

**8.13 Progression of Housing Strategy**

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**EXECUTIVE SUMMARY**

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**Purpose**

To seek Council's direction in regard to correspondence that has been received from Hon Brad Hazzard, Minister for Planning and Infrastructure (the Minister) advising that Council progress and finalise the Housing Strategy as a matter of priority.

**Summary**

Council resolved at its meeting of 28 June 2011 to completely withdraw the draft Housing Strategy, and that no further work be undertaken in preparation of a future draft Housing Strategy until the NSW Government confirmed Council's dwelling target and committed to funding additional infrastructure requirements to support new development.

Council is in receipt of the Minister's response. This report addresses the Minister's letter and provides a recommendation to Council on how to proceed with this issue.

**Financial Impact**

Nil.

**Policy Impact**

Nil.

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**RECOMMENDATION OF DEPUTY GENERAL MANAGER ENVIRONMENT**

That Council responds to the Hon Brad Hazzard, Minister for Planning and Infrastructure, advising that under the prevailing planning controls in Warringah, Council estimates that there remains at least 14 years of dwelling capacity and that it declines to develop a Housing Strategy until the NSW Government commits to strategies to address the deficiencies in transport in Warringah.

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## REPORT

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### Background

- In 1998 Council adopted a Residential Development Strategy (updated in 2000) which was given carriage through Warringah LEP 2000 (gazetted 5 December 2000). Essentially, the adopted position of Council under the Residential Development Strategy was to increase dwelling stock through infill development within existing centres and identified medium density areas.
- In 2005 the NSW Government released the Metropolitan Strategy and subsequently the draft North East Subregional Strategy (2007) which identified dwelling targets at the regional (17,300 new dwellings) and LGA (10,300 new dwellings) level.
- Hence, in response to dwelling targets set by the NSW Government Council commenced the process to address its responsibilities with the adoption of a Housing Issues Paper (Item 9.3 to meeting 24 June 2008).
- At its meeting of 28 April 2009 (Item 9.4) Council resolved to explore options and opportunities to conduct community engagement, regarding future housing options in Warringah.
- At its meeting of 8 December 2009 (Item 9.4) Council Officers reported to Council on work that had been undertaken on the Housing Strategy over the preceding 17 months. This work included research into options available to accommodate new dwellings in Warringah and the development of a Housing Strategy Engagement Plan. At the meeting Council endorsed an Engagement Plan for the preparation of a Housing Strategy. This included the undertaking of a 'Talk of the Town – Community Summit' which took place on 23 May 2010.
- On 22 June 2010 Council considered the outcomes of the community summit and resolved to proceed with the preparation of a Draft Housing Strategy in accordance with the results.
- A draft Housing Strategy was brought to Council on 28 September 2010 (Item 14.4) and was considered in confidential session. Council resolved that the item be deferred and brought back to Council after the next State Election in March 2011.
- Despite its decision of 28 September 2010, at its meeting of 14 December 2011 Council considered a Notice of Motion (63/2010) in relation to the draft Housing Strategy. It resolved that prior to exhibition of the draft Housing Strategy, the strategy be redrafted to reduce the number of dwellings. (Council's decision of 14 December also addresses a range of other matters in relation to the future exhibition process).
- In accordance with Council's resolution of 28 September 2010 and 14 December 2010, a report was brought to Council on 24 May 2011 in relation to the revision of the draft Housing Strategy for Warringah. Two versions were presented for Council's consideration and were considered in confidential session. Council resolved to commence the public exhibition of the draft Housing Strategy (Version 2).
- At its meeting of 7 June 2011 Council considered a Motion of Urgency in relation to the Warringah Housing Strategy (159/11) and resolved to immediately cease any exhibition or further work on its Housing Strategy until the NSW Government confirmed Council's dwelling target of 10,300 new dwellings and provided its commitment to funding additional infrastructure requirements to support the new development.
- At its meeting of 28 June 2011 Council resolved to completely withdraw the current draft Housing Strategy and that no further work be undertaken in preparation of a future

draft Housing Strategy until the NSW Government confirms Council's dwelling target of 10,300 new dwellings and provides its commitment to funding additional infrastructure to support the new development. Further Council resolved to write to the Minister and The Hon Barry O'Farrell MP, Premier NSW, requesting the previous NSW Government's housing targets for Warringah be abolished and the Government consult with Local Governments and local communities on what they want for the future of their areas. Should the NSW Government respond with new targets, Council conducts a public consultation in each ward to discuss with and hear from residents what type of development they want in their respective areas in the future.

- On 13 July 2011 in accordance with Council's resolution a letter was sent to the Minister and The Hon Barry O'Farrell MP, Premier NSW (Attachments A and B).
- On 14 February 2012 Council received a letter from the Minister requesting Council progress and finalise its Housing Strategy as a matter of priority. The Minister has confirmed a target of 10,300 new dwellings to be provided in the Warringah LGA between the years 2005 – 2031. It is noted that the Minister has not addressed Council's request for a commitment to infrastructure delivery in order to appropriately accommodate the housing target of 10,300 new dwellings (Attachment C).
- At its meeting of 28 February 2012 (Item 10.8) Council considered the Frenchs Forest Transport Studies. Council resolved to note the content as well as the infrastructure issues identified by this work and undertake a workshop between staff and Councillors to discuss these issues and the draft Housing Strategy. Additionally Council resolved to call on the NSW Government to ensure the appropriate planning and delivery of the Northern Beaches Hospital and that no further work be undertaken on the Housing Strategy until Council staff have considered a response from the NSW State Government.

### **Dwelling Targets**

Dwelling targets have been set by the Department of Planning and Infrastructure since the introduction of the Metro Strategy (2005) which identified the provision of 17,300 new dwellings within the north east subregion by 2031. This was followed by the release of the draft North East Subregional Strategy (2007) which apportioned housing targets to individual LGAs and designated 10,300 new dwellings to be provided in Warringah to 2031.

Dwelling targets were updated under the Metro Plan (2010) to reflect increased population and housing demand in the Sydney Region. The Metro Plan identifies the need to provide 29,000 additional dwellings in the north east subregion by 2036. It is noted that the Metro Plan does not apportion housing targets to individual LGAs.

The Department of Planning and Infrastructure has advised that the Metropolitan Plan continues to be NSW Government policy and cabinet has endorsed a process to issue a revised Metropolitan Plan by the end of 2012. The Metropolitan Plan will focus on housing and jobs. The future of the Metropolitan Plan targets is unclear, however there is an upward trend for housing provision. Once the Metropolitan Plan has been finalised, work will commence on reviewing the subregional strategies.

The Minister's letter (attached) advises that 10,300 new dwellings are to be provided in the Warringah LGA by 2031 in accordance with the draft North East Subregional Strategy.

### **Capacity for dwellings growth under new LEP**

An assessment of dwelling capacity within the Warringah LGA was undertaken as part of the draft Housing Strategy that was presented to Council on 28 September 2010 and subsequently withdrawn by Council on 28 June 2011. The assessment included an economic feasibility study to assist in the determination of appropriate take-up rates. The assessment provided the following results based on current planning controls:

- A net potential of 129 additional lots could be achieved within the non urban lands assuming a 100% take up rate. Applying an analysis based take up rate of 50% this equates to 65 additional dwellings by 2031.
- A net potential of 1,782 additional lots could be achieved within the low density areas assuming a 100% take up rate. Applying an analysis based take up rate of 27.4% this equates to 680 additional dwellings by 2031.
- A net potential of 2,012 additional lots could be achieved within the medium density areas assuming a 100% take up rate. Applying an analysis based take up rate of 60% this equates to 1,207 additional dwellings by 2031.
- A net potential of 1,398 new dwellings could be achieved through shop top housing development assuming a 100% take up rate. Applying an analysis based take up rate of 69% this equates to 943 additional dwellings by 2031.
- A net potential of 1,577 new dwellings could be achieved within the Brookvale/Dee Why major centre assuming a 100% take up rate. Applying an analysis based take up rate of 80% this equates to 1,245 additional dwellings by 2031.

The draft Housing Strategy therefore identified a net dwelling potential of 6,898 within Warringah LGA. This number was reduced to an achievable target of 4,140 by 2031 when applying the results of a take up analysis. It is noted that the capacity assessment was based on the planning controls contained in the then draft Warringah LEP 2009. Warringah LEP 2011 is now in force and the capacity assessment of the draft Housing Study remains applicable.

However, the draft Warringah LEP 2009 did not include 'shop top' housing in the Brookvale commercial area. When making Warringah LEP 2011, the Minister included 'shop top' housing in this precinct thereby adding additional dwelling potential that is not reflected in the above figures from the draft Housing Strategy. Due to the inclusion of 'shop top' housing, it is estimated that a net potential of 1,236 new dwellings is achievable (based on recent applications for development of the Brookvale commercial area) assuming a 100% take up rate. If the same % take up rate is applied to this figure as was applied for the Brookvale/ Dee Why major centre in the draft Housing Study (ie. 80%) this equates to 988 additional dwellings by 2031.

The draft Housing Strategy also addressed projected dwellings growth due to the operation of State Environmental Planning Policy (Housing for Seniors or People with Disability) 2004, in Warringah. It estimated growth of 1,480 additional dwellings (referring to self contained dwellings only and excluding approvals for beds in aged care facilities) by 2031. However, this form of housing growth was not included in the Key Findings – Existing Dwelling Potential of the draft Housing Strategy as its availability is limited to a specialised demographic cohort and not the wider community.

The draft Housing Strategy did not include any estimated potential for housing growth as a consequence of the operation State Environmental Planning Policy (Affordable Rental Housing) 2009, as the Policy became operational in 2009 and at the time of preparation of the draft Strategy data in relation to its application in Warringah was limited. Since the commencement of the SEPP (Affordable Rental Housing), Council has granted consent for 54 'secondary dwellings', this being the predominant form of housing for which development applications under the Policy have been made in Warringah. Based on the current rate of production, it is estimated that there will be an additional 513 additional 'secondary dwellings' to 2031. Various other forms of housing can be developed under the Policy. However, the NSW Government is in the process of reviewing the Policy, hence its ongoing impact on housing growth in Warringah cannot be reliably projected.

The following table is based on the above discussion and indicates estimated dwelling capacity, by 2031, under the prevailing planning controls in Warringah.

Source of estimated dwelling capacity	Dwelling capacity by 2031	Comment
1. Existing dwelling potential identified by draft Housing Strategy (Sept 2010)	4,140	Based on growth located primarily within centres and medium density residential areas. Also, includes infill within non urban and low density residential areas.
2. Brookvale commercial area	988	Additional capacity introduced by Minister when making WLEP 2011 (9 Dec 2011)
3. SEPP (HSPD) 2004	1,480	Dwelling potential identified by draft Housing Strategy (Sept 2010) but not included in item 1 above.
4. SEPP (Affordable Rental Housing) 2009	513	Additional 'secondary dwellings'.
<b>5. Total</b>	<b>7,121</b>	

Regular residential development data was provided to Council between 1999 and 2009 (inclusive) over which period the average number of dwelling approvals per year was 498. Based on this average rate of production the above estimated total dwelling capacity of 7,121 represents 14.3 years of supply. However, the last Residential Development Strategy – Update Report also indicated that from 2005 (the base year for the draft North East Subregional Strategy) the average annual growth rate has been approximately 224 dwellings per year which reflects the link between production rates and economic cycles. Production rates are currently lower than the 10 year average which will result in the above estimated dwelling capacity representing the supply period extending beyond 14 years.

### Frenchs Forest State Significant Site

In December 2010 Frenchs Forest was declared a State Significant Site by the former NSW Labor Government to permit the development of a major medical, jobs and retail cluster around the proposed Northern Beaches Hospital. The site was to be 'up-zoned' and building heights increased in order to provide up to 17,000 new jobs, 1,300 homes and a substantial retail area supporting the hospital development. Considering the scale of the proposal comprehensive studies were undertaken to assess the impacts and suitability of the area as a State Significant Site.

In accordance with a Media Release dated 16 December 2011 the Minister, following a review of the proposal, overturned the decision of the former Labor Government and determined that the State Significant Site would not proceed. Notwithstanding, the Minister reiterated the Governments commitment to the augmentation of the Northern Beaches Hospital and the development of a precinct plan for the area to be undertaken in conjunction with the community.

It is reasonable to expect that the planned Northern Beaches Hospital will lead to a natural increase in residential, commercial and ancillary uses in the Frenchs Forest area in response to the hospital development. The scale of this development is difficult to predict without the confirmation of a precinct plan for the area. Notwithstanding, any future development of the hospital and adjoining precinct will subsequently lead to increased pressure on existing, at capacity infrastructure. This is supported by the strategic transport assessment undertaken for the Frenchs Forest area that states, given the existing levels of congestion it does not appear possible that the hospital could be developed without first securing significant funding for the necessary infrastructure upgrades.

## **Frenchs Forest Traffic Reports**

It is noted that the results of the Frenchs Forest Traffic Reports were reported to Council (Item 10.8) at its previous meeting of 28 February 2012. Notwithstanding, this report provides a brief overview of the Frenchs Forest transport assessment and its relationship to housing within the Warringah LGA.

In May 2011 Transport for New South Wales commissioned an independent strategic transport assessment of the potential Frenchs Forest Specialised Centre, including the proposed Northern Beaches Hospital. As part of this work an analysis of the existing transport network in Frenchs Forest and the greater Northern Beaches area was undertaken. The strategic transport assessment provided the following findings:

- Mona Vale Road, Warringah Road, Military Road and Pittwater Road provide the majority of transport capacity to the Northern Beaches. These roads are all operating close to or above their capacity in the morning peak hour.
- Key intersections around Frenchs Forest area are operating close to their capacity in the morning peak hour, especially the intersection of Warringah Road and Wakehurst Parkway, which operates at Level of Service F (being highly congested).
- Warringah Road carries a high proportion of car trips (70 – 90% private vehicle mode share), because east-west public transport connections are limited;

The analysis documented in the report clearly demonstrates that the road network within Warringah LGA is nearing capacity and concludes that significant investment in infrastructure is required in the short term (next 5 years) even without any development at Frenchs Forest. Council acknowledges the infrastructure requirements as identified in the strategic transport assessment. Hence, it is concluded that there are significant limitations to further development on the northern beaches with existing infrastructure already at or above capacity.

The Minister's letter of 14 February does not address Council's legitimate concerns regarding infrastructure provision in Warringah as identified in the strategic transport assessment nor does it reference this body of work and other studies undertaken to date regarding the infrastructure capabilities of the Northern Beaches.

### **Conclusion**

Considering the above matters, Council is not in a position to commit to expanding its capacity in the housing sector over and above current zoned capacities until the matter of infrastructure to facilitate access for all trips is addressed.

### **Recommendation**

That Council responds to the Hon Brad Hazzard, Minister for Planning and Infrastructure advising that it declines to develop a Housing Strategy until the NSW Government commits to strategies to address the deficiencies in transport in Warringah.

**Group Manager Strategic Planning**



Letter to The Hon Barry O'Farrell MP, Premier NSW

12 July 2011

The Hon Barry O'Farrell, MP  
Premier NSW  
Level 40 Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

Dear Premier

**Re: Council Decision on Warringah Housing Strategy**

On 7 June 2011, Council resolved to cease any exhibition or further work on its Housing Strategy in response to significant community opposition from the residents of Warringah.

Subsequently, on 28 June 2011, Council resolved to completely withdraw the Housing Strategy from the public exhibition process and to discontinue the development of the housing strategy. The resolution also provided for Council to write to you and the Minister for Planning and Infrastructure, the Hon Brad Hazzard MP, requesting the previous NSW Government's housing targets for Warringah be abolished and the government consult with Warringah Council and the community in relation to future development of their areas.

I have enclosed a copy of the Council decision for your information.

Under the draft *North East Subregional Strategy*, the Warringah Local Government Area has been allocated a dwelling target of 10,300 dwellings by 2031.

In accordance with Council's decision, Council is seeking your support to work with the Minister to abolish the current dwelling targets and carry out a process of consultation with Council and the local community to facilitate a more sustainable outcome for the residents of Warringah, an outcome aligned with the provision of upgraded and new infrastructure to support the new scale of development envisaged.

I would welcome the opportunity to meet with you and the Minister to discuss these important matters.

Please do not hesitate to contact me on 02 9942 2422 or the Acting Director of Strategic and Development Services, Peter Robinson on 02 9942 2414 if you require any information or clarification which may assist your consideration of this matter.

Yours faithfully

Rik Hart  
**General Manager, Warringah Council**

CC: Brad Hazzard M.P



Letter to The Hon Brad Hazzard Minister of Planning

12 July 2011

The Hon. Brad Hazzard, MP  
Minister for Planning and Infrastructure  
Level 33 Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

Dear Mr Hazzard

**Re: Council Decision on Warringah Housing Strategy**

On 7 June 2011, Council resolved to cease any exhibition or further work on its Housing Strategy in response to significant community opposition from the residents of Warringah.

Subsequently, on 28 June 2011, Council resolved to completely withdraw the Housing Strategy from the public exhibition process and to discontinue the development of the housing strategy. The resolution also provided for Council to write to you and the NSW Premier, the Hon Barry O'Farrell MP, requesting the previous NSW Government's housing targets for Warringah be abolished and the government consult with Warringah Council and the community in relation to future development of their areas.

I have enclosed a copy of the Council decision for your information.

As you are aware, under the draft *North East Subregional Strategy*, the Warringah, Local Government Area, has been allocated a dwelling target of 10,300 dwellings by 2031.

In accordance with Council's decision, Council is seeking your support to work with the Premier to abolish the current dwelling targets and carry out a process of consultation with Council and the local community to facilitate a more sustainable outcome for the residents of Warringah, an outcome aligned with the provision of upgraded and new infrastructure to support the new scale of development envisaged.

I would welcome the opportunity to meet with you and the Premier to discuss these important matters.

Please do not hesitate to contact me on 9942 2422 or the Acting Director of Strategic and Development Services, Peter Robinson on 9942 2414 if you require any information or clarification which may assist your consideration of this matter.

Yours faithfully

Rik Hart  
**General Manager, Warringah Council**

CC: NSW Premier's Office



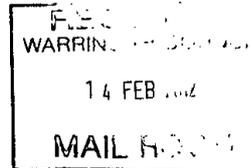
Response from The Hon Brad Hazzard Minister for Planning



**The Hon Brad Hazzard MP**  
 Minister for Planning and Infrastructure  
 Minister Assisting the Premier on Infrastructure NSW

12/02036

Councillor Michael Regan  
 Mayor  
 Warringah Council  
 Civic Centre  
 725 Pittwater Road  
 DEE WHY NSW 2099



Dear Councillor Regan

I am writing to request Warringah Council progress and finalise its Housing Strategy as a matter of priority.

I understand that in June 2011 Council resolved to stop work on the draft Strategy until the dwelling target for Warringah was confirmed and a commitment to fund additional infrastructure to support growth was made.

A priority of the Government is to ensure that appropriate local strategies are in place to accommodate the predicted population and housing growth across the Sydney metropolitan area. I understand in that regard that Council has been provided with demand forecasts for the future provision of housing and employment. It is now important that appropriate local strategies are in place to accommodate growth.

In relation to housing targets, I confirm that the priority approach should be for the strategy to deliver appropriate housing outcomes, well located to meet affordability and choice criteria. The previous target in the 2005 draft subregional strategy of 10,300 new dwellings (2005 to 2031) may be used as a guide. I have requested the Department of Planning and Infrastructure however to work with Council to use this target flexibly with the criteria of good planning outcomes as the preferred approach.

I request Council provide me within fourteen (14) days of the date of this letter with an itemised timetable to progress and complete its housing strategy.

I have requested Ms Juliet Grant, Regional Director, of the Department's Sydney Region East team to assist Council and look forward to your response.

Yours sincerely

**HON BRAD HAZZARD MP**  
 Minister

/ 8 FEB 2012

Level 33 Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000  
 Phone: (61 2) 9228 5258 Fax: (61 2) 9228 5721 Email: [office@hazzard.minister.nsw.gov.au](mailto:office@hazzard.minister.nsw.gov.au)