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Koala stoush highlights planning policy with seriously unintended consequences

The conflict within the NSW Coalition over the “Koala Environmental Planning Policy” may be just what the Berejiklian Government needs to adjust their policy settings and focus clearly on delivering a Post COVID-19 recovery.

Since becoming Planning Minister for the second time in March 2019, Rob Stokes, has talked the talk on planning reform and speeding up the system, but he is yet to deliver anything substantial. This new Koala Planning Policy is one of the first SEPPs he has delivered. It was done with good intent – but like so many of his policies, the consultation was undertaken with blinkers on.

The Koala SEPP was well motivated when it was made in late 2019 at the height of the tragic bushfires. But the unintended consequences, the economic consequences, the devil in the detail, have all come back to bite.

Just as increased prescriptive regulation reduces feasibility and therefore housing supply – there are always unintended consequences of planning regulation. The National Party are making that abundantly clear today.

The NSW Productivity Commissioner (an independent arm of the Treasury) has been asked to examine the impact of planning on the economy in NSW and he has already delivered a damning assessment through the publication of his Green Paper. But rather than learn from this assessment, planning in Sydney seems to be taking a “nanny-state” approach to housing. Costs are being pushed up by even greater regulation.

The Government talks about its desire to improve housing affordability, yet it drives prices up by constraining supply through the slowest planning system in the nation which is delivering lower and lower levels of new housing approvals.

The anti-development mantra was politically fashionable in the lead-up to the 2011 election when the public were rightly sick and tired of the lack of transport and social infrastructure to support population growth. But we have seen investment in those areas and the economy is everything now.

The Premier is cautious about development and this reflects the views of her North Shore base. But the last decade has seen a consistent under supply of housing when compared to population growth. This has driven up housing prices. There were only two years out of the last 15 when new housing matched the demand from population growth.

Ironically the Koala SEPP, which the NSW Nationals are so upset about, is an example of the powers available to the Minister for Planning, to make SEPPs, should he wish to use them to stimulate the economy.

There is no-one in the NSW Opposition standing up for jobs and private sector investment – so the Government needs to have a fight with itself to correct policy settings which have drifted away from the primacy of the economic imperative. If this political stoush helps shift the NSW Cabinet’s mind-set towards a pragmatic approach which is focussed on economic growth, jobs growth, growth in housing supply and growth in new work-places – then that will be a stoush well worth having.

End

The above (in full or in part) can be attributed to Tom Forrest, CEO Urban Taskforce Australia

*The **Urban Taskforce Australia** is a property development industry group, representing Australia's most prominent property developers and equity financiers.*