



31 July 2019

The Hon. Rob Stokes MP
Minister for Planning and Public Spaces
GPO Box 5341
SYDNEY NSW 2001

pittwater@parliament.nsw.gov.au

Re: NSW Affordable Housing SEPP 2009 – Division 3 – Boarding Houses

Dear Sir,

Our Association is writing to you regarding concerns we have over some of the economic advantages private developers have in building boarding houses in accordance with the NSW Affordable Housing SEPP 2009 – Division 3 – Boarding Houses in lieu of building residential flat buildings in accordance with a Council LEP and DCP requirements where the proposed building is to be erected.

This has been highlighted to us in recent times where a number of development applications have been submitted in the St George Area for Boarding Houses where up to 70 rooms are crammed into a building footprint where only approx 18 home units is permissible.

It is quite obvious that developers can receive a far better return on their development with boarding houses by NOT paying open space contributions to Council and also receiving generous land tax exemptions if they comply with the Land Tax Management Act 1956 and the Treasurers' guidelines for land tax exemptions for boarding houses.

Developments of this nature, where as many rooms as possible are crammed into a building footprint without due regard to the density, orientation of the intended layout and the welfare of the occupants is not good development at any time.

While we totally agree with the SEPP's intent to facilitate the increased supply and diversity of affordable rental and social housing in NSW, our association believes these generous economic advantages, as outlined above, should only apply to a Social Housing Provider who is a registered entity within the meaning of the Australian Charities and Not-for-Profits Commission Act 2012 of the Commonwealth or a private developer who has a binding legal agreement to have a registered Social Housing Provider manage their boarding house.

If the trend by private developers continues to build boarding houses under the SEPP in lieu of residential flat buildings, our diversity of housing stock will be depleted and Councils will find it financially difficult to acquire future open space as their population increases. A recent example, in Bayside Council area where a block of 18 home units was approved, the Open Space contribution required to be paid to Council before it was built was nearly \$500,000.00. The applicant has since submitted a new development application at the same site for a 70-room boarding house within the same footprint of the approved 18 home units.



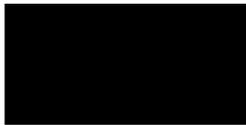
KOGARAH BAY PROGRESS ASSOCIATION

Equally, the NSW State Governments' exemptions for land tax on properties built for affordable housing, will dramatically reduce its revenue base and further, the revenue of stamp duty receipts will decrease as fewer and fewer home units are built and sold. Again, on a typical new home unit development in the St George area, say for 18 home units, the State Government of NSW could stand to loose up to \$650,000.00 in stamp duty payments if and when the units are sold.

Thank you for your time in this matter and we hope the NSW State Government will give due consideration to our suggestions that the exemptions for land tax and open space contributions be only available to a Social Housing Provider who is a registered entity within the meaning of the Australian Charities and Not-for-Profits Commission Act 2012 of the Commonwealth or a private developer who has a binding legal agreement to have a registered Social Housing Provider manage their boarding house.

Your response to the above would be greatly appreciated.

Kind Regards



Jeff Powys – Hon Secretary

Kogarah Bay Progress Association Inc

cc:

The Hon. Gladys BEREJKLIAN, MP, NSW Premier

The Hon. Dominic PERROTET, MP, Treasurer of NSW

Mr Chris Minns MP, Member for Kogarah

Mr Steve Kamper MP, Member for Rockdale