



Response to *Hawkesbury Council*
Draft Local Strategic Planning Statement
Shelter NSW submission
November 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 on four core areas](#)², all of which are relevant to the Local Strategic Planning Statements and Local Housing Strategies:

- **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;
- **Making housing fair for all** – so that people with specific housing needs such as accessibility or adaptability needs have fair access to housing;

¹ See Shelter NSW 2019 Election Platform

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

- **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 Hawkesbury Council's draft Local Strategic Planning Statement.

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 metropolitan rural centres connected to the rest of the metropolitan area such as Hawkesbury 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. 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 Sydney 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.

Shelter NSW Principles for LSPS and LHS

Shelter NSW congratulates Hawkesbury Council on the preparation of a comprehensive, evidence based draft LSPS. Shelter NSW's position is that a "one-size-fits-all" approach will be of little 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, and subsequently LHS.

Our comments and recommendations on the LSPS are underpinned by the following 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 an 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.

The LSPS should recognise that increasing the number 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.

General comments

Shelter NSW congratulate Hawkesbury City Council on preparing a comprehensive draft LSPS. We commend its vision to become an affordable and diverse, vibrant and collaborative community that lives in harmony with its heritage and environment. We are pleased that this vision includes a range of affordable housing in convenient and walkable locations with equitable access to community facilities and open space.

Based on our principles, we provide comments on the following:

1. Recognition and quantification of local housing needs

- **Planning Priority 4** acknowledges that mortgage and rental stress are both issues in the Hawkesbury LGA. Research from CHIA NSW estimates the need at 87,800 social and affordable housing Dwellings in the Western Sydney City Deal area. It calculates a specific demand for the Hawkesbury LGA of 4,015 social and affordable housing dwellings by 2036 (p. 40). Notably, this figure significantly exceeds the GSC's general housing target of 2,450 by 2036.

2. Commitment to developing a Local Housing Strategy

- **Planning Priority 4** commits to developing and implementing a Local Housing Strategy. Noting a number of land use conflicts and constrains, it commits to investigating appropriate areas on a suburb-by-suburb basis for new housing growth. It similarly commits to ensuring that the LHS will facilitate delivery of diverse and affordable options in areas close to public transport and services.

3. Commitment to growing the supply of housing that is affordable to lower income households, including as specific affordable housing dwellings

- **Planning Priority 4** commits to providing affordable housing that meet community needs. This commitment involves exploring opportunities for amending the planning controls to make provision for affordable housing as well as partnering with government agencies and NGOs to provide more social and affordable housing. It also commits to advocating to state and federal government for specific initiatives and incentive schemes to deliver more social and affordable housing. This is especially relevant given the gap between the overall dwelling targets and social and affordable housing dwelling need.

4. Commitment to housing diversity

- **Planning Priority 4** commits to providing a diversity of housing types that meet community needs. Currently, there is a mismatch between household sizes and dwelling types as well as a growing number of older single person households. This illustrates the need for greater housing diversity. Specific actions outlined in the LSPS include investigating changes to the planning controls to accommodate diverse types of housing. These include medium density options,

shop-top housing, student housing, boarding houses, seniors housing and independent living facilities.

5. Commitment to social diversity

- **The Vision** expresses the local values of the Hawkesbury as being a vibrant, collaborative and diverse community. These values extend to the provision of affordable housing in convenient and walkable locations that offer equitable access to facilities and open space.
- **Planning Priority 4** commits to investigating areas to deliver a diverse range of housing types that are intended to meet community needs in well-located areas. Similarly, it commits to exploring opportunities to partner with CHPs to deliver more social and affordable housing.

6. Recommendation for further advocacy from local councils on affordable housing

- **Planning Priority 4** propose that council advocate for more social and affordable housing by working with state agencies, NGOs and social housing providers for more social and affordable housing. To address the issue of rental and mortgage stress more broadly, it also commits to advocating and supporting federal and state government incentive programs and initiatives.

In summary, the draft LSPS for Hawkesbury City Council recognises housing affordability as an issue in the local area and quantifies specific needs for social and affordable housing. It commits to:

- developing a local housing strategy,
- growing the supply of affordable housing by amending planning controls and investigating partnership opportunities
- increasing the diversity of housing types by identifying specific needs in the LHS and amending LEP and DCP controls.
- growing the supply of diverse and affordable housing in well-located areas.
- advocating for more social and affordable housing in the local government area by exploring opportunities with NGOs and government agencies

Shelter NSW supports Hawkesbury's Council commitments and has only minor recommendations as a result.

Recommendations

Shelter NSW recommends the following amendments to build on the strong foundations of the Hawkesbury's draft LSPS.

1. Recognition and quantification of local housing needs

- **Specify the proportion of lower-income households living in Hawkesbury LGA and the levels of housing stress.** For example, 'X% of households living in the LGA are lower-income households, X% experience housing stress and X% pay over 30% of their income on housing costs'. This data would strengthen **Planning Priority 4** by providing baseline data for assessing need and monitoring performance, informing development of targets for affordable housing dwellings in the LGA. It may also help to map the spatial distribution of rental stress in the LGA using available tools such as the SGS/ National Shelter Rental Affordability Index. This could be integrated in the final LSPS or in the LHS.

2. Commitment to developing a Local Housing Strategy

- **Map specific areas for new housing growth.** For instance, maps in either the final LSPS or draft LHS could show where specific types of diverse and affordable housing are planned in the LGA. While some areas are specifically named, a visual reference could help provide an overview of housing growth and change in the area. Similarly, such maps could also demonstrate the extent and location of land use constraints referenced in the draft LSPS.

3. Commitment to growing the supply of housing that is affordable to lower income households, including as specific affordable housing dwellings

- **Commit to investigating planning mechanisms that grow the supply of affordable housing.** The draft LSPS makes clear that the Hawkesbury already has the capacity to meet and exceed its dwellings targets set by the GSC for 2,450 new dwellings by 2036. What is not clear is how it will meet the specific demand identified for 4,015 new affordable housing dwellings by 2036. We recognise that mechanisms such as SEPP 70 schemes and voluntary planning agreements are more appropriate in other parts of Sydney experiencing a greater intensity of development. As such, it may be worth expressing which options council has considered, or intends to consider, for generating affordable housing through the planning system. Doing so may add greater weight to council's efforts in advocating to state and federal government for more action on social and affordable housing given the limited capability of the planning system.
- **Explicitly commit to investigating direct delivery of affordable housing.** Considering opportunities to deliver affordable housing through value capture mechanisms may be limited, the LSPS and/or the LHS should explicitly state that Council will investigate partnerships with CHPs and other government agencies to deliver affordable housing directly, for example on Council owned land.

- **Recognise social and affordable housing as essential infrastructure.** We note that Infrastructure Australia included social housing in its [Australian Infrastructure Audit 2019](#) for the first time. This may provide Council greater flexibility in the future in the mechanisms it can use for funding and delivery for affordable housing. Similarly, council may consider exempting CHPs from local infrastructure contributions where it may render development feasible considering they are already delivering essential infrastructure under the form of social and affordable housing.
- **Advocate for the NSW Government to amend the *State Environmental Planning Policy – Affordable Rental Housing to ensure affordability.*** Specifically, this would require new dwellings delivered under the ARH-SEPP to be affordable to very low and low income households. We recognise that **Planning Priority 4** intends to provide more diverse housing including student housing and boarding houses in appropriate areas. There may be risk that this type of housing delivered under the ARH-SEPP would be built as self-contained micro-apartments with rents that are unaffordable to vulnerable, lower-income renters. For further evidence and policy recommendations, we draw council’s attention to Shelter NSW’s recent research on [Boarding Houses sector NSW](#) and our [Policy Brief](#).

4. Commitment to increase diversity of housing types

- **Commit to supporting diverse housing that is specifically accessible and adaptable.** An example may be to flag an intention for the LHS to consider targets for dwellings to meet specific standards under the Liveable Housing Guidelines such as Gold or Platinum, enforced through the DCP. Doing so would strengthen commentary in the draft LSPS about needing to meet the changing needs of an ageing population. Shelter NSW recommends that all new dwellings meet the Silver standard of the LHG, and that a significant proportion meet higher standards such as Gold or Platinum.

5. Recommendation for further advocacy from local councils on affordable housing

- **Propose all councils work together on securing a region-wide strategy for affordable housing.** For example, council could commit to working together to advocate for funding solutions outside of the planning system. This would strengthen **Planning Priority 4** which acknowledges the limitations of planning instruments in meeting local needs.
- **Express support for reform of ‘no-grounds’ evictions in the Residential Tenancies Act.** This would provide greater security and stability to the people who rent their homes in Hawkesbury LGA without requiring funding or changes to the character of the area. We note that The Australian Productivity Commission recently recommended an end to no-grounds to support [vulnerable private renters](#). Council may wish to consider joining the [Make Renting Fair](#) campaign, for example.

Thank you for the opportunity to take part in the formulation of Hawkesbury 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 LHS.

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

Yours sincerely,

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