

Resolution of Council

12 May 2025

Item 14.7

Tracking the Impact of NSW Government “Fast Track” Planning Reforms on Housing Affordability in the City of Sydney

Moved by Councillor Ellsmore, seconded by Councillor Gannon –

It is resolved that:

(A) Council note:

- (i) the NSW Government has updated or introduced a series of planning pathways which facilitate developers bypassing council for approval of housing projects. These include:
 - (a) the Housing Delivery Authority (HDA), which can facilitate rezoning for housing developments above approximately \$60 million in Greater Sydney;
 - (b) In-fill “affordable housing” reforms, which provide a floor space ratio (FSR) bonus of 20–30% and a height bonus of 20–30% for projects that include at least 10-15% of gross floor area (GFA) as “affordable housing”;
- (ii) the Lord Mayor has recently written to the NSW Premier and the NSW Minister for Planning and Public Spaces raising concerns about the Housing Delivery Authority;
- (iii) the NSW Government’s reforms are presented as intended to speed up the delivery of supply, and increase delivery of affordable housing. However, Council has identified that the reforms may in fact deliver the opposite;
- (iv) the planning reforms risk slowing down the delivery of supply, and reducing the delivery of affordable housing, including because:
 - (a) the City of Sydney already has strong affordable housing provisions which capture between 16 and 21% upzoned housing. These risk being switched off, or bypassed, by NSW planning pathways which require lower or no affordable housing;

- (b) the “affordable housing” to be delivered under a State pathway may not actually be affordable. This includes where housing is only required to be rented at 80% of market rent within the high and unaffordable inner city market, and only for 15 years. Affordable housing delivered through City of Sydney schemes is affordable based on no more than 30% of household income, and is permanent;
 - (c) developers may seek to delay projects which are already approved or under construction, in order to get a new or different approval under a State Government planning pathway; and
 - (d) the changes risk bypassing new local planning rules for “dwelling retention” which have been exhibited and endorsed by council. The Council’s dwelling retention rules were introduced to prevent smaller, older, more affordable housing blocks being purchased and transformed into newer, more expensive housing that fewer people can live in. Examples of this kind of development were particularly being seen in the east of the city;
 - (v) since the NSW Government reforms have been introduced, a number of development projects in the City of Sydney which undermine supply or affordability have sought to access the pathways;
- (B) the Chief Executive Officer be requested to consider and provide advice to Council through the CEO Update outlining where the public can access information about developments which are progressing through NSW Government pathways; and
- (C) the Lord Mayor be requested to write to the NSW Minister for Planning and Public Spaces to request the NSW Government develops a live dashboard (continuously updated) to monitor the performance of lodgement and determination of State Significant Development applications, including Housing Delivery Authority recommended applications, by the Department of Planning, Housing and Infrastructure. The dashboard should:
- (i) report on the total number of homes approved;
 - (ii) report on the number and time limit of affordable homes approved; and
 - (iii) be similar to the one introduced for councils and regionally significant development by the NSW Government in July 2024.

The substantive motion was carried on the following show of hands -

Ayes (9) The Chair (the Lord Mayor), Councillors Arkins, Ellsmore, Gannon, Kok, Maxwell, Miller, Thompson and Worling.

Noes (1) Councillor Weldon*

Substantive motion carried.

*Note – Councillor Weldon abstained from voting on this matter. Pursuant to the provisions of clause 10.4 of the Code of Meeting Practice, Councillor Weldon is taken to have voted against the motion.

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