



Response to *City of Canterbury-Bankstown* *Draft Local Strategic Planning Statement & Local Housing* *Strategy*

Shelter NSW submission
November 2019

Introduction

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;

¹ See Shelter NSW 2019 Election Platform

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

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

We are pleased to provide comment on City of Canterbury-Bankstown's draft Local Strategic Planning Statement & Local Housing Strategy (LHS).

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. Shelter NSW notes that this is an issue for Canterbury-Bankstown LGA, as recognised in the LSPS and illustrated by the high levels of housing stress, 39%, experienced by low income earners.

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 City of Canterbury-Bankstown on the preparation of a comprehensive, evidence based draft 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. It is particularly appropriate to exhibit the LHS at the same time, which provides objectives and actions to deliver homes in the right locations, that are “diverse, accessible and affordable”, and grow the number of affordable rental housing dwellings.

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 and LHS 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.

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

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

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 commentary on City of Canterbury-Bankstown LSPS and LHS

While housing has been relatively affordable in Canterbury-Bankstown LGA historically compared to similar medium ring areas in Greater Sydney, housing affordability has deteriorated starkly in the last decade. Supply of social and affordable housing has failed to keep with demand, and high levels of general housing supply have not delivered affordability for lower income households, as illustrated by the high levels of housing stress in the area; 18.6% for all households, higher for lower income earners and renters. Action from all levels of government will be required to support social diversity, deliver more affordable housing and continue to be “one of the largest and most socially diverse community” (LSPS page3).

Shelter NSW provides commentary on the following elements:

- We commend Council for gathering and integrating extensive data in the LSPS and LHS. In particular we note that:
 - Households in the LGA who rent their home are the dominant tenure form, an increase of 4% since the last census. We recommend that the exact percentage is included in the final LSPS/LHS as currently only the increase is mentioned.
 - 18.6% of households are in housing stress, spending more than 30% of their income on rent. This figure is 39.1% for low income rental households. Housing affordability is a big concern for the community, who named “affordable and decent housing” as a priority during consultation (LHS p10).
 - Housing is severely unaffordable for people in lower income areas, with 35% of the median income required to pay for median rent in Lakemba, for example. This indicates the situation is likely to be very difficult for very low and low income households.
 - Significant numbers of people work in ‘key workers’ industries, that are essential to the LGA but contain high numbers of people on lower incomes. The demand for key worker housing is significant, and there will be a need to support the 34 strategic centres and the Eastern Lifestyle & Medical Precinct with affordable housing for key workers.

- Social housing is in undersupply with a high number of people on the waiting list, facing significant waiting times between 5-10 years to over ten years depending on the type of dwelling.
- The LSPS indicates page 70 that Council’s target for housing stress in the area by 2036 is 7%. Shelter NSW believes that while the challenge is significant, Council should commit to more ambitious targets. Aiming to end housing stress by 2036 is possible and would make a great aspirational goal.
- Shelter NSW supports Council’s commitment to housing diversity, to “provide housing choice to suit each life stage through a range of housing typologies, sizes and tenures”. We support the general principle to encourage housing typologies that support employment in Bankstown, Campsie and Chullora as well as the action to allow shop top housing in large centres (p29). We support Council’s commitment to ensure a supply of a mix of dwellings in order to respond to the needs of all community members, and recommend that a mix of number of bedrooms in larger developments is mandated through the DCP.
- The LSPS page 73 identifies one of the objectives of growing housing supply in Bankstown Town Centre as a way to “provide accommodation for a wide range of users including students, teachers and health workers”. It is difficult to assess which cohorts will occupy new private housing, in particular when people likely to be on lower incomes such as students, teachers and health workers have to compete for housing on the private rental market. Clear strategies such as preparation of Affordable Housing Contributions Schemes under SEPP 70 ensure that a significant amount of housing supply is targeted supply, therefore controlling that accommodation is indeed provided to a wide range of users.
- Shelter NSW recognises that executive housing is important to support employment growth, in particular in knowledge based industries. It is important to focus on delivering affordable housing for lower income households including key workers, however, as executive housing is relatively well delivered through the private long term and short term accommodation market.
- We support changes to planning controls in R3 zones so medium density development becomes feasible, as per the objectives of this zoning. We note Council’s intention to prevent ‘medium density buildings’ in low density areas such as R2 zones. From Shelter’s understanding, this strategy is inconsistent with a commitment to increasing housing diversity, as well as the policy to keep allowing construction of secondary dwellings, which are a form of densification. We also note that the visual and amenity impact of low rise medium density dwellings such as manor houses and townhouses is not significantly different from the impact of very large detached dwellings, at similar height and setback controls. It is important to consider equity when planning for housing supply and increased housing diversity, and to avoid over-concentrating development in certain areas while others are virtually left unchanged. We recognise that Council is best placed to plan for development in the LGA, and would support an exemption from the Low Rise Medium Density Housing Code if accompanied by planning strategies to ensure progressive densification of low density areas including low rise medium density dwellings in a way that is sensitive to local character.

- We note the need to deliver housing and public space to “suit each life stage” and in particular the ageing population, including those who would like to age in place. This will require design controls that ensure new housing supply is adaptable and accessible. Shelter NSW recommends mandating through the DCP that all new housing in large developments meet the Silver level of the Liveable Housing Guidelines, ensuring adaptability and accessibility, and that a proportion meets higher levels of the LHG such as Gold or Platinum. Accessibility should also be considered when planning for great places (Evolution 2). We recommend reference to the 7 Principles of Universal Design⁴ in the LSPS.
- We strongly support the commitment to ensure community services have access to affordable floor space page 80 of the LSPS.
- Shelter NSW strongly supports Council’s commitment in the LSPS to prepare and introduce an “Affordable Housing Policy” alongside a “Housing Strategy for the City”. We recommend that this policy includes a baseline need for affordable housing as well as clear, ambitious targets for increased delivery of affordable housing dwellings in perpetuity with rent set as a percentage of income of targeted residents.
- We note that one of the objectives of this policy will be to “test the financial capacity of the industry to provide this type of housing”. While it is unclear which industry this refers to, we note that with enough certainty, i.e. when Affordable Housing Contributions Schemes are prepared well in advance of rezoning and applied broadly across the LGA, property developers are able to cost these contributions into the price they pay for land, therefore not impacting development viability. Given land values and the significant increases when rezoning occurs, willingness of landowners to develop is not affected either, making this type of value sharing mechanisms a good way to deliver affordable housing and ensure inclusive development. The Community Housing industry has capacity to deliver and manage affordable housing in the area, but often needs access to land at a discount compared to market price and/or assistance to increase development feasibility, for example as an exemption from development contributions considering they are delivering essential infrastructure under the form of affordable housing.
- CBCity 2036 proposes an aspirational target of 15% of new floor space in growth precincts to be dedicated to affordable housing. Shelter NSW strongly supports Council for setting this ambitious target. We note that from our understanding, the Greater Sydney Commission does welcome targets exceeding its affordable rental housing target of 5-10% as long as viability can be established. In the LHS this is referred to as a ‘position’. It should be amended for greater clarity. Actions summarised page 75 of the LSPS, and the LHS, however only mention testing viability for 5-10%. Shelter NSW recommends that a specific action to test 15% and compare both scenarios be explicitly included in LSPS actions and in the LHS. We expect that 15% will be chosen as a result as it delivers more affordable housing without impacting viability. The LHS also mentions a threshold of 10 dwellings for application of SEPP 70. From our understanding, a cash contribution as a percentage of new floor space can be applied to all developments and only very small developments (under 6 dwellings, for example) should be exempted.

⁴ <http://universaldesign.ie/What-is-Universal-Design/The-7-Principles/>

- Shelter NSW supports the use of Voluntary Planning Agreements (VPAs) to deliver affordable housing where contributions schemes cannot be applied. We note, however, that VPAs are an ad hoc mechanism that reduces certainty for both Council and the development industry. As such, schemes under SEPP 70 should be favoured when possible.
- The LHS page 31 suggests to “support development of micro-apartments (boarding houses)”. While Shelter NSW is aware that Part 3 of the ARH SEPP has been used to deliver micro-apartments, it is important to keep in mind that the intention of the SEPP is not to deliver self-contained micro-apartments, which are not boarding houses, but housing for vulnerable renters. While delivery of this type of housing should not be prevented, it shouldn’t be overly encouraged as a response to the lack of affordable housing for people on lower incomes. Smaller dwellings are often not suited to the needs of people on lower income, as many have families or specific needs. Prices in the private rental market are a function of demand and not of cost, and reducing amenity and dwelling size is very unlikely to create sufficient supply of dwellings that are affordable to people on the lowest incomes, although it may respond to a demand from single person households on moderate incomes. ‘New Generation Boarding Houses’, are already rarely affordable for people on very low and low incomes. They should not attract the same planning advantages as boarding houses that are affordable to people on lower incomes. Shelter NSW recommends that as part of its commitment to advocate for a review of ARH SEPP, Council explicitly commits to advocating for the introduction of an affordability requirement for dwellings delivered under this planning pathway. 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](#).
- Shelter NSW supports City of Canterbury-Bankstown’s commitment to sustainability, in particular to “create sustainable, resilient places that respond to community needs” (Evolution 8). Well-designed homes powered by affordable clean energy benefit landlords through reductions in their utility costs such as water, common area lighting, and environmentally sustainable homes are more attractive to tenants, so can assist in reducing vacancy rates. The benefits for tenants, include savings through reduced utility costs, resulting in more “after housing” income and enabling tenants to live more comfortably and generally have a better housing experience. There is also evidence that lower income households in homes with lower utility costs and with environmentally sustainable features are less likely to have rent arrears and more able to save. Shelter NSW has been involved in discussions leading to a recent advocacy win regarding mandating energy efficiency provisions for residential buildings in the National Construction Code⁵.

Overall we support the draft LSPS and draft Local Housing Strategy (LHS) objectives and the mechanisms described in order to achieve the desired outcomes.

⁵ See <https://www.industry.gov.au/sites/default/files/2019-07/bmf-communique-18-july-2019.pdf>

Recommendations for City of Canterbury-Bankstown LSPS and LHS

Overall Shelter NSW supports the draft LSPS and LHS. We provide the following recommendations for Council's consideration:

- In line with the [latest Australian Infrastructure Audit](#) , which recognised housing as infrastructure for the first time, we recommend that Council specifically recognise affordable housing as essential social and economic infrastructure in its LSPS. This will provide Council with flexibility in the future in planning mechanisms it can use to facilitate affordable housing delivery.
- Strengthen commentary in the LSPS to recognise more strongly the need for more housing that is affordable to people on lower income. While the actions and commitments outlined by Council are great, the need and benefits of specific affordable housing, as opposed to general comments on housing diversity, could be outlined and framed more strongly in the LSPS.
- Commit to an aspirational target of ending housing stress and homelessness by 2036.
- Establish a dwelling mix target in the LHS and mandate it through the DCP so undersupply issues for certain type of dwellings are addressed and housing supply is diverse and adapted to the needs of all members of the community.
- In order to deliver on the vision of housing that is accessible to a diverse community; strengthen commentary in the LSPS and the LHS around accessibility and the need for universal design. Introduce a target in the LHS and/or a requirement in the DCP that all new residential flat building development achieve the Silver level of the Liveable Housing Guidelines and a proportion of new housing achieves the Gold and/or Platinum standard. Indeed, Silver mostly allows retrofitting and/or 'visitability' of the dwelling rather than responding adequately to the needs of people with mobility issues or ageing.
- As part of the review of development contributions (Evolution 10), consider exemptions from section 7.11 and 7.12 contributions for CHPs given that they are already delivering essential infrastructure under the form of affordable housing. This will increase affordable housing development feasibility.
- Investigate "preferential zoning", i.e. allowing affordable housing exclusively as a residential use in zones where residential housing is not allowed, as long as it does not preclude the overarching objectives of the zoning. City of Sydney Council has such a mechanism in place in B7 Business zone and Inner West Council is considering a similar mechanism.
- Set level of Affordable Housing Contribution Schemes under SEPP 70 at 15% of new floor space for all development over 6 dwellings. Shelter NSW also recommends that Council aims to cover most of the LGA under such schemes given that the need for affordable housing is well established across the LGA.
- Commit to 30% of new floor space to be dedicated to affordable housing on government owned sites where residential development occurs. As part of Campsie Master Plan, set an ambitious target for affordable housing such as 30%.

- As part of Council's commitment to advocate for a review of ARH SEPP, commit to advocating for the introduction of an affordability requirement for dwellings delivered under ARH SEPP.
- Commit to further advocacy to other levels of government for direct investment in social and affordable housing and reform of the policy settings that shape housing affordability in Australia.
- Commit in the LSPS to advocate to NSW Government for reform of the Residential Tenancies Act to end 'no-grounds' evictions. This has been recommended recently by the Productivity Commission in [its report on vulnerable renters](#). It would immediately provide greater security of tenures to the of households who rent their home in Canterbury-Bankstown LGA, without requiring any spending or changes to the built form and land use within the LGA. Council could join the [Make Renting Fair](#) campaign, for example.

Overall Shelter NSW supports the LSPS and the LHS.

Thank you for the opportunity to take part in the formulation of City of Canterbury-Bankstown Local Strategic Planning Statement and Local Housing Strategy. 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 Thomas Chailloux 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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