

**Item 10.6****Notices of Motion****NSW Government Planning Reforms Risks to Transparency, Affordability and Supply**

By Councillor Ellsmore

It is resolved that:

(A) Council note:

- (i) that the *Environmental Planning and Assessment Amendment (Planning System Reforms) Bill 2025* introduced by the NSW Labor Government, makes sweeping changes to the *Environmental Planning and Assessment Act 1979* which would impact all types of development across NSW, from housing projects to large-scale commercial, industrial, mining, agricultural and infrastructure projects;
- (ii) that the Bill:
  - (a) centralises planning powers and reduces the role of councils, independent panels, and community consultation by legislating 2 new authorities:
    - the Development Coordination Authority (the Planning Secretary); and
    - the Housing Delivery Authority (the Planning Secretary and 2 Minister-appointed members, with no requirements for specific skills or experience);
  - (b) introduces a streamlined “targeted development assessment” pathway that expressly prohibits consideration of environmental impacts, site suitability, and the public interest;
  - (c) removes the requirement to consult with the NSW environment department before making an environmental planning instrument that would adversely affect critical habitat or threatened species, populations or ecological communities, or their habitats;
  - (d) restricts assessment of cumulative and indirect impacts of a development;
  - (e) removes protections for building occupant health and safety;
  - (f) restricts community participation, cutting consultation requirements and removing objects in the Act that emphasise community involvement in planning decisions; and
  - (g) has not been subject to broad public consultation;

- (iii) that the NSW Government is claiming that these changes to the NSW planning system will help address affordability and will increase supply. However, in practical effect they allow current City of Sydney Council planning rules which are in place to increase affordability and protect supply to be bypassed or undermined. These include:
    - (a) the City of Sydney's "dwelling retention" or "no net dwelling loss" provisions, which came into effect on 1 July 2025; and
    - (b) the City of Sydney's mandatory inclusionary zoning provisions, which require - where there is a planning proposal or rezoning led by the council that creates more floorspace (e.g. height or density) – that a significant percentage be captured and used to deliver permanent, affordable housing for households on very low, low or moderate incomes;
  - (iv) that the Council and the Lord Mayor have consistently and strongly advocated against changes to the planning system which undermine transparency, local planning, environmental sustainability and affordability;
- (B) Council further note:
- (i) that the new Bill significantly increases the discretion and control over development in NSW by the Minister for Planning and by planning authorities appointed by the Minister. This increases the risk of influence and corruption in planning processes, and will decrease community input and confidence in planning decisions;
  - (ii) that the Sydney Morning Herald published an article on 19 October 2025 entitled "How Morris Iemma helped James Packer get his way on a \$100m Potts Point development" which reported alleged lobbying by the former Labor Premier Morris Iemma in relation to the controversial "Chimes" development in Potts Point;
  - (iii) that this development would demolish 80 low-cost studio and one-bedroom units to build 34 luxury apartments, with a small number of affordable units included for a limited time;
  - (iv) that this development has been the subject of extended legal action, including as a result of Council's refusal of development applications for the project;
  - (v) that this development faces strong and consistent opposition from the community, who are campaigning to maintain and expand affordable housing supply in their local area;
  - (vi) that lobbyists for the developer, when Council was introducing the proposed "dwelling retention" rules which could impact this development, lobbied Council for a "savings provision" to protect developments like theirs;
  - (vii) that Council did not agree to introduce the savings provision into the Council's draft "dwelling retention" rules that were requested by the developer's representatives;

- (viii) that through the Gateway process - which Council is required to follow when amending its planning rules - the NSW Minister for Planning Paul Scully required that a savings provision be included; and
  - (ix) that this development is now the subject of an application for approval through one of the “streamlined” planning pathways, which remove Council’s ability to collect affordable housing levies from the increased value uplift; and
- (C) the Lord Mayor be requested to
- (i) urgently write to the NSW Premier Chris Minns and the NSW Minister for Planning Paul Scully, opposing the passage of the Bill in its current form, and requesting the opportunity for formal public consultation, and a Parliamentary inquiry, on these reforms;
  - (ii) continue to strongly advocate for reforms to the planning system to ensure that any NSW planning reforms protect, match or exceed the City of Sydney’s rules for the protection of supply and affordability of housing. This includes the Council’s affordable housing scheme and the dwelling retention provisions; and
  - (iii) write to the President of Local Government NSW (LGNSW) noting that these reforms are not consistent with the LGNSW policy platform, and requesting an urgent board motion opposing the Bill be brought to the upcoming 2025 LGNSW Conference.

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