



## Response to *Blacktown City Council* *Draft Local Strategic Planning Statement*

Shelter NSW submission

October 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. 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](#)<sup>2</sup>, 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;

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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>

- **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 Blacktown 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 centres connected to the rest of the metropolitan area such as Blacktown 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 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.

## **Principles for Local Strategic Planning Statements**

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 LSPS<sup>3</sup>. Our analysis and comments on Blacktown City 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).

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

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

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.

### **Taking the need for Housing Affordability into account in the LSPS**

Shelter NSW congratulates Blacktown City Council on the preparation of a 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.

As a suburban centre within Sydney’s Greater Metropolitan Region – a metropolis well known for its housing affordability issues– housing is relatively expensive in Blacktown LGA but generally cheaper than it is closer to Sydney’s central business district. Compared to Greater Sydney average, it is cheaper for both houses (\$684,000 vs \$865,000 in Greater Sydney<sup>4</sup>) and strata titled dwellings (\$525,000 vs \$695,000<sup>5</sup>). Rents are in line with the Greater Sydney average (e.g. median weekly rent \$420 as compared to \$447 average in Greater Sydney<sup>6</sup>). Despite being slightly lower than the Greater Sydney average, rent and median dwelling prices are still high and out of reach for most lower income households. The LGA has a high need for affordable housing for very-low, low and moderate income households. It is experiencing a deterioration of affordability for such households across the housing stock that already exists within the area.

Social housing stock in Blacktown LGA is insufficient to meet demand. As of 30 June 2018<sup>7</sup>, there were 1,331 general and 105 priority applicants on the NSW Housing register for GW03 – Blacktown FACS allocation zone, of which most areas within Blacktown LGA are part of, with expected waiting times of 5 to 10 years for all types of properties, and more than ten years for 4+ bedroom properties. It is important to note that this unmet need does not capture people who may be eligible but do not apply due to long waiting times, nor does it reflect issues that are specific to Blacktown LGA such as the number of people seeking asylum in need of social/affordable housing that are ineligible for social housing, therefore aren’t reflected in the Housing Pathways Waiting List data.

Shelter NSW is pleased to see that “equity of access to housing” is a key concern for Blacktown City Council as outlined in the CEO’s message and reflected in ‘Our Vision for the City of Blacktown’ page 6 of the LSPS. Shelter NSW’ vision for the housing system includes a ‘tenure-neutral’ housing system where people have access to a secure, safe, affordable home regardless of their tenure. We strongly support

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<sup>4</sup> See Rent and Sales Report for March (sales) / June (rents) 2019 Quarter, FACS: <https://www.facs.nsw.gov.au/resources/statistics/rent-and-sales/dashboard>

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> 2019 data is not yet available from DCJ (ex-FACS)

the vision of Council for “promoting diverse and affordable housing”, “place-based planning”, “promoting high quality design outcomes”, and equitable access to community facilities for all.

Blacktown City is one of the fastest growing LGAs in Australia. Shelter NSW agrees with Council that this growth must be optimised and deliver improved amenity for the community<sup>8</sup>. In particular, we recommend an approach where growth is optimised and leveraged to deliver improved equity and liveability for lower income households. We support Local Planning Priority 5 “providing housing supply, choice and affordability with access to jobs, services and public transport”.

Blacktown City Council LSPS includes demographics and other data such as average weekly household income, dwelling and housing tenure mix, past growth and future estimates (Blacktown demographics page 10/11). While a Local Strategic Planning Statement is a high level strategic planning document, we believe that the evidence outlined in the LSPS could be further developed and strengthened to better inform actions.

Relevant information that is essential to assessing affordable housing need includes the proportion of total and lower income households in housing stress, rental stress and mortgage stress, median rent, median prices of detached and attached dwellings, current affordable housing stock and social housing stock, etc. We would suggest that such evidence is included and analysed as part of further strategic planning work. We recommend completing this research for integration into the final LSPS adopted by Council or that this evidence is integrated retrospectively in the LSPS and the LHS, which will allow a stronger evidence base for actions, ensure the need is appropriately assessed and responded to as part of the reviews of the LEP and the DCP, and provide baseline data for performance monitoring.

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 and affordable housing strategies are neither developed nor 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.

Shelter NSW recommends strengthening the commentary throughout the LSPS to recognise more specifically the need for more affordable housing dwellings as well as specific affordable housing products for people on very low to moderate incomes.

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

Shelter NSW supports the commitment of the LSPS in Local Planning Priority 5 (LPP 5) to address how Blacktown City Council will meet five and ten year housing targets, contribute to the twenty year housing target of the Central City District, as well as identify the types of dwellings needed and the need for affordable housing. As mentioned in the previous section, Shelter NSW strongly recommends that

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<sup>8</sup> See LSPS page 4.

the LHS include more specific data about housing affordability than is currently in the LSPS. Shelter NSW also recommends that the LHS looks specifically at planning mechanisms to increase affordable housing delivery.

Shelter NSW recommends that the 10 and 20 year housing targets for the Blacktown 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 affordable housing stock as a proportion of the total stock.

The goals outlined in LPP 5 are relevant and appropriate, including the commitment to collaborate on the issue of housing affordability across Greater Sydney and making sure that delivery of new housing is supported by infrastructure. Affordable housing is essential infrastructure that needs to be delivered at the same time as general new housing supply, including through value sharing mechanisms such as inclusionary zoning. Blacktown City Council LSPS states that “development densities in the NWGA<sup>9</sup> are significantly exceeding the planning estimates” (page 42). Shelter’s position is that any significant increase in density and/or density bonuses should attract significant value sharing mechanisms in order to deliver increased amenity, including affordable housing, for members of the community.

### **Commitment to Housing Diversity**

Shelter NSW supports the general intent expressed in the introduction of the ‘Liveability’ section and throughout the LSPS to encourage more diverse development and the right mix of dwellings. In particular we support the vision that “Blacktown provides a diversity of housing stock to meet residents’ needs” (page 8), Local Planning Priority 5 that aims at ‘providing housing choice’ and Local Planning Priority 8 ‘growing mixed use in strategic centres’. Given the current housing mix is predominantly low density housing (78%) with some medium density (18%) and very little high density housing (4%) (Demographics, page 10/11), it is particularly appropriate for Blacktown City Council to aim for increased housing diversity. The LSPS, however, does not include specific strategies and commentary around the potential positive outcomes of increased housing diversity or the mechanisms that will be used by Council to deliver the right mix of dwellings. Shelter NSW understands that this might be done at a later stage in the LHS or in the final LSPS and would like to provide the following commentary and recommendations.

- Strengthen and clarify commentary around the intended effect of the housing diversity planning priority, noting that housing diversity strategies may have an effect on housing affordability for some moderate income earners and above, but are unlikely to deliver affordable housing for lower income earners.
- Consider equity carefully when identifying where growth should be located. While it may be appropriate that growth is mainly concentrated in certain areas, for example close to public transport, it is important that densification delivers improved amenity and services for lower

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<sup>9</sup> North West Growth Area (ed.)

income households and the wider community. Concentrating growth in densification pockets at the expense of liveability for people who live there while low density areas remain essentially unchanged would be unfair.

- Consider mandating a proportion of new dwellings to have a certain number of bedrooms in strategic centres if Council has identified there is a shortfall for certain dwelling types (for example, mandate for 10% of new dwellings in strategic centres to be one bedroom apartments). This could be done at the LHS stage if considered more appropriate by Council.
- In order to achieve the goals of LPP 8 to provide jobs close to housing and vice versa, consider implementing affordable housing contributions schemes under SEPP 70 in all strategic centres. Allowing alternative housing delivery in mixed use centres such as shop top housing under the DCP would also increase housing diversity.

Shelter NSW strongly supports accessible housing for people with diverse needs, and recommends the LSPS commits 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 could be included<sup>10</sup>. We recommend mandating that:

1. All new apartment development achieves the silver level of the LHDG, allowing ‘visitability’ of dwellings for people with mobility issues
2. That a proportion of all new apartment development achieves the gold or platinum level of the LHDG
3. That a proportion of all new development in the LGA, including low and medium density housing, achieves the silver level of the LHDG, allowing ‘visitability’ of dwellings for people with mobility issues

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 Local Planning Priority 6, “Creating and renewing great places and centres” is amended 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 Design<sup>11</sup> in Action 22, for example.

We support the retention of industrial land and the transition to lighter uses (new industries) described in the Productivity section and in particular in LPP 8, 9 and 10. This is in line with the recommendations of the Greater Sydney Commission paper, [A Metropolis That Works](#). We recommend that in addition, Council considers an innovative mixed use approach as part of its review of the zoning mechanisms used in the LEP. For example, exclusively allowing social and affordable housing managed by a CHP or government provider in light industrial zone when this does not preclude achieving the primary objectives of the strategy. This could be an interesting innovative approach for Council given the 3,000

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<sup>10</sup> See <http://www.livablehousingaustralia.org.au/95/downloads.aspx>

<sup>11</sup> See Centre for Excellence in Universal Design, <http://universaldesign.ie/What-is-Universal-Design/The-7-Principles/>

hectares of industrial land in Blacktown LGA. This is being considered by Inner West Council as part of their LHS, for example, and could be an innovative way to deliver some additional affordable housing dwellings although not at scale. The mixed use and innovative delivery would allow for homes close to jobs, achieving the objectives outlined by Council in the LPP 8.

### **Commitment of the LSPS to address Housing Affordability**

Shelter NSW strongly supports the vision outlined on page 2 of the LSPS by Blacktown City Council CEO to deliver “equity of access to housing”. We support the vision on page 6, “promoting diverse and affordable housing” and LPP 5 to ‘deliver affordability’. Delivering affordable housing will derive important positive impacts on communities and the economy. It will assist Council in achieving LPP 8 to promote access to local jobs. Shelter NSW is concerned, however, that the LSPS neither specifies how this vision will be delivered nor mentions explicit targets for new affordable housing for very low and low income earners and how they could be delivered.

The ‘vision figure’ on page 34 in LPP 2 shows ‘Affordable and social housing’ as a responsibility of the ‘Private/NGO sector’ while ‘affordable housing incentives’ are included under a ‘NSW Government/GSC’ heading. Shelter NSW is surprised by this classification of roles and responsibilities. Social housing delivery and maintenance is a responsibility of the State government, and registered community housing providers, depending on the ownership and contractual arrangements. Affordable housing delivery is and should be an important part of local government policies. While we support the general intent of LPP2 to work collaboratively for better outcomes, we strongly recommend that this ‘role and responsibilities’ figure is amended to reflect the essential roles of state and local government in social and affordable housing policy and delivery. We recommend the development of a specific Local Affordable Housing Strategy, potentially as part of the LHS, including identification of local sites where Council could support the delivery of new affordable housing initiatives.

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.<sup>12</sup>

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. This is particularly important for Blacktown LGA, considering the high level (20%) of local jobs in lower paid but essential industries such as health. For example, growth of an education and health precinct in Blacktown and in Rouse Hill would need to be supported by affordable housing for key workers and other lower income households<sup>13</sup>.

To this end, Shelter NSW strongly recommends the development and implementation of more specific measures to address the need for more affordable housing identified in the LSPS and achieve Blacktown City Council's vision:

1. The explicit recognition of affordable housing as essential social and economic infrastructure, in line with academic research and as recognised by Infrastructure Australia in the [Australian Infrastructure Audit 2019](#). This could be included in Local Planning Priorities 1, 6, 8 and 10. It will facilitate advocacy to other levels of government for more social and affordable housing. Shelter NSW agrees with the statement on page 32 in LPP 1 that "Infrastructure is often a catalyst for new community possibilities and vision". Recognising affordable housing as essential economic infrastructure will give Council flexibility in the future in how it finances delivery of more affordable housing through planning mechanisms.
2. The explicit listing of planning mechanisms (for example in Planning Priority 5 or in the LHS) 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.
3. 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). Ideally this could specify the areas where an affordable housing contribution scheme under SEPP 70 is to be applied, to provide certainty to the market and the property development industry. This would be particularly appropriate in strategic centres, including the number of transport-oriented developments and urban renewal precincts identified on page 37 of the LSPS.
4. A commitment to review development contributions levied through section 7.11 and 7.12, and consider exemptions for Community Housing Providers given g they are delivering essential infrastructure under the form of social and affordable housing.
5. A commitment to consider other value capture mechanisms that allow for delivery of affordable housing through rezoning, for example in Planning Priority 5.

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<sup>12</sup> 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>

<sup>13</sup> See Local Planning Priority 10, Action 33, page 55.

6. Consider provision of specific affordable housing for students and mandate good design requirements through the DCP. The goal to provide more student housing (page 46) is commended but there needs to be mechanisms to ensure this housing is appropriate and relatively affordable. [Shelter NSW's research on boarding houses](#) has shown that much of the student housing delivered under ARHSEPP 2009 is not affordable, and should not be considered as a boarding house. One of the reasons why developers use the ARHSEPP Part 3 pathway might be because the dwellings do not otherwise comply with design requirements under SEPP 65.

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 Blacktown City Council's attention to the *Strengthening Economic Cases for Housing Policies* report<sup>14</sup>, led by 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

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<sup>14</sup> 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/>

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**

Shelter NSW commends Council in its celebration of social, economic and cultural diversity throughout the LSPS. We commend Council for including an explicit commitment to social diversity in its LSPS and recognising that culturally and socially diverse communities are inclusive, healthy and creative. We note however, that cultural and social diversity will need to be supported and maintained, partly because of housing affordability pressures pushing very low and low income households away from Sydney metropolitan area. We recommend that Council be more explicit about the mechanisms to increase provision of affordable housing across the LGA, including value capture mechanisms, and for these mechanisms to apply across the LGA.

Shelter NSW entirely agrees with Blacktown City Council’s call on page 36 of the LSPS for “NSW Government to more equitably fund and distribute social housing across Greater Sydney to address high concentration of social disadvantage”. Shelter NSW does not support ‘asset recycling’ programs that use differential in land value to deliver social housing for a number of reasons, some being that such approaches are not sustainable over the long term and, when they result in a decrease of social housing as a proportion of total housing stock, reduce social and economic diversity in areas where there is a high need for social housing. Social diversity should be encouraged not only in areas with a high proportion of social housing stock, where State government has aimed to deconcentrate social housing in recent years, but also in other areas through implementation of inclusionary zoning mechanisms and direct delivery. Shelter NSW is committed to advocating for people on lower income in all communities across Greater Sydney to have access to safe, secure, affordable housing and would certainly support Blacktown City Council in their advocacy in this regard.

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

Shelter NSW supports Blacktown City Council LSPS recognition that housing affordability is a complex issue that needs to be tackled by all levels of government. 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.

We strongly support Action 18 in LPP 5 to ‘collaborate on housing affordability across Greater Sydney’.

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 recommends:

1. Commitment to advocate to NSW and Federal Governments for more social and affordable housing overall in Blacktown LGA along de-concentration measures if appropriate.
2. That the action 18 of the LSPS is developed further, for example to state that through collaboration with other LGAs, Council will advocate for development of a Regional Affordable Housing Strategy to operate across council borders.

It is important to recognise that housing affordability issues need to be tackled 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 recognise the need for a systemic response to addressing a public policy issue that involves responsibility by all levels of Government.

### **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. We would recommend, however, that the LSPS is reviewed every five years to align with the review of the LEP instead of the 7 year as statutorily required.

As mentioned previously, we are concerned with the lack of specific data and evidence around housing affordability in the area. 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. We recommend the inclusion in the Implementation Section (LPP 18) 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 additional local data about housing affordability in the LSPS (median dwelling prices, levels of housing stress, mortgage stress, etc.)
2. Strengthen commentary throughout the LSPS to recognise more specifically the need for more dwellings that are affordable for people on very low to moderate incomes as well as specific affordable housing products

3. Mention specifically in the LSPS or LHS the planning mechanisms that Council will consider to increase delivery of affordable housing
4. Include targets for housing that is affordable to people on very low to moderate incomes in the 10 and 20 year housing targets for the Blacktown LGA
5. Consider mandating a proportion of new dwellings to have a certain number of bedrooms in strategic centres if Council has identified there is a shortfall for certain dwelling types
6. Allow alternative housing delivery in mixed use centres such as shop top housing under the DCP
7. Plan for universal design in the LSPS by mandating that:
  - All new apartment development achieves the silver level of the LHDG, allowing 'visitability' of dwellings for people with mobility issues
  - That a proportion of all new apartment development achieves the gold or platinum level of the LHDG
  - That a proportion of all new development in the LGA, including low and medium density housing, achieves the silver level of the LHDG, allowing 'visitability' of dwellings for people with mobility issues
8. Amend Local Planning Priority 6 to ensure the built environment and amenities in the LGA are designed to be accessible to all members of the community. Include a reference to the Seven Principles of Universal Design<sup>15</sup>.
9. Research and consider exclusively allowing social and affordable housing managed by a CHP or government provider in light industrial zone when this does not preclude achieving the primary objectives of the zoning.
10. Amend the 'role and responsibilities' figure page 34 in LPP 2 to reflect the essential role state and local government have to play in social and affordable housing delivery.
11. Develop a specific Local Affordable Housing Strategy, potentially as part of the LHS, including identification of local sites where Council could support the delivery of new affordable housing initiatives.
12. Explicitly recognise affordable housing as essential social and economic infrastructure in the LSPS.
13. List explicitly planning mechanisms 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.
14. Commit explicitly to seeking approval for affordable housing contributions schemes under SEPP 70.
15. Consider exemptions for Community Housing Providers from development contributions levied through section 7.11 and 7.12, considering they are delivering essential infrastructure under the form of social and affordable housing.
16. Commitment to advocate to NSW and Federal Governments for more social and affordable housing overall in Blacktown LGA along de-concentration measures if appropriate.

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<sup>15</sup> See Centre for Excellence in Universal Design, <http://universaldesign.ie/What-is-Universal-Design/The-7-Principles/>

17. Develop further action 18 of the LSPS, for example to state that through collaboration with other LGAs, Council will advocate for development of a Regional Affordable Housing Strategy to operate across council borders.
18. Align the review of the LSPS with the review of the LEP every five years.
19. Include performance indicators specific to housing affordability in the Implementation/Local Planning Priority 18.

### **Further discussion**

Thank you for the opportunity to take part in the formulation of Blacktown 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@shelternsw.org.au](mailto:thomas@shelternsw.org.au) in the first instance if you wish to discuss these comments.

Yours sincerely



Karen Walsh  
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