

Department of Planning, Housing and Infrastructure


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Guide to Faster SSD Assessments for Affordable Housing

For applicants lodging applications under Schedule 1, sections 26 and 26A of the *State Environmental Planning Policy (Planning Systems) 2021*

August 2024



Acknowledgement of Country

The Department of Planning, Housing and Infrastructure acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Introduction

This guide outlines how the department will work with applicants to speed up the assessment of affordable housing applications under state significant development pathways.

The NSW Government recognises the need to build more homes for our growing population, boost housing supply and improve housing affordability.

The state significant development (SSD) pathways, alongside other policy initiatives, provide opportunities for faster delivery of new affordable housing in well-located areas to meet the needs of a wide range of households on very low to moderate incomes.

The Guide to Faster SSD Assessments for Affordable Housing (the Guide) applies to SSD applications lodged under Schedule 1, sections 26A and 26 of *State Environmental Planning Policy (Planning Systems) 2021* (Planning Systems SEPP).

Policy context

The NSW Government has an aspirational target of 377,000 well-located homes over the next 5 years. To help deliver the housing target, the government has made the following policy changes:

Floor space ratio and building height bonuses

The government has amended *State Environmental Planning Policy (Housing) 2021* (Housing SEPP) to provide an increased floor space ratio (FSR) bonus and a new building height bonus for shop top housing and residential flat buildings, where the development includes at least 10% of its floor space as affordable housing. This will encourage developers to fast track delivery of affordable housing.

The department has released a [Practice Note](#) and [Planning Circular](#) to provide additional guidance on the in-fill affordable housing policy. These documents provide examples and guidance to consent authorities and applicants on the application of the FSR and height bonuses under the Housing SEPP.

New and expanded SSD pathways

- The government has introduced a new SSD pathway¹ for in-fill affordable housing where the residential component has an estimated development cost (EDC) above:
 - \$75 million in the Eastern Harbour City, Central River City or Western Parkland City in the Six Cities Region or
 - \$30 million outside of those areas.
- The threshold for the existing SSD pathway² for NSW Land and Housing Corporation has been lowered so it now applies to applications with either a minimum EDC of \$30 million (reduced from \$100 million) or those resulting in more than 75 dwellings.
- This SSD pathway now applies to applications lodged by the Aboriginal Housing Office and Landcom (applications from Landcom also have to meet a minimum 50% of the gross floor area being used for affordable housing).

Background

These policy initiatives align with the National Housing Accord that the Australian Government announced in its Budget in October 2022.

The National Housing Accord brings together all levels of government, investors, and the residential development, building and construction sector. The aim is to unlock quality, affordable housing supply over the medium term. It provides an initial, aspirational national target of delivering 1.2 million new, well-located homes over 5 years from 2024. There are immediate and longer-term actions for all parties to support the delivery of more affordable homes.

¹ Schedule 1, section 26A of the Planning Systems SEPP

² Schedule 1, section 26 of the Planning Systems SEPP

Faster SSD assessments for affordable housing

The department will prioritise the assessment of SSD affordable housing applications to help speed up the delivery of more homes. These applications will have an end-to-end target of 275 days on average from lodgement.

End-to-end assessment timeframe targets will give public and private applicants, industry, councils and the community more certainty. They will also increase the likelihood of delivering the homes people need sooner, in line with National Housing Accord targets. End-to-end timeframes will be calculated as follows:

- from lodgement to determination where the department is acting under delegation from the Minister for Planning; or
- from lodgement to referral to the Minister for Planning (where the Minister determines the application); or
- from lodgement to referral to the Independent Planning Commission (where the Commission determines the application).

The government and applicants both have a role to play in speeding up housing assessments. At the same time, we must ensure the assessment process is a robust one that leads to good planning and development outcomes.

This guide outlines the steps the department is taking to achieve faster assessments for affordable housing and what applicants can do to help.

Key features

- An end-to-end target of 275 days³ on average.
- Of the 275 days, a target of 90 government days on average, including exhibition.

³ To be achieved as a 6-month rolling average by end of 2024–25.

- Improved processes to speed up the assessment of SSD affordable housing, including:
 - a mandatory scoping meeting for early advice to applicants
 - industry-specific secretary’s environmental assessment requirements (IS-SEARs), to be issued within 7 days.
 - a commitment to reduce requests for information.
- A dedicated housing assessment team.
- Guidance to applicants on preparing better applications that are more likely to succeed.
- A shared expectation for applicants to submit responses as quickly as possible and within timeframes set by the department.
- A two-year period of consent for approved SSD affordable housing projects to encourage faster commencement of work.

When faster SSD assessments apply

All applicable SSD affordable housing applications will benefit from faster SSD assessments, unless they:

- are concept applications
- have unresolved voluntary planning agreements
- are related to concurrent draft planning proposals or SEPP amendments
- contain complex⁴ variation requests under Clause 4.6 of the Standard Instrument – Local Environmental Plan.

Additionally, an application will not benefit from faster SSD assessment timeframes if it requires re-exhibition, or where an applicant does not make a reasonable attempt to provide required information within the stipulated timeframes.

Dedicated housing assessment team

To help achieve faster assessments within the target timeframes, the department has created a dedicated team responsible for the assessment of housing applications, including handling scoping meetings and other relevant queries. This will support a more streamlined and consistent process for applicants, ensuring SSD affordable housing applications receive prompt attention and support.

⁴ Clause 4.6 requests that include minor height variations, such as lift overrun or structures associated with shading of rooftop communal space, are not considered complex.

Enhanced assessment process for SSD affordable housing

Early engagement and a shared commitment between the department and applicants will underpin faster assessments.

Statutory requirements for the lodgement and assessment of SSD are set out in legislation, primarily the *Environmental Planning and Assessment Act 1979* and the *Environmental Planning and Assessment Regulation 2021*.

These requirements are supported by the [State Significant Development Guidelines](#), which provide the step-by-step process and detailed information for the assessment of SSD in NSW.

Applications that benefit from faster SSD assessments will follow an enhanced process, which emphasises targeted scoping and early engagement to identify and resolve issues early in the process and facilitate a faster and smoother assessment (refer to Figure 1).



Figure 1: Steps to prepare, lodge and assess affordable housing applications declared SSD under Schedule 1, sections 26 and 26A of the Planning Systems SEPP.

Early scoping meeting

Applicants can request an early scoping meeting. While this step is voluntary, we encourage early scoping meetings for complex developments that are expected to have significant impacts.

Early scoping meetings allow applicants to have an informal discussion with the department to seek high-level advice on:

- whether the application is likely to meet the SSD thresholds outlined in Schedule 1, sections 26 and 26A of the Planning Systems SEPP
- the suitability of the site
- restrictions applicable to the site (such as flooding, evacuation and bushfire risk)
- other relevant planning considerations
- complex issues that may prevent the development from achieving the housing bonuses.

The department expects the applicant to bring basic information about the site and the proposal to this meeting. Plans and studies are not necessarily needed at this stage.

To arrange an early scoping meeting, please email the department on ssdaffordablehousing@dpi.nsw.gov.au.

Scoping meeting

Applicants must attend a **mandatory** scoping meeting with the department to discuss the development before submitting an application for industry-specific SEARs.

The department will advise if the application meets the SSD thresholds and will discuss expectations, commitments and timeframes for lodging the development application.

Government Architect NSW staff may also attend the meeting. Government Architect NSW can outline the next steps for the NSW State Design Review Panel process, where applicable, or discuss any alternative design competition requirements and processes.

Before the scoping meeting

To arrange a scoping meeting, please email the department on ssdaffordablehousing@dpi.nsw.gov.au and supply the required information. The meeting will be booked and held within 4 weeks of receiving the request.

Applicants must provide the following minimum information when booking the scoping meeting:

- summary of development application
- survey plan
- architectural drawings
- a brief review against Chapter 4 – Design of residential apartment development of the Housing SEPP and the Apartment Design Guide
- predicted impacts from increases beyond existing planning controls
- indicative timeframe for lodging the application and environmental impact statement.

For more details, refer to [Scoping Meeting Requirements – for Applicants](#).

During the scoping meeting

The department and the applicant will:

- confirm whether the application is likely to meet the SSD thresholds outlined in Schedule 1, sections 26 and 26A of the Planning Systems SEPP
- confirm whether Chapter 2, Part 2, Division 1 of the Housing SEPP applies
- identify if the development is likely to qualify for bonuses
- confirm whether the development is eligible for industry-specific SEARs
- confirm whether:
 - the development application is required to go through, and can proceed to, the State Design Review Panel, or
 - a design excellence provision or competitive design process will apply.
- identify key considerations early such as:
 - potential variation requests under Clause 4.6 of the *Standard Instrument – Principal Local Environmental Plan*
 - compliance with environmental planning instruments
 - compliance with key design requirements.

After the scoping meeting

The department will advise if the applicant:

- **can apply for industry-specific SEARs**

The department will confirm that it has received sufficient information for the applicant to apply for industry-specific SEARs.
- **needs to provide further information**

The department will inform the applicant within 14 days of the scoping meeting of the additional/amended information it requires before industry-specific SEARs should be applied for. This may include asking the applicant to attend another scoping meeting.
- **is discouraged from applying for industry-specific SEARs**

The department will advise the applicant within 14 days of the scoping meeting if it forms the view that the proposed development has significant issues in its current form. In these cases,

the department would discourage the applicant from proceeding with the application until these issues are addressed ('early no').⁵

In some cases, the submitted information may be sent to Government Architect NSW and the relevant local council for their information and early engagement.

Application for SEARs

Industry-specific SEARs are ready-made assessment requirements for a particular development type that have been prepared upfront in consultation with government agencies.

Industry-specific SEARs have been prepared for eligible SSD housing applications. You can view them on the [department's website](#).

Under the Environmental Planning and Assessment Regulation 2021, the department has 28 days to issue SEARs once an application has been made. The department will accelerate the issue of industry-specific SEARs to within 7 days.

The industry-specific SEARs cover letter may set out additional requirements to support a faster assessment process.

State Design Review Panel

The State Design Review Panel (SDRP) is an established program delivered by Government Architect NSW. It gives independent, consistent advice on design quality for SSD where the Independent Planning Commission or Minister for Planning is the consent authority. For more details, refer to the [State Design Review Panel Terms of Reference](#).

SSD in-fill affordable housing projects, where the residential component of the development is more than \$75 million, may be reviewed by the SDRP. In some instances, the department may waive the SDRP requirement e.g. if an application has previously been through a separate design review process. The department will confirm the requirement for review by the SDRP as part of the mandatory scoping meeting on a case-by-case basis.

Where review by the SDRP is required, it should take place as early as possible and must take place before lodgement. Two reviews are recommended.

⁵ Applicants may still request SEARs under section 173 of the Environmental Planning and Assessment Regulation 2021.

What is required for the State Design Review Panel

The [Guidelines for Project Teams](#) detail the SDRP process and documentation requirements.

At the first SDRP session the applicant should clearly explain how the development responds to the project brief, context and analysis, and integrates sustainability and heritage considerations. Any development options should be shown, and if there is a preferred option, the applicant should give a clear rationale for its selection.

At the second SDRP session, the applicant should provide detailed drawings demonstrating a response to the advice provided at the first session. These drawings should include a detailed architectural response to landscape, ecologically sustainable development and Country.

Applicants should also show the proposed envelope before and after FSR and height bonus provisions have been applied at both SDRP sessions with a comparative analysis of impacts.

Further information about the SDRP can be found on the [Government Architect NSW website](#).

Lodging the development application and environmental impact statement

Applicants are expected to engage with the department during the preparation of their environmental impact statement (EIS) to provide opportunities for early feedback and clarification of expectations. Applicants should also contact the department prior to submitting their application through the NSW Planning Portal to support an efficient lodgement process.

Applicants should refer to the [State significant development guidelines - preparing an environmental impact statement \(Appendix B\)](#) for more information on what is required to be lodged with their EIS.

Once the application is lodged through the NSW Planning Portal the department will carry out a high-level check of the application and EIS, including all appendices, before placing it on public exhibition. If the EIS is illegible or unclear about the development consent sought, or does not contain the information and documents required, the department can reject the application or require more information within 14 days. The applicant will be notified of the reasons for rejection.

If the application is rejected, the applicant can relodge the EIS but must resubmit it with all appendices on the NSW Planning Portal.

Assessing the application

The department will assess each application on its merits, considering the economic, environmental and social impacts and the principles of ecologically sustainable development.

The application of the policy with bonuses does not affect any responsibility under section 4.15 of the *Environmental Planning and Assessment Act 1979*, which requires that the consent authority take into consideration the relevant provisions of all applicable Environmental Planning Instruments (EPIs), the likely impacts of a development, the suitability of the site for the development and the public interest (amongst other matters). It is important to note that the maximum allowable FSR and building height is not an entitlement. There may be some circumstances where the application of the bonuses would result in unacceptable impacts and would not be supported.

However, the department will consider these circumstances on their merits and seek to balance the impacts of the development on the amenity of the site and surrounding land with the government's clear policy intent to deliver more affordable housing.

Responding to submissions

The department will ask the applicant to prepare a submissions report to respond to the issues raised during exhibition and through agency advice. The submissions report must also address any key issues the department identifies in its key issues letter.

The department will set a response timeframe depending on the scale and nature of the issues raised and the actions that need to be taken to address them. Typically, this timeframe will be 60 days. If the department does not receive the submissions report within the specified timeframe the application may no longer benefit from faster SSD assessment.

Requests for information

Because of the enhanced assessment process, including early engagement and more targeted scoping, the department is likely to issue fewer requests for information.

If the department does require more information, applicants must provide a response addressing all issues raised within the timeframes set by the department. If the department does not receive the requested information in this timeframe the application may no longer benefit from faster SSD assessment. Alternatively, it may determine the application based on the available information.

Period of consent

In accordance with the aim of the National Housing Accord to unlock and deliver more homes over 5 years from 2024, SSD affordable housing consents will lapse after a period of 2 years. This will encourage faster commencement of work and dwelling completions.

Under section 4.54 of the *Environmental Planning and Assessment Act 1979*, the applicant may apply to the consent authority, before the period expires, for an extension of one year.

Preparing a quality application

To support faster SSD assessment for affordable housing, applicants should show how they will achieve good planning outcomes by addressing legislative requirements and following the guidance below where development exceeds local FSR and height controls.

This section of the guide aims to provide applicants with insights into additional considerations that can greatly enhance the quality of a development application.

All SSD applications that propose affordable housing under the Planning Systems SEPP will be subject to merit assessment by the consent authority. The application must demonstrate how it meets industry-specific SEARs, which consider key issues such as flood and bushfire risk, traffic impacts, biodiversity and heritage.

The design principles for residential apartment development outlined in Chapter 4 of the Housing SEPP, and the Apartment Design Guide remain as standard considerations for any residential apartment development.

Planning considerations

Section 2.10 of the Planning Systems SEPP states that development control plans (DCPs) do not apply to SSD applications, however in many cases they may be a good guide to help minimise impacts and align with existing development in the area. In this respect the department may in some circumstances ask applicants to consider DCP controls.

There are some further planning considerations that when addressed appropriately, will not only improve the application, the design and the planning outcome, but will also increase the likelihood of a faster assessment process. Whilst these matters are important to get a good planning outcome, they should be balanced against the intent of the policy to deliver more affordable housing.

Applications should consider the four factors listed below.

Site suitability

Demonstrate that the site is suitable for the development while taking into consideration any existing site conditions such as:

- flood risk
- bushfire risk
- evacuation
- contamination
- site features
- existing traffic conditions.

Overshadowing of public open space and surrounding development

- Demonstrate that the overshadowing of public open space by the development meets the criteria set within the local environmental plan (LEP). Where no controls are specified, the following should be used:
 - The development should ensure 50% of the public open space receives a minimum of 4 hours sunlight access between 9 am and 3 pm on 21 June.
 - New developments should not create any additional overshadowing where solar access is less than 2 hours between 9 am and 3 pm on 21 June.
- Demonstrate that the overshadowing of living areas and principal open space in neighbouring private developments by the proposed development meets the criteria set within the LEP. Where no controls are specified, the following should be used:
 - Direct solar access should not be reduced to less than 2 hours between 9 am and 3 pm on 21 June, or
 - Where less than 2 hours of sunlight is currently available between 9 am and 3 pm on 21 June, solar access should not be further reduced.

If the development results in a further decrease in sunlight available on 21 June, consideration will be given to exceptional circumstances of the subject site such as heritage, existing built form or topography.

Wind impact

- Demonstrate that the development does not generate adverse wind outcomes and meets the criteria set within the LEP where applicable.

- Confirm the wind comfort criteria being adopted for surrounding public, communal and private open spaces.
- Wind levels should be appropriate for the comfort and safety of people using these spaces and their associated uses.
- Provide a wind microclimate study, where relevant, that evaluates wind conditions for the proposed scheme, taking into consideration existing surroundings and future developments in the neighbourhood.
- Mitigate any adverse wind effects through design of the built form:
 - Demonstrate compliance with setbacks or other built form approaches.
 - Avoid reliance on landscape elements and appended elements such as screens or barriers.

Setbacks and building separation

- Demonstrate the development meets building separation distances described in the Apartment Design Guide.
- Where established setbacks are not met, demonstrate why the proposed non-compliance is appropriate through informed contextual analysis, such as:
 - compatibility in the broader streetscape setting
 - providing a positive urban response
 - meeting Apartment Design Guide building separation
 - overshadowing of public and private open spaces
 - maintaining an established landscape character
 - maintaining visual privacy to neighbouring dwellings
 - not leading to significant loss of key views from public space and neighbouring developments compared to a compliant option.