



## Western Harbour Planning Framework Review Shelter NSW submission - September 2019

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### **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 households<sup>1</sup>. 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.

Shelter NSW is pleased to provide comment on the review of the planning framework for the Western Harbour Precinct including the Pyrmont Peninsula led by Greater Sydney Commission (GSC).

### **Affordable Housing in Pyrmont: Background & Context**

Pyrmont Peninsula/City West is often regarded as a successful example of urban renewal. Following decades of decay and urban decline due to deindustrialisation of the precinct, State Government decided to launch an urban renewal program in the 1980s. While renewal was successful in terms of demographic and economic outcomes, it also led to a significant decrease by the 1990s of the stock of private rental housing that was affordable to people on very low to moderate incomes. This led to a

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<sup>1</sup> See Shelter NSW 2019 Election Platform  
<https://www.sheltersnsw.org.au/uploads/1/2/1/3/121320015/sheltersnsw-2019-election-platform.pdf>

decrease in working class people living in Pyrmont, an area with a traditionally strong working class presence and culture. Sydney Regional Environment Plan no. 26 (REP 26) gazetted in October 1992, contained the planning principles for continuing urban renewal and development while maintaining social diversity in the area.

From Shelter NSW's perspective, one of the reasons why continued development and urban renewal of City West has been so successful is because it seeks to maintain and support social and economic diversity. Another reason is how midrise development was successfully blended and integrated with older, heritage terrace housing.

REP 26 was then integrated into Sydney Local Environment Plan 2005 (LEP 2005), then reviewed and superseded by the 2012 LEP, but the planning principles for development in City West remain the same. In particular we note the following objectives a "Mixed Living and Working Environment" (REP 26, Part 2, Clause 11):

- Development in City West is to house an increased population and to provide an increased quantity and range of employment opportunities which are compatible with the achievement of a high-quality mixed living and working environment.
- Development in City West is to promote and retain close to the city centre a socially diverse residential population representative of all income groups.
- Development in City West is to provide different kinds of housing, including affordable housing, to ensure that low to moderate income households may continue to be able to live in City West.
- Development in City West is to provide opportunities for people to live and work at places in close proximity.

This provides the basis for the Affordable Housing Contributions Scheme developed by City of Sydney under SEPP 70 which sets contributions for affordable housing at 1.1% of total residential floor space, with a 30% discount for commercial floor space, i.e 0.8% of total floor space.

### **Affordable Housing in Pyrmont going forward**

We can summarise the above in that one of the main goals of the planning framework for the Pyrmont Peninsula is to ensure that lower income households can continue to live and work in the area, in order to create a socially diverse environment where all income groups are represented.

Shelter NSW is strongly supportive of socially diverse communities, which tend to be healthier, more inclusive and more productive. Rents in the private rental market close to Sydney CBD have increased significantly in recent years, and both renting and home ownership remain out of reach for very low and low income households. This would also be true for the huge majority of moderate income households in the Western Harbour area. Increases in land value in City West mean that this pressure will continue to get worse. It also means, however, that higher levels of affordable housing contributions could potentially be levied without affecting development viability when up-zoning occurs. Further, the continuing trends in loss of local social housing stock such as the Millers Point Asset recycling program

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means that social and affordable housing as a proportion of total stock in the Sydney CBD and neighbouring areas is decreasing.

Considering the above, Shelter NSW recommends that planning controls in Pyrmont Peninsula going forward should ensure that:

- Development in City West does not result in direct or indirect loss of housing that is affordable to people on very low to moderate incomes.
- Affordable housing delivered through contributions is required to be maintained as affordable housing in perpetuity, and rents charged are calculated based on income of residents, as currently required by the City of Sydney.
- Development contributions for affordable housing are to be delivered within the area as currently required by the scheme. Any monetary contribution paid to avoid delivering affordable housing in the area would go against the intent of REP 26 and subsequent planning instruments as established previously.
- Affordable Housing Contributions are increased *a minima* to 2.3% of total residential floor space, with an additional 0.7% for contributions to housing being provided outside of the area, on the model of Barangaroo<sup>2</sup>. Alternatively, the contributions should be maintained at their current level.
- Any variation to development controls and/or rezoning attracts value sharing mechanisms, with at least 15% on private and 30% on government owned land of the additional floor space to be captured and used for the provision of affordable housing.
- The level of amenity currently enjoyed by residents is maintained, and that any increases in density attract significant benefits for lower income residents and the local community.

## The need for clarity and certainty in the planning process

As many planning decisions are based on spatial context, and therefore prior development, process is extremely important when it comes to planning development to create vibrant cities. Clarity and certainty are paramount so both local residents, communities and the property and development industry have confidence in the planning system. It is internationally recognised by experts and practitioners that clear, straightforward planning processes lead to best outcomes.

From Shelter NSW's understanding, there is already a process in place for reviewing Sydney 2012 LEP. This process starts with the preparation by City of Sydney Council of a Local Strategic Planning Statement, outlining 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. As required by the GSC Regional and District Plans, this will then lead to development by council of a Local Housing Strategy (LHS), which guides the revision of the LEP and the Development Control Plan (DCP) according to strategic planning objectives.

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<sup>2</sup> This is a suggestion based on the fact that Barangaroo has similar levels of amenity and land value. Any changes in contributions levels should obviously be subject to viability testing and modelling.

City of Sydney is currently consulting the community and all other stakeholders on its LSPS. Once this high level strategic planning document is adopted, it is likely that changes will ensue for Sydney LEP and DCP. It seems therefore that the Western Harbour Planning Framework review is out of synch and ad hoc. It would seem that waiting until strategic planning for City of Sydney is finalised before conducting a review would be more aligned with usual process.

It is the view of Shelter NSW that decisions on local planning matters are best left to local government and local communities unless there are matters of state significance. Considering that social and economic outcomes of the current planning policies are positive and meet their goals to provide for orderly development while maintaining social and economic diversity, there doesn't seem to be an urgent need to review planning controls in Pymont.

Shelter NSW therefore recommends that the review of the GSC outlines the following:

- That clear, consistent planning processes are key to good development outcomes
- That the REP 26 is delivering on its objectives
- That City of Sydney is currently conducting community consultation around strategic planning and finalising its LSPS, which will lead to a review of its LEP and DCP.

Given this, based on our understanding and our comments above our position is it would seem appropriate to wait for this local government process to be finalised before changes to the planning framework for City West are considered at the State level. In general, it is the view of Shelter NSW that best outcomes are achieved through partnering across all three levels of Government, as well as the not for profit and private sectors.

### **Further discussion**

Thank you for the opportunity to take part in the review of the planning framework for the Western Harbour Precinct. Shelter NSW, as a housing policy and advocacy peak is keen to continue to work with and support the Greater Sydney Commission in its work as the metropolitan planning authority.

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

Yours sincerely



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