

REPORT ON PROCEEDINGS BEFORE

**SELECT COMMITTEE ON RURAL HOUSING AND SECOND
DWELLINGS REFORM**

CORRECTED

At Preston Stanley Room, Parliament House, Sydney on Monday 3 November 2025

The Committee met at 10:00 am

PRESENT

The Hon. John Ruddick (Chair)

The Hon. Wes Fang
The Hon. Scott Farlow (Deputy Chair)
The Hon. Emily Suvaal

PRESENT VIA VIDEOCONFERENCE

The Hon. Mark Buttigieg
The Hon. Anthony D'Adam

* Please note:

[inaudible] is used when audio words cannot be deciphered.

[audio malfunction] is used when words are lost due to a technical malfunction.

[disorder] is used when members or witnesses speak over one another.

The CHAIR: Welcome to the first hearing of the Committee's inquiry into rural housing and second dwellings reform. My name is John Ruddick and I am the Chair of the Committee. I ask everyone in the room to please turn their mobile phones to silent. Parliamentary privilege applies to witnesses in relation to the evidence they give today. However, it does not apply to what witnesses say outside the hearing. I urge witnesses to be careful about making comments to the media and to others after completing their evidence. In addition, the Legislative Council has adopted rules to provide procedural fairness for inquiry participants. I encourage Committee members and witnesses to be mindful of these procedures.

Mr TROY MYERS, General Manager, Urban City Group, sworn and examined

The CHAIR: I welcome our first witness. Thank you for taking the time to give evidence. Would you like to start by making a short statement telling us a little bit about your professional career and what Urban City Group does?

TROY MYERS: Urban City Group started with me about 22 years ago. We started it as a building certification company and then we slowly grew into town planning as well. We started Urban City Group in 2003. We are mainly in the Hawkesbury area. I'm quite lucky, really. That's where I grew up. I managed to set the business up there, get married there and the kids have grown up there. We haven't really gone far. Thank you for having me today.

The CHAIR: When I moved this, I tabled the draft model instrument. You are familiar with this document?

TROY MYERS: Yes.

The CHAIR: Can you speak to the draft model instrument and the proposed reform to the SEPP? Why is it necessary to override various LEPs?

TROY MYERS: What we've found is that it has been very difficult to be able to get approval for second dwellings on rural lands, only from experience in the Hawkesbury. But it's necessary because I just don't think that, with the DA process, they will be able to achieve what we need to achieve—that is, multi-generational housing. At the moment, to be able to put it into the SEPP, it just gives more choice and more variety for people wanting to be able to either get into the market or look after parents or have grandparents look after grandkids. I think the SEPP just gives that level of flexibility and choice.

I don't think that every single second dwelling will be able to be complying development, but I also think that, by putting it in the housing SEPP, it doesn't eliminate people from the process to be able to get a second dwelling. They will be able to lodge a development application and possibly get approval under the SEPP or the LEP. This all started when myself and Councillor Zamprogno from Hawkesbury City Council decided to take one little word out of our land use table in our Hawkesbury LEP. The word "attached" was just one single word. All we're saying is let the community decide what type of house they want, whether it be attached or detached, for their second dwelling.

The CHAIR: In the draft model instrument, the opening paragraph outlines three different ways if this inquiry comes to the conclusion that this is a reform that we should suggest. The opening paragraph says:

The instrument amends the State Environmental Planning Policy (Housing) 2021 (Housing SEPP) by adding a new Division under Part 2 (Diverse Housing). Alternatively, it could be a Rural Housing Code within the State Environmental Planning Policy (Exempt and Complying Development Codes) ... or amend the Standard Instrument – Local Environmental Plan ... The Housing SEPP is preferred for its ability to override inconsistent LEPs under section 3.28 of the Environmental Planning and Assessment Act 1979.

There are three different ways of doing it. What would be your professional opinion on what would be the best way if we were to change legislation and guidelines et cetera? What would be the best way to do that?

TROY MYERS: I think all three should be done. By changing the housing SEPP and adding chapter 7 under the diversity housing code, that would be able to override any LEPs that didn't allow detached dual occupancies. You could also do it as complying under that SEPP, but the rural housing code SEPP would also assist in that. That would provide all the provisions for the complying development for second dwellings. In the standard instrument, all I'd be doing is changing dual occupancy to get rid of the word "attached" and just put "dual occupancy" in. That would give people the choice to decide whether they want an attached dual occupancy or they don't. The housing SEPP would give a guide in terms of the development standards that you would want in that standard instrument.

The CHAIR: Mr Myers, some of the submissions we've received were quite enthusiastic about not just having a second dwelling but also making it easier for landowners to subdivide. I don't think that this Parliament has an appetite for that, but we would be interested to hear your view on whether detached second dwellings are the end goal or whether letting landowners subdivide would be the ideal?

TROY MYERS: The end goal has always been just a second dwelling. Of course everyone would like to subdivide and make money out of selling the block of land these days. But the end goal is, like we said, multigenerational housing. It's a simple change. I don't think we have the appetite for subdivision, even in our shire, at this point in time. This was just a simple way to provide housing for families. Subdivisions would be dealt with in a totally different section in the LEP. When our councillors asked what they should do, I said, "Just do what you always do and say no, in terms of subdivision." To be serious, though, subdivision is totally separate

from dual occupancies. Dual occupancies are a land use. Subdivision is too, but it's dealt with in a different part of the LEP, so they never really meet. Even if you wanted to change subdivision, you'd have to go through a rezoning to be able to change that, and that's not what we're about. We're about just getting that second dwelling and, essentially, instead of attaching it, detaching it. That's where it all came from. Why does it need to be attached? There are extra costs. It's inflexible. Let's just give people choice so it suits the situation they're in.

The Hon. SCOTT FARLOW: Mr Myers, thank you very much for being here today. Your submission and what you've told us already draw this distinction between the attached and the detached. What, effectively, is the impact of or difference between an attached dwelling and a detached dwelling when it comes to the infrastructure use or the needs of a community?

TROY MYERS: I don't think anything changes. It stays the same, whether it's attached or detached. The benefits would be that, if we can detach them, we don't have to spend an extra \$50,000 to \$100,000 joining them together. Once we join them together, we've got to comply with the building code and have fire-rated walls. Trying to retrofit an existing dwelling to fit a new construction is just money that we probably don't need to spend to provide that level of housing. If we can divide them, it gives us that flexibility in terms of location for bushfire purposes and for biodiversity. We may be able to avoid areas we don't need to touch for biodiversity, or we may be able to achieve the asset protection zones that we need for fire safety, where we otherwise wouldn't if we had to attach them. It's the same with effluent disposal. We still need to do all those things. Those things don't change. The other one, from a social point of view, is that no matter how much you love your family, sometimes six metres is just too close. That little bit of separation helps.

In terms of infrastructure, maybe the only thing that they really need to examine is that councils will need a really strong section 7.11 contributions plan. Roads would be the big one, because I think the uptake will be strong. Roads would be the main one because, when you think about it, we collect our own water and dispose of our own effluent. We even collect our own power now. It's not like we have to put in whole new sewerage systems, new water systems or new power systems. They're already there. That's why it was so attractive. It was just so simple.

The Hon. SCOTT FARLOW: Your experience, as you outlined, comes largely from the Hawkesbury. Have you found other areas where there are different interpretations and things that are working better?

TROY MYERS: Penrith does it really well. I know Hills has a secondary dwelling version of what we're talking about, and then with my research I know there were some northern New South Wales councils that were also doing detached dual occupancies as well. We deal a lot in Penrith. Anywhere in that north-west we deal with, but the appetite is there in all of those council areas. We will hear it every day from people walking in through the door.

The Hon. SCOTT FARLOW: To that point, this is very much about meeting the demands of the market. As you outlined, it's very much the intergenerational living model, and not everyone wants to live under the same roof, and six metres might be enough—or 10 metres or 12—or maybe the other side of the paddock. If this were to be changed, how much demand do you see there in the market?

TROY MYERS: I believe the demand would be huge. Just speaking from experience, there wouldn't be a week go without someone walking in my front door to ask, "Can we put another house on the property for little Johnny?" or, "Mum and dad are not well. We need to look after them." It happens all the time. What generally happens is they start looking for alternatives that may be suitable but not necessarily legal. They might say, "We'll put a development application in for a tourist and visitor accommodation," which by definition is only supposed to be used infrequently, but it still looks like a dwelling. If it looks like a duck and walks like a duck, it's a duck, but that's what happens. You start putting people in these difficult positions where they have no choice and they have to try and make a silk purse out of a sow's ear trying to get some other type of development approved on the property. It might not necessarily be legal.

I think the uptake would be huge. In our area alone, I think we have the ability to have another 7,000 dwellings. I don't think all of those would happen at once, but I think the uptake would be huge. My concern when we had the LEP was that if we did get it—it's on the way of getting through, the LEP, which is fantastic, but my fear is that the processing of development applications is horrendously slow out where we are, for no real reason, but they are very slow. We're talking six, 12, 18 months to try and get a DA through where we are at the moment. The cost is horrendous for people. We're talking upwards of \$25,000 per application. Whereas complying development, everyone knows what they have to do. The cost, you're probably looking from an approval point of view—you know you're going to get out of it for probably \$15,000 instead of having to go spend a whole lot more money and a whole lot more time and angst to try and get the same thing.

The Hon. SCOTT FARLOW: To move away from the secondary dwellings, you noted also in your submission about how ancillary developments such as sheds or pools can't be approved via CDC where there is more than one dwelling on site.

TROY MYERS: Correct.

The Hon. SCOTT FARLOW: How much of an impediment do you see this being in terms of getting what would be fairly simple and non-impactful improvements to the home or the property through the system?

TROY MYERS: It's a huge impediment. It happens now. We could have attached dual occupancies, or we have detached dual occupancies in Penrith. People come to us just to put a little garage or a shed or a pool, and we can't issue a complying development certificate because of that reason. It's a huge impediment, and I don't understand why that would be the case. If you have a permissible use on that site that's a dual occupancy, it's a residential use, then why wouldn't you allow those things that are ancillary to that use? What does it really change? I don't think it changes anything. I don't really understand why it's in there, but I know it's a huge impediment. I know that things would flow a lot quicker if you were allowed to issue those types of developments as complying where there are two dwellings.

The Hon. WES FANG: Just on that, if you have two dwellings on a residential site, what is the process then if you do want to add a pool or a shed?

TROY MYERS: You can no longer do complying development on that site ever again. It basically eliminates you.

The Hon. WES FANG: What would be the cost to an applicant to have a pool or a shed added to the property?

TROY MYERS: It's significant. You're going from a one-stage process in complying to a two-stage process, so obviously development application and then construction certificate, so you're doubling your costs there. I would think that your costs either double or triple, at least.

The Hon. WES FANG: So what we really need to do is not only consider this issue, we need to consider the unintended consequences that will also flow. And maybe if we are to make amendments, we need to have a look at the wider issue and make sure that those unintended consequences don't flow on, so that people can actually achieve things like pools and sheds into the future.

TROY MYERS: I think it'd be a good idea. I definitely think that should be something to consider. Like you said, you don't want to go in and create this great new type of development but then it inhibits you from being able to do the things that you are normally allowed to do.

The Hon. WES FANG: You spoke about the cost: \$25,000-odd for an application and 12 to 18 months for the application process to be considered. What would you think is achievable if we were to streamline the process and basically get government and councils out of the way, remove the red tape and have a pro-housing policy moving forward?

TROY MYERS: I don't think you can ever get rid of it. In terms of streamlining it, I mean, how long have I got to talk on this?

The CHAIR: We've got until 10.30 a.m., Mr Myers, so we've got another 12 minutes.

TROY MYERS: If you don't mind, the long answer is it's from the very beginning. I have my daughter here today, and she now works with me. Hopefully one day I'll work for her. I've watched her go through—and I'll get to the point—her studies as a town planner in the last four years, and she's done very well. But what I noticed is that most of her subjects weren't to do with town planning in the first two years of her study. They were to do with social science issues. I know this also because we participate in the intern program for a couple of universities, so we take students in to help them with their hours. What we're noticing is that they're very social science-based, and then they're pushing students on to a master's, which I think is a bit of a cash grab. They're not really learning to be town planners when they're doing a town planning degree. They're making them go to a master's to be able to do that.

I believe what's happened over a long period of time is that we've now got people coming into the industry that aren't totally confident in being able to make the judgement calls they need to make. We used to be able to do merit-based assessment. You're getting a lot of people now turning development applications into complying development applications because they're using DCPs as code-based development instead of—the whole point of a DA is merit-based, because you've got to go to that higher level of assessment. My point is that they don't have the confidence to be able to argue on balance or merit why something that may not 100 per cent comply with the DCP should be approved like we used to be able to.

One of the lecturers asked me why Imogen did so well and I said, "Well, she should, because she's grown up with it, number one. But number two, she was working full-time the whole time she was studying, so she was getting that experience." There were other local government members in the room when we were talking about the review of their curriculum. I think it should be mandatory that after their first year, they go out and they have to do an internship. That would change the industry. There's that level of confidence, and I think there's this fear factor in there too that the staff are under siege all the time. The legislation has become so complex and so laden. So I think you still need to have an assessment. You have to remember, before 1998 we never needed consent for housing. We used to have a building application under the Local Government Act, so agriculture and housing did not need consent.

The Hon. WES FANG: That was sort of what I was aiming to get to. Do you think that it's possible that we can actually set a list of criteria that if we achieve these certain aspects—the size of the block, the size of the dwelling, the footprint, the connections to services—if we can tick the boxes on all of those things, that we can just get out of the way and make sure that people can actually build these much-needed dwellings on large rural blocks and assist people with finding that housing that we desperately need?

TROY MYERS: Absolutely. It's definitely the way to go. I agree with you totally. If you can set those minimum or maximum standards, whatever you want to call them, which complying development does—complying development is pretty rigid when you think about it. It's like a game of snakes and ladders where there are more snakes than ladders in terms of not being able to achieve what you need to achieve. But I definitely do agree that if you set those minimum standards—and I guess what you have to look at too, when you're going through making these changes, is that complying development has become so complex that you can't read it in isolation. Even though you think you're doing the right thing, you can get caught out. We need to make it simple again. We've made it too complicated. Yes, I do agree that if we could do that, it would make a big difference and we could look after all those housing needs.

The Hon. EMILY SUVAAL: Thanks so much for your evidence so far and for your perspectives. It's certainly good to hear from someone with your experience. I had a couple of questions around some of the recommendations that are in your submission. One of those is:

... the Department consider streamlining approval processes and ensuring clear, consistent interpretation of the SEPP across councils and certifiers.

You cite ambiguity in language as leading to inconsistent application and creating delays. From your experience, could you give us any examples of that and suggestions for improvement?

TROY MYERS: If you were to go and have a look at the definition of environmentally sensitive land, there are about eight subclauses. One in particular, I think it is either G or J, says environmentally sensitive land is—I don't know the exact words, but what it does say is "or any other environmental planning instrument". So when you consider that every SEPP is an environmental planning instrument, every LEP is an environmental planning instrument, what it's essentially saying is that if I want to issue that approval for that house, I have to go and look at every single SEPP and make sure that every definition of "environmentally sensitive land" is looked at in trying to approve that application. It's even to the point now where you'll find that councils on their 10.7 planning certificates will say that they can't tell us whether it can be complying development or not on environmentally sensitive land, because they don't have enough information to be able to make that decision. If they don't, how would we?

I think we've got to get away from making definitions that are so broad that it captures everything, when really we're trying to minimise and streamline things, and you can't do that—you can't try to minimise when you're creating those broad definitions. There seems to be this fear that everyone wants to go out and cut down trees. We live in Kurrajong. The last thing we want to do is make it look terrible. There's always a balance, and I think that's one of them. Another one would be, if I'm trying to do an outbuilding on rural land and I have a vegetable farm or an intensive agriculture next to me, then I'm not allowed to—I have to have a 250-metre setback away from that boundary from my shed. I understand that for a house, because there may be issues in terms of spray drift or all those sorts of things that you want to deal with. But for a shed or anything like that, I don't understand why they'd want you to be 250 metres away from that farm. The guy on the farm can put his shed in. He's got no problem, but the person living next to him can't put a put their shed on. So it doesn't make sense to me. I'm sure there are others.

The Hon. EMILY SUVAAL: If you think of any more, feel free to send them through on notice.

TROY MYERS: I'll let you know.

The Hon. EMILY SUVAAL: Sorry to put you on the spot, but they're interesting examples. My colleague Scott Farlow already asked you about some of these other considerations for outbuildings and ancillary

developments. In terms of what you propose for part 3A, what do you see as being the benefits of that? Are there any risks that you can foresee as well?

TROY MYERS: Benefits in terms of housing?

The Hon. EMILY SUVAAL: Currently ancillary development cannot be approved via a CDC when there's more than one dwelling located on a property.

TROY MYERS: Once again, I think you're going to speed up the process whereby people aren't waiting six months for their shed and the DA costs more than what the shed costs to build. Particularly in our area, about 30 per cent of our workforce in Hawkesbury is in the construction industry. If you were to go down in the morning and sit on Richmond Road, you'd see the procession into the city for those guys to be able to go to work. In our area, we have the misconception that the whole of the Hawkesbury gets covered in water when we have floods. That's not the truth. It's not the way it happens. Often it gets used for slowing things down.

My answer is yes, if you're going to allow it as complying development, then you need to go through and have a look at the consequences for ancillary or outbuildings because they will get caught up. We are even at the point now—and I guess it makes sense—that you can't put an ancillary development on until you have a house at least approved. If you want to go and put a shed on a vacant block of land, you can't do that now. You have to have a house there before you can have a shed there. But, yes, I think if you can streamline those, it would be a big boost to the local economy and a big boost to employment. Often people want to be able to put sheds up before they start building, because they want to be able to keep everything secure.

The Hon. WES FANG: Hear, hear!

TROY MYERS: Yes.

The Hon. EMILY SUVAAL: Or live in a shouse—the old shed house.

TROY MYERS: There are some beautiful shouses around.

The Hon. EMILY SUVAAL: There are.

TROY MYERS: There's a lot to be said for shouses. A lot of people who start out can't afford to go and build the big dream home straightaway, so a shouse is a good answer to that. Does that answer your question?

The Hon. EMILY SUVAAL: It does. Thank you. You mentioned the flood impact in the area of the Hawkesbury. You said in your submission about detached dual occs offering significant benefits. Obviously, cost effectiveness is one. Are there any other benefits that you can see of having detached dual occs?

TROY MYERS: Yes. Like I said, families looking after families. I believe it'll reduce the impact on old aged care. You can age in place. I know I don't want to go to a nursing home. I'm hoping Imogen can build a house at home and look after me so I don't have to go.

The Hon. WES FANG: She doesn't exactly look excited.

TROY MYERS: She's a good poker player. She keeps her cards really close to her chest.

The Hon. SCOTT FARLOW: She's getting more excited now.

TROY MYERS: Even looking after grandkids—child care is a huge cost now. Grandparents can look after grandkids while mum and dad go off to work. I think that's a good thing. Or there are people who want to invest in the area that need the extra income. They don't have to go and buy the block of land again. The land is already there. They can build another house and they can get an income from it. So financially that helps them.

The Hon. EMILY SUVAAL: One of the common objections that comes up, of course, is from a council perspective and the ability to rate and recoup additional costs. If you've got a second dwelling that's been inhabited, the council can't necessarily get additional rates for the additional waste and all the other things. It's a common objection that comes up. Have you got any suggestions for how that can be tackled?

TROY MYERS: I've got a question. How's it any different to the situation we're already in? You're already allowed to build them. You've just got to attach them. What we're saying is detach them. It's already a development that's permissible under the LEP. You can already have two houses on a block of land. All we're saying is let them be detached. I don't know why they'd be making those arguments when it's a permissible development already. I guess you'd have to ask them. That's why you need to have a good 7.11. It's a big conversation we're having at the moment.

Our council is asking us for a 40 per cent rate rise, and not everyone is really happy at the moment. Maybe you need to have a look at the levers that they can pull, and maybe having a second dwelling might be a way to

be able to get those rates, or those costs—that might be an option. Whether it's in lieu of getting the 7.11s and getting that sugar hit up-front, maybe that can be done over time so that they've got a consistent income stream coming in. But you'd have to go and change—I don't know. I'm not across how rates and that work and the levers that are available.

The Hon. EMILY SUVAAL: There are a lot of parts involved.

TROY MYERS: Yes, that's right. I think they still have enough there to be able to get what they need from the development. It just depends on what their contribution plan is going to do.

The CHAIR: Thank you very much, Mr Myers. We've enjoyed your presentation. Good luck in the business, Imogen, and with your studies.

(The witness withdrew.)

(Short adjournment)

Mr LEO PATTERSON ROSS, Chief Executive Officer, Tenants' Union of NSW, affirmed and examined

The CHAIR: Welcome back to the inquiry into rural housing and second dwellings reform. Thank you very much for joining us, sir. Would you like to start by making a short statement telling us about a summary of your submission and what the Tenants' Union does?

LEO PATTERSON ROSS: Thank you, Chair. Thank you, Committee, for the invitation to appear. The Tenant's Union is a specialist community legal centre. But really, in this appearance, we're primarily or relevantly the resource service and peak for a network of Tenants Advice and Advocacy Services who collectively assist between 35,000 and 40,000 renters across the State directly to navigate issues relating to their rental, including through advice, negotiation, advocacy and representation services. Of the 15 generalist services, eight are located in the area impacted by the terms of reference, as are three of the four Aboriginal managed and focused services who are also supported by our colleagues at the Aboriginal Resource Unit.

In towns such as Port Macquarie, Tamworth and Albury, the townships have renting populations higher than the State average. Tamworth, for instance, has 40 per cent renters at the last Census. Though one in three New South Wales renters live in regional areas, almost half—or just more than 16,000—of the renters who TAAS assisted last year are from regional New South Wales. We drew on that significant experience, as well as the advocates themselves in considering the proposal this Committee is looking at. We acknowledge the planning restriction that currently is preventing a family household from making the decisions that it might like to manage its own needs on its land. Multi-generational living can be very helpful in a range of areas of life, and family units are also generally well placed to resolve issues around shared areas in the way that that property is managed.

However, once you start dealing with people outside your family unit, particularly for a financial incentive, there needs to be more thought given to that legal relationship and the services being provided. We're concerned that too easily allowing secondary dwellings for rental use will exacerbate existing issues—particularly related to the management of properties, the infrastructure, the rights that tenants have—and will fail to deliver genuinely affordable and secure housing. Part of the reason we think this is we have seen the city version of this since 2009 with the relaxing of rules around granny flats or secondary dwellings, as well as the smaller dwellings that are already currently allowed in regional areas.

Our primary recommendation from our submission was to ensure that if a wider range of secondary dwellings are permitted to be built that, by the time that personal or family usage is severed, then there should be a formal subdivision of the lot or at least some other mechanism by which to manage that relationship. This will ensure that a lot of the issues we've seen—boundary issues, utilities and services connections as well as, potentially under planning rules, consideration of the community's general housing needs—can be taken into account. It would support the leasing out of property being done with eyes open as to the statutory obligations of a lessor. I'm happy to take questions. Thank you.

The CHAIR: I really enjoyed your submission, so thank you. It did make us think about this idea of subdivision. I'm personally on your side on that question, but I don't think this Parliament will be. Maybe that could be something that could be looked at in the future. I get your point about subdivision. If it's vague, if there's one title and two households living there, there's all sorts of little problems which I'm sure that you deal with. But you did just say that there could be a subdivision or some other mechanism of dealing with that. If you could flesh out what could be another mechanism. Because I agree with you, there's going to be vague rules between the landlord and the tenant and, in some cases, it could get messy.

LEO PATTERSON ROSS: We didn't have a specific alternative. Subdivision is the obvious route. Some of the ways that you could imagine it would be analogies from things like strata, community titles. The elements that are necessary is probably what we'd focus on—that is, some way of clearly defining the lot, the boundary that is being leased out so that you can say, "This is your area and this is my area"; making sure that the relevant authorities, including councils and utility providers, are aware of the dwellings that are there and need to be serviced, because that's something that keeps coming up for properties, including granny flats in metro as well as in regional. Australia Post and these similar sort of services often aren't aware of what has happened on the lot.

Once you have started entering into a leasing arrangement and you do have obligations around service of documents between the parties who might be on either side of a fence or a boundary line, if Australia Post is serving one party's documents back to their own address, it clearly becomes cumbersome and less useful. We also have heard reports—one of them is in the submission—of areas where the access routes and the ways to access a property are unclear as to whose obligation it is. A subdivision generally makes that clearer, because you have the line back to the common roads, streets and services. Those elements of clarity around the area, clarity of who is in control of that property at any one time, whether it's under ownership or lease, is what's needed. Subdivision provides that, but we could imagine a world where Parliament comes up with another option.

The CHAIR: There are there are already lots of properties across New South Wales where there's a single title of two dwellings, for whatever reason. How often in your organisation are you seeing complaints from tenants in that arrangement? Is this a common thing, or are we speculating that this could be the case?

LEO PATTERSON ROSS: Not everybody knows the titling and division arrangements of their property, so they're not always disclosed to us. When I was looking at our statistics over the last year, we did see hundreds of people contacting us about properties that they said were either rural dwellings—which may be wholly owned or semi-detached or duplexes—and they were in regional areas as well as in the city. We saw an increased level of complaint around utilities and services, in particular in regional areas. I said almost half—it's exactly 47 per cent of people seeking advice or receiving advice from the TAAS were in regional areas, but 60 per cent of the utilities and services complaints were from regional areas. That's where we think that this lack of clarity that already exists and is often associated with multiple dwellings on one side is coming through already, and we're concerned about it continuing and becoming greater into the future.

The CHAIR: Would you be comfortable with a regulation that if a second dwelling is rented, the development must comply with existing rental tenancy standards as a condition of approval? Would that be sufficient to alleviate your concerns?

LEO PATTERSON ROSS: Compliance with the Residential Tenancies Act and the regulations is already a contractual and a legal obligation. Promising to do something that isn't currently always being performed may or may not help. There is an element here where we have a renting system where the barrier to entry as an investor is very low—not in terms of price, which is obviously quite high but, unlike a food service business or any other business in New South Wales, essentially you don't have to have any understanding or any education around what your obligations are.

You receive that, ideally, at the point of entering into a lease. Now there is an information statement that property managers have to provide to landlords and landlords assert that they have read before entering into the contract, but we haven't yet seen that this has necessarily informed everybody of all of the kinds of things that you would want to be appraised of: that you have the cash flow, that you have the finances to maintain your obligations. So I think we would be worried that people would attest to that, and probably in good faith, but not necessarily have the backup of the knowledge in order to do it.

The Hon. SCOTT FARLOW: Thank you very much for your submission and for your attendance today. I take your point in terms of the number of complaints, but isn't one of the fundamental challenges in terms of regional New South Wales the lack of rental stock that's available—that, compared to the city in particular, there are so few rentals available in regional New South Wales?

LEO PATTERSON ROSS: Look, the vacancy rates in regional New South Wales are low, as they are in metro. We've sort of got a system-wide problem there that we don't have enough homes that meet people's needs in all of the areas that they'd like to live, including regionally. The suggestion we're making around subdivision also came with a suggestion that maybe that subdivision could be made easier. There might be elements—look, we're not the experts in the ins and outs of that kind of planning reform, but there may be ways to make that switch easier to achieve so that it's not necessarily blocking the actual construction of the dwelling but it is just making that process clearer.

It's saying, "This is what the different obligations, the different dwellings are." I think that we do need a range of ways to make sure that there are homes that are available to people that are meeting their needs. This proposal is about, essentially, increasing the size of those. Certainly we have an issue where families don't have enough homes that they can have enough room to live in. There's some benefit there. We just need that clarity—essentially, the accountability of, when you're leasing out this property, you know what your boundaries are both geographically and contractually.

The Hon. SCOTT FARLOW: I take it from Mr Ruddick's proposition to you as well that you're not against there being alternative mechanisms that could be looked at apart from subdivision itself.

LEO PATTERSON ROSS: Yes. As I said, we're not the technical experts in the planning law or the ins and outs. We can imagine that there's a way to weave this path that doesn't require full formal subdivision. What that is, we're not best placed to suggest.

The Hon. SCOTT FARLOW: I take it also that, in regional New South Wales, some of the rental arrangements that you would encounter and that some people would bring to you might be a little bit less conventional than what they perhaps are in the city. Is that a fair characterisation?

LEO PATTERSON ROSS: Yes. We detailed this in the submission. There's a much greater level of self-managed properties in regional New South Wales: 47 per cent are self-managed rather than 70-plus per cent

in metro areas. I think that goes back to their understanding of the Residential Tenancies Act, the Residential Tenancies Regulation, as well as planning for the provision of rental housing, maintaining properties, making sure that they're up to standard and so on. I think it's also fair to say that, putting aside the quality, it is also the relationships. When people have a large block of land, the formality of the relationship there may not be as much because it's essentially "my big lot"—"I've put a house on it," or, "I've put a dwelling on it and I've leased it out," and that's enough. Maybe originally the person—you knew them from town or they were essentially a friend, but then they move on, the next person comes in, the relationships change and alter.

We've seen a number of contracts that just don't comply with the legislation. We've also seen standard form agreements but then with many additional terms that don't comply or are very unusual but maybe they do comply. We've seen a range of disputes come up, particularly in relation to the services and utilities. When those go wrong, particularly with water, that can put a lot of pressure on households. These are essential services. It's required to have a healthy home. Access provisions is the other area, where you might have a property in the middle of a farm and maybe the animals are managed, whether formally or the dogs run around—managing those relationships both of the property owner and of the resident, people come up with sometimes creative solutions.

The Hon. SCOTT FARLOW: One of the other concerns from your submission was with respect to short-term rentals and these properties being transitioned across to short-term rentals. We heard from our witness prior that one of the loopholes people use at the moment is in terms of tourism accommodation, effectively creating tourism accommodation on these sites rather than a secondary dwelling. Is that so much of a problem then, if you've already got that loophole that exists?

LEO PATTERSON ROSS: Any loophole then has unintended consequences. I'm not familiar with that particular term—as in the term of the planning law—and how that would impact or interplay with this proposal. I think what we would say is we really want to see a much better systemic approach to the provision of both short-term holiday accommodation and longer term residential accommodation. We don't really have the balance right. Particularly in regional areas we've seen a number of towns that have really struggled to keep people in employment in the local area because they've been priced out or displaced for the tourism accommodation. There has to be a balance there. The town might need that tourism industry, but we need to make sure that there's the workforce and the community to support it and often to make the community the attractive place that it was to start with.

The Hon. SCOTT FARLOW: Wouldn't an initiative like this—being able to increase secondary dwellings on rural properties—help to alleviate some of those concerns? Even if it were to create, for instance, a short-term rental accommodation piece, that might be a short-term rental accommodation piece that wasn't taking away an existing dwelling at the moment or, alternatively, that provides additional accommodation for people working in the tourism industry or the like.

LEO PATTERSON ROSS: Exactly. Our recommendation around short-term renting is that councils are given a lot more ability to look at the current mix and the current availability of stock in the area and make better decisions around whether one currently rented out for long-term residential use could or should be converted. This kind of proposal and allowing tourism accommodation on a larger farm lot might well mean that that balance is easier to achieve. At the moment, councils don't have that ability. That's the world we'd like to see. But you can certainly see a path there.

The Hon. WES FANG: In relation to the competing aspects of the rights of a renter versus the ability for people to actually find a rental property, what do you think is the greater priority at this time? Do you think it's ensuring that the second dwelling proposal doesn't impinge on renters' rights, or do you think it's actually the case that, for a lot of people, finding a rental property in and of itself is the hardest bit, and we need to increase the supply?

LEO PATTERSON ROSS: I think it always has to be a balance. It always has to be both. We are coming from a long way back in relation to tenancy rights in New South Wales. We have to improve both the quality and standard of the housing, the quality and standard of the management of the housing and, really, the general consensus about what the rental sector is trying to achieve. The rental sector should be trying to achieve homes for people, and that includes building new homes. But, at the moment, I think we're often trying to work at cross-purposes. In a regional area where there's a significant shortage of dwellings and that is the driving problem, it might be that building more is needed. We also have to ask: What is being provided? What's going to be the eventuality of this? It does need to be genuinely stable housing that people can rely on as their home for a period.

One of the concerns we have about this proposal, without oversight, is that what we have seen provided in regional areas, particularly on a property where the landholder steps into the shoes of a landlord by leasing it out, is that informality and that lack of clarity. That means that the home being provided isn't necessarily meeting the needs of that person. I think we have for too long accepted a substandard quality of housing and said, "You need

to accept that, because it's the best we've got." I think we can do better. We're a very wealthy country. We're a very sophisticated system and democracy. We can achieve much better results both through supply and through the experience of renting.

The Hon. WES FANG: Without sounding flippant, that's a very philosophical approach, isn't it, to the holistic view of renting in New South Wales, particularly in rural and regional parts? But, in reality, it's the supply side that is under great pressure at the moment. Increasing supply would assist people in finding rental properties, would it not?

LEO PATTERSON ROSS: Increasing supply would assist people in finding a rental property. Whether that property meets their needs is the point I was making. And yes, I got very philosophical. Let's be practical, planning reform, including in the metro areas as well as regionally, is part of the process in order to achieve those properties. It doesn't guarantee a result. We can zone for a certain capacity—it's not going to get built at that level. So I think that we have the space to say, "We are planning for properties and we're going to make those properties good quality and meeting the needs of the community." We've got the ability to do both.

The Hon. WES FANG: I guess what I'm saying is that the issue around renters' rights is a different legislative issue compared to the issue around regional second dwellings. We know the Minns Labor Government has been pretty poor in relation to rental rights. They say they'll do one thing and then turn around and do something else when Minns has a meeting with somebody—whoever. We don't know exactly what happened there, but they reversed their position on a number of matters. In relation to the supply of housing, increasing supply will potentially open more doors for people that can't find a rental property at the moment. That's the reality, right?

LEO PATTERSON ROSS: Yes. But, again, I think we can't say any door is better than—well, any door is better than no door.

The Hon. WES FANG: Any door is better than no door. I think we can say that.

LEO PATTERSON ROSS: I think we can't accept that as the end result. Certainly tenants' right should be separate to the planning. Our recommendation around the subdivision is about making sure that that clarity of what you're providing is there, so that then whatever decisions are made elsewhere can be made.

The Hon. WES FANG: Also, feel free to provide a view on what you think about the Minns Labor Government turning their backs on renters, as they did recently.

The CHAIR: Mr Fang, let's see if the Government has some questions for the witness.

The Hon. EMILY SUVAAL: Mr Ross, thank you for appearing today. Thank you for the additional information about the issues that you're receiving. It's alarming to hear the percentage of which are coming from regional New South Wales. Are you able to give us an indication of—and it may be something you have to take on notice—the number of those issues that relate to matters involving secondary dwellings?

LEO PATTERSON ROSS: I can take it on notice. It is a little difficult to say authoritatively because of that issue—not everybody discloses, not everybody knows their titling arrangements. We can take it on notice and provide what we are able to that's relevant.

The Hon. EMILY SUVAAL: It would certainly be interesting to see whether that is a consistent theme amongst some of the complaints that you're receiving. It's really good to have the examples that you've provided as well in terms of access roads and metering requirements. Given the number of granny flats or secondary dwellings that are being built and some of the potential benefits of those in alleviating the housing issues that we are facing, but then also some of the complexities that they throw in with the separate metering entitlements and various other things—it is recognised it's a common area of dispute in your submission—how do we improve that and the way that it's done? Is it the case that we need to improve the education that's being provided—or the lack of—to landlords? What are your suggestions for assisting that?

LEO PATTERSON ROSS: Going to the development of granny flats and our history of it in New South Wales, and particularly in Sydney, I suppose there's two aspects to it. There's the granny flats that are developed and put into a property, and then, either together or independently, people are either moving in as owners or renters, but it's a fresh arrangement. The properties are there; the occupants come second. That's where we have metering, we have issues around common areas, and a lack of clarity around that. That's echoed here. The second aspect that is worth drawing out is where you're actually developing a property where somebody is already living. They've taken a lease out on a house with a yard, and halfway through their contract, they're informed that they're going to lose that yard. That is a breach of contract. There's a breach of access rights to do that. They're often not given any compensation or they're not informed of their ability to resist. They would need to get legal advice. That has been a really frustrating area.

I think what it speaks to is a general lack of respect for renters' homes as their home, and a lack of respect for the contract itself. We've seen, through the development of the eviction reforms as one example, that we keep resisting or we keep not taking up the opportunity to encourage more negotiation between the parties so that, if you are a property owner and you want to build a secondary dwelling in your backyard, you go to the occupant and you say, "I'd like to take part of what our deal was and I'd like to compensate you for that." That's similarly with the new grounds around selling a property. There isn't actually a need to evict a person in order to sell a property. You can sell it and say to them, "Look, I'm going to compensate you for your inconvenience. If you need to leave earlier, I'm going to pay for your moving costs." We can negotiate this rather than using a cudgel of the law to say, "I'm just going to control this dwelling."

Negotiating and finding a common ground is often the best path through these kinds of disputes. It usually means that both parties come out relatively happy and that there's less resentment on either side, and the result happens. But our legislation, and potentially this planning reform, might, not directly, assist or facilitate a new path of people being pushed out of or losing part of what they thought they had agreed to and what they thought they had made a legal contract for. Underlying that is respect for the rented home. We would like to see that increase. A crucial part of housing reform generally is acknowledging that everybody's home is a really important place, a shelter and a place where they need to feel safe and stable for society to prosper.

The Hon. EMILY SUVAAL: Your submission also talks about housing standards and potential changes, which I thought was an interesting observation. If the changes are made, planning laws will be important to ensure appropriate dwellings are built for the environment. Do you have any suggestions as to how that could be required?

LEO PATTERSON ROSS: In general, the building quality standards through the construction code have improved and newer buildings are generally much better than older buildings, particularly in regional areas, I would say. What the construction code requires doesn't necessarily reflect the actual property in its location. Making sure that there's foliage and good green coverage is really important rather than big open areas or concreted and less natural areas, because the environment around a dwelling can have a really big impact on the experience of living in it, from a thermal comfort perspective. We've seen this in Western Sydney, which is an example of allowing a lot of construction without thinking about the impact of thermal comfort and foliage to keep everything more comfortable and more energy efficient for everybody.

I suppose we have seen some very poor construction in regional areas over time. How much that would be an issue with this reform, which would be new dwellings—I think we would just want to make sure that those standards are there. We want to see that the outcome is good quality standards. But the more modern construction codes, when they are built to basic standards—we have NatHERS and I think we are up to seven—that would be the standard that would generally be what we would be looking for. Actually, our bigger challenge in New South Wales is getting all the existing dwellings up to that level.

The CHAIR: Thank you, Mr Patterson Ross, for your evidence. The secretariat will contact you in relation to questions taken on notice. Thank you very much. We enjoyed your presentation.

(The witness withdrew.)

Dr ANDREW RAWSON, Adjunct Associate Professor, Charles Sturt University, affirmed and examined

Ms CHRISTIANE BERLIOZ, Deputy Convenor, Better Planning Network, affirmed and examined

The CHAIR: Thank you very much for taking the time to give evidence today. You have submitted a joint submission, which we have read, and we're very grateful for that. Would either or both of you like to make an opening statement?

CHRISTIANE BERLIOZ: I'll start with a general one. BPN cannot support a policy that applies a one-size-fits-all approach to RU1, RU2, RU4, RU5, RU6, C3 and C4 zones across New South Wales and that does not account for the diverse circumstances of different regions. The blanket approach does not take into account variations in requirements for different agricultural productions or activities. It doesn't distinguish between the different objectives of the RU zones and conservation zones. The proposed unchecked subdivision of rural lands can lead to fragmentation of rural agricultural land and conservation areas and can conflict with local government strategic plans.

ANDREW RAWSON: Thank you to the Committee for the opportunity to provide a submission to the inquiry. I speak on behalf of the Better Planning Network, but my background is as a scientist working in land management areas for the last 40 years, both in State governments and universities. I'm also a local councillor in Cabonne shire in the Central West and chair of Central Tablelands Water, so I have experience in the local government sector as well. You have our written submission.

BPN acknowledges that there is potential for increasing the proportion of the New South Wales population in regional and rural areas, in support of the concerns about housing and to allow rural areas to improve the housing situation. However, this can only be achieved with significant investment in fundamental infrastructure such as transport links, telecommunications, health services, water supplies and sewerage facilities in regions where these facilities are historically poor. Rural lands of sufficient size could be utilised for this purpose. However, most of the current conditions on development in those lands that determine minimum lot size and the applicability of complying developments will still exist, regardless of housing need. These conditions include consideration of environmental sensitivities and heritage values, maintenance of agricultural productivity and impact on council services.

Complying developments are traditionally used for relatively low impact or non-controversial developments. Extra dwellings on a particular block of land would not be considered non-controversial. Complying developments should never be instruments to create developments that would traditionally fall under full scrutiny of councils, including significant infrastructure that may have environmental or heritage impacts. It's not possible to articulate all possible permutations of risks or impacts of these proposed amendments across all RU and C zones in New South Wales.

For this reason, power to develop and apply local development control rules and interpretation of zonings must rest primarily with local councils. Local councils already have the ability to consider secondary or dual occupancy dwellings in RU zones. They are best placed to determine whether or not such developments align with current plans, community expectations and any potential impacts. For those reasons, BPN does not support the use of complying developments in rural and conservation zones to include second dwellings. It's the wrong instrument as it seeks to override well-developed and well-acknowledged controls that are contained within existing LEPs.

However, we believe that relaxation of some second dwelling restrictions may be possible in locations where transition to higher ground is warranted due to increased risks from climate change, and specifically here I'm talking about higher sea levels, higher flood heights and the combination of those. This would allow controlled retreat from high-risk locations. Dual occupancy could be allowable for the period of transition, which may in some instances take decades. This relaxation of restrictions in this special case provides reassurance for occupants as well as a temporary income stream or extended family dwelling for the period of transition. It also reduces the financial burden of climate impact on affected rural landowners and reduces the inevitable costs of buybacks, which generally fall back on every level of government.

The CHAIR: Ms Berlioz, you said that you don't believe that it's a good idea to have a one size fits all that the State Government imposes across the whole of New South Wales. In an ideal sense, I agree with you, but this State is in a housing crisis right now. That is causing a lot of angst for millions of people, and this building needs to do something. While you might be right in an ideal sense that these decisions should be devolved down to the local level, I think there's a consensus in this building that at the local level the local council is one of the biggest causes of the housing crisis, and so this building does have to take action. While it may not be ideal, I think

that we should use the power of this house to liberalise what people can do with their properties. What do you say about that?

CHRISTIANE BERLIOZ: I think the Government has done it already in metropolitan areas in Greater Sydney, and there's capacity for increased housing—appropriate housing—in some of the rural centres, like the town centres. But as far as strategic planning goes, this ad hoc kind of development in rural contexts where you have agricultural lands and productivity to consider means that there are certain risks that are associated with fragmentation of land—that can be conservation lands—and the subdivision of land so that you have inconsistency with some of the local plans.

I know some of the regional councils—and I'm not from a regional council but I've read the submissions—have strategic plans where they are envisaging subdivision in certain areas and that if rural lands outside those areas were to overdevelop, which could happen with all of these subdivision patterns—the possibility—as proposed in this policy, you could end up with a concentration of dwellings outside the area that's planned strategically to develop housing which would be accommodated by the appropriate infrastructure. That's another thing too; you have to think of the infrastructure as well.

As far as the blanket approach, first of all, I have been on council and it's easy to blame councils for stopping development, but in this particular case we're concentrating on rural lands and C zones. I reiterate that, as presented in this policy, it is such a deregulation. There's nothing to prove either that it is actually going to contribute significantly to the housing process or that there will be development in an appropriate way. I'm sorry. I just don't agree with this ad-hoc, top-down approach, and I can see more risk at losing certain things like agriculture, productivity and conservation lands.

The CHAIR: Surely the footprint of building a second house is going to be of absolutely minuscule impact on farming. It's going to be a quarter acre at most that's going to be taken up by the housing. It means the agricultural productivity could increase because seasonal workers could live in that second residence.

CHRISTIANE BERLIOZ: But there is possibility already in LEPs for secondary housing, especially for workers' accommodation, so all of that is already a possibility.

The CHAIR: We have received a very high number of submissions from landowners and—with one exception—they were all very much in favour of this. Dr Rawson, you said that councils are best placed to make these decisions?

ANDREW RAWSON: Indeed.

The CHAIR: But, Dr Rawson, do you acknowledge that they are not making these decisions?

ANDREW RAWSON: No, I don't acknowledge that. I don't accept that premise. That is something that you've said, and I don't agree with it. Certainly the council in my area is very rapid when it comes to development applications and considers every single development application as quickly as it possibly can. There are many reasons why there are roadblocks to development. It's not necessarily local councils and it's certainly not necessarily rural councils.

The CHAIR: So in your council area, there are lots of second dwellings being built at the moment?

ANDREW RAWSON: Actually there's quite a few extra second dwellings in a place called Eugowra, where we've had to put in lots of pods to support the people whose town was essentially wiped out by flooding of epic proportions. We very rapidly changed the rules to allow for pods to be put in people's backyards, and we've in fact extended that across the shire to allow for smaller secondary dwellings in rural areas, because we believe that to be acceptable in many places. It's not acceptable everywhere. There are some particularly smaller lot sizes where the increase in the development density would have an impact on the local amenity, the community amenity and also local services, so council services, the cost for services and that sort of thing.

The Hon. SCOTT FARLOW: Just to that point, in terms of those secondary dwellings, are they in the tiny home configuration or are they the sort of van homes or the like?

ANDREW RAWSON: That sort of thing, yes, in line with the requirement to allow for pods in places where houses have a significant flood risk or have been damaged significantly by flooding.

The Hon. SCOTT FARLOW: With respect to Cabonne Council, what's the process that you have to go through at the moment in terms of putting a tiny home on a block or having a van home or the like on a rural property?

ANDREW RAWSON: Well, you put in a development application.

The Hon. SCOTT FARLOW: So all of them require development applications. Are they time limited at all? For instance with a van home—at the moment what are described as caravan homes and the like—are they required to be moved at any point in time?

ANDREW RAWSON: No, not to my knowledge.

The Hon. SCOTT FARLOW: With respect to this issue—and I'll take it from you in a regional community—are you seeing increasing demand for secondary dwellings outside of the Eugowra example, of course? Are you seeing increasing demand for secondary dwellings on properties?

ANDREW RAWSON: I'd have to take that on notice. But, no, I don't think so. I certainly haven't seen any obvious increased demand in our area. I think most people who want to move into our area would just buy whatever is available or develop whatever is available. I've seen a few, but generally these are accepted fairly readily by council. In fact, in many cases these don't even come to council, so they're considered by council staff and are accepted fairly readily.

The Hon. SCOTT FARLOW: To the Chair's point, a lot of the submissions we've received are in favour of these increases in terms of permissibility taking place. Some are very much citing in terms of the objective to be able to retain the rural characteristics because they are able to keep their families all on one property, not having to have the additional burden and cost of housing and the like and being able to have multigenerational families. Is that something you acknowledge is potentially desirable when it comes to regional and rural properties?

ANDREW RAWSON: It's absolutely desirable. But this amendment, as suggested, doesn't change anything that already exists. There's already the ability for people to ask for a secondary dwelling or to have a granny flat or a pod or something like that. That's certainly so in our area, and I suspect it would be the same across the State. It has to be on a case-by-case basis. It has to be on a basis that is acceptable to the local community. There are conventions, if you like—or more than just conventions—that sit within the LEPs. There are the zonings that exist for reasons. In the case of rural zones, the minimum lot sizes in a particular area are very much based around the level of agricultural productivity that is possible, which is based on the climate, soils, access to markets and so on. In some areas where the productivity is high, you can have smaller lot sizes and still have reasonable agricultural productivity from a lot.

Our council has traditionally, over the years, kept an eye on that to make sure that the intent of the rural zone remains secure and that the whole point of having an RU zone is to provide for agricultural productivity, rural landscape, amenity and so on. For example, tourism is a very big industry in my area. It brings in a lot of money to the area. It's not just agricultural productivity but also the tourism based around that. If you start to increase the density of housing in those small lot locations, that then has an impact on the visual amenity of the area. It has an impact on roads, infrastructure and so on. These are the things that are best managed by local councils.

The Hon. WES FANG: Mr Rawson, thank you for appearing today. It's good to have somebody from a regional perspective come and provide some evidence. In relation to the shire, what is the average time for a development application to be assessed and passed by council?

ANDREW RAWSON: I could look it all up, but every month we get the figures. I think it's down to around 30 or 40 days, something like that.

The Hon. WES FANG: We heard that in some of the outer metro areas where this is looking to be rolled out, they were saying that it would take about 12 to 18 months for an application. In Cabonne, it doesn't take that long. Is that right?

ANDREW RAWSON: Well, no. I suspect that it's not because—I can certainly remember putting in a development application in Sydney, when I was living in Sydney, that took five months. When I moved to the country many years ago, after three weeks I got a letter from the council apologising for taking so long. In many rural areas—it's not every rural area. Certainly there will be some where there are certainly a lot more development applications going on. Perhaps it just takes them that little bit longer. It's really more a function of the number of planners that are available who can process this.

The Hon. WES FANG: In answer to another one of my colleague's questions, you said that you found that a lot of the people who move into your area are likely to buy or develop their property. Is that effectively suggesting there isn't a great deal of need for the second dwelling rollout in Cabonne?

ANDREW RAWSON: It's not to say there's no need. There is potential need, but it's managed by current controls. Certainly there are instances where larger properties are being broken up into smaller lots and people are building. We are being asked to agree to some minor modifications there to allow for a slight change in the minimum lot size for that to occur, just for practical reasons.

The Hon. WES FANG: I take it from when you moved from Sydney to the area that you put in a development application and you had a pretty quick turnaround on that. Ms Berlioz, in relation to your experience, do you own a property in Sydney that you live in?

CHRISTIANE BERLIOZ: Yes.

The Hon. WES FANG: Have you had an application for a development on your property at all?

CHRISTIANE BERLIOZ: Yes, but it was a complying development. It was a renovation. It was just a slight extension, so nothing major.

The Hon. WES FANG: And how long was that process?

CHRISTIANE BERLIOZ: It was very quick.

The Hon. WES FANG: What strikes me in relation to this is that we have two people here that own and live in their own properties. How much contact have you had with people that aren't in a similar financial position to you, that are desperate for the ability to access short- or long-term rental accommodations and that might be desperate for these sorts of reforms to be rolled out? Have you spoken to people on the ground? I'm sorry, Mr Rawson. Hansard doesn't record shaking of the head. I'm noting that you're shaking your head. Have you not had feedback from people that are perhaps desperately trying to find rental properties in both of your areas?

ANDREW RAWSON: I'm sorry. I'm not shaking my head. I was waiting for you to finish your question, to answer. Of course I've spoken to people. I've got children who are in that situation. I have children's friends in that situation. I'm a councillor in a shire that has lots of people in that situation. So of course I have. Have I come across anybody who's desperately wanting a second dwelling on a property? No—not one.

The Hon. WES FANG: In that circumstance then, even if these reforms are rolled out and you haven't met a single person that's desperate for it and nobody, as you said, is knocking down your door, is it really going to have an impact on your area? I mean, you're here advocating against it.

ANDREW RAWSON: Yes. I'm advocating against it because I'm here on behalf of the Better Planning Network, which is not my shire. I'm advocating on behalf of all areas of New South Wales where rural zones exist.

The Hon. WES FANG: That was a fantastic segue for me to get to my next question. In relation to the Better Planning Network, Ms Berlioz, I note that you're one of the two people indicated on the website as the leadership group. Do you have a political affiliation or does your group have political affiliations?

CHRISTIANE BERLIOZ: None at all—well, not that I'm aware of. I've never had any political affiliation.

The Hon. WES FANG: Why is it that on the front page of your website, there's a Socialist Alliance sign that's highlighted on the top banner in your group? Socialist Alliance being socialists, effectively.

CHRISTIANE BERLIOZ: I have no idea. I'd have to have a look at the website, but it's probably a photo that was taken at a rally of some sort. But it's not a political—

The Hon. WES FANG: I believe there are only three or four photos that are featured on the front page of your website, and one prominently features a Socialist Alliance banner. That brings into question the nimby attitude of your organisation and what it is that you're seeking to shut down here.

CHRISTIANE BERLIOZ: First of all, I have nothing to do with the design of that website.

The Hon. WES FANG: You're part of the leadership group, are you not?

CHRISTIANE BERLIOZ: Yes. We will look into it, now that you've raised it. But I don't accept this nimby-yimby thing that has been propagated by government to divide the community. Under the BPN banner, we just wanted—if you have a look at what the idea was, BPN started under part 3A when part 3A was coming in. It's just a question of having community participation in strategic planning, not just the blanket dominating of things without considering the existing communities. The local planning and overriding LEPs, which have been done in consultation with people, considered local impacts and reflects to a certain extent on the RU lands as well. It's this blanket approach where local councils are aware of the constraints within their areas, the needs within their areas. It's not a question of saying no to everything. It's a question of proper planning and better planning so that we've involved the community, you've considered the needs of the community wherever it is—whether it's rural or metropolitan—and that you respect heritage and environment and respect the community.

As far as affordability goes, I'll come back to the question about have I met people who have problems. I'm very fortunate that I haven't met many, but I have got a son who can't afford to buy a house. He's renting, but

why? Because house prices are going up regardless of the policies and regardless of the thousands of unit developments, the thousands of dual occupancies that are allowed and all these policies which actually have not dealt with certain issues which are causing the housing affordability problem. I don't buy into this being divided as yimby nimby. I find that offensive. As far as Better Planning Network goes—I think I've been a member for four years, and the focus has always been on appropriate planning, preserving heritage and environment and giving consideration to community participation.

The Hon. WES FANG: As much as I accept that, what I'm hearing is very much a nimby attitude. It seems to me that you're proposing that, because you were effectively in an area first, you want to have the rights to have an ultimate say about a location and the density or type of development that might be added there, because you were there first and it might impact on your life. You don't want these other things rolled out because it might have an impact on you. But ultimately, you started talking about agricultural land in one of your answers to one of my colleagues previously. What experience do you have in relation to agricultural businesses, agricultural lands and the management thereof?

CHRISTIANE BERLIOZ: Mr Wang, I'm—

The Hon. WES FANG: Fang.

CHRISTIANE BERLIOZ: Fang. Sorry. I beg your pardon. I haven't got my glasses on. With all due respect, I'm not here to argue about yimby nimby. I just gave a very general introduction to the fact that this was a blanket approach. I had read the submissions that have come in both for and against, and I gave—

The Hon. WES FANG: You talked about impacting agricultural land. I'm asking you, what experience do you have in relation to this.

ANDREW RAWSON: Thank you for your line of questioning. BPN, as far as I know—well, there are members of BPN who have had political affiliations.

CHRISTIANE BERLIOZ: Who?

ANDREW RAWSON: Who?

CHRISTIANE BERLIOZ: Anyway, doesn't matter.

ANDREW RAWSON: It doesn't matter. The organisation is apolitical. It's in the name—Better Planning Network. We're not no planning, we're not for no development. We are for better development, better understanding of the planning rules so that development is done in an appropriate way. As Christiane has said, it's not yimby versus nimby. That is just divisive. I'd take offence to that as well. It is—

The Hon. WES FANG: Good. I'm glad you take offence to it, because I take offence to somebody from Ku-ring-gai council and somebody that says they haven't spoken to people that are going to be impacted by this and hasn't had their door knocked down in relation to these issues.

ANDREW RAWSON: No, I said I have done.

The Hon. WES FANG: Well, you've said that nobody has come to you saying that this is going to be a huge—that this is something that they want in your area. It may be that this is actually appropriate for other areas and you're both here advocating against it.

ANDREW RAWSON: No, I'm sorry, you misheard what I said.

The Hon. WES FANG: Then clarify for me.

ANDREW RAWSON: I said that I've spoken to many people who have concerns about getting access to rental accommodation or a home. I haven't heard of anyone who specifically wants a second dwelling on a property to achieve that aim.

The Hon. WES FANG: Then why are you being a handbrake to those that do?

ANDREW RAWSON: It's not a handbrake. We have come up with a suggestion where it's absolutely appropriate to relax any sort of restrictions—

The Hon. WES FANG: Just as long as it's not in your backyard, right?

ANDREW RAWSON: No. It is in my backyard. Did you not mention the word Eugowra, which is—

The Hon. WES FANG: No, you mentioned it. I know all about Eugowra. I understand exactly what's occurred there.

ANDREW RAWSON: There are many places in New South Wales—in fact, a Climate Council report came out only just this last week highlighting that there are 600,000 properties in New South Wales that have flood risk, which is probably, in fact, definitely, going to increase—

The CHAIR: From rising oceans?

ANDREW RAWSON: —due to increased storm activity, inland floods as well as, yes, rising sea levels and the combination of those effects.

The CHAIR: I have enjoyed your contributions, Mr Fang, but we do need to share it with the Government.

The Hon. WES FANG: Why do you take away my fun, Chair?

The CHAIR: If I had my way, you'd have another 15 minutes, but we have to be polite. Before we do hand over to the Government, just remind us, what type of an associate professor are you at Charles Sturt University?

ANDREW RAWSON: I'm an adjunct associate professor. I teach climate change science.

The CHAIR: Climate change science, right.

ANDREW RAWSON: I'm a soil scientist.

The CHAIR: Bill Gates has changed his mind on climate change. He says all the apocalyptic doom is redundant. That's good news, isn't it? Anyway, I'd like to hand over to the Government.

The Hon. EMILY SUVAAL: Staying strictly within the terms of reference for the Committee, my questions will be somewhat different from those of my colleagues. You may not have heard the previous witness who gave evidence this morning from Hawkesbury. They talked about—and their submission talked about—the suggestion for the Committee to also consider changes required for outbuildings and ancillary developments, such as sheds, pools and carports et cetera, and the fact that, currently, development cannot be approved via a complying development pathway where there is more than one dwelling located on a property. I just wondered if you had any thoughts or suggestions around whether that is something that you would support—basically making it easier for people in regional areas to have access to things like a shed, pool or carport.

ANDREW RAWSON: Certainly, in my area, some of those are exempt development, so of course. Perhaps it's a little different on the peri-urban fringe. This is the Hawkesbury. He was talking about Hawkesbury. It's a little bit different there because of population size, the relatively small area and that sort of thing, and quite restricted areas as well. I can understand, and this comes to my point that there are going to be significant differences in different LGAs across New South Wales, particularly because of the constraints. It could be just geomorphological constraints, soil constraints or whatever.

CHRISTIANE BERLIOZ: Bushfire.

ANDREW RAWSON: Bushfire risk and that sort of thing.

CHRISTIANE BERLIOZ: Exactly. Infrastructure, which is—

ANDREW RAWSON: That's one of the things that they particularly would have been concerned about.

The Hon. EMILY SUVAAL: Given, obviously, your experience—both of you—on local councils and having read your submission, the view is obviously quite clear that these sorts of decisions are best left with local councils to an extent. Given we're faced with this challenge of respecting the authority and the knowledge contained within local councils and their LEPs but also the challenges that we're facing as a State government in terms of housing and some of the impacts that a lack of housing supply is having on our State—the fact that we've got more young people leaving our State at the moment than are staying—what suggestions do you have for us to be able to increase the supply of housing? If it is your stated position of not agreeing with SEPPs overriding LEPs, what other suggestions do you have for us?

ANDREW RAWSON: I have given the suggestion here about the relaxation of rules in zones that require retreat from flood risk. In that situation, I think that actually will be quite a large number of properties, in fact, particularly up and down the coastal strip of New South Wales where there will be areas where it makes sense to allow a landowner to move their dwelling to higher ground on that same block. If it's restricted at the moment because you can't have a second dwelling on that lot, then you could take that restriction away and make it a complying development. That would actually be a lot of properties. That's one provision. In my area, I don't think this particular amendment is going to really help that much. I think there are many other mechanisms.

You could ask councils to—well, in fact, all councils. Certainly our council knows and understands there is a need for more housing in our area. Everybody understands that. There are many other mechanisms for doing

that. We've got strategic plans in place which allow for expansion of zones and, not that long ago, have allowed for a rezoning of land to allow more housing in our rural zone. So there are mechanisms already in place. You don't need a blanket ruling from elsewhere, which takes the control away. As Christiane said earlier, you'll get some very, very perverse outcomes out of a blanket approach via a SEPP or from something coming down from the State Government without there being that local understanding.

The Hon. EMILY SUVAAL: Do you have anything to add to that?

CHRISTIANE BERLIOZ: Thank you for asking. My simple comment is, without living in a rural area—although I've got family who do live in rural areas, or have a house in a rural area—

The Hon. WES FANG: Second dwelling?

CHRISTIANE BERLIOZ: The comment I was going to make was simply that when we come back to just a planning issue, there needs to be closer regard to the objectives of each one of these zones before you adopt a general policy that allows the same thing on all these properties. You've got to be a little bit more discerning, especially as LEPs do allow secondary dwellings. I'm just saying you look at the objectives of your different zones, especially the environmental management and the environmental living areas, which accept secondary dwellings anyway. You've got to take that into account and consider—as for the conservation zones, which I'm concerned about, in particular—the fact that under the current governments, both State and Federal, there is a review of the environmental protection Acts which are actually weakening environmental protection. They're making them much more loose, if you like. So when you're going to start applying that, in addition to opening up conservation zones to very flexible regulations that allow increase in development or subdivisions, I think, environmentally, that's going to have a very dramatic effect.

The Hon. EMILY SUVAAL: Your submission also states quite clearly, for second dwellings, that a secondary dwelling should not be larger than the existing dwelling. Taking that as Better Planning Network's position, what would you say to the situation that I see consistently—I live in a regional area—where you've got blocks of land with a three-bedroom, one-bathroom miner's cottage, for argument's sake. It's weatherboard, on piers, very small and certainly not compliant with our current requirements for homes. Why should it be the case that, in that situation, you can't build a secondary dwelling that would be larger and fit for purpose for, say, a young family to live in? Because a three-bedroom, one-bathroom home is going to be challenging for many families, let alone multigenerational families.

ANDREW RAWSON: I think it comes back to being a case-by-case basis. I wouldn't be suggesting that there be a blanket ability to allow that sort of thing coming from a SEPP. I just don't think so, because I suspect something like that might end up being abused. In the situation you've just described, I think the local council would be able to make the right call to make sure that that was done appropriately.

The Hon. EMILY SUVAAL: You would hope so. Unfortunately it's not always the case that that happens.

ANDREW RAWSON: It's not always the case. But at least they should be given the opportunity.

The Hon. EMILY SUVAAL: We're stuck in this situation as well where, on the one hand, yes, we're trying to encourage and get homes built quicker and respect that, as you say, if we put something like that in place at a SEPP level, it may well be open to abuse. I absolutely take that point. But then, if we leave that with a council, it's fraught with those challenges of it not being a complying development and not sitting in a simple pathway. Councils are very reluctant to approve anything that may be outside of—there isn't a degree of discretion that is always taken, certainly at that level of approvals, in council. If it's not a SEPP and we do leave it with councils, is there anything else that we can do to make it easier or signal that this is something that is okay to do? It just doesn't seem to be the case that common sense, as you would think, would necessarily prevail.

ANDREW RAWSON: To some extent it does come down to interpretation by council staff and planning staff about this. Some are quite religiously following the rules, which is perhaps what they should do. But some provide a level of interpretation. There's always a level of interpretation in any of these instruments, as you probably know. I'm very concerned about taking away that ability to make a local call just by having a blanket instrument from above. I think it will throw up too many perverse outcomes and too many bad outcomes. I think the bad outcomes will outweigh any potential good ones.

CHRISTIANE BERLIOZ: As I recall, in the discussions amongst the community, including Andrew, there was also a hesitation because it's not specified in the proposed changes if—I understand where you're coming from, because I've lived in a 1960s house with all the restrictions et cetera. I can understand why people would want to do that. But our interpretation of the way it was presented was that you keep the older house, you build the bigger house, and then you can demolish the original house and then go in for a house that's bigger than the

bigger house that you've just built. What provisions are you bringing in? How far do we go? You've got to define the lot size or how many houses per 40 hectares. Is 40 hectares appropriate in every area? Probably not. I know some councils are going for less, and they've got reasons to do it.

I come back to the planning principles, not that I've lived in the regional areas. Sometimes you need to have some specifics in place, even though you don't like regulations and you want flexibility, just to see what the cumulative impact will be and what the reality is when you put these regulations in place. That was an example of what we were thinking when we discussed it. We thought, "Okay, you go for the second one, but then what happens to the next one?" I don't have the answer, and maybe you've got it. But it was just a comment to raise that possibility.

The Hon. EMILY SUVAAL: I think also, if you're going for the bigger second one but then demolishing the existing one, in a housing crisis how does that make any sense?

CHRISTIANE BERLIOZ: That's happening everywhere.

The Hon. EMILY SUVAAL: I know.

ANDREW RAWSON: If the second dwelling was a complying development, then you could demolish the first one and build yet another one. You can have two buildings of much larger size on the same lot. That was the problem. It would go on and on and on.

CHRISTIANE BERLIOZ: And it might not be a problem in certain situations. The point is there's nothing in this regulation that would absolutely limit anything. There's nothing. It's just an open slather policy. I think it needs a little bit more definition and consideration of the individual zones and their objectives as to whether this policy is really going to respect these objectives. That's all.

The CHAIR: Thank you very much. Our time has come to an end. Thank you for your evidence. The secretariat will be in contact with you in relation to any questions taken on notice.

(The witnesses withdrew.)

Mr MICHAEL SAID, Assistant Director, Housing Industry Association, sworn and examined

The CHAIR: Mr Said, would you like to make an opening statement?

MICHAEL SAID: Thank you for providing the Housing Industry Association with the opportunity to appear before this Committee today. HIA is Australia's only national industry association representing the interests of the residential building industry. Our members are involved in delivering more than 170,000 new homes each year through the construction of new housing estates, detached homes, low- and medium-density housing developments and apartment buildings, and through completing renovations on Australia's nine million existing homes. Everyone knows that we are in the midst of a housing crisis and need to build around 75,000 new homes in New South Wales each year to meet our housing accord targets. Based on current projections, HIA estimates that we are on track to build less than 50,000 per year. That is going to fall very short of the target.

HIA is very supportive of the great housing delivery initiatives being progressed by the State Government. This includes the Housing Delivery Authority, transport oriented development, pattern books, low- and mid-rise housing reforms and, in particular, the planning systems reform bill which, disappointingly, has been unnecessarily delayed in the upper House. While these reforms will have a positive impact, it will take time for the full benefits to be realised. They are also largely focused on medium- to high-density housing. If we are going to meet our target, we need more homes of every type, everywhere, for everybody. We must therefore look for opportunities to increase supply in the short term, and this includes within rural and regional areas.

Secondary dwellings and dual occupancies are one of those opportunities. They contribute to housing diversity and are an important component of the housing mix. These dwellings utilise existing land and thus can be delivered faster, helping to increase supply, whilst also providing more affordable rental accommodation. Since planning rules were relaxed in 2009, we have seen a rapid increase in the number of secondary dwellings built in New South Wales. HIA has previously estimated that, on average, there could be 4,320 secondary dwellings approved for construction in New South Wales per year. Making secondary dwellings easier to build in rural areas would only see this number rise further. This will have positive flow-on impacts for local communities and businesses, including the construction sector in rural and regional areas.

For any reforms to be effective, though, they must be supported by a streamlined complying development approval pathway. This will ensure certainty, deliver keys in doors faster and reduce construction costs. Some local government areas already permit secondary dwellings and dual occupancies in rural areas, so we know it can be done well. It is unlikely that additional dwellings on rural land will have an impact on the amenity, primary production or agricultural capacity of existing rural lands, or contribute to fragmentation. Instead, they will likely complement and support these uses. Relaxing restrictions on second dwellings in rural areas more broadly, and where they can be constructed, can therefore only be a positive step forward.

The CHAIR: I'd like you to elaborate on one of the points you made in your very good submission. I will just read out that paragraph:

Secondary dwellings in rural areas should be permitted as complying development. The development standards that allow primary dwellings in rural areas to be undertaken as complying development could be easily adapted to also facilitate secondary dwellings in rural areas. Without a suitable complying development pathway, the benefits of reform in this area would be greatly reduced.

Could you elaborate on that point, please?

MICHAEL SAID: Complying development is a streamlined pathway. Because of those clear, consistent standards that are set across New South Wales, it provides that certainty. People know exactly what they need to comply with, and that provides certainty. At the moment, without the complying development pathway, you have various different councils setting their own individual standards, which undermines the potential reforms, makes them more complicated and slows down the process. With complying development, generally approvals are significantly faster than the development application process. They're significantly cheaper. Without those reforms or without making it complying development, it's unlikely it's going to deliver significant change because generally the development application pathway is much more difficult and doesn't sort of facilitate faster approvals.

The CHAIR: You also mention that in addition to helping with the housing crisis by increasing supply and increasing the value of the asset of the landowner, there are also other secondary benefits around employment in the local building industry. How significant do you see that could be in the building supply and the demand for tradesmen? How much could you see that being a positive development in the rural areas?

MICHAEL SAID: Anything that has increased supply and an increased amount of construction work is going to be a benefit. At the moment, we've just come out of a bit of a low point in terms of the number of houses we've built, so the demand isn't there as much as it has been in previous years. Anything that can increase supply

will help provide work and employment for those people and increase the construction industry. Also, if it's through a simplified approval pathway to make less red tape, it's going to then encourage a lot more people to stay in the industry. We are seeing some builders, and some experienced builders, leaving the industry because obviously things have gotten too hard and too complex. Making that a lot easier would encourage a lot of those people also to stay. It creates work and it also creates apprenticeships. Obviously there are significant positive benefits to the industry in allowing more development in those rural areas and regional areas through things like secondary dwellings and dual occupancies.

The CHAIR: If this reform comes about, we don't know what the effect will be in the real world, but there could be a lot of demand to build a second residence. Have we got the manpower? Does your industry have the manpower to provide the tradesmen to get this done or would that be something that would be a concern of yours?

MICHAEL SAID: I couldn't specifically comment. I don't have any of those figures in terms of trades availability, particularly in regional areas. If there was a significant uplift in demand, there could be those issues, but I don't necessarily think that would be the case. I think the industry would be able to deal with that and adapt to it. I don't think that would be a significant issue in terms of a reason not to do it. I think the industry would be able to adapt and pivot to construct the additional dwellings that might be required as a result of any changes that come into effect.

The CHAIR: That's good to hear.

The Hon. SCOTT FARLOW: Thank you, Mr Said, for your attendance here today and for your submission as well. We just heard from the last witnesses that effectively this can be done already and that the system adequately through councils and LEPs is the right way to navigate this process. What would you say to that?

MICHAEL SAID: I don't know if it is happening. The issue is it's inconsistent. You can have a look. Some councils allow secondary dwellings; some don't. Some allow dual occupancies, but most of them are only if they are attached, so that creates significant issues in terms of creating a dual occupancy that's attached to an existing dwelling, structural, fire safety, all of those issues, and even the fact that most of the time it's through a DA pathway and people just don't want to engage with councils. They want the certainty. If there was a complying development pathway, I think that would also increase the demand.

I was trying to look at the numbers before in terms of the secondary dwellings. On the secondary dwellings, based on the planning dashboard and the council league tables, for last financial year—this is DA only so it doesn't include the complying development pathway, where a lot of the secondary dwellings would be approved; regional areas I would assume would be mostly the DA pathway—there were 1,175 second dwellings approved under the DA process. If you go to regional areas, excluding the larger centres like Tweed, Port Macquarie and Coffs Harbour, there was only 137 secondary dwellings lodged in the last financial year.

The Hon. SCOTT FARLOW: Your argument would be that there'd be a lot more demand out there for secondary dwellings?

MICHAEL SAID: Absolutely. If you made it complying development and you opened up the pathway to remove requirements for dwellings to be attached, I think that would significantly open up that pathway and encourage more development because effectively it simplifies the construction process and the approval process. People don't have to go through that whole long DA process, which is an unknown and could take months. The CDC pathway provides that certainty. It delivers faster approvals, saves time, saves money and would only serve to encourage that development.

The Hon. SCOTT FARLOW: Despite your answer to the Chair previously, one of the things that I hear often in regional communities is the challenge with the labour force in terms of building. To that point, what role do you think that things like modern methods of construction, such as modular, could play in terms of the secondary dwellings if such changes were made?

MICHAEL SAID: I think they could play a role, particularly in the rural and regional areas. A lot of manufacturers probably are based in those areas, so I think that it could play a role. I don't see modern methods of construction being the silver bullet that's going to solve the housing crisis. But I think potentially in those regional and rural areas and for those smaller secondary dwellings, I think there's potentially a large role where prefabrication and modular can play a significant role, yes.

The Hon. SCOTT FARLOW: Mr Said, back to that data you originally put to the Committee, what do you think is holding back applications coming forward for secondary dwellings in rural properties at the moment?

You've said inconsistency is one of them. People's fear of going through the DA process is another. What do you think are some of the other things?

MICHAEL SAID: Those are probably the main issues. It's the inconsistency of the rules. It's the difficulty of those rules in terms of some of those requirements that are set in terms of—whether it's lot sizes, whether it's development controls, planning controls, DCP controls, those planning controls that make it quite restrictive to develop. People don't sort of then go down that path to consider that type of development. But if those rules were relaxed and made a lot clearer—we've seen it already in Sydney with granny flats and how much that has increased. Since those consistent planning rules were changed in 2009, we've seen a significant increase in the amount of secondary dwellings that have been built, so I don't see any reason why that wouldn't extend into regional and rural areas if similar sorts of provisions were applied.

The Hon. SCOTT FARLOW: Your submission also references the need to balance risk management with development certainty. What are some of the risks that you could see from a policy like this being implemented?

MICHAEL SAID: I don't really see significant risk, to be honest. We already allow dwellings in rural areas. We allow attached dual occupancies and we allow secondary dwellings in some cases. I don't really see a significant risk. The demand, the amenity or the size of the dwellings aren't that significant to a dwelling already. Risks like flooding, bushfire and those sorts of controls—we already have planning frameworks in place to manage those risks, so there's no reason why those existing controls wouldn't already be able to deal with any additional risks that a secondary dwelling or a dual occupancy may create.

So I don't see any significant risk by relaxing the controls or making the controls more consistent to allow increased development in those sorts of regional areas. Again, not everyone's going to take it up, so I don't see significant risk. And any risks that are there are likely to be managed. As I said in my opening statement, I don't think there are issues around fragmentation. I don't see you're going to lose agricultural land or anything like that. We're not talking a large area in terms of what these dwellings are going to take in terms of size, so I don't see a significant risk. Or, if there are, I think those risks can be managed quite easily within the existing systems that we've got within the planning system.

The Hon. SCOTT FARLOW: I have one last question. One witness today suggested that this program should have subdivision as a part of it as well. Do you think that subdivision is necessary in order to realise this, or do you see problems with subdivision?

MICHAEL SAID: I don't think subdivision is necessary. Ultimately there are existing planning controls in terms of subdivision for existing properties within the LEPs. If the lot size with the secondary dwelling or the dual occupancy meets the minimum lot size that's required for that area, then subdivision would be able to be permitted anyway. I don't think it would change demand greatly. Whether that creates more risk around fragmentation and those sort of things—potentially. But I don't see necessarily that that's something that has to happen to make it work.

The Hon. WES FANG: Mr Said, in fairness I should probably ask whether the HIA has any association with the Socialist Alliance?

MICHAEL SAID: Not that I'm aware of.

The Hon. WES FANG: Good. I'm glad we cleared up that first. In relation to your opening statement, you spoke about the housing targets that we need to reach. Given that the Minns Labor Government has so spectacularly failed to reach their targets so far, do you think that this sort of reform might help this poor Government on its housing delivery, to at least try and reach some of the targets that they've been set?

MICHAEL SAID: I think that the State Government is doing some great things, and I did mention it in the opening statement. Those things aren't going to happen overnight. We're not going to get a massive increase in uplift overnight.

The Hon. WES FANG: It's been three years now, almost.

MICHAEL SAID: There are reforms in place and those things are starting to filter through. I think we will start to see some turnaround with those initiatives. I think the planning bill, which is currently sitting in the upper House, will have more of an impact as well. Then anything to do with increasing supply, even in rural and regional areas and things like the secondary dwellings or dual occupancies, can absolutely contribute to that. Again, it's a part of the housing mix. Anything we can do to make the construction of those dwellings easier, faster, quicker and more certain could only help improve supply and get those keys into doors faster.

The Hon. WES FANG: I noticed you were sitting in the gallery when the previous witnesses were here. Their position on the appropriateness and the rigour that needs to be held in relation to planning—I think they said it was effectively like a handbrake. Do you see the planning system, both at the council level and the State level, effectively strangling the rollout of more housing at the moment? Do you think we could be more pragmatic in the way the planning system operates? Would that assist with the rollout of more houses?

MICHAEL SAID: Yes, I think more certainty is what we need. It comes down to things like complying development, where it's consistent, statewide codes that make clear to councils, certifiers and builders exactly what they need to meet. I think those sorts of certain standards will address some of those issues, in combination with some of the other reforms that are in place. I think consistency within LEPs is one of the main sorts of handbrakes that are the issues at the moment, and going through the DA process. Like I said, even with some of the dual occupancy reforms that have come out, the lot sizes in R2 zones are significantly different depending on where you are, so there's no consistency.

The reason why things like the complying development work is that it provides that consistency and it provides that certainty. With things like second dwellings in metropolitan, it was clear that it was the same size applied across the board; everyone knew it worked. That's why, because of that certainty. So providing those clear, certain and consistent outcomes, and the streamlined approval pathway—where you're not adding additional layers of red tape and regulation and assessments, which is adding cost—can only help the system and improve the amount of housing we can build in the State.

The Hon. EMILY SUVAAL: Thank you so much for appearing today and for your evidence so far. I wanted to ask you a question around secondary dwellings, particularly in rural areas, which, as you say, will increase supply and provide more affordable rental accommodation. One of our previous witnesses from the Tenants' Union raised some interesting considerations for the Committee in terms of some of the issues that they see at the moment of renters having secondary dwellings that aren't separately metered and issues around electricity pricing and metering, water and so on and so forth. Do you have any suggestions for how some of those challenges could be addressed, whilst also providing a more affordable pathway, or a CDC pathway, as you have proposed?

MICHAEL SAID: I'm not sure in terms of those issues. I'm not aware of those issues being raised before. Obviously, we've got secondary dwellings already through the metropolitan area, and I haven't heard of those issues being raised before around metering and those sorts of things. I think the tenancy legislation would cover or deal with a lot of those things already, I would have thought. But it's not something I can comment on. I'm not familiar with those sorts of issues. If we're looking at rural areas, a lot of it—from a water perspective, it's probably going to be onsite water anyway. Potentially, the only main scenario would be electricity. Sewerage is probably going to be onsite. Water, a lot of the time, is probably going to be collected onsite as well. So, yes, it's probably only going to be electricity in terms of that. I'm not sure if there are any issues with having a second meter from an electricity perspective. I'm not familiar with those sorts of requirements. But I don't see that as being a significant issue, or anything that couldn't be resolved without too much change.

The Hon. EMILY SUVAAL: In your submission, you also provide the example of larger dwelling size limits within rural areas and the approach that's currently being taken under an LEP by the Hills. Why do you think more councils haven't taken up an approach like that? The example is that they allow secondary dwellings in rural areas to have an area of 110 square metres, or 20 per cent of the total floor area of the principal dwelling, whichever is greater.

MICHAEL SAID: I think it's a very mixed bag. Some councils do; some councils don't. I think it's the individual council. Again, that's part of the issue why we've got this uncertainty. One council in the Hills will permit that, but then you go to the next council in the Hawkesbury, where on one side of the road you can do it but on the other side you can't, or it's much more limited. That comes back to that certainty around complying development and having a consistent statewide code that sets the rules. Yes, you can have limits in terms of areas that might be not appropriate, or restrictions in those sorts of areas, but I think ultimately why councils don't do it is obviously that they're trying to protect and maintain the amenity of their areas, whether they are rural or regional areas.

If one council can do it, I don't see why the others couldn't do it as well. We had talked before of not having any limit and building a larger secondary dwelling. Again, I don't see an issue, particularly if you've got a larger lot—if you're on hectares—why you would need to be limited to 60, 100, 150 square metres—I'm not sure—or limited to a proportion of the house size. I think we mentioned three bedrooms and a bathroom. If you're limited to that, then what's the point? I think there were some comments before around this scenario of someone building a secondary dwelling and then knocking down the existing one, building a bigger one and then keeping doing that.

I just don't see that as a situation that's going to occur. People aren't going to spend the money just to build a house just to be able to keep building a bigger one. I don't see that as being a significant issue. But, again, if the lot size is big enough—if we're talking larger lands in rural areas—I don't see the issue of why we would need to restrict those dwelling sizes if they've got water supply, they can manage their sewage management onsite, and there's no risk of bushfire and those sorts of things. You could build a really big house; why not build two smaller houses, potentially?

The Hon. EMILY SUVAAL: The other interesting thing in your submission that I wanted to ask you about specifically was you provide some suggestions for further enhancing the CDC pathway and you give the case of the council approval for the driveway taking longer than the actual CDC for the dwelling. You talk about opportunities to eliminate the need for the separate approvals. What suggestions have you got in regard to that?

MICHAEL SAID: Obviously, any CDC, whether it's in a rural or regional, it's not just the CDC approval that you need. Generally, you might need to go to council to get either a driveway, the onsite stormwater management, even the stormwater system approved by council, and those approvals can take longer. I guess what we want to see is one house, one approval. If you've got a standard driveway in a residential area or rural area—take a greenfield subdivision. You know there's going to be a house there, you know there's going to be driveway.

If we can set clear standards—what that driveway has to be—either make it exempt development so you don't need approval at all or allow a certifier to approve it as part of the CDC application. Similarly with stormwater, all those sorts of things, there's no reason why those things have to need a separate approval from council. I think making those requirements either exempt, in terms of not needing any approval at all, or allowing the certifier to approve them as part of the CDC application would be a significant step forward, save costs, and also again streamline the approval process because you're simplifying the number of approvals and the time it takes—because, yes, in some cases a driveway can take longer than the actual house approval.

The CHAIR: Thank you very much, Mr Said. The secretariat will be in contact with you in relation to any questions on notice. Thank you for joining us. Thank you for your submission.

(The witness withdrew.)

Ms KATE AUBREY-PIONER, Manager, Strategy and Policy, NSW Aboriginal Land Council, before the Committee via videoconference, affirmed and examined

The CHAIR: Hello. Can you hear us?

KATE AUBREY-POINER: Yes, I certainly can.

The CHAIR: And you can see us.

KATE AUBREY-POINER: I can see you, yes.

The CHAIR: Good. We can hear and see you as well, so we're off to a good start. Would you like to make a short opening statement, please?

KATE AUBREY-POINER: Yes, I will. Thank you, Chair. Firstly, I'd like to acknowledge country. I'm dialling in from Bidjigal land. I'd like to pay my respects to Elders past and present, and acknowledge the land on which you guys are all meeting today in New South Wales Parliament, on Gadigal land. I'd also like to pass on my apologies from Ms Clare McHugh, who is the chief executive officer of the NSW Aboriginal Land Council. Unfortunately, she was unable to appear today.

The NSW Aboriginal Land Council welcomes this opportunity to speak to our submission on the inquiry into rural housing and second dwellings reform. As the peak representative body for Aboriginal people in New South Wales, the NSW Aboriginal Land Council and the Aboriginal Land Rights Network, which is across New South Wales, is the vehicle for delivering real, tangible cultural and economic outcomes for Aboriginal people here in New South Wales. It's one of the essential structures here for achieving self-determination, and a foundation of that work is, of course, securing safe, affordable and culturally appropriate housing.

Across rural and regional New South Wales, Aboriginal communities are experiencing severe housing shortages, overcrowding and homelessness. While those housing shortages are not only for Aboriginal people, they are certainly felt hard by Aboriginal communities. These challenges are compounded by planning controls that restrict Aboriginal land councils from developing housing on their lands in some instances. The proposed reforms to enable second dwellings in rural zones presents an important opportunity to unlock the potential of Aboriginal-owned land—our submission referred to more than 3,600 properties within those zones—to deliver culturally responsive housing responses and strengthen community outcomes, of course.

Strategic planning reforms such as this proposal will provide Aboriginal landowners with access to development opportunities to pursue housing and economic aspirations and provide broader community benefits, including things like jobs, growth, sustainable economic progress and strong community connections et cetera. Reducing regulatory burdens will go some way to preventing unnecessary delays and administrative burdens for Aboriginal landowners such as land councils, facilitating more efficient development processes. As well as this, consistency across planning instruments will support [audio malfunction] community planning.

NSWALC has worked through our Closing the Gap project called culturally responsive design principles for Aboriginal housing in New South Wales. That project is delivering housing differently with the aim of setting a new benchmark for culturally responsive, climate-appropriate, durable housing design and delivery. It is a community-led approach, and we're aiming for it to be scalable. The initiative is currently [audio malfunction] communities, but specifically exploring co-design of large family homes with secondary dwellings that are intended to accommodate Elders and older children living at home, reflecting specific community feedback about multi-generational housing needs. While the project is focused on new builds, what we can see is that it's an example of community with substantially rurally zoned land that would benefit from targeted planning reform like this. However, the disclaimer is that the reforms must be done in partnership and must safeguard Aboriginal [audio malfunction] culture and heritage protections. [audio malfunction]

The CHAIR: Our video is declining in its quality. Kate, can I interrupt? Could you turn off your video so we can still hear you? Our IT people think that will improve the quality. It was very good, but in the last couple of minutes it has got more and more scratchy. Please proceed from where you were.

KATE AUBREY-POINER: Absolutely. I'm actually not quite sure where we ended up. Did you hear anything about the culturally responsive design principles project that we're running in Brewarrina?

The CHAIR: No, we didn't, but we're interested to hear about it.

KATE AUBREY-POINER: I might start from that point because it's probably most relevant for the Committee. The NSW Aboriginal Land Council has work underway through a Closing the Gap-funded initiative—culturally responsive design principles for Aboriginal housing in New South Wales, it's called. The project is delivering housing differently, with the aim of setting a new benchmark for culturally responsive,

climate-appropriate, durable housing design and delivery. It's a community-led approach and we're aiming for it to be scalable. That initiative is currently being piloted in four communities in New South Wales. It's specifically exploring the co-design of large family second dwellings in Brewarrina. The secondary dwellings are intended to accommodate Elders or older children living at home, reflecting some specific community feedback about multigenerational housing needs.

While the project is focused on new builds, what we can see is that it is an example of a community with substantial rurally zoned land that would benefit from targeted planning reforms. However, the disclaimer is that obviously reforms must be done in partnership and also must safeguard cultural heritage protections, ensure Aboriginal decision-making and coordinate infrastructure investment as well to maximise community benefits. We encourage the Committee to view land rights as a public outcome, one that contributes to housing supply, jobs, sustainable regional development, while also upholding Aboriginal cultural and community priorities.

The CHAIR: Thank you very much. We did enjoy your submission. You are one of the most enthusiastic organisations in favour of a reform in this direction. I'm guessing that you would be speaking—the Aboriginal community is not always united on some issues, but I'm guessing that there would be no dissent in the Aboriginal community in New South Wales. There'd be no people contacting you saying, "No, we don't like this reform." Would that be accurate?

KATE AUBREY-POINER: You'd be accurate in saying people haven't contacted us to say, "We don't like this reform." I certainly can't speak for all land councils across New South Wales—and all Aboriginal people, most certainly not. There may be dissent out there, but certainly the submission that we wrote is based on the many community consultations we have done in this space and is based on our understanding of the issues and barriers in planning.

The CHAIR: You've stated:

The Aboriginal Land Rights Network holds significant rural landholdings across NSW, including over 3,690 properties within RU1-RU6 zonings ...

For the benefit of the Committee, could you elaborate on what typically—that's 3,500 to 4,000 properties. Could you describe what the average property is like? Are we talking about a farm? Or are we talking about just a couple of acres with a single house on it? I know there'll be a lot of diversity, but could you describe what most of those properties would look like?

KATE AUBREY-POINER: As you alluded to then in your question, it is diverse. There are some larger landholdings that have been returned in that rural space to local Aboriginal land councils through the claim mechanism under the Aboriginal Land Rights Act, and there are some smaller parcels. I will take it more on notice that question, because I could probably give you a better breakdown of the diversity and the general size of land in those rural zones that have been returned to us. It is diverse, but what we can also say is that land that has been returned to us often has certain characteristics. Those characteristics are that land that is returned is unused and unneeded Crown land. It is the land that others, through many years since colonisation, don't have a use for. You can imagine the characteristics of land that has [audio malfunction].

The CHAIR: Can you hear us, Kate?

KATE AUBREY-POINER: I can now, but I didn't hear if there was a further question.

The CHAIR: No. I'll hand you over to questioning from the Opposition.

The Hon. SCOTT FARLOW: Thank you, Kate, for your submission and for your opening statement. One of the things that you raised in your submission is certainly something that we're all conscious of as well, which is Aboriginal families and intergenerational living and how these reforms could be important to being able to foster and promote that. I am interested in your reflections on multigenerational housing on rural properties and how much of a barrier that is at the moment when it comes to Aboriginal families.

KATE AUBREY-POINER: Yes, absolutely. We've heard loud and clear about their housing needs. There was some structured community consultation under Closing the Gap, particularly since 2022, which heard from communities very clearly that different [audio malfunction] and that specific housing types are needed for multigenerational living together. With things like accessible secondary dwellings for Elders, that came through on multiple occasions throughout our statewide community consultations. What we also found was that housing doesn't [audio malfunction] arrangements appropriately, and the majority of housing in this State has three bedrooms or whatever it is, which for most Aboriginal families isn't enough.

The development of things like second dwellings in rural and regional Aboriginal communities will absolutely support multigenerational living and relieve some of the housing pressures that we've heard over many years through our community engagements. What we also know is that [audio malfunction] secondary dwelling,

particularly when you're talking about multiple generations living together or communities being able to live in the way in which you know they wish to—self-determination—is that there is the potential for there to be more culturally responsive housing opportunities. That will go somewhat to reduce the instances of overcrowding and homelessness, which we know is one of the critical Closing the Gap targets that we are working towards, which is due to be hopefully met by 2031.

The Hon. WES FANG: Thank you very much for appearing today. In relation to the issues around intergenerational housing in Indigenous communities, what is the impact that you would expect additional housing through this process would have for relieving some of those issues for the community? Is it something that is viable to roll out in circumstances where there's autonomous control within land councils? Is it something that they can turn their minds to pretty quickly and roll out in a fast way?

KATE AUBREY-POINER: Thank you for the question. There are two elements to that. The first is the benefits in relieving issues. We know that when there is adequate, culturally appropriate housing, that benefits throughout your social and cultural determinants. There are better outcomes for community across health, education and all of those social and cultural determinants if there is a culturally appropriate, safe and secure house for community members to live in. In terms of the viability to roll out, the opportunity we see with this is that it would provide a pathway that would reduce planning pathway burdens that we have had in the past.

There are parcels of land where land councils have strong aspirations for what they want. Housing is a critical issue for Aboriginal communities, and a lot of the aspirations to do with development of land have to do with the need to support community. One of those critical ways is through adequate, safe and appropriate housing. If there is a regulatory pathway that enables it to be more flexible and streamlined for those second dwellings, you would expect to see an uptake of that being used by local Aboriginal land councils with the land that has been returned to them.

The Hon. EMILY SUVAAL: I don't have any questions at this stage. It's really challenging to hear the responses. I'm happy to put mine on notice, given some of the issues we're having with the tech.

The CHAIR: Ms Aubrey-Poiner, we might end it there, but we very much enjoyed your submission and your presentation today. Thank you very much. The secretariat will contact you in relation to any questions on notice.

KATE AUBREY-POINER: Thank you, Chair, and apologies for the audio issues.

The CHAIR: That's all good. We got the good message.

(The witness withdrew.)

(Luncheon adjournment)

Mrs REBECCA REARDON, Vice President, NSW Farmers, sworn and examined

Miss RHIANNON HEATH, Environmental Policy Adviser, NSW Farmers, affirmed and examined

The CHAIR: Welcome back to the inquiry into rural housing and secondary dwellings reform. Are you willing to make a short opening statement?

REBECCA REARDON: I'm willing to make one. Thank you for the opportunity to speak today on behalf of NSW Farmers. Across much of the State, the lack of suitable housing limits agricultural productivity and community wellbeing. Farmers struggle to house workers, families face difficulties planning for succession and essential workers like teachers, nurses and police find they have nowhere to live in our communities. The main issue is that our planning system hasn't kept pace with rural needs.

The housing SEPP 2021 and codes SEPP 2008 were mainly designed for suburban areas. Their rigid and inconsistent application across councils has created confusion, making simple tasks like building a home for a family member or workers frustrating and costly. Members often report spending hundreds of thousands of dollars on houses in town for parents or employees, when a simple on-farm dwelling would be more affordable, practical and beneficial to the community. Others have lost skilled workers as there's no local accommodation. Allowing more dwellings on farms is a straightforward, low-risk, high-impact reform that can have immediate benefits.

Current planning rules are too metro-focused and inconsistent. What's needed is a uniform, statewide-based framework that permits second dwellings and possibly third dwellings as complying developments on rural zoning and conservation C3 and C4 lands without requiring subdivision. Local discretion should be limited to genuine environmental and safety issues, not bureaucratic preferences. Reform is about enabling families to stay on farms, maintaining community continuity and supporting those who underpin regional Australia. It's not about speculative development. We encourage the Committee to recommend consistent statewide provisions that make second and even third dwellings a practical solution for farmers across New South Wales.

The CHAIR: Miss Heath, did you have an opening statement?

RHIANNON HEATH: No.

The CHAIR: Your submission points out that across much of regional New South Wales "housing availability has become one of the most pressing constraints on both community wellbeing and agricultural productivity". Would you agree that enabling a second dwelling on rural land therefore supports not just housing supply but also the capacity of farming operations to retain key personnel, family successors and seasonal workers?

REBECCA REARDON: Yes, absolutely, and there's no doubt that the regional community is tight. If you look at my town of Moree, vacancy is 1.08 per cent. Walgett is 0.02 per cent. Kempsey on the coast is 0.73 per cent. All of that makes it an extremely tight market which is affecting our ability in our community to get things like ambulance workers and nurses. But if you go to the farm, on our own farm, we need accommodation just to attract workers, and that includes family workers as well as single workers. Just having someone on our farm also helps us deter theft on our place, which is becoming an increasing issue.

We need our workers to be close to the place of work. If you live an hour west of town and you're expecting your employee to travel out there into the sun every day and often at night, because of night-time work when we're harvesting or when you're a dairy and you're milking three times a day, it is just dangerous and they need to live on farm. We often don't have enough accommodation on farm because it's very difficult to build on-farm accommodation for these workers. We need people on farm for immediate assistance if there's an accident, for animal welfare and just to allow ourselves as farmers to be able to go away and have someone on the farm to look after the farm in case of fire and making sure our animals are properly watered. It's much more affordable for farmers, usually, to be able to build rather than have to buy a house in town with land or buy separate land. We can build on that farm to accommodate the workers, contractors or shearers that we need or our own family members for succession planning. So all of these go into the viability, productivity and just the running of our farms. It becomes essential to have on-farm accommodation.

The CHAIR: What was the name of the council? Is it the Moree Plains Shire Council?

REBECCA REARDON: Correct.

The CHAIR: I used to work at Courallie, so I know there's a lot of land out there—a lot of vacant land. But you're saying that, in both Walgett and Moree, there's a very tight rental market. What is the situation now? Is the Moree Plains Shire Council friendly towards secondary development at the moment? If someone puts in an application, is it too difficult or are they somewhat friendly towards it?

REBECCA REARDON: I'm going to talk in general because I'm representing my members, so not just Moree council. The problem we're finding is there's lots of inconsistency across the State on how the councils are actually interpreting those State frameworks and how they're actually applying them. Some councils are more bureaucratic than others. They have different interpretations on what you can build versus what you can't build and the requirements. It makes it really difficult between regions to actually interpret what needs to be done. I'll give you two examples. One family, the sibling moved on to the farm and took over the family place. The other sibling, meanwhile, was living just in an ordinary bachelor pad. That sibling then married. That sibling then had obviously started to have children and wanted his own family house as well. He was told that, yes, you can build your second house, but you have to knock down the little cottage, which would have been perfect whether they had shearers' accommodation or contractors. So it wasn't practical in what they'd been asked to do.

Another family was saying that it took them 18 months to get approval to build a family house. They were building on a hill and they had to spend tens of thousands of dollars proving that the floodplain surveys and the koala maps were actually incorrect—and this land was cleared. So 18 months and tens of thousands of dollars later, they got their approval, but the process by which they had to do it was very difficult. We have multiple stories down the coast of people just throwing up their hands. If you're a dairy or a horticultural operation, you have to have accommodation. The tens of thousands that they're having to spend, the difficulty they're having to go through and the hoops they're having to jump through means they're not able to get these things built. That is not good for the productivity of the farm, their ability to attract workers and just their ability to operate.

The CHAIR: We had some witnesses in here earlier today who were against these reforms, and one of their concerns was that they thought that the second residence would diminish the agricultural productivity of the land. That seems absurd to me since it would be a very small footprint, but I would be keen to hear your thoughts on that issue.

REBECCA REARDON: I can't see one possible reason how that would diminish productivity to not have your workers on farm. We need our workers on farm, whether it's because of the late nights that we work during harvest or whether you're a dairy milking at 10 o'clock at night and at four in the morning. We don't want our employees on the road in dangerous conditions. If something goes wrong, if there's a mechanical breakdown in the middle of harvest—these things are essential to have people on site, and our employees don't want to be travelling, say, an hour each day to and from. They want to be on site. They want to have that lifestyle. We have one family who works for us. They've come over from the coast. They've bought two children and his wife, who happens to be a dental nurse, so she brings a skill to town that we actually need, and they all want to live on farm.

From our point of view, it is so much more productive having them there because they're not having the travel time and the safety issues. Plus we've got someone there to look after the place, which allows us to actually go away and have a holiday from time to time. So in so many ways, I see no negatives with these people living on farm and the workers. If we don't have accommodation, if you're a hort or a dairy, you will not attract people to your farm to work. It's as simple as that.

The Hon. SCOTT FARLOW: Similarly to that point and some of the arguments that have been put today against this, one was that there really isn't much demand for it. From your perspective, what sort of demand do you think there is for secondary dwellings on rural properties?

REBECCA REARDON: I think up and down the coast there is enormous demand. When you look at the intensive nature of the industries and how a lot of our industries are heading down the intensive line, you've got to—and I've already spoken about dairies and horticulture. I was speaking to farmers from both those areas yesterday who said, "If we do not have accommodation, very simply put, we cannot get workers." It's that simple. So we will not be drinking milk and we will not be eating a lot of our fruit and veg unless we do have this on-farm accommodation. Then you go more out, probably west to where we are, our workers want to be on farm. We've got so much pressure on housing in town, let alone getting into a good area of town, that the workers actually want to live outside of town.

On my own farm, we're lucky. We've got several houses on different blocks. There's the story I told of people wanting to come home. I have two sons. If they come home, I don't have housing for them. Where do I put them? In one situation, we had one family with siblings. One brother was already in the main house, and they had to build the other house. There's a definite demand, as farms. To maintain that family succession planning, you really need that ability to build a second home, because there might only be one main homestead and that's not going to house a whole family. There is a definite demand for casual workers, a definite demand for just your general workers—whether that's a family-sized home or just a bachelor pad. And then we do have the succession where you're wanting to make sure—I can tell you, in the next few years, I will have three generations of people on my farm. We all need to be housed, and they potentially will all have families.

The Hon. SCOTT FARLOW: One of the other arguments that's been put is that in order for this to work, subdivision needs to occur. From the example you've given, in terms of your family coming home, I see that there are some challenges with subdivision being a requirement, because it is a changing nature of lifestyle. At one time, you might have workers come in. At another time, you might have your own family coming in and being part of that succession planning. I'm interested in your perspectives with respect to subdivision and whether it could do more harm than good in this example.

REBECCA REARDON: In general terms, we would argue against subdivision. When you create subdivision, you're essentially scattering what might be lifestyle blocks in amongst primary production. We're really talking about housing here which is not subdivided, because it's only a subdivision and then eventually down the track that might become a lifestyle block; you create conflict with people living next to ag, not within ag. We're not suggesting by any stretch of the imagination that you actually subdivide. In fact, we think that is a real negative to this if you start subdividing, to say, "If you want to build another house, you have to subdivide it." We're talking about housing that is built for workers, for contractors, for rural or for family succession planning purposes that are working within the business or associated with the business. That's not to say at times it might not be rented if there's a drought. But the fact of the matter is, we believe subdivision is going to create some of the problems of mixing your primary production with lifestyle blocks, which is not what we're proposing on the land here.

RHIANNON HEATH: I think that's a really key factor in these rules being fit for purpose. We do understand the anxieties of some of our members in more peri-urban areas—the dairy farmers and horticulture farmers. They might be opposed to some of these reforms because of that perception that it's going to increase right-to-farm issues. So I think it's really key that any of these reforms don't mean that subdivision is required, because that means family farms can continue to operate without that anxiety.

The Hon. SCOTT FARLOW: Mrs Reardon, with respect to some of these changes being put forward, I'm interested in what the experience is of your members at present under the current arrangements. What are they doing? Are they finding it too difficult and giving up, or are there workarounds that have been picked up by some of your members, potentially?

REBECCA REARDON: Basically it's costing them tens of thousands of dollars, and that's unnecessary. At the moment we have a viability issue for a lot of our farmers. You look at what's happening in the dairies and how they're starting to close down; they have been closing down since the year 2000, since deregulation. So anything that improves the viability of our farms I think is a good thing. What was your question related to?

The Hon. SCOTT FARLOW: In terms of the current arrangements, what people are doing, effectively. Are they getting around it? Are they giving up? Are they taking on a huge burden of cost, as you outlined?

REBECCA REARDON: When you put bureaucratic, unjustified, nonsensical rules in front of people that are creating barriers to actually getting on and being a productive farm, you're going to find that people go with workarounds. So we need to work with the system to create a system that is actually friendly, and doing things like creating exempt pathways for development and complying development pathways, as opposed to the development applications, which are very bureaucratic. They're not flexible. A lot of the rules, unfortunately, say, "Oh, you can only build it as a certain percentage size of the primary residence." Well, it needs to be fit for purpose. If it needs to be a family home, it needs to be a family home for succession planning. If it needs to be a bachelor pad or if it needs to be accommodation that can house our contractors, it shouldn't be one size fits all. It actually doesn't. We need to create an environment where farmers don't feel they have to go around the current system.

The Hon. WES FANG: I really appreciate the evidence you've given. It's been very concise and clear. To that point, the Chair indicated that we had some previous witnesses providing us some evidence. We had a boomer nimby from the North Shore try and tell us that these reforms may impact agricultural land. You've made it pretty clear that that's not the case. How do you feel about people from the North Shore and from metropolitan areas telling us about the impact on farming land that they've never stepped foot on? I've thrown the ball up. Feel free to have a swing.

REBECCA REARDON: You have. How do I say this delicately?

The Hon. WES FANG: Don't. You've got parliamentary privilege. Go hard.

REBECCA REARDON: These people have never stepped foot on a farm. Farmers get a lot of things thrown at them, like, "You're not environmentally friendly. You're cruel to animals." In fact, we love our animals. We are stewards of the land. When I work my land, I work my land for the next 100, 200 years for my children and my children's children to take over. To be told that I have to do something like regenerative farming when I already do regenerative farming; I'm already looking at my land for the next 100 years. To tell me we knock

down trees when, in fact, on our farm we've planted more trees than we've ever knocked down, and we have planted whole strips of trees—it is really insulting to have thrown at us as farmers, because we are here trying to produce food. We are in love with our land and in love with our animals. We genuinely have no intention of going anywhere. We are looking at generations of farmers on my own family farm and on the farm I grew up on, and we intend to keep it that way and plan to have generations after that, which is why we don't want to see subdivisions, for example, left, right and centre. We want to maintain primary production. That is what we love doing.

The Hon. WES FANG: Ms Heath, do you want to have a crack?

RHIANNON HEATH: Yes. The stories from our members and the statistics are really clear that there is a need. Housing demand in rural communities is extremely severe. We have heard stories about nurses and policemen not being able to find homes. So, however they feel, it's clear that there is a need.

The Hon. WES FANG: One of the other points they tried to make was that these reforms could affect heritage. Can you see that there are any heritage issues in relation to this?

REBECCA REARDON: I live in a house that's 110 years old. There is no way that we are going to destroy that house. That house is part of our property. That house is valued. We spend a lot of money on that house maintaining it. As you can imagine, it requires a lot of maintenance. We are not talking about knocking down those sorts of houses. They are part of our farms and part of our heritage, and we will always protect that. I'm surprised to hear anyone say that.

The Hon. WES FANG: Do you think it's fair to suggest that maybe they should just stick to their chai lattes and their chardonnay and keep their opinions to themselves?

REBECCA REARDON: I don't know how I'm going to go back to the North Shore after this.

The Hon. WES FANG: I try and stay away from it as much as possible.

REBECCA REARDON: They have a point of view; we just disagree with that point of view, because we're out there living on this country and looking after this country.

The Hon. EMILY SUVAAL: Thank you very much for appearing today. It's lovely to see you again. Thank you for travelling to be here in person. In terms of your submission, I was interested in how we might improve the current definitions of rural workers' dwellings, which are said to be currently too restrictive, if you have any thoughts about that.

RHIANNON HEATH: Yes. A really critical point about making these rules more fit for purpose is these secondary dwellings. Although we know the SEPPs are up for interpretation by the councils, they need to be considered and those definitions need to be more clearly defined in the rules. We were talking about things like exempt dwellings for small, tiny—what do you call them? Demountable sort of things.

REBECCA REARDON: Dongas.

The Hon. EMILY SUVAAL: Yes, the dongas.

RHIANNON HEATH: Yes, there's lots of things to consider so you're not building granny flats all the time.

The Hon. EMILY SUVAAL: The other interesting suggestion I found in your submission was around the legislative reforms you've suggested to require project proponents to make local investments in housing and infrastructure. There's an argument there that councils currently have the capacity to negotiate that through voluntary planning agreements, but is it the case that you think there should be requirements—whether it's in a SEPP or otherwise—so that we can better reinforce that in local areas? Is it not currently being done?

RHIANNON HEATH: No, it's very much up to private negotiations between these developers and local councils a lot of the time. This is something that our members have raised at past annual conferences. There's a lot of large-scale developments—whether it's renewables, mining, transmission line construction—going on in regional communities and they are creating a lot of this really intense demand for housing in regional communities. This needs to be a considerable part of the thought process in regional areas.

The Hon. EMILY SUVAAL: It's interesting because I can see a consistent theme emerging with the evidence that we've received so far today. I'm not sure whether my colleagues would share this view. On the one hand, there is an acknowledged need for additional housing, the need for flexibility but, on the other hand, to an extent that already exists through councils' abilities—and it's referenced in your submission—the kind of nuanced interpretation that some apply, whereas there's a really rigid interpretation that others might apply to whatever their local environmental plans are. In terms of the role of the State government, short of a SEPP, is there anything

else that you see we could be doing to assist local councils to be more supportive of farmers in what I see is obviously a very important industry not only for us here in New South Wales but for the country? Your arguments largely stand up in my mind.

REBECCA REARDON: The current instruments provide a lot of flexibility for how they're interpreted by the council. They're providing a framework, but there's a lot of interpretation there. What we need is a lot more flexibility in what we can do in terms of whether we're able to build, where we're able to build on the place because you might want to place it over near where you have other infrastructure to try and service it. You shouldn't have to put it right next to your current primary house. It's got to be flexibility on the size that you've actually got, that you can build that house to make it fit for purpose, whether it's for workers, whether it's for your succession planning, whether it's for your bachelor worker, whether it's for your family that you want to bring out from the coast. It's really important to have that flexibility.

Then we can allow the flexibility in the interpretation of the councils where they're all interpreting that so differently and then applying their own bureaucratic barriers and their own theological views over how that should be interpreted, because we have such a different interpretation. In between the coast and out the western areas, and even within those coastal councils. On one hand you need flexibility to say one size does not fit all, but on the other hand we need to ensure that the interpretation and how it's applied is not nearly so flexible and inconsistent, and actually is reflected in the flexibility and the needs that we actually need to be able to build our accommodation needs on the farm which has the added benefit of also helping the town. As I said, I have a family in town. She's a dental nurse. That's fantastic. We need dental nurses.

The Hon. EMILY SUVAAL: So it's fair to say that New South Wales farmers are supportive of getting rid of this notion that the secondary dwelling needs to be attached. But also in your submission it references the lot and having to be built on the same lot. Whether that could be—

REBECCA REARDON: We don't want a secondary dwelling in the definition of a granny flat. We want to be able to say we might need to build a second dwelling, even a third dwelling. If you have two siblings come home and they build a second family house, would you go and knock down a perfectly good piece of accommodation that could then turn around and be used for when you have shearers or contractors? At our place at the moment, we have people here. We're in the middle of harvest, and we have contractors. We have seven people staying on our place at the moment, and we are harvesting until two o'clock at night. I don't want them driving back into town. That is just dangerous, because then they're up early in the morning and they're tired and fatigued. There are a whole lot of social as well as productivity reasons for actually doing this, applying it correctly and cutting the bureaucratic red tape around it.

The CHAIR: Thank you very much for that evidence. I don't think you took anything on notice but if you did, the secretariat will get in contact with you.

REBECCA REARDON: The only thing I would add—and I've probably mentioned it—is that we have development applications, which can be very long. As I said, one example I gave was 18 months and tens of thousand dollars to prove that two maps were actually incorrect, and they have now built that home. But we need to look at things like exempt pathways and complying development pathways, fit for purpose, to try and get the productivity and ensure that our farms remain viable.

The CHAIR: Thank you very much.

(The witnesses withdrew.)

Mrs KATHERINE VICKERY, Acting Director, Planning and Compliance, Hornsby Shire Council, affirmed and examined

Mr TAYLOR RICHARDSON, Team Leader, Strategic Land Use Planning, Hornsby Shire Council, affirmed and examined

Ms CLARE ASLANIS, Team Leader, Strategic Planning, Camden Council, affirmed and examined

Mr JOSH POWNELL, Manager, Strategic Planning, Camden Council, affirmed and examined

Mr ED PATERSON, Director, Strategies and Communities, Kiama Municipal Council, sworn and examined

The CHAIR: For our last session, we are joined by various representatives of some local councils, which we are very happy to have here. You're all welcome to make an opening statement. You don't have to, but most people today have, so you're welcome if you'd like to get something off your chest at the beginning.

KATHERINE VICKERY: I'll take you up on that, if that's okay. Thank you for the opportunity to address the Committee. As you would've read in our submission, Hornsby council is part of the Greater Sydney region, so it is assumed we are actually excluded as per the terms of reference. However, the terms of reference also refer to the document entitled *State Environmental Planning Policy (Rural Housing) Amendment (Second Dwellings) 2025*, which, as drafted, applies to all LEPs in New South Wales. Council's submission to this inquiry focuses on how we manage rural lands and the impacts the reforms would have if they did apply to us as part of Greater Sydney.

Our LGA has an area of approximately 460 square kilometres, of which almost 70 per cent is characterised by bushland comprising national parks, major waterways, natural reserves and rural landscape. Of the remaining land, 10 per cent is zoned and used for urban purposes, 15 per cent is used for rural purposes and 5 per cent is for open space. Hornsby shire's variety of landscapes and landform is unique within Greater Sydney but is also very different from outer metro LGAs, which we acknowledge. We respect that our experience may not be transferable to outer metro rural LGAs. Council's position is that statewide planning approaches are problematic due to the differences between the council areas.

Hornsby council has an adopted rural lands study, which is a place-based study prepared in consultation with our community. It sets out the key principles and recommendations for planning in our rural areas. Our study identifies that additional housing in our rural areas should be to support the vitality of those rural areas, but it's not for housing supply or to meet targets. Council allows attached dual occupancies, secondary dwellings and rural workers' dwellings in our rural zones, but not in conservation zones. The C3 - Environmental Management and C4 - Environmental Living zones in Hornsby Shire typically apply to steep land, floodplains or native vegetation and are generally bushfire prone. A statewide approach would not consider such local place-based planning.

In terms of the tools available to local councils for planning for housing in rural areas, councils are already able to permit secondary dwellings and dual occupancies in rural zones, such as we have, to locally respond to housing needs and zone objectives. There are also provisions in LEPs through the standard instrument to identify the size of secondary dwellings and to be able to balance the opportunity for additional dwellings in rural areas. Proposals for dual occupancies, secondary dwellings and rural workers' dwellings are permitted with a development application in our shire and a merit assessment which considers flooding, bushfire and evacuation, onsite sewage management and land-use conflicts. More details of our approach to managing rural land are outlined in our submission. We would welcome the opportunity to clarify any points. Thanks.

The CHAIR: Thank you very much. Any other opening statements?

CLARE ASLANIS: I'd like to say something. As mentioned, it's not clear by the definition of "outer metropolitan council" that Camden is or isn't included within the model instrument, but my statement will be under the assumption that it is, given that it does fall within that fringe. Camden Council is one of the fastest growing LGAs in the country, with its population expected to grow by 81 per cent by 2046. The Greater Sydney Commission has set dwelling targets of 10,000 to 12,500 dwellings for the period between 2021-22 and 2025-26, with the majority of these being detached dwellings. These numbers are already achievable without spilling into our rural areas, given the number of large-scale precincts that we already have that have come online, as well as many that are yet to be finalised. This has only been able to occur through meticulous strategic planning, where we have carefully considered what is achievable and how. That includes consideration of Camden's heritage and cultural values, environmental sustainability and biodiversity, and supporting infrastructure and community views.

With all of these things considered, we have established our local strategic plans, being our local strategic planning statement, rural land strategy and local housing strategy. Broadly, the sum of the objectives within those documents is to keep growth within our growth areas and to protect our rural areas from urban development. We also have a very passionate and vocal community that have consistently expressed the importance of the rural character to the historic feel of our area. Camden boasts a rich heritage, with evidence of European settlement dating back to the early 1800s, and includes large areas of cow pastures and farmland.

Camden's local planning controls already do allow for attached dual occupancies and secondary dwellings, subject to a number of standards and planning controls. The draft model instrument does not reflect the needs of the Camden LGA, and it poses potential for land use conflicts that are considered by our strategy. It doesn't allow for adequate opportunity for assessment of flooding, bushfire, biodiversity and native vegetation, our rural villages or heritage. Camden Council uses the metropolitan rural area as a very useful tool in creating a clear delineation between urban and rural lands, to ensure that the spillage of urban areas is minimised. While we strive to achieve increase in housing supply and diversity, we believe that local planning will produce better planning outcomes for our community. Camden has done the work and has sufficient capacity to support housing growth without additional planning pathways for second dwellings.

ED PATERSON: I don't have a prepared statement, but I will just say, for the benefit of the Committee, Kiama is different to the other councils being represented here in that we're not part of the Greater Sydney region. We are, while it exists still in statute, a member of the Six Cities Region. But, as I understand the terms of reference, these provisions would solely affect us. We are very supportive of supporting our rural property owners whilst they preserve the agricultural landscape and continue to be viable agricultural land. We too, as has been provided in evidence here, permit secondary dwellings and other forms of residential accommodation within our rural zones, so there's some of the commentary in the terms of reference and the draft SEPP that's been flagged that we already do. I think there could be some additional complying pathways. We put in our submission that, at present, only rural dwellings in the RU1 zone can be done as complying. There could be considered scope for additional zones. Apart from that, happy to be here and provide evidence to the Committee.

The CHAIR: My first question is the same question to Kiama, Camden and Hornsby. You've all said that you currently, under the current rules, permit the construction of a second dwelling. How often is that happening, and what is the processing time? If somebody contacts the council today and says, "I'd like to build a second dwelling", what's the typical time frame that they'd be facing?

KATHERINE VICKERY: Hornsby allows secondary dwellings, dual occupancies attached and also rural workers dwellings. They are a merit assessment, so I can only say that the statistic that we've got, given the benchmarking frameworks from the State Government recently, is that our assessment processing time on average is 84 days. That's roughly how long it would take them once they've lodged a development application with us.

The CHAIR: Eight days?

KATHERINE VICKERY: Eighty-four days—that's our average processing time.

The CHAIR: How often is it happening in Hornsby?

KATHERINE VICKERY: We did have a look; we did run a report this morning. I can take on notice and give you the report. But it looks like on average, over the last five years, we've approved about 70 additional dwellings of some form in our rural areas, whether that be a secondary dwelling, a dual occupancy or a rural workers dwelling. But I'd like to take that on notice and confirm.

The Hon. SCOTT FARLOW: Sorry, was that on average per year or on average over the five years?

KATHERINE VICKERY: No, over the five years, about 70.

The CHAIR: How is it going in Camden?

CLARE ASLANIS: Like I said, all of our rural zones do allow for attached dual occupancies and secondary dwellings. We don't get a huge number of those development applications come through. I think it's been two in the last 12 months, but I will take that on notice and give you some hard figures.

The CHAIR: These are low numbers. In your opening statement, you both went out of your way to say, "Oh, we're already permitting it", but you should have also mentioned that you're barely doing it. How are we going in Kiama?

ED PATERSON: We, too, permit secondary dwellings in both of our rural zones. I can take on notice the exact number that we approve. Given our idyllic outlook, the number of secondary dwellings and the applications coming in are largely for tourism offerings in rural properties. Given the outlook and that they have both of our rolling green hills, our escarpment and our coastal outlooks, they are less to do with agriculture and

more to do with scenic and tourism opportunities. Our current averaging processing times are at about 74 days. We saw an up-spike in applications coming in for rural secondary dwellings when the State Government introduced model provisions around the size and the setbacks to principal dwellings. A lot of people were trying to get their applications in prior to. But I would imagine, on average, it's about 10 applications that come in per year.

The CHAIR: We've had a lot of submissions from private citizens. Only one out of all of them was opposed to this. The rest of them were very much enthusiastically in favour of it. Today we've heard from the farmers. They are very enthusiastic about it and very passionate about it. They said this is desperately needed. Aboriginal groups have come in and said yes. They were passionately in favour of this reform as well. The Tenants' Union, the building industry—this is a very diverse group of people. We had one group in this morning who, in my view, are a radically anti-development group masquerading as a planning group. But, besides them, the only organisations that are opposed to this are the local councils. Why do you think that is?

CLARE ASLANIS: Per my opening statement, I believe that local planning will get better outcomes for our local government area.

The CHAIR: Does anybody else want to contribute?

ED PATERSON: From Kiama's point of view, it's worth clarifying that we're not opposed to the reforms. We see that most of the objectives contained in the draft SEPP we are already doing. I think in our submission we said there's some ambiguity in the term "second dwelling". The legislation already has a definition around secondary dwelling, and it certainly has a definition around rural workers dwelling. I know the previous speakers gave evidence that those definitions needed to be more flexible. I'd be interested around exactly what they meant, because I read them as being quite open and flexible. If an application comes in for a secondary dwelling or a rural workers dwelling, it's generally approved. As the Committee would well be aware, when something becomes complying or exempt, it's actually less flexible than it is with a development application. There are rigid controls that you must abide by in order to be complying. I wouldn't characterise council's submission from Kiama as being opposed to the proposed framework.

The CHAIR: You wanted to retain local control, from what I recall. You didn't want the State Government to step in and make it much easier to build a second residence.

ED PATERSON: If I recall correctly, our submission is more around the fact that both the State and the local provisions already do that.

The CHAIR: But you've just said that it's barely happening in Kiama now. If we brought in this reform, I suspect you would be surprised at how much demand there would be. I think there are many reasons for that. You mentioned tourism. There are lots of different reasons why people would want a second residence. This Parliament does have to wrestle with a little thing called the housing crisis, which is causing an enormous amount of angst across this entire State and across this country. It really is appalling. Sydney has the second highest property prices in the world, behind Hong Kong. Hong Kong is tiny and New South Wales is massive. A lot of people say that this is the biggest challenge facing this State. This Parliament seems to have a bit of a bipartisan agreement that we've got to do something. I think there's also a bipartisan consensus that the biggest stumbling block and one of the biggest causes of the housing crisis is local government. Is that a correct impression or a false impression?

KATHERINE VICKERY: I'll answer that by saying that I can clarify that in Hornsby's submission we've said we don't support a statewide approach, partly because, yes, we are doing it and we do want local control. I think the issue that we had or that we pointed out in our submission if it were to apply to Greater Sydney is the conservation zones and the permissibility in those zones. And also there are the title arrangements. It was unclear about subdivision and whether that would or would not be supported.

The CHAIR: No.

KATHERINE VICKERY: We support second dwellings on our rural lands. We think it is vital for the vitality of those.

The CHAIR: Some 70 in five years, I think you said, Ms Vickery.

KATHERINE VICKERY: But we can't put those development applications in for people. That's the take-up based on it being permitted in all of our rural zones. We can't force people to ask for that secondary dwelling.

The CHAIR: I think the word would have gotten around landowners. They would have said, "It's just way too much of a complicated mess. Don't even worry about it." If this reform comes in, the word will get around.

There's a nice, simple pathway to build a second residence. What I can't work out is why the council is opposed to that.

KATHERINE VICKERY: I think it's more that, as I said, the conservation zones are what council would be reluctant to have overruled by a State policy—allowing it in conservation zones. It's the title arrangement, so we wouldn't support subdivision.

The CHAIR: I think that's a straw man about the conservation zones.

KATHERINE VICKERY: Environmental management and environmental living zones—the E3 and E4 zones—would be our concern. With the complying development pathway, we have just pointed out that our merit assessments are based on onsite sewage management and making sure there is enough room for that. We do a bushfire assessment. If complying development as a tool could address those things, we're just pointing out that that is a difficult pathway. As another speaker has said, you can set it, but it would need to be quite stringent, and then you'd be knocking people out of that pathway—which is fine for our council because we allow it as a DA anyway. I'm interested, if I may, in the councils that are not using the tools under their planning schemes to allow this type of development.

The Hon. SCOTT FARLOW: Thank you all for your attendance here today and for your submissions. Mrs Vickery, I'm interested in picking up on that point of the C3 and C4 land and the challenges there. In your submission, you outlined that, in Hornsby in particular, these are fairly constrained areas, with bushfire risks, flooding risks.

KATHERINE VICKERY: Steep land.

The Hon. SCOTT FARLOW: Steep land. What's the process at the moment for these lands, if they were to seek a secondary dwelling on them?

KATHERINE VICKERY: We don't allow them at all. There is no pathway for them in our council.

The Hon. SCOTT FARLOW: At the moment, that's a complete prohibition?

KATHERINE VICKERY: Yes.

The Hon. SCOTT FARLOW: Another issue that we heard about at the beginning of the day—and I'd be interested in all the councils' views on this—was about changing the provisions around attached dwellings to detached dwellings. What's the challenge with having a permissibility for a detached dwelling compared to attached dwellings?

KATHERINE VICKERY: It depends. In our shire, we are a peri-urban council. We do have rural areas. Our main agricultural pursuits out there are horticulture. We don't have the large working farms, and that's what we say in our submission. Our experience probably can't be applied to the outer metro, rural LGAs. We do have a big horticulture industry, but the lot sizes are a lot smaller. We say "attached dual occupancies" so that the rest of the land can still be used for agriculture. Also, some of the land has bushfire or vegetation constraints, so that's part of the reason we say that they need to be attached. Secondary dwellings don't need to be attached and rural workers dwellings don't need to be attached. We have variations in those different land uses as well, whether they're attached or not.

The Hon. SCOTT FARLOW: Is the perspective similar in Camden and Kiama?

CLARE ASLANIS: I think so. A lot of the things mentioned, like the flooding, bushfire constraints and the steep land, are all things that we do need to consider. We additionally have challenges that are quite unique for a growth council, in that we have these big precincts that are coming online where we are rezoning large parcels of rural land to make way for development. In the last few months, we've had the next stage of Oran Park come online—the Pondicherry planning proposal—which will deliver over 2,500 dwellings. We are supporting providing housing and things like that, but we do have a very specific challenge of trying to maintain that urban development within the growth areas without that bleeding into our rural zones. In terms of having attached or detached product, our current controls only allow for an attached dual occupancy and detached secondary dwellings. Our controls talk about having appearance of a single dwelling and being under the one roof line. It's a lot about maintaining the rural character which then sort of feeds back into the heritage of the area, which is historically agricultural land uses.

The Hon. SCOTT FARLOW: But, Ms Aslanis, in a sense, with these controls on top of them, isn't this part of the reason why you're not seeing a whole range of applications—because people will just think it's too difficult and give up?

CLARE ASLANIS: That was a very basic statement of how people are viewing this.

The Hon. WES FANG: It's also quite accurate, I would suspect.

CLARE ASLANIS: We don't want that urban development to bleed over into our metropolitan rural areas. We do have local housing strategies and rural land strategies, and we have our district plans all talking about keeping our growth within the growth areas. We are providing more housing and we are encouraging more housing, and we are encouraging housing diversity. This blanket approach with the rural areas is probably not suitable for our council.

The Hon. SCOTT FARLOW: Ms Aslanis, I do understand in terms of Camden being a powerhouse of housing delivery and housing growth within New South Wales for probably the last decade and of course that will continue beyond. But I guess there's the demarcation between what is the planned growth and areas you plan to grow, and, as you quite rightly say, there are rural areas that are being transitioned into residential zoning. But then there are also those people who are living on a large block of land in a rural area who might want to provide a smaller property for their children so that they can actually address the key issues of affordability and, as we've heard as well, intergenerational support for farming operations. Is that adding too much in terms of population growth potentially in an area like Camden?

CLARE ASLANIS: No, but our planning controls allow for that to happen—

The Hon. SCOTT FARLOW: But with a lot of caveats over the top of it.

CLARE ASLANIS: —in a controlled way.

JOSH POWNELL: Can I just add one thing to what the Chair said before. I'm speaking in my capacity as the manager of strategic planning. We know we're in a housing crisis. We know that. Clare mentioned we're one of the fastest growing councils in Australia. We are the fastest growing council in New South Wales. We're well aware. Camden through the growth areas has been asked to take on quite a fair bit of that growth, and we're rising to that challenge. If you have a look at our—not the DA managers; I won't speak on behalf of the DA manager. But if you look at the value of DAs, we're over \$700 million currently on the league table. No-one compares to that in terms of dollar values in terms of what we're—

The CHAIR: Seven hundred million in the pipeline—

JOSH POWNELL: Seven hundred million in terms of current DA worth going through the system at this present time. Camden knows about heavy lifting, and we are 100 per cent committed to that heavy lifting. Our housing target at the 10,200 or whatever it is—if you look at our projected time frames, we will meet our housing target; there are no issues in that. We have a lot of development coming through the pipeline. Personally, is allowing a secondary dwelling through what this inquiry is looking to do going to shift that dial in terms of getting more people into houses in Camden? I don't know, is the honest answer.

The CHAIR: It can only be a positive. It's a question of how much of a positive.

JOSH POWNELL: That's right. But the way I read it, and I've read through a lot of the submissions and I've listened to some of the stuff today, I can see that this is really—and I guess this is where we're in the difficult scenario. We're kind of on the peri-urban fringe. We're in Greater Sydney; we're not in Greater Sydney; we're outer regional. We are in this really delicate, balanced situation where we're doing our bit. We're asked to possibly do a little bit more. Is it going to be adding on top of what we're already doing? I'm not so sure.

CLARE ASLANIS: I just want to add as well in terms of the league table with our DA time frames—the others mentioned their DA time frames—we're sitting at about 64 days, which is below the statement of expectations, and we've consistently done that over the years. We do have a pretty strong focus in making sure that we get DAs out in a timely manner.

JOSH POWNELL: To that point, 89 per cent of those applications are within the time frames. You look at the value of DAs, you look at the time frames in which we're doing it, I think Camden is well and truly doing its share.

The Hon. WES FANG: I want to drill down on a few details here. In relation to Hornsby council, your understanding is that these reforms won't impact you at this stage. Yet you've made a submission anyway, effectively raising issues in relation to the proposal even though it won't affect you. Camden has raised concerns about it. I appreciate there's been some clarification as to the position of Kiama council in relation to these. But the Chair made a very valid point, which is that the majority of submissions that we've had are for these proposals, yet it's predominantly the councils that are against it. We've got a council that isn't impacted by this that sought to make a submission because they're so concerned. For Camden, I appreciate why. What are you so scared of? Why do councils across New South Wales seem to not want to give up their kingdom and control so badly that even a council that's not impacted is making a submission and appearing here to try and scrub these proposals out?

KATHERINE VICKERY: If I can clarify, Hornsby council's submission was made on the basis that the terms of reference say that we're excluded, but the attached draft instrument actually says it would apply to all of New South Wales. So we're not sure if we're included or excluded. The bulk of our submission is to try to explain the way we manage rural lands. So, yes, we do hold tight to our local planning. We have done a rural land study recently because we are concerned with the vitality of and the support for our rural farmers; we have heard that from our community. We've done recent agritourism changes with the State Government. We've done our rural land study to be able to have a look at place-based planning and to be able to put housing growth in the rural areas and account for these. We made our secondary dwellings larger; they're up to 120 square metres or 33 per cent of the principal dwelling, because that's what we're hearing from our community.

I guess it's a little bit of pride in our local work that we do allow for this and we do support our agricultural areas. That's why we are saying if this doesn't apply to us, we support that. If it does apply to Greater Sydney, we do have concerns and the concerns would be those things. Like I said, we can't compare to those outer Sydney rural areas that have much larger agricultural pursuits. Maybe their conservation zones, or their E3 and E4 zones, are applied differently to ours. But ours are applied to high ecological value lands, and that's one of the concerns we would have if it did apply to us. We're not trying to get in the way of it if it doesn't apply to Greater Sydney. We're just saying that we're unsure from the terms of reference. We wanted to assist by showing how there are some tools available for local councils if they wanted to take them up. But also, the bulk of our submission is we would support it not applying to Greater Sydney because we do think it's different.

The Hon. WES FANG: The concern I've got, in relation to the way that I hear and interpret your answer—and the way that I think a lot of people that I represent from rural and regional New South Wales would hear it—is, "As long as it happens out there and doesn't happen in my backyard, that's fine. But if it happens in my backyard, I don't want it."

KATHERINE VICKERY: But we're already allowing it, just not in our conservation zones.

The Hon. WES FANG: Ultimately, though, you don't want to have the same set of rules that you're happy to let everyone else have. Why is that?

KATHERINE VICKERY: Because we've done local planning which we think suits what our agricultural land users need. What I'm hearing is there are some councils that aren't using those local planning controls. That's where I'm hearing there is a problem. That's why we're saying we don't want it to apply to us, because we have that in hand. We are using planning controls to our availability, to have that. The complying development pathway, if that went through, would apply I suppose statewide; I'm not sure. But we're pointing out that there are some concerns with that as well, no matter where that would apply.

The Hon. WES FANG: You said you've just done a rural land study. How many people participated in that? How was the consultation process managed? How did you seek the opinions of landholders?

KATHERINE VICKERY: We went out. We had it all on our website. We had it up for two months. We had drop-in sessions out at—

The Hon. WES FANG: Nobody goes to the council website and looks at it to think to—

KATHERINE VICKERY: We sent out letters to every rural property owner in our shire. We had drop-in sessions and workshops out in our rural areas, in local RSLs and community halls. We had agricultural consultants come and we had planning consultants come. We had workshops where people would map where they live, where they work and where they shop—all those different paths of travel. We had quite an extensive consultation on that.

The Hon. WES FANG: What was the cost of that consultation?

KATHERINE VICKERY: I'd have to take that on notice, but I can give you those figures.

The Hon. WES FANG: What was the result of that? When you formulated the plan, did you increase or decrease the amount of red tape required for landholders and applicants to apply for a second dwelling?

KATHERINE VICKERY: This is where we made second dwellings larger. We already allowed second dwellings.

The Hon. WES FANG: Larger, yes.

KATHERINE VICKERY: We made them larger.

The Hon. WES FANG: But the application process?

KATHERINE VICKERY: No, we didn't change the application process. That didn't come up as an issue in the submissions. Most of the submissions came up as a lot of pressure for subdivision. A lot of them acknowledged that they can do the additional housing, but they want subdivision.

The Hon. WES FANG: I did ask the question of Camden as well. In relation to the first question that I asked, why are councils so concerned about losing control in the midst of a housing crisis?

CLARE ASLANIS: I'll start by saying that we didn't put in an objection to the whole instrument, just its application in the Camden area, because, as I said, Camden has a very specific set of challenges with managing growth. A big part of our job is managing that, making sure that it stays where we've planned it, and making sure that we manage the infrastructure and the other details that go along with that. Obviously with the amount of development that goes on and the number of planning proposals we do, things are often going out on exhibition and we are getting community feedback that's consistently raising concerns about the spillage of some of this growth, the pressures on infrastructure—roads, schools, emergency services. We're having to work really hard to try and keep up with those. So keeping the growth within the growth area is a preferable outcome.

The CHAIR: Wes, we'd better get to the Government.

The Hon. WES FANG: Okay, if you insist.

The Hon. EMILY SUVAAL: Thank you, Chair. I've only got a couple of questions, so I'm willing to cede my time to you if I run out. My first question is to Kiama. Thank you for your submission. You mention in your submission that secondary dwellings create additional burdens on the council's financial sustainability. I wondered if you could talk us through some of the unintended consequences of that and your concerns around the inability to charge rates for some of these.

ED PATERSON: Thank you for the question. It goes to some of the ambiguity in the attachment. I think the previous speaker mentioned that they were opposed to subdivision, and I've heard that from colleagues at the table as well. As the Committee would be aware, council rates are applied to lots and parcels rather than to individual dwellings. When secondary dwellings are created on properties, they have additional demand on council services, and we're not able to charge rates for those. In saying that, similar to my colleagues at the table, we permit secondary dwellings now anyway, so it's more around that tailored approach. To the previous question, one size fits all does not work. The rules that apply to Sydney would not necessarily work in Moree or other parts west of the divide. But, yes, it does cause us problems when there's unplanned rural growth, particularly growth that occurs where there's not an ability for council to charge additional rates but still provide additional demand on services.

The Hon. EMILY SUVAAL: What does that demand on services look like? How do you see that impacting?

ED PATERSON: The immediate one would be use of roads—maintenance on rural roads. We can charge for some domestic waste services if there are additional bins picked up. There's additional uses on library facilities, leisure centre facilities, civic centres and the like that council provide that we wouldn't be charging rates for.

The Hon. EMILY SUVAAL: Given the numbers are so low though—I think you mentioned maybe 10 per year.

ED PATERSON: Yes.

The Hon. EMILY SUVAAL: Would there not be an argument that that would have possibly a negligible impact?

ED PATERSON: Yes, it could. I think it's just drawing to the Committee's attention that unplanned growth, particularly secondary dwellings and additional dwellings on properties, could have additional demand on council services.

The Hon. EMILY SUVAAL: Yes, it's a consideration. Was there anything any of the other councils wanted to add to that before I move on to my next question? No. We mentioned, and I think Hornsby mentioned, the requirement for dual occs to be attached. Was that through all the different zonings?

KATHERINE VICKERY: In our rural zones?

The Hon. EMILY SUVAAL: Just in your rural zones.

KATHERINE VICKERY: Yes.

The Hon. EMILY SUVAAL: And is that the case for the other councils as well?

JOSH POWNELL: It's the same, yes.

CLARE ASLANIS: Yes.

ED PATERSON: In Kiama, we permit secondary dwellings, and they can be detached.

CLARE ASLANIS: And the same with Camden.

KATHERINE VICKERY: And rural workers can be detached.

The Hon. EMILY SUVAAL: But the dual occs have to be attached is what I'm trying to get to.

JOSH POWNELL: Correct.

The Hon. EMILY SUVAAL: If you want a dual occupancy, it has to be attached in these rural zones. However, if you want a secondary dwelling, it can be detached, as is the case with the rural worker accommodation. But then, I think it might have been Camden that said about the roof line. Is that a consideration with it being detached?

CLARE ASLANIS: That's one of our planning controls. But yes, to reiterate that, it is an attached dwelling.

ED PATERSON: Can I just make the point for the Committee's benefit that, under the standard instrument order issued by the State Government, councils can elect which uses to permit in their rural zones. What I can hear from my colleagues and I can certainly see it at other LEPs is that councils have chosen, in rural land, to only permit the attached form of dual occupancy permissible. But there's nothing prohibiting councils from adopting the detached definition because that is also a definition in the standard instrument LEP.

The Hon. EMILY SUVAAL: You pre-empted my next question, which was exactly that. Why do we need to have attached dwellings? Is there any reason?

KATHERINE VICKERY: The main reason we have it as attached is because then you can still have the agricultural pursuits on the rest of the property. It also makes sure—depending where it is. Like I said, we don't have really large-scale agricultural pursuits or really large land areas, so it makes it look more like a rural living type of arrangement rather than multiple dwellings on a property. That's why we have the attached definition. In our urban areas, we don't actually allow dual occupancies at all. It's actually the State Government that has allowed that through the low- and mid-rise reforms. The State policy does allow secondary dwellings in urban areas so, as a council, we've taken the approach, and we said we also think they should be allowed in rural areas. For the reasons of trying to make sure that you've got intergenerational living or rural workers accommodated, we do allow it, but the original instrument doesn't allow secondary dwellings. Dual occupancies are allowed in urban areas, and you can choose attached or detached. We allow both in our urban areas. But in our rural areas, yes, at the moment, it is attached only.

The Hon. EMILY SUVAAL: What I'm trying to get at is—and we've heard from previous witnesses around the inconsistency within the approach across the State's 128 councils—there's the need to tailor local planning and local solutions in local areas. I respect that, but I'm just trying to understand—particularly off the back of the evidence I think we heard from the NSW Farmers—why in rural areas you must have an attached dwelling, taking into account as well, for Hornsby, I think you mentioned some of the agriculture uses are less intensive and they're smaller in scale. So is it the case that—why would there be such an impact if you weren't having an attached dwelling, is what I'm trying to understand.

KATHERINE VICKERY: Yes, I think it dates back to the pressure then on subdivision. Some of this relates to the fact that, if you do have two houses on a property and they are really spread out, there is then that pressure to be able to subdivide and sell one off. That's what we've been trying to avoid.

The Hon. EMILY SUVAAL: There are safeguards around that, though. To my understanding, just because you have a dual occupancy does not automatically give you a right to subdivide.

KATHERINE VICKERY: No, that's right, but there could be pressure and lobbying to do that.

The Hon. EMILY SUVAAL: There could be, but that doesn't necessarily mean that would take place.

KATHERINE VICKERY: No.

CLARE ASLANIS: There's also the space required to service those dwellings as well. I think someone mentioned earlier about the onsite sewage management and things like that. Having those co-located does help alleviate some that rural land fragmentation that you'll start to see if we do start putting them further apart. It leaves parts of the land unusable for those rural, agricultural purposes, so if we keep them clustered then there's further opportunities for those rural land uses. Additionally, it can just come back to the visual impacts. Having it

appear to be one dwelling does go a long way within some of our rural villages and the community's perception of what a dual occupancy is.

JOSH POWNELL: Further to that as well, secondary dwellings and that principle in the rural zone, there's no separation of distance in terms of that as well. There's a size; there's no prescribed distance there.

The Hon. EMILY SUVAAL: I heard from Kiama about the rural workers' dwelling definition. I appreciate that, and park that to one side. The approach that Kiama has, would that be the same approach that Camden or Hornsby would take to the interpretation of that rural workers' dwelling, as in, quite a liberal approach?

KATHERINE VICKERY: I might've missed that point, but the rural workers' dwelling definition allows for accommodation for workers on an agricultural development.

The CHAIR: You have made that point a few times. How often does that happen in the Hornsby area?

KATHERINE VICKERY: Not often, because we don't have big enough agricultural pursuits, but it is permitted. In the report that I give you, I can break down how many attached dual occupancies, how many secondary dwellings and how many rural workers' dwellings we have approved. It's probably not as big a demand as some of the larger, more intensive agricultural LGAs, I would imagine.

The Hon. EMILY SUVAAL: What would be the case for Camden?

JOSH POWNELL: We might have to come back with that one. Again, we're on the urban fringe. By the time we're done with our growth, we'll end up with one-third of our rural land left. Camden started, before the growth areas, pre-20—

The Hon. EMILY SUVAAL: It was all dairies, I remember.

JOSH POWNELL: Yes, there's a lot of that type of stuff, but it's not on that larger scale agricultural. I can understand where some of the farmers and co might be coming from. Again, it comes back to the pressures of being on the urban fringe: We're caught in two battles here. We've been on the urban-rural fringe, but also pumping out the greenfield and delivering the housing for the future Sydney residents. People are coming from all over Sydney to come and live in Camden for lots of different reasons.

The Hon. WES FANG: Because they can't get a house in Wagga.

The CHAIR: Have you got one more question in you, Wes?

The Hon. WES FANG: No. At the time, Chair, I'm going to be—

The CHAIR: We've got 30 seconds. All three councils have said, "We've already got this process to allow a second dwelling," with variations. You may not know off the top of your head—I would be keen if you could get back to me on notice—what is the ratio between your approvals and your declines? Can we have a stab in the dark in the moment, or are you going to have to get back to us on that?

KATHERINE VICKERY: I know that we did do some research about refusals in general when the Government has asked us about the housing crisis. I believe our refusals are about 4 per cent of DAs lodged. That's for everything. I would need to interrogate to have a look at the subsets.

The CHAIR: It would be interesting to see the difference, if it's generally 4 per cent, which is pretty good. It'd be interesting to see if it's significantly higher for these second dwellings. I thank you very—

The Hon. WES FANG: Hang on, the other witnesses might know theirs. Do you know your rejection rates?

ED PATERSON: We'll have to take that one on notice.

CLARE ASLANIS: It'd be in the same ballpark, but we don't know.

ED PATERSON: I'll get the specifics on detail for you, but ours would be very low across the board. Most things get approved.

The Hon. WES FANG: Can I ask one last question based on that? If your rejection rate is so low, in the lower single digits, that would mean that the vast majority of the applications are compliant. In those circumstances why is it so difficult to—why aren't we just approving these things and getting houses out there?

CLARE ASLANIS: It is a merit assessment, so it might not be compliant.

The Hon. WES FANG: It doesn't need to be so expensive and onerous, though. This is why people are so frustrated with councils. The approval—

The Hon. EMILY SUVAAL: Is that a question?

The CHAIR: Just before we wind up, the key thing we are keen to see on the second dwelling applications is the decline ratio there. That would be helpful in forming our opinion. It has come to 3.15 p.m. Thank you for your evidence. The secretariat will contact you in relation to any questions on notice. Thank you very much.

(The witnesses withdrew.)

The Committee adjourned at 15:15.