



Response to *Northern Beaches Council* *Draft Local Strategic Planning Statement*

Shelter NSW submission

October 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 Northern Beaches 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.

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 Northern Beaches 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 Northern Beaches Council for its comprehensive and evidence-based draft LSPS. We commend its vision to become a well-connected district of Greater Sydney that strongly values its coastal and bushland environment. We are especially pleased that this vision includes diverse and affordable housing that is sustainable and accommodates the entire community.

Based on our principles, we provide comments of support for the following elements of **'Towards 2040'**.

1. Recognition and quantification of local housing needs

- **Managing growth and change** rightly recognises that low levels of social and affordable housing make it a challenge to meet all housing needs in the community.
- **Priority 15** correctly states that future housing supply will meet overall demand for new dwellings but not necessarily provide options for affordable housing. It also concedes that affordability is a key consideration for households that leave the Northern Beaches.
- **Priority 16** usefully provides maps of rental affordability in the Northern Beaches which clearly show the spatial distribution of severely to extremely unaffordable rents. Specific measures include current demand for 8,100 affordable dwellings and a projected need for a further 2,000.

2. Commitment to developing a Local Housing Strategy

- **Future of the Northern Beaches** and **Managing Growth and Change** confirm that technical studies for a Local Housing Strategy are already underway and that the LHS will recommend changes to the planning controls that support different demographic groups.
- **Liveability** helpfully maps specific areas to accommodate 11 thousand new dwellings over 20 years. These include the centres of Mona Vale, Frenches Forest, Dee Why, Brookvale and Manly. However, it clarifies that council needs to identify additional areas for long-term growth.
- **Priority 15** defines good principles for growth including locating new housing within walking distance of centres and providing diverse and affordable options. It confirms actions to develop a LHS and amend the LEP and DCP to ensure new housing is responsive to local needs.
- **Priority 16** also defines good principles for social and affordable housing including that it must be well-located and well-designed, and that new development protects existing stock. It also confirms actions to increase supply through the LHS, planning controls and pre-existing policies.

3. Commitment to growing the supply of affordable housing

- **Managing Growth and Change** sets out wide-ranging and robust principles for all planning proposals including that they must provide a minimum of 10% affordable rental housing.
- **Priority 16** commits to useful actions that will increase the supply of affordable housing. These include changes to LEP and DCP controls, use of VPAs and council-owned land, developing SEPP and partnerships with community housing providers and state agencies.
- **Priority 16** also commits to a SEPP70 scheme of 10-15% for Frenches Forest but recognises this is not enough to meet demand. It appropriately acknowledges that future housing supply will meet demand from population growth but not specific demand for affordable housing.

4. Commitment to increase diversity of housing types

- **Liveability** rightly acknowledges that there is a growing demand for medium density housing and a broader mix of well-designed housing types in well-located areas.
- **Priority 15** provides useful projections that show current demand for semi-detached housing exceeds current capacity while demand for apartments is easily met. It further provides maps of opportunities to supply medium density housing in Mona Vale and Dee Why along with higher density housing in Frenches Forest and Brookvale.
- **Priority 15** goes onto define clear principles to provide greater housing diversity and encourage adaptable and universal design. It sets out actions to achieve these outcomes through the LHS as well as changes to the DCP and LEP.

5. Commit to ensuring social diversity in new developments

- **Liveability** makes a clear statement that everyone in the community should be able to engage in social activities that improve their health and wellbeing.
- **Priority 12** specifically addresses inclusion, health and social connection. It articulates a wide-ranging set of principles that support these values.
- **Principle 15** defines principles that most new housing growth, including affordable housing, will occur within strategic and local centres.
- **Priority 16** makes clear that the purpose of providing more affordable housing is for people of all incomes and backgrounds to be able to participate in the community. It sets out principles that affordable housing should be located in local and strategic centres along with most housing growth. It also commits to actions that ensure 10% affordable housing in up-zoned areas.

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

- **Priority 16** commits to an action to establish a memorandum of understanding with the NSW Government to improve the provision of social housing in the Northern Beaches LGA. However, this commitment does not extend to advocating an increase to affordable housing beyond the target of 10% either within or beyond council borders.

In summary, 'Towards 2040' addresses five out of six of Shelter NSW's principles for each LSPS. It recognises a lack of social and affordable housing and quantifies affordability issues at a high-level. It commits to developing a Local Housing Strategy that identifies areas for growth and initiatives that meet local needs. It commits to growing the supply of affordable housing by requiring a 10% contribution in all upzoned areas and 10-15% in Frenches Forest under a SEPP 70 scheme. It commits to increasing diverse housing types, particularly well-designed and well-located medium density housing. It commits to ensuring social diversity in new developments by recognising that inclusive communities support health, well-being and creativity. While it does not recommend further advocacy from local councils on funding affordable housing outside of the planning system, it does commit to working with the NSW Government to improve the provision of social housing. We support Northern Beaches Council in committing to these initiatives and have only minor recommendations as a result.

Recommendations

Shelter NSW recommends the following amendments to build on the strong foundations of **'Towards 2040'**. As with the elements we support, we are basing these recommendations on our six principles.

1. Recognition and quantification of local housing needs

- **Specify the proportion of lower-income renters living the Northern Beaches, the percentage that experience in housing stress and the levels of that housing stress.** For example, 'X% of households living in the LGA are lower-income renters, X% experience housing stress and X% pay over 50% of their income on rent. This data would strengthen **Priority 16** by providing greater context around the scale of the problem and the extent it impacts the community.

2. Commitment to developing a Local Housing Strategy

No recommendations.

3. Commitment to growing the supply of affordable housing

- **Recognise social and affordable housing as essential infrastructure.** For example, Infrastructure Australia recently included social housing in its [Australian Infrastructure Audit 2019](#). This description would strengthen **Priority 16** or **Priority 12** by giving Council greater flexibility in planning future funding mechanisms such as infrastructure contributions. Similarly, council may wish to consider exempting CHPs from infrastructure contributions. This decision would improve development feasibility for affordable housing.
- **Commit to higher levels of affordable housing that is provided in perpetuity.** An example might be 15% on all privately-owned land and 30% on government-owned land. This commitment would strengthen **Priority 16** which recognises that a 10% target in all upzoned areas and a 10-15% target in Frenches Forest will not be enough to meet demand. Equally, this gap will be harder to bridge if new affordable housing is provided for fixed periods such as 10 years.
- **Advocate for the NSW Government to amend the ARH-SEPP 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 **Priority 15** seeks an exemption from the ARH-SEPP, as well as the Seniors SEPP and Medium Density SEPP, to ensure affordable housing outcomes under its own instruments. However, proposing an amendment to the ARH-SEPP may help to ensure better outcomes if the NSW Government does not grant those exemptions. 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](#). In short, we support changes to the ARH-SEPP so that it provides affordable housing for vulnerable renters rather than self-contained micro-apartments for students.

4. Commitment to increase diversity of housing types

- **Consider a fixed period for residential housing to be used as visitor accommodation.** For example, it may be appropriate to apply a 90 day threshold for such properties. Signalling such an intention for the LHS would strengthen commentary in **Priority 15** which identifies a need to balance visitor accommodation with permanent housing in areas like Manly.
- **Consider making reference to the Liveable Housing Guidelines.** An example may be to flag an intention to consider targets in the LHS for dwellings to meet specific standards such as Gold or Platinum. Doing so would strengthen **Priority 15** which commits to new LEP and DCP controls that would specify requirements for adaptable and universal housing.

5. Commit to ensuring social diversity in new developments

No recommendations.

6. 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 **Priority 16** which acknowledges the limitations of planning instruments in meeting local needs.
- **Express support for reform to the Residential Tenancies Act.** For example, the Australian Productivity Commission recommended an end to no-grounds evictions in its recent report on [vulnerable private renters](#). This advocacy would strengthen **Priority 12** and **Priority 15** which articulate the values of inclusion and the role of secure housing in supporting the health and well-being of people on all incomes and from all backgrounds. Council may also wish to consider joining other councils in supporting the [Make Renting Fair](#) campaign.

Once again, we commend Northern Beaches Council on its draft LSPS and thank you for the opportunity to make a submission. Shelter NSW welcomes any further engagement with Council on either its LSPS or forthcoming LHS. To discuss any of our comments or recommendations, please contact our Senior Policy Officer, Thomas Chailloux, on 9267 5733 or at thomas@shelternsw.org.au.

Yours sincerely,

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