



Response to *Campbelltown City Council* *Draft Local Strategic Planning Statement*

Shelter NSW submission

July 2019

Introduction – and the context for Shelter NSW

Shelter NSW has been operating since 1975 as the state’s peak housing policy and advocacy body. Our vision is “A secure home for all”. We pursue our vision through critical engagement with policy and practice and thought leadership. We provide systemic advocacy and advice on policy and legislation for the whole NSW housing system to resolve housing inequality and we seek to ensure that the voices of housing consumers are included in our policy responses and review.

Our approach involves engaging, collaborating and connecting with Government, the private and not for profit sectors, stakeholders and consumers. Our research centres on the causes of inequity and injustice in the housing system and we advocate solutions that aim to make the housing system work towards delivering a fairer housing system for all.

Shelter NSW is concerned about the housing crisis in NSW and the rising trends in homelessness, housing rental stress as well as the impacts of poor- quality housing, particularly on low income households¹. Over three quarters of lower income renters in NSW are paying unaffordable rents (92% of very low- income renters in Sydney). Lower cost properties are being steadily replaced with new ones at higher rents, and new concentrations of disadvantage have been created across our major cities as low income households are displaced. The NSW rental market is failing, forcing our most vulnerable citizens to go without essentials and are being excluded from jobs and opportunities.

Shelter NSW priorities are [centred around four core areas](#)², all of which are relevant to the Local Strategic Planning Statements:

- **Building enough low-cost rental housing to meet current and future need** – and recognition that social and affordable housing are critical social and economic infrastructure;

¹ See Shelter NSW 2019 Election Platform

<https://www.sheltersnsw.org.au/uploads/1/2/1/3/121320015/sheltersnsw-2019-election-platform.pdf>

- **Making housing fair for all** – so that people with specific housing needs such as accessibility or adaptability needs have fair access to housing;
- **Giving renters secure homes** - so that they have security of tenure and can put down their roots in a community without fear of unfair evictions; and
- **Making sure low-income households aren't excluded in the redevelopment of Sydney and regional centres.**

We are pleased to provide comment on Campbelltown City Council's draft Local Strategic Planning Statement (LSPS).

The broader context

It is important to consider the issue of housing affordability in the context of the Greater Metropolitan Region, and the urban planning system that operates across New South Wales. There is currently considerable public interest in the policies and instruments that can be used to generate more affordable housing through the planning system, which is pertinent to the work of councils as local planning authorities. This has been captured in the Greater Sydney Commission's (GSC) Region and District Plans, which have recommended the introduction of Affordable Rental Housing Targets in areas to be defined by councils and in planned precincts. The NSW Department of Planning, Industry and Environment (DPIE) has noted housing affordability as a key principle for consideration in the development of councils' local housing strategies. DPIE has also recently amended State Environmental Planning Policy No 70 (SEPP70) – Affordable Housing (Revised Schemes) to make all councils in New South Wales eligible to consider using the inclusionary zoning provisions available in the Environmental Planning and Assessment Act 1979, and published a *Guideline for Developing an Affordable Housing Contribution Scheme*.

This is all occurring amidst a growing and changing population dynamic that is applying new pressures to our existing urban communities. Sydney is no longer just growing outwards, pushing its rural/urban fringe further from the city's main centres. It is consolidating and developing new urban centres closer to the fringe, and large tracts of already developed land that are well within the city's inner and middle suburban rings are earmarked for or undergoing renewal at increasing levels of density. As communities and neighbourhoods are reformed at higher densities by market driven developers, the likelihood of low-cost housing in the private rental market being displaced is increased, resulting in more lower income households looking for affordable housing in suburban/semi-rural regional centres connected to the rest of the metropolitan area such as Campbelltown Local Government Area (LGA).

Locally prepared and implemented planning strategies that aim to address housing affordability challenges will help mitigate some of these negative impacts, provided they are sufficiently ambitious and properly resourced. But the context in which urban change is currently occurring means concentrating on local strategies is only one part of managing a response. Advocating the need for affordable housing strategies to neighbouring and nearby councils, especially those where major urban redevelopment is set to occur will also be necessary. In the absence of proper city-wide or state-wide strategies, more councils implementing local affordable housing strategies will make it easier for

councils in the outer suburbs and on the outskirts of Sydney’s metropolitan region to manage the impacts of population growth, development and urban renewal on their own communities, even while that renewal may be happening elsewhere.

Taking the need for Housing Affordability into account in the LSPS

Shelter NSW congratulates Campbelltown City Council on the preparation of a comprehensive and evidence based LSPS to outline a high level “20 year vision for land use in the area, the special character and values that are to be preserved and how change will be managed in the future”, as required by section 3.9 of the Environment Planning and Assessment Act 1979. Producing a LSPS is critical to the development of a council’s Local Housing Strategy and revision of Local Environmental Plans (LEPs), which are actions required by the GSC Regional and District Plans.

Shelter NSW does not believe a “one-size-fits-all” approach will be of value when it comes to local councils’ capacity to deliver (or facilitate the delivery of) new Affordable Housing across Sydney and New South Wales. We understand the need for variation across different areas to suit the broad range of local conditions. However, we have developed some [principles we would like to see applied](#) in all LSPSs³. Our analysis and comments on Campbelltown Council LSPS are underpinned by these principles.

1. The LSPS recognises and quantifies local need for housing that is affordable to those on the lowest 40% of incomes

The LSPS should recognise that housing affordability is an issue within the area. It should include some high level measures of this need such as the proportion of households in the area who are in housing stress, and/or the proportion of very low and low income households in the area. The LSPS should commit to further quantifying and measuring the need for affordable housing within the LGA as a component of a LHS.

2. The LSPS commits to developing a Local Housing Strategy

The LSPS should commit to developing a comprehensive LHS based on current housing growth, housing demand and growth trends. The LSPS should make clear that the LHS will identify and prioritise areas for growth. The LSPS should also state that the LHS will integrate principles related to affordable housing, including potentially a Local Affordable Housing Strategy and/or specific Affordable Housing programs.

3. The LSPS commits to addressing housing affordability, including through a local strategy and/or programs for growth in dwellings that are affordable to those on the lowest incomes, ideally through Affordable Housing products.

Given the need identified in #1, the LSPS should recognise that increasing the amount of affordable dwellings in the area is a key component of liveability and a strategic priority in the context of the LSPS. The LSPS should commit to locally appropriate strategies for growing the number of dwellings that are affordable to people on very low to moderate incomes. This can include planning mechanisms that encourage housing diversity, but shouldn’t be limited to them as they are unlikely to address the affordable housing need without further targeted intervention (see principle #4).

Ideally these strategies should identify opportunities for delivery of affordable housing dwellings in the area, financed through planning mechanisms such as

- SEPP 70/Affordable Housing Contribution Schemes
- Voluntary Planning Agreements

³ See <https://www.shelternsw.org.au/blog/exhibition-of-draft-local-strategic-planning-statements>

- Section 7.11 contributions

A commitment to seeking approval for SEPP 70 schemes is strongly desirable.

A commitment to other value capture mechanisms that allow for delivery of affordable housing through rezoning is also strongly desirable, however, might not be practical for all local government areas due to differences in rezoning potential.

4. The LSPS commits to housing diversity

The LSPS should commit to the promotion or facilitation of housing diversity through local planning controls and initiatives. This ensures housing supply is diverse, and provides housing choice to diverse community members. This may have an effect on housing affordability, but shouldn't be the only strategy included in the LSPS to address housing affordability issues. Indeed, it is extremely difficult to assess whether promotion of housing diversity through local planning controls and initiatives will affect private market affordability. It is also extremely unlikely to improve housing affordability for very low and low income households.

The LSPS should also commit to new residential development that caters to households with specific accessibility and adaptability needs.

5. The LSPS commits to social diversity

The LSPS should recognise that culturally and socially diverse communities are inclusive, healthy and creative. This precludes any LSPS, and additional strategic planning identified for development in the LHS, from concentrating growth in affordable housing stock in specific parts or precincts within the LGA. Ideally this means a percentage of all new residential development should be dedicated to affordable housing, preferably delivered on site, to ensure social mix.

6. The LSPS recommends further advocacy from local government for social and affordable housing

The LSPS should recognise that housing affordability is a complex issue that needs to be tackled by all levels of government. The LSPS should recommend further advocacy by Council to the NSW and Australian Governments for more social and affordable housing to be developed in the local area, to be funded by mechanisms outside of the planning system such as state and federal budgets.

This might also include recommendations for Council to tackle housing affordability issues at the metropolitan and regional level, for example through collaboration with other LGAs, to advocate for development of a Regional Affordable Housing Strategy to operate across council borders.

As a regional centre and suburban/semi-rural area within Sydney's Greater Metropolitan Region – a metropolis well known for its housing affordability issues– housing is generally cheaper in Campbelltown LGA than it is closer to Sydney's central business district and on average in Greater Sydney (e.g. median weekly rent \$356/\$447, see page 24/25). However, the LSPS still highlights a high need for affordable housing for very-low, low and moderate income households in the LGA.

It is experiencing a deterioration of affordability for such households across the housing stock that already exists within the area.

Shelter NSW is pleased to see that Campbelltown City Council recognises the significant need for more housing that is affordable to people on low to moderate incomes in the area. In particular, the recognition of the need for affordable housing on page 34: *“There are reported to be only 124 affordable housing dwellings in Campbelltown although current and predicted demand is estimated to be in the order of 20% of the community. Census data indicates 15.0% of Campbelltown households are in housing stress, compared with 11.8% in Greater Sydney”*.

We also note that the LSPS recognises on page 34 that *“social housing stock is declining in Campbelltown as public housing estates are renewed”*. This is important to note given that Campbelltown has historically included a large component of social housing within its housing stock and the demand for social housing is increasing. As of 30 June 2019, there were 1505 general and 94 priority applicants on the NSW Housing register for GW12 Campbelltown FACS allocation zone, with expected waiting times of 5 to 10 years for all types of properties, from studio to 4+ bedrooms.

Current trends indicate that housing affordability will continue to decline in the area – as it will in all areas that are reasonably accessible to employment and services throughout the Sydney basin – as long as metropolitan and state-wide social affordable housing strategies are not developed and adopted. The same is likely to be true of other urban centres in the outer ring and on the outskirts of Sydney’s greater metropolitan region, where households might tend to look for more affordable housing.

Commitment of the LSPS to developing a Local Housing Strategy (LHS)

For the reasons outlined above, we particularly support the following elements of Campbelltown City Council LSPS:

1. Strategic Policy Position 2.1 on page 34 indicating the local council will be developing a comprehensive Local Housing Strategy (LHS) for the LGA that identifies and prioritises the areas for growth having regard to housing demand, growth trends, and the existing and likely future housing stock
2. Strategic Policy Position 2.2 on page 34 recommending to use the LHS to provide the evidence base for Campbelltown City 10 and 20 year housing targets and dwellings mix Housing

Shelter NSW recommends that the 10 and 20 year housing targets for the Campbelltown LGA include targets for housing that is affordable to people on very low to moderate incomes, either through specific Affordable Rental Housing targets, or through targets for social and affordable housing stock as a proportion of the total stock.

Commitment of the LSPS to housing diversity

Shelter NSW supports Strategic Policy Position 2.8 on page 34, promoting housing diversity through local planning controls and initiatives. This aims to ensure housing supply is diverse, and provides housing choice to diverse community members. Whilst this may have an effect on housing affordability the LSPS should include a range of additional strategies to address housing affordability issues, as discussed further in the next section.

The LSPS should also commit to new residential development that caters to households with specific accessibility and adaptability needs. Reference to the Liveable Housing Design Guidelines from Liveable Housing Australia would be most welcome⁴. This could be done in Strategic Policy Position 2.7 or 2.8.

Accessibility of public space and universal, inclusive design are also of primary importance to create healthy, inclusive communities. Concerning the accessibility of public space, we suggest that the language is strengthened in Strategic Policy Positions 2.13 and 2.14 to ensure the built environment and amenity in the LGA are designed to be accessible to all members of the community. It could include a reference to the Seven Principles of Universal Design⁵, for example.

Commitment of the LSPS to address housing affordability

Shelter NSW strongly supports Strategic Policy Position 2.3 on page 34 indicating that Council will encourage affordable housing through the Local Housing Strategy. We also support the development of a specific Local Affordable Housing Strategy, especially the identification of local sites where Council could support the delivery of new affordable housing initiatives, especially those which demonstrate innovation and partnering across the sectors to optimise outcomes for residents and the community.

Regarding Strategic Policy Position 2.8 on page 34 that proposes to *“Promote housing diversity through local planning controls and initiatives”* we provide the following comment

This is a *housing diversity* approach, rather than a *housing affordability* approach per se. We fully support the principle of housing diversity and acknowledge the importance of a range of housing typologies being planned for and delivered across various localities, at increasing levels of density where appropriate. However such an approach alone will not deliver meaningful improvements to housing affordability given the constraints of current federal and state policy settings, and with no known future policy or funding settings to significantly boost social and affordable housing supply. It is extremely unlikely to improve housing affordability for very low and low income households, and at best this type of strategy is likely to improve affordability only for households on moderate incomes. This can be inferred from the already noted deterioration in housing affordability across the LGA, but is also reflected in recent research, from the Australian Housing and Urban Research Institute (AHURI) which found that:

*Most of the growth in housing supply has been taking place in mid-to-high price segments, rather than low price segments. There seems to be structural impediments to the trickle-down of new housing supply. Targeted government intervention might be needed in order to ensure an adequate supply of affordable housing.*⁶

⁴ See <http://www.livablehousingaustralia.org.au/95/downloads.aspx>

⁵ See Centre for Excellence in Universal Design, <http://universaldesign.ie/What-is-Universal-Design/The-7-Principles/>

⁶ Ong, R., Dalton, T., Gurran, N., Phelps, C., Rowley, S. and Wood, G. (2017) *Housing supply responsiveness in Australia: distribution, drivers and institutional settings*, AHURI Final Report No. 281, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/281>

It is important for Local Government authorities to consider the types of intervention that are available to them within the policy and funding frameworks set by federal and state governments.

To this end, Shelter NSW strongly recommends the development and implementation of more specific measures to address the need for more affordable housing identified by Council in the LSPS:

1. The explicit inclusion of affordable housing in the list of social and economic infrastructure that might be negotiated through Voluntary Planning Agreements (VPA) in greenfield developments and urban renewal projects in Strategic Policy Position 1.12
2. The explicit inclusion of affordable housing as associated infrastructure for strategic rezoning of land in Strategic Policy Position 2.6.
3. The explicit listing of planning mechanisms (for example in 2.8) that Council might use to facilitate delivery of affordable housing dwellings in the future, such as SEPP 70/Affordable Housing Contribution Schemes, VPAs, or Section 7.11 contributions.
4. Ideally, an explicit commitment to seeking approval for SEPP 70 schemes, (although Shelter NSW understands Council might consider this to be more appropriate at the LHS stage).
5. A commitment to consider other value capture mechanisms that allow for delivery of affordable housing through rezoning, for example in 2.6.

On the specific question of seeking approval for SEPP 70 / Affordable Housing Contribution Schemes Shelter NSW understands the *housing diversity* approach places a strong reliance on rezoning and up-zoning areas for higher density residential development, leading to significant uplift in land values in the areas identified for prospective development or redevelopment. This creates opportunities for communities to share in some of the increased value and can be used to fund new infrastructure and community facilities, and this is facilitated by provisions in the *Environmental Planning and Assessment Act 1979*. We note the growing recognition at the State Government level for this to include funding for new affordable housing, as is reflected in the recent extension of SEPP 70 to allow all councils across New South Wales to adopt Affordable Housing Contribution Schemes.

Such schemes are already in operation in the City of Sydney local government area. Similar schemes are also in development in the Cities of Willoughby and Randwick, as well as the Inner West Council, for example. These schemes require developers who wish to operate within certain defined precincts, as approved and included in a revised Local Environmental Plan, to make a contribution to a Council's affordable housing program as a condition of development consent.

Importantly, where there is certainty around the requirement for developer contributions, the apparent extra costs to developers are capitalised into the price they pay for developable land. This means developers' viability considerations are not unduly impacted by the need to provide affordable housing contributions, allowing councils to fund and develop their own portfolios of targeted affordable housing through the uplift in value created by rezoning land for higher density use.

Finally, Shelter NSW draws Campbelltown City Council’s attention to the *Strengthening Economic Cases for Housing Policies* report,⁷ Ed any CHIA NSW and UNSW City Futures, and which Shelter NSW co-funded. This research models the significant economic and productivity gains that could be expected from a large scale program of Government investment in housing that is both well located and affordable. While it is not within the scope of a local government authority to develop a program on the scale that has been modelled, the results of this research should give Councils greater confidence that Affordable Housing Contribution Schemes, designed to fund a local affordable housing program will have discernibly positive economic impacts at the local level, which will not only benefit the affordable housing residents but the broader community and the local economy. Shelter NSW strongly advocates that affordable housing should be seen as critical social and economic infrastructure rather than seen as a “welfare” policy response. In this vein we would suggest that decision makers including Councils should harness this thinking in their policy and planning, as well as in the messaging to local communities so that the benefits of affordable housing are promoted and better understood.

Commitment of the LSPS to social diversity

Whilst the LSPS includes explicit commitment to social diversity, recognising that culturally and socially diverse communities are inclusive, healthy and creative, we suggest strengthening the language in Section 2 to be more explicit about the provision of affordable housing across the LGA, ideally in the form of a percentage of all new residential development that should be dedicated to affordable housing, preferably delivered on site, to ensure social mix. This is particularly relevant for Campbelltown LGA where NSW State Government has delivered a number of projects with an aim to decrease the concentration of social housing in specific areas. Social diversity should be encouraged not only in areas with a high proportion of social housing stock, but also in other areas through implementation of inclusionary zoning mechanisms.

Commitment of the LSPS to further advocacy from local government for social and affordable housing

Shelter NSW is pleased to see that the Campbelltown LSPS recognises that housing affordability is a complex issue that needs to be tackled by all levels of government. The LSPS could recommend further advocacy by Council to the NSW and Australian Governments for more social and affordable housing to be developed in the local area, to be funded by mechanisms including those outside of the planning system, such as those outlined in Shelter NSW, National Shelter or CHIA policy and platform documents.

Shelter NSW strongly supports the statement on page 74 that *“Working through collaboration with the NSW and Federal governments will achieve more for Campbelltown than Council working in isolation.”*

⁷ Maclennan, D., Randolph, B., Crommelin, L., Witte, E., Klestov, P., Scealy, B., Brown, S. (2019) *Strengthening Economic Cases for Housing Policies*, City Futures Research Centre UNSW Built Environment, Sydney, <https://cityfutures.be.unsw.edu.au/research/projects/strengthening-economic-cases-housing-productivity-gains-better-housing-outcomes/>

Shelter NSW' position is that partnering across all three levels of Government, as well as the not for profit and private sectors is vital to achieving sustainable social and economic outcomes for residents.

Planning Priority 15, "Strengthening relationships with key stakeholders", mentions that *"collaboration is essential in planning and delivering infrastructure to keep pace with population growth"*.

Shelter NSW recommends:

1. Explicit inclusion of affordable housing as essential infrastructure needed to keep pace with population growth in the LSPS, for example in Strategic Policy Position 15.5.
2. Commitment to advocate to NSW and Federal Governments for more social and affordable housing in Campbelltown LGA, for example in Strategic Policy Position 15.5 or as an additional Strategic Policy Position in Planning Priority 15.

It is important to recognise that we need to tackle housing affordability issues at the metropolitan and regional level. Advocacy from local government to state and federal governments for direct investment in social and affordable housing would assist local government and the planning system and recognises the need for a systemic response to addressing a public policy issue that is the responsibility of all levels of Government.

We also note that Council, on page 77, *"recognises the potential impact that strategically important decisions made by Council regarding the broad ranging of areas covered by the LSPS – including critical infrastructure, environmental issues, housing, investment, environment and the like – may have on the plans of neighbouring councils and their communities"*.

Concerning housing affordability, we recommend that the LSPS includes recommendations for Council to tackle housing affordability issues at both the metropolitan and regional level, for example through collaboration with other LGAs, to advocate for development of a Regional Affordable Housing Strategy to operate across council borders. This could be included in Planning Priority 15, "Strengthening relationships with key stakeholders".

Implementation, Monitoring and Reporting

Shelter NSW strongly supports the commitment of Council to work to ensure the on-going alignment of the LSPS with Council's overarching community strategic planning, as well as the commitment to review the LSPS every four years.

We are concerned, however, that the LSPS *Implementation, Monitoring and Reporting* section does not include any specific indicators to measure success regarding better housing affordability in the area. This is especially important given the need identified by Council in the LSPS, in particular in Section 1 and 2. We recommend the inclusion in the Implementation Section of performance indicators specific to housing affordability such as:

- Decrease in proportion of residents of the LGA in housing stress
- Decrease in unmet affordable housing need

- Increase in proportion/number of dwellings in the area that are affordable to people on low to moderate incomes

Summary of Recommendations

1. Include an explicit mention in Strategic Policy Position 2.2 of targets for housing that is affordable to people on very low, and low to moderate income, as part of the 10 and 20 year housing targets and dwellings mix. It could be done through specific Affordable Rental Housing targets, through targets for affordable housing stock as a proportion of the total stock, or through another relevant method.
2. Strengthen language in Section 2 that sees the provision of affordable housing across the LGA; ideally in the form of a percentage of all new residential development that should be dedicated to affordable housing, preferably delivered on site, to ensure social mix.
3. Commit to new residential development that caters to households with specific accessibility and adaptability needs. This could be done in Strategic Policy Position 2.7 or 2.8.
4. Strengthen the language in Strategic Policy Positions 2.13 and 2.14 to ensure built environment and amenity in the LGA is designed to be accessible to all members of the community.
5. Include explicitly affordable housing in the list of social and economic infrastructure that might be negotiated through VPAs in greenfield developments and urban renewal projects in Strategic Policy Position 1.12
6. Include explicitly affordable housing as associated infrastructure for strategic rezoning of land in Strategic Policy Position 2.6.
7. Develop and implement more specific measures to address the need for more affordable housing identified by Council in the LSPS:
 - The explicit listing of planning mechanisms (for example in 2.8) that Council might use to facilitate delivery of affordable housing dwellings in the future, such as SEPP 70/Affordable Housing Contribution Schemes, Voluntary Planning Agreements or Section 7.11 contributions.
 - Commit to seeking approval for SEPP 70 schemes
 - Commit to consider other value capture mechanisms that allow for delivery of affordable housing through rezoning, for example in 2.6.
8. Explicitly include affordable housing as infrastructure needed to keep pace with population growth in the LSPS, for example in Strategic Policy Position 15.5.
9. Commit to advocate to NSW and federal Governments for more social and affordable housing in Campbelltown LGA, for example in Strategic Policy Position 15.5.
10. Include recommendations for Council in Planning Priority 15 to tackle housing affordability issues at the metropolitan and regional level, for example through collaboration with other LGAs, to advocate for development of a Regional Affordable Housing Strategy to operate across council borders.
11. Include a performance indicator specific to housing affordability in the Implementation Section such as; decrease in proportion of residents of the LGA in housing stress, decrease in unmet

affordable housing need, increase in proportion/number of dwellings in the area that are affordable to people on low to moderate incomes, or another indicator as appropriate.

Further discussion

Thank you for the opportunity take part in the formulation of Campbelltown City Council Local Strategic Planning Statement. Shelter NSW, as a housing policy and advocacy peak is keen to continue to work with and support Council on the further development of the LSPS and the LHS.

Please do not hesitate to contact Thomas Chailloux on (02) 9267 5733 or thomas@sheltersnsw.org.au in the first instance if you wish to discuss these comments.

Yours sincerely



Karen Walsh
Chief Executive Officer
Shelter NSW