



Response to *Liverpool City Council*
Draft Local Strategic Planning Statement
Shelter NSW submission
August 2019

Introduction – and the context for Shelter NSW

Shelter NSW has been operating since 1975 as the state’s peak housing policy and advocacy body. Our vision is “A secure home for all”. We pursue our vision through critical engagement with policy and practice and thought leadership. We provide systemic advocacy and advice on policy and legislation for the whole NSW housing system to resolve housing inequality and we seek to ensure that the voices of housing consumers are included in our policy responses and review.

Our approach involves engaging, collaborating and connecting with Government, the private and not for profit sectors, stakeholders and consumers. Our research centres on the causes of inequity and injustice in the housing system and we advocate solutions that aim to make the housing system work towards delivering a fairer housing system for all.

Shelter NSW is concerned about the housing crisis in NSW and the rising trends in homelessness, housing rental stress as well as the impacts of poor- quality housing, particularly on low income households¹. Over three quarters of lower income renters in NSW are paying unaffordable rents (92% of very low- income renters in Sydney). Lower cost properties are being steadily replaced with new ones at higher rents, and new concentrations of disadvantage have been created across our major cities as low income households are displaced. The NSW rental market is failing, forcing our most vulnerable citizens to go without essentials and are being excluded from jobs and opportunities.

Shelter NSW priorities are [centred on four core areas](#)², all of which are relevant to the Local Strategic Planning Statements:

- **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 Liverpool 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 market driven developers drive significant transformation of communities and neighbourhoods, low-cost housing in the private rental market is being displaced with higher cost high density housing. As a consequence, more low-income households look for affordable housing in suburban and regional centres that are well connected to the CBD and the rest of the metropolitan area. This impacts on what were traditionally considered low cost housing areas, placing greater strain on their housing supply and infrastructure. It also has an impact on areas where housing is more expensive such as many people who work in the area are forced to leave in search of more affordable housing, adding to pressure on transport infrastructure and a loss of residents, especially young people who grow up in the area but can't continue to afford the rents in the area.

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. Liverpool's leading role as a major metropolitan centre in the south west region means Council is well placed to advocate for the need for affordable housing strategies to neighbouring and nearby councils and to the Department of Planning and Environment. This is especially the case as planning is currently underway for one of Australia's largest infrastructure developments.

Principles for Local Strategic Planning Statements (LSPS)

Shelter NSW recognises that a "one-size-fits-all" approach is limited in providing an appropriate framework to plan for and manage land use that is responsive to the community's need now and into the future. We recognise that a local councils' capacity to deliver and facilitate the delivery of new Affordable Housing across Sydney and New South Wales varies across the Greater Sydney Metropolitan region and understand the need for variation to suit the broad range of local conditions. To assist Councils we have developed [broad principles](#) that can be applied to all LSPSs³ to ensure LSPSs provide a robust framework to support the community's growing and changing needs for affordable and diverse housing. Our submission is 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 an LHS.

2. The LSPS commits to developing a Local Housing Strategy (LHS)

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>

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.

Analysis and Recommendations

1. A strong commitment to prioritise housing affordability is needed

Shelter NSW notes that the provision of affordable housing is included in Local Planning Priority 7;

“Housing choice for different needs, with density focused in the City Centre and centres well serviced by public transport.”

While not explicit within the stated priority, Liverpool City Council acknowledges the need for more affordable housing to cater for a diverse population with different needs and incomes.

Included in the LSPS are some housing affordability measures that quantify the housing affordability challenge faced by the Liverpool community;

- there are currently over 7,000 households in rental stress (meaning more than 30% of income is spent on rent for households on very low, low to moderate incomes)
- more than 4,000 households are experiencing severe rental stress (more than 50% of income spent on rent, for households on very low, low to moderate incomes)

The draft LSPS also includes a table showing the net demand for social and affordable housing compared to other Western Sydney LGAs, which demonstrates a severe shortage of social and affordable housing in the Liverpool LGA. Council notes:

“.....the LGA is suffering from one of the highest rates of rental stress in the country.”

“This is increasing at much faster rates than Sydney more broadly. By 2036 our LGA will have the highest demand for social and affordable housing in the entire Western City District.”

Additional measures and indicators can be included in the LSPS that will provide a more detailed evidence base on the community’s housing needs, especially as they relate to the need for affordable and diverse housing. These measures include;

- Tenure profile of Liverpool LGA households – the proportion who own their home and the proportion who rent, either privately or rent social housing;
- Current supply for social housing
- Additional measures for social housing demand including wait times for social housing in the allocation zone
- Rental vacancies
- Age profile of the community
- The number of people in LGA living with disability

The LSPS also refers to a Local Housing Study which found that there is enough zoned land to provide for 90,528 additional dwellings and that this is enough to cater for projected demand well into the future.

Liverpool's population is forecast to increase by over 130,000 by 2036 (representing an increase of 60%) and the LSPS notes that the growing population will need 43,452 homes by 2036.

In addition, the net demand for social and affordable housing by 2036 is 16,465 (representing a staggering 115% increase in the 20 years from 2016 to 2036). Extrapolating from the data provided in the LSPS 38% of the 43,452 new homes will need to be social and affordable housing.

Given the growing and significant unmet demand for social and affordable housing in the LGA, evidenced by the levels of housing rental stress and the long wait times for social housing properties, we recommend a more explicit reference to housing affordability in addition to housing choice and housing diversity. Housing diversity is an important feature of a liveable community, however diverse housing in and of itself is not necessarily affordable.

2. A Local Housing Strategy with more ambitious actions for affordable housing is required to ensure a prosperous, diverse, inclusive and harmonious future for Liverpool

The Liverpool LGA is at a critical time in its development and growth. The strategic planning it undertakes today will assist to position the LGA more firmly for a sustainable economic future. Robust planning will also assist in effectively responding to and shaping the health and well-being of the community into the future.

Given Liverpool is a centre for economic and commercial activity in the south west region of Sydney, if it is to realise its potential as an economic hub for the State and indeed for the Nation, the provision of supporting local infrastructure, which includes affordable rental housing for low to moderate income workers is needed – and this must be included in early planning.

Housing, especially affordable housing must be included in the planning for the second international airport. Without housing, especially affordable housing, we will repeat the mistakes of the past where the benefits of economic growth and development has not been equally shared. The second Sydney airport is an infrastructure build on a scale not seen for a long time and unlikely to be matched again

anytime soon, so the impacts of this development need to include not only the hard infrastructure and services, but also the future housing needs of residents, especially those on low to moderate incomes.

And for many in our community, growth and development are perceived to have reduced their standard of living by contributing to higher housing cost and contributing to congestion and displacement of communities.

Ensuring a meaningfully supply of affordable housing delivered as part of the Aerotropolis will support the operations of the second international airport and supporting industries and businesses by ensuring they have access to a local workforce who will not need to undertake long commutes to their jobs. Affordable housing located in close proximity to the second international airport will also help to minimise the congestion that would surely follow if low and moderate income workers can't afford to live in Liverpool and need to commute to the Aerotropolis.

There are two relevant research reports which demonstrate the economic benefits of well-located affordable housing and that we can't rely on private housing development alone to resolve the lack of affordable rental housing.

- The *Strengthening Economic Cases for Housing Policies* research report⁴, led by CHIA NSW and UNSW City Futures, and co-funded by Shelter NSW, 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 demonstrate that Affordable Housing Contribution Schemes, designed to fund a local affordable housing program will have positive economic impacts that will not only benefit the affordable housing residents but also 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. This research presents an opportunity to change the conversation among decision makers and communities about the broad ranging and far reaching benefits of affordable housing.
- Research from the Australian Housing and Urban Research Institute (AHURI) 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

⁴ 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/>

*the trickle-down of new housing supply. Targeted government intervention might be needed in order to ensure an adequate supply of affordable housing.*⁵

Shelter NSW supports Council's commitments and actions to increase housing diversity, including increasing housing affordability⁶. However, there are additional affordable housing opportunities that can be included in a Local Housing Strategy;

- *“Concentrate residential development in the Liverpool City Centre, in growth areas, in transit and landscape-oriented development hubs along the Fifteenth Avenue corridor route, and in existing centres with high amenity that are well serviced by public transport”* - Shelter NSW recommends that Council commits to ensuring all these residential developments include significant provision of affordable housing.
- *“Ensure residential development is maintained at a low scale around neighbourhood centres not well-serviced by public transport.”* – while this commitment relates to low-scale neighbourhoods and we recognise the importance of affordable housing being located in well serviced areas, there may be limited potential to include affordable housing even in low scale developments which can be considered.
- *“Advocate social and cultural infrastructure in established and new release areas.”* – Shelter NSW recommends that there is an opportunity for Council to advocate for affordable housing as part of its advocacy for infrastructure for new release areas. There is no reason why affordable housing opportunities should be limited to infill developments. Indeed Council has identified that there is a mismatch of dwelling type supplied and the dwelling types needed including larger dwellings. New releases can provide opportunities to supply affordable housing for larger families, including families from culturally and linguistically diverse communities and key worker and moderate income families.
- Actions 13.1 and 13.2 – Shelter NSW recommends that Council strongly advocate for the inclusion of a significant supply of affordable housing in the planning for the Aerotropolis.
- We commend the Council's commitment to advocate to the State Government for investment in more social housing. The growing unmet demand for social housing is part of a wider systemic failure to ensure housing meets the needs of all in our community. While people wait for social housing, many as long as 10 years, they will be renting in the private rental sector where rents are unaffordable and they have no security of tenure. We recommend that Council also advocate for reform of no-grounds evictions to give renters in Liverpool stability and the peace of mind they need to fully participate in the life of their community
- We commend the Council for committing to investigate a partnership with the Land and Housing Corporation to increase social housing. We recommend that Council also investigate

⁵ 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>

⁶ Page 50, Connected Liverpool 2050

partnerships with local Community Housing Providers who also have extensive experience in developing and managing well supported social and affordable housing.

- Shelter NSW recommends that Council commit to a meaningful Affordable Rental Housing Target as part of a Local Housing Strategy. This will help to drive the Council's efforts to increase affordable housing and will also provide for better transparency and monitoring. Shelter NSW recommends 15% for private developments and at least 30% for government owned land.

3. Quality adaptable housing, infrastructure and amenity

Shelter NSW acknowledges that Council recognises that diverse housing options includes a wide range of housing, including for;

- young families
- larger culturally appropriate housing for multi-generational families,
- affordable dwellings, and
- housing for downsizers and those who want to age in place.

Council recognises the need to ensure services are accessible by people living with disability. Shelter NSW recommends that Council also include commitments and actions to provide for well designed, well located and accessible and adaptable housing for people living with disability.

The NDIS is a significant reform that creates a significant need to supply housing for people living with disability and we recommend that Liverpool City Council include an analysis of the current and future housing needs of people living with disability in the LGA.

Shelter NSW recommends that the planning controls should include reference to the levels of the Liveable Housing Design Guidelines (LHDG) from Liveable Housing Australia⁷. We recommend the inclusion of more specific guidance around delivery of residential dwellings informed by universal design principles, either in the LHS and then the DCP:

- That a significant proportion of new residential development achieves the silver level of the LHDG, allowing 'visitability' of dwellings for people with mobility issues
- That a proportion of all new residential development achieves the gold or platinum level of the LHDG

The draft Liverpool LSPS commits to the delivery of high-quality facilities and services and reflects the community's desire for local infrastructure, open spaces and good amenity to support the community's health and wellbeing.

Accessibility of public space and universal, inclusive design are also of primary importance to support good access to infrastructure and to ensure that Liverpool can provide high levels of amenity and

⁷ See <http://www.livablehousingaustralia.org.au/95/downloads.aspx>

liveability. The Seven Principles of Universal Design⁸, can be referenced to support Council's housing options for older people and people living with disability.

4. Implementation, Monitoring and Reporting

Shelter NSW supports the commitment of Liverpool City Council to review the LSPS in 2021 and again every four years.

We also support Council's inclusion of housing affordability and diversity measures including; housing costs as a percentage of household; percentage of affordable dwellings; and percentage of new housing as diverse dwellings as implementation measures for liveability.

Further discussion

Thank you for the opportunity to take part in the formulation of Connected Liverpool 2050, the draft Liverpool 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 in the first instance if you wish to discuss these comments.

Yours sincerely



Karen Walsh
Chief Executive Officer
Shelter NSW

⁸ See Centre for Excellence in Universal Design, <http://universaldesign.ie/What-is-Universal-Design/The-7-Principles/>