



Response to *City of Sydney*  
***Draft Local Strategic Planning Statement & Local Housing  
Strategy***

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:

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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>

- **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;
- **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 Sydney Council'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. City of Sydney strategic planning documents include some strong recognition and consideration of this issue, including that "decline in housing affordability is detrimental to the socio-economic diversity which underpins the city's rich social fabric."<sup>3</sup> Shelter NSW strongly agrees with City of Sydney that the loss of social diversity within the area due to growing unaffordability of housing and gentrification is likely to continue unless effective measures are put in place.

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<sup>3</sup> LSPS page 36.

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. Shelter NSW commends City of Sydney for its recognition that housing affordability is affected by a number of complex, intersecting factors from policy settings at all levels of government, and recognises that local government cannot solve the housing affordability issues that affect its area on its own, as outlined throughout the LSPS and LHS<sup>4</sup>. Although this is true for all LGAs in NSW, it is particularly relevant to the City of Sydney as a significant proportion of the LGA (296 hectares, over 10% of the LGA) is currently subject to state planning controls<sup>5</sup>.

We strongly support the resolve of City of Sydney to advocate to State and Federal Government for increased direct investment and delivery of social and affordable housing, and reform of the policy settings that impact on the level of housing that is affordable to very low, low and moderate income households. 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 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 Sydney on the preparation of an extremely comprehensive and 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 and improve the quality, diversity and sustainability of housing for all residents”*<sup>6</sup>.

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 LSPS<sup>7</sup>, and subsequently LHS.

Our analysis and comments on City of Sydney LSPS and LHS are underpinned by the following principles:

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<sup>4</sup> See LSPS page 36, LHS page 26, 44

<sup>5</sup> See LSPS page 32.

<sup>6</sup> See LHS page 6 *“What is the scope of this Strategy?”*

<sup>7</sup> See <https://www.sheltersnsw.org.au/blog/exhibition-of-draft-local-strategic-planning-statements>

### **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.**

Given the need identified in #1, 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.

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

As an attractive area with overall world-class amenity, diverse employment centres, great liveability and access to services, including Sydney Central Business District (CBD) – in a metropolis well known for its housing affordability issues– housing in City of Sydney LGA is expensive. Similarly to other inner-city suburbs, the median rent is significantly higher than in Greater Sydney (e.g. median weekly rent \$650 as compared to \$447 average in Greater Sydney<sup>8</sup>). For home buyers, it is much more expensive for houses compared to Greater Sydney average (\$1,500,000 vs \$865,000<sup>9</sup>) and significantly more expensive for

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<sup>8</sup> 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>9</sup> Ibid.

strata titled dwellings (\$840,000 vs \$695,000<sup>10</sup>). Affordable housing is mostly out of reach for very-low, low and many moderate-income households in the LGA. Recent increases in median rent and average dwelling price shows a deterioration of affordability for such households across the existing housing stock in the area.

The Draft LSPS recognises this and highlights housing affordability issues in the area, with 13.2% of all households in housing stress in 2016, and over 20% for renting lower income households<sup>11</sup>. City of Sydney LGA is a relatively affluent area, with a SEIFA Index of Relative Socio-Economic Disadvantage of 1027<sup>12</sup>, and median household income at \$1915 compared to \$1,746 a week in Greater Sydney<sup>13</sup>. However, the ten 'urban villages' that form City of Sydney vary greatly from a socio economic perspective, and some of the most affected areas by gentrification and loss of low-cost rental housing and options for first home buyers are in the LGA, in particular in the South.

Shelter NSW congratulates City of Sydney for preparing a draft LSPS and LHS that identifies the issues and impacts of the lack of affordable housing, and which strongly takes into account the need for affordable housing across the LGA.

Shelter NSW commends the analysis and commentary of the strategies and the strong recognition by City of Sydney that housing is increasingly unaffordable across all types of dwellings and in particular for very low, low and moderate income households regardless of the composition of the household.

We note that not only Council recognises this acute need, but also State Government, City of Sydney being included in the provisions of SEPP 70 since its inception.

Shelter NSW is in agreement with City of Sydney's statement in its LSPS that "affordability plays a crucial role in the city's economic performance". We note that the community is supportive of increased provision of affordable housing and of diverse housing types in the LGA, wanting to preserve a 'socially supportive community that is safe, and inclusive' ('Community Insights', page 41). All of this is supportive of City of Sydney vision for the future, a city where a 'mix of homes' demonstrating 'excellence in design' and delivered through 'partnership and collaboration' is accompanied by 'innovative infrastructure supporting health and wellbeing'<sup>14</sup>. Shelter NSW particularly supports the vision described page 12 of the LHS, a city where all, including low income and vulnerable people "have access to a secure, affordable and safe place to call home". This is extremely close to the vision statement of Shelter NSW itself, "a secure home for all", and we evidently strongly support it, as well as the recognition of housing as a human right, and the approach underpinning the LHS, an "equitable approach to housing"<sup>15</sup>.

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<sup>10</sup> Ibid.

<sup>11</sup> LSPS page 36.

<sup>12</sup> See Profile ID <https://profile.id.com.au/sydney/seifa-disadvantage-small-area>

<sup>13</sup> See draft LHS, Section 7.1.6, page 163.

<sup>14</sup> LSPS page 53, "Vision"

<sup>15</sup> LHS page 6.

Shelter NSW is also pleased to see that City of Sydney recognises the significant need for more housing that is affordable to people on very low and low to moderate incomes in the area throughout the draft LSPS and LHS. We note in particular, the recognition that more than 11,000 additional social and affordable housing dwellings will be needed by 2036 to achieve the City’s vision that 7.5% of dwellings will be social housing and 7.5% affordable housing, in order to create a diverse and inclusive city<sup>16</sup>.

The current demand for social housing in the area is high and waiting times are very long. As of 30 June 2018<sup>17</sup>, there were 980 general and 437 priority applicants on the NSW Housing register for CS01 – Inner City FACS allocation zone, with expected waiting times of 5 to 10 years for all types of 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.

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 and related policies are not developed or adopted. [Shelter NSW Election Platform 2019 document](#) provides further detail on the policies and reforms across the system that we believe are required to address the housing affordability crisis in NSW.

We note that given 13.2% of households in the LGA are in housing stress, the high number of people experiencing homelessness, the levels of overcrowding, Council alone cannot address the important demand for social housing and affordable housing, as recognised throughout the LSPS and LHS. Reforms of the private rental market and other housing policies, involving actions from all levels of government will be needed to end housing stress and homelessness.

### **Commitment of the LHS to housing diversity**

Shelter NSW strongly supports the vision of City of Sydney for “new and diverse housing”. Overall, we support Priority L3 of the LSPS, “New Homes for a diverse community” and Priority H3 of the LHS, “increasing diversity and choice in housing”. This aims to ensure housing supply is diverse and provides housing choice to diverse community members. Shelter NSW agrees with Council that “a sustainable global city must offer a mix of housing to meet the needs of a diverse community” and that this should “include retaining and attracting residents on lower incomes”. We commend Council for outlining this vision clearly and with strong wording.

Whilst a housing diversity strategy may have an effect on housing affordability, it is unlikely to have significant effects for very low and low income households as recognised throughout the Strategy. The

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<sup>16</sup> LHS, Table 1: Housing Provision to 2036, page 13. Also LSPS page 46.

<sup>17</sup> 2019 data is not yet available from DCJ (ex-FACS)

draft LSPS and LHS, however, also includes a range of additional and specific strategies to address housing affordability issues. These are discussed further in the next section.

Shelter NSW recognises that Council already has mechanisms in place to encourage housing diversity, and that a high proportion of new dwellings is already being delivered as high density dwellings. Contrary to most other LGAs in Greater Sydney, supporting housing diversity in City of Sydney LGA may require protecting low density areas and focusing on sensitive infill rather than facilitate high density development<sup>18</sup>. We support the following in particular regarding new actions from the LSPS and LHS:

- Action L3.3 c/ to continue specifying preferred mix of dwellings and mandate specific proportions of dwellings sizes in certain sized developments. This is particularly appropriate and will ensure a diverse supply of housing that caters to the needs of the diverse members of the community.
- Action L3.3 d/ to review current controls to ensure the provision of secondary dwellings delivers best outcomes.
- Action P3.1 e/ to review current planning controls and investigate shop-top housing in B7 zoning on Botany road. Shelter NSW supports sensitive, appropriate changes to planning controls to incentivise delivery of innovative and diverse housing when the overarching goals of the zoning are still achieved.
- Action L3.1, L3.2 and the other actions of L3.3 aiming to increasing diversity and continuing to deliver a mix of housing types to suit the needs of all community members.

Shelter NSW supports City of Sydney commitment to accessibility and adaptable dwellings that take into consideration the principles of universal design. We support the use of the Liveable Housing Design Guidelines (LHGD) from Liveable Housing Australia in the LHS. We support action L3.3 a/ to investigate opportunities to increase the amount of housing that is universally designed in the LGA, as well as the current controls mandating for a certain proportion of housing in larger scale developments to be adaptable. Shelter NSW believes, however, this can be improved with a more direct connection with the LHGD, and that it should not be restricted to larger scale developments. Given the ageing population and the growing need for adaptable, accessible and diverse housing Shelter NSW recommends that L3.3 a/ is strengthened by adding the following to the action, using reference to the levels of the LHGD<sup>19</sup>:

1. That all new apartment development achieves the silver level of the LHDG, allowing 'visitability' and future adaptability of dwellings for people with mobility issues
2. That a proportion of all development achieves the gold or platinum level of the LHDG

Accessibility of public space and universal, inclusive design are of primary importance to create healthy, inclusive communities. We support the commitment in the LSPS for the built environment and amenity

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<sup>18</sup> As analysed page 130 of the LSPS.

<sup>19</sup> See <http://www.livablehousingaustralia.org.au/95/downloads.aspx>



in the LGA to be accessible to all members of the community (Priority L1.1, L1.2, and L1.3). These actions could be refined by referring to the Seven Principles of Universal Design<sup>20</sup>, for example.

The LHS indicates (page 26) that there is a correlation between the number of people born overseas and the number of people living in high density dwellings. It then concludes that this indicates different housing preferences for people born overseas, including greater acceptance of apartment living. While this may be true for some people, Shelter NSW does not consider there is enough evidence to conclude anything from this correlation, as it could be linked to lower incomes for first generation migrants and therefore difficulties to buy a detached dwelling in an established area, etc. We recommend that this is amended to avoid making generalisations about people born overseas without a solid evidence basis.

### **Commitment of the LSPS to address housing affordability**

Shelter NSW congratulates City of Sydney for its leadership on affordable housing delivery and advocacy. We commend Council for committing to advocating to other levels of government for more social and affordable housing, using the full extent of its planning powers to facilitate the delivery of affordable housing, and taking direct action to fund and deliver affordable housing.

From our understanding, City of Sydney is using almost every planning mechanism available to local government authorities to directly deliver and encourage delivery of affordable housing, as described in the 'Liveability' section of the LSPS and the LHS. Shelter NSW understands that the ability of Council to influence the proportion of new housing that is delivered as social and affordable housing is relatively limited, as pointed out in the LHS. We note that City of Sydney has been a leader in affordable housing delivery through its affordable housing contributions schemes and advocacy, and that many of the commitments and recommendations outlined are consistent with Shelter NSW policy positions, as described in our State Election Platform 2019 document.

The actions outlined by the LSPS and LHS are appropriate, well defined, and linked to specific areas where needs and opportunities have been identified. We support City of Sydney targets that by 2036, 7.5% of total housing stock is affordable housing and 7.5% social housing.

We strongly support Priority H4 of the draft LHS, "Increasing the diversity and number of homes available to lower income households" in general, and the following actions from the LSPS/LHS in particular:

- Apply an affordable housing contributions scheme across all land in the LGA except where a specific scheme is already applied, to require for 3% of residential floor space and 1% of commercial floor space to be provided as affordable rental housing. Shelter NSW understanding is that a key limitation of schemes developed under SEPP 70 is that they are limited to specific sites with significant uplift or areas with demonstrated affordable housing need. Shelter NSW

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<sup>20</sup> See Centre for Excellence in Universal Design, <http://universaldesign.ie/What-is-Universal-Design/The-7-Principles/>

certainly supports Council's view that SEPP 70 should be applied to the LGA in a wholesale way, including to large developments that do not require rezoning, and would be pleased to support any further advocacy by City of Sydney to State Government on this matter. Concerning contributions levels, Shelter NSW's position is that 15% could be applied on all private land without affecting development viability, as costs would be passed on to land owners. We recommend for these contributions to be set at higher levels.

- Use of VPAs to deliver affordable housing outcomes where other planning mechanisms do not apply.
- Allow affordable housing managed by a CHP or other non for profit provider in B7 Business park zones. We support this 'preferential zoning' action as an innovative incentive for affordable housing delivery in an area with high constraints such as City of Sydney, as long as it complies with Planning Priority E12 of the GSC Eastern City District Plan, "retaining and managing industrial and urban services land".

We recommend for Council to consider:

- Exempting social and affordable housing providers from section 7.11 contributions (ex-S94), which is particularly appropriate as social and affordable housing is essential social and economic infrastructure, or to make this action more prominent in the LSPS/LHS if it is already being implemented. We recommend not to apply contributions to development types that Council wants to facilitate – such as social and affordable housing – unless under exceptional circumstances.
- Recognising more clearly affordable housing as social and economic infrastructure throughout the LSPS, in line with academic research and as recognised by Infrastructure Australia in the [Australian Infrastructure Audit 2019](#). This will facilitate advocacy to other levels of government for more social and affordable housing. 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.

On the specific question of seeking approval for SEPP 70 / Affordable Housing Contribution Schemes Shelter NSW acknowledges and understands that 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.

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

10

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 City of Sydney's attention to the [Strengthening Economic Cases for Housing Policies](#) report, led by CHIA NSW and UNSW City Futures, and to which Shelter NSW partnered and 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 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.

Shelter NSW strongly supports Priority S2; "Creating better buildings and places to reduce emissions and waste and use water efficiently". 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, as recognised page 48 of the LHS, 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 Code<sup>21</sup>.

### **Commitment of the LHS to social diversity**

The draft LSPS and LHS include explicit commitment to social diversity, committing to foster safe, healthy, creative, culturally rich and socially connected communities. As mentioned previously, it includes an action to dedicate a percentage of all new residential development to affordable housing. We recommend for this to be preferably delivered on site, or in the area if unpractical for the housing provider, to ensure social mix. Social diversity should be encouraged not only in areas with a high proportion of social housing stock, but also in other areas through implementation of inclusionary zoning mechanisms.

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<sup>21</sup> See <https://www.industry.gov.au/sites/default/files/2019-07/bmf-communicue-18-july-2019.pdf>

We strongly support the commitment of the LHS and the LSPS to maintain and preserve the social diversity that adds to the richness of the communities of City of Sydney LGA.

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

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.

Shelter NSW is very satisfied to see that the draft LSPS and LHS of City of Sydney Council recognise that housing affordability is a complex issue that needs to be tackled by all levels of government. It is important to recognise that we need to tackle housing affordability issues 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 recognises the need for a systemic response to addressing a public policy issue that is the responsibility of all levels of Government.

Both documents 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 strongly agrees with the statement that "standard approaches to delivering affordable housing will only continue to deliver the inadequate outcomes of the past."<sup>22</sup> In line with [National Shelter policy platform](#), Shelter NSW supports reform of current taxation settings that encourage speculation on housing, as mentioned by Council page 26 of the LHS.

We support commitments in the LSPS in Action L3.5 b/ to tackle housing affordability issues at both the metropolitan and regional level, through collaboration with other LGAs. We recommend that City of Sydney takes the lead on development of a Regional Affordable Housing Strategy to operate across council borders.

We support the following advocacy actions described by Council in the LSPS and LHS:

- Action L3.6, advocating to NSW Government for increased social housing in City of Sydney LGA, increased proportions of social and affordable housing on urban renewal sites, allocating funding for these projects, ensure maintenance of social housing stock and support of tenants, and working towards an urban renewal model where ownership of public land is maintained. Shelter NSW generally supports direct investment in social housing by State Government and stands ready to collaborate with Council on this matter.
- Action L3.5 /c/iv, Advocate for the use of the affordable housing contributions collected through the Redfern/Waterloo contributions plan and redevelopment of Central park in the Waterloo redevelopment.

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<sup>22</sup> Page 35, LHS.

- Action L3.3/h, to work with NSW Government and others to make sure Waterloo and Redfern redevelopments include social and affordable housing for Aboriginal and Torres Straits Islander people to prevent their ongoing displacement from the area. Shelter NSW is strongly supportive of this and involved in the advocacy for Aboriginal affordable housing as part of the redevelopment, for example supporting a letter from Aboriginal community organisations to the NSW Premier asking for serious consideration of a 5% for Aboriginal affordable housing in addition to the other targets.
- Action L3.3/f/i, advocating to NSW Government for more secure and longer term private tenancies for greater security of tenure for people who rent their homes. Shelter NSW considers that the greatest issue affecting security of tenure for private renters is the use of ‘no-grounds’ evictions (Sections 84 and 85 of the Residential Tenancies Act). This was recently recognised by the Productivity Commission in its [report on vulnerable private renters](#). We recommend that Council amend this action to include clearly that it will advocate for reform of ‘no-grounds’ evictions. Alternatively, we recommend for Council to commit supporting the ‘[Make Renting Fair](#)’ campaign that Shelter NSW and the Tenants Union lead with over 90 other community organisations.
- Priority H5 of the LHS, “increasing the amount of social and supported housing”.

Concerning boarding houses and the changes to the sector since the implementation of ARH SEPP 2009, Shelter NSW finds that New Generation Boarding Houses have been mostly delivering micro-apartments for students and young professionals, often at rents that are not affordable for very low and low income individuals. This has been well documented by recent research such as City Futures Research Centre/SSROC report [“Occupant Survey of Recent Boarding Houses Developments in Southern and Central Sydney”](#) and research by Dr Chris Martin commissioned by Shelter NSW recently released, [“Boarding houses in New South Wales: Growth, Change and implications for equitable density”](#). We share the concerns of the Council and strongly support the commitment to advocate to State Government (Action L3.5 c/i and iii) to amend the SEPP to require boarding house dwellings to be let at affordable rent. We believe this to be the original intent of the SEPP and offer further support and assistance to Council with its advocacy on the matter. While there is a place as part of a housing diversity for smaller dwellings to cater to students and young, single professionals, this should be done through a specific pathway under SEPP 65 and not through ARH SEPP 2009. We entirely support comments made in the LHS and LSPS on this matter.

## **Implementation, Monitoring and Reporting**

Shelter NSW strongly supports the commitment of Council to work to ensure the on-going alignment of the LHS with Council’s overarching community strategic planning. Our view is that a commitment to review the LHS every ten years, however, is not appropriate and that the Housing Strategy review, at least a partial/desktop one, should align with the review of the LEP, every five years.

We recommend the inclusion of indicators that are specific to housing affordability issues in the monitoring section of the LHS, for example:

- 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 Shelter NSW Recommendations

1. Strengthen L3.3 a/ by adding the following to the action, using reference to the levels of the LHGD<sup>23</sup>:
  - a. That all new apartment development achieves the silver level of the LHDG, allowing 'visitability' and future adaptability of dwellings for people with mobility issues
  - b. That a proportion of all apartment development achieves the gold or platinum level of the LHDG
2. Amend page 26 of the LHS to avoid making generalisations about people born overseas and high density living without a solid evidence basis
3. Consider higher contributions levels for affordable housing contributions schemes across all land in the LGA. Shelter NSW is of the view much higher levels than 3% of all residential floor space could be applied.
4. State that unless exceptional circumstances, s7.11 contributions will not be applied to social and affordable housing developments delivered and managed by Community Housing Providers.
5. Recognise more clearly affordable housing as social and economic infrastructure throughout the LSPS, in line with academic research and as recognised by Infrastructure Australia in the [Australian Infrastructure Audit 2019](#).
6. Amend Action L3.5 /b to state that City of Sydney will lead on the development of a Regional Affordable Housing Strategy to operate across council borders
7. Amend action L3.3/f/i to include clearly that Council will advocate for reform of 'no-grounds' evictions in addition to wider advocacy for greater security of tenure for people renting privately. Alternatively, we recommend for Council to commit to support the '[Make Renting Fair](#)' campaign
8. Align the review of the LSPS and the LHS with the review of the LEP, every five years.
9. Include monitoring options that are specific to housing affordability in the 'monitoring' strategy

Overall Shelter NSW strongly supports the LSPS and the LHS, and commends and congratulates City of Sydney for demonstrating strong leadership and commitment to its housing policy, planning and directions.

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<sup>23</sup> See <http://www.livablehousingaustralia.org.au/95/downloads.aspx>

## Further discussion

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

Yours sincerely



Karen Walsh  
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