Reducing Pressure on Housing Affordability

Housing package for Western Sydney

The Western Sydney community faces significant housing affordability pressures. Under the Western Sydney City Deal, the Government will incentivise local and state government reforms to accelerate housing supply.

The issue

Sydney’s population will increase by around a third, or 1.3 million people, over the next 20 years. Much of this growth will occur in those areas of Western Sydney covered by the Government’s Western Sydney City Deal. The City Deal area, comprising eight local governments, will see population growth of almost 500,000 over the next twenty years.

To house the growing Sydney population, the NSW Government estimates an additional 570,000 dwellings will be required. Approximately a third of these dwellings will need to be built in the Western Sydney City Deal area.

Ambitious reforms to planning and zoning can make a significant difference to housing supply at the local level and help the people of Western Sydney access the right homes in the right locations.

The details

The Government is working in partnership with the NSW and local governments on a Western Sydney City Deal to realise the potential of Sydney’s outer west. The Western Sydney City Deal is the most ambitious to date. The City Deal will focus on local job opportunities, connectivity and liveability. The City Deal will catalyse development in the area surrounding the new Western Sydney Airport and stimulate local job growth and improved transport options with the rest of Sydney.

The Western Sydney City Deal provides a unique opportunity to kick-start planning and zoning reform across eight local government areas facing strong population growth and housing affordability pressures, including through incentives for planning and zoning reform. Funding will assist in the delivery of planning reform – shaped at the local level – and ultimately the delivery of housing targets for Western Sydney.

As a starting point, each local government area will develop housing strategies that identify how they will reach agreed housing supply targets. This might include rezoning land for higher density housing around railway stations or employment centres, reforms that reduce development approval timeframes and other changes needed to unlock supply.

The housing package will be finalised in negotiation with our City Deal partners at the state and local level. The Western Sydney City Deal is expected to be finalised in late 2017.

Impact

The Government will reward planning reforms that aim to deliver the tens of thousands of new homes required every year to keep up with growth and take the pressure off house prices across the region.

Budget impact

The amount of funding provided will depend on the reform ambitions of the NSW and local governments.