1 bedroom unit.</li> <li>1.5 spaces per 2 bedroom unit.</li> <li>2 spaces per 3 bedroom unit.</li> <li>2 visitor spaces per 5 units.</li> </ul>	<ul style="list-style-type: none"> <li>0.6 spaces per 1 bedroom unit.</li> <li>0.9 spaces per 2 bedroom unit.</li> <li>1.40 spaces per 3 bedroom unit.</li> <li>1 space per 5 units (visitor parking).</li> </ul>

	The Hills Shire – Centres Parking Rate	RMS Guide to Traffic Generating Development
		<ul style="list-style-type: none"> <li>• Visitor: 1 space for every 5 to 7 dwellings.</li> </ul>
<b>Shops/Retail</b>	<ul style="list-style-type: none"> <li>• 1 space per 18.5m<sup>2</sup> Gross Leasable Floor Area (GLFA).</li> </ul> <p>Note: For the purpose of comparison this rate would result in approximately 5.4 spaces per 100m<sup>2</sup> of GLFA.</p>	<ul style="list-style-type: none"> <li>• 0-10,000 Gross Leasable Floor Area: 6.1 spaces per 100m<sup>2</sup> GLFA.</li> <li>• 10,000-20,000 GLFA: 5.6 spaces per 100m<sup>2</sup> GLFA.</li> <li>• 20,000-30,000 GLFA: 4.3 spaces per 100m<sup>2</sup> GLFA.</li> <li>• Over 30,000 GLFA: 4.1 spaces per 100m<sup>2</sup> Gross Leasable Floor Area.</li> </ul>
<b>Commercial</b>	<ul style="list-style-type: none"> <li>• 1 space per 40m<sup>2</sup> of gross floor area.</li> </ul>	<ul style="list-style-type: none"> <li>• 1 space per 40m<sup>2</sup> of gross floor area.</li> </ul>

**Table 3**  
Car parking requirements Comparison

As an example, under Council's existing centres parking rate, a development comprising 100 units would need to provide a total of 183 car parking spaces, including 40 visitor spaces. However, when applying the RMS car parking rates, the same development would only need to provide 103 car parking spaces, including approximately 14 visitor spaces. This equates to a 44% reduction in the number of spaces required.

It is acknowledged that lower car parking rates should be investigated for high density areas around transport nodes with access to high frequency public transport services. However, car parking controls should be prepared at the local level having regard to local condition and be the direct result of a detailed parking policy for the area. The car parking rates contained within the RMS Guide are regional parking controls without regard to specific local issues. These are broad brush controls which should be avoided. Significant concern is raised with respect to the application of these standards, as it is unclear how the rates were developed or where the surveys were undertaken. Accordingly, any approach which seeks to mandate parking rates to certain areas without any regard to the local context of these areas is strongly opposed.

The car parking changes do enter into the lifestyle and choice of our community by restricting their car ownership rights with a policy that allows apartments to be constructed with dramatically reduced car spaces. Limiting parking spaces within developments might work for the inner city councils and Sydney City CBD but not in The Hills Shire. The generalisation of car parking rates and train station is flawed. The level of service provided at Carlingford Station and the Carlingford line (25 train services per 24hr period – Monday to Friday) compared to others like Epping Station (118 train services per 24hr period – Monday to Friday) cannot warrant a "one size" standard approach. Families need cars to assist family activities and apartment developments need to be a viable lifestyle choice for families.

Car ownership will not undermine the public transport system. The role of Government and Transport agencies is to provide cheap, reliable, accessible, convenient and safe public transport that people will always choose. Penalising communities for buying cars is not the answer and that policy will become factored into the price of land, meaning housing is no more affordable and not have the benefit of off-street car parking.

**(e) Quality of Life**

The practical application of SEPP 65 and the Apartment Guidelines do not respond adequately to Quality of Life for residents. It seems too focused on the ageing population that is expected over the coming decades and while that is true, seems primarily concerned with producing apartments for lone households, the elderly or the poor. Neither the SEPP nor the guidelines advance apartment stock into the modern world. A world where we will need apartments to be an alternative lifestyle option for families as well as lone or an ageing population.

The Hills Shire is going to increase from a population of around 180,000 people to around 280,000 over the next 20 years or so. Council's and the NSW Department of Planning's own demography indicate that our population will be overwhelmingly under the age of 65. Sure, the Shire will increase its percentage of people over 65 however just like the population in general, however, these individuals will in the main continue to represent a reasonable degree of wealth and will seek a high standard of living. Council already has evidence that residents are choosing to change their living arrangements from a large family home, to an apartment in close proximity to town centres and transport. Council's housing strategy combined with its adopted development standards has enabled our residents to age in place and those development standards that are proving to be successful are being undermined by the provisions of SEPP 65. There is no need for a policy that will allow a developer of an apartment block in The Hills Shire to create housing stock at the minimum size and at the minimum car parking rates. Unfortunately the nature of the industry will be most likely to take up the incentives provided by the SEPP and will lead to the production of apartments that do not necessarily match what our population will want as their home.

The minimum standards approach of SEPP 65 contributes nothing to the quality of life of future residents. While the policy will allow development to be approved based on minimum standards, it does so without any regard to the need of any other features to make up for the smaller apartments. There are no requirements to provide common rooms to allow for residents to accommodate larger family gatherings, no requirements for recreational facilities or any other feature that would contribute to greater liveability of apartment dwellers. There appears to be an apparent lack of interest in identifying what is needed to make apartment developments truly family friendly which as a Global City, Sydney needs to achieve.

**CONCLUSION**

As set out in the report the proposed SEPP changes and new Apartment Design Guide do little to alleviate concerns that have previously been raised by Council in relation to housing affordability and apartment size and mix. In fact, more prescriptive controls have been introduced that would make Councils development controls for apartments obsolete and car parking has been introduced as a matter which cannot be used as grounds for refusal if the standards in the Design Guide are met. These standards are considerably lower than those set by Council.

The changes which are being proposed will have significant ramifications on future development and planning outcomes within Council's high density areas as it is a 'one size fits all Policy' which will result in a product that fails to meet the needs and expectations of future residents. The product which will be delivered and supported through this Policy will contribute nothing towards promoting high density living as a viable lifestyle option.

This State Policy will undermine local controls prepared as a result of evidence based planning and is an unacceptable outcome, especially as Council has a proven track



record in achieving its housing and job targets while maintaining the character and amenity of The Hills Shire. Given the foregoing, it is recommended that a formal submission be lodged with the Department of Planning and Environment opposing the *State Environmental Planning Policy 65 – Design Quality of Residential Flat Development* and the new supporting Apartment Design Guide.

## **IMPACTS**

### **Financial**

This matter has no direct financial impact upon Council's adopted budget or forward estimates.

### **The Hills Future - Community Strategic Plan**

Council's Community Strategic Direction identifies the community's vision for the Shire and outlines how Council will align its delivery of services and facilities to support this vision. Council's vision is for *'proactive leadership creating vibrant communities, balancing urban growth, protecting our environment and building a modern local economy'*. Consistent with this vision, Council is proactively seeking to facilitate a desirable living environment by opposing SEPP 65 amendments and the new Apartment Design Guide as they will undermine local controls that aim to achieve a diversity of housing choice for existing and future Hills residents.

## **RECOMMENDATION**

A submission be forwarded to the Department of Planning and Environment, together with a copy of this report, advising that Council strongly opposes the application of State Environmental Planning Policy 65 and the new supporting Apartment Design Guide to the Hills Shire as it undermines Council's housing strategy and development standards and will result in housing stock that does not respond to the needs of existing and future residents.

## **ATTACHMENTS**

Nil