



Response to *Randwick City Council* *Draft Local Strategic Planning Statement & Local Housing* *Strategy*

Shelter NSW submission
October 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 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 Randwick City 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. Shelter NSW strongly agrees with Randwick Council 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.

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 Randwick Council 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, improve the quality, diversity and sustainability of housing for all residents, 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 Randwick Council LSPS and LHS

Shelter NSW is aware of the growing unaffordability of housing in Randwick LGA, and is writing to strongly support the draft LSPS and LHS prepared by Randwick Council. In particular, Shelter NSW strongly supports the following elements:

- The extensive data gathered by Council and integrated in the LSPS and LHS. In particular we note that:
 - 44.3% of households in the LGA rent their home
 - 39.3% of renting households are in housing stress, spending more than 30% of their income on rent. Housing affordability is a big concern for the community.
 - Housing is severely unaffordable for people on lower income in the LGA, with 35% of the rental stock being affordable for moderate income earners, 4.9% for low income earners, and 1.7% for very low income earners, a drastic diminution across all income groups since 2006.
 - Significant numbers of people work in ‘key workers’ industries, that are essential to the LGA but contain high numbers of people on lower incomes.
 - Social housing is in undersupply with a high number of people on the waiting list, facing significant waiting times.
- LSPS Planning Priority 1, “Provide diverse housing options close to employment, services and facilities.” Shelter NSW shares the view that there is a need for a diversity of housing types, and that high density development should come with high amenity, and good outcomes for lower income households. We particularly support Action 2.1, 2.2 and 2.4 of the LHS to amend subdivision provisions in the LEP, allow for a greater diversity of permissible uses in R2 and mandate a mix of dwelling mixes in residential flat buildings in the DCP.
- LSPS Planning Priority 2, “Increase the supply of affordable rental housing stock to retain and strengthen our local community”. Shelter NSW agrees that the private rental market has very limited ability to meet the needs of lower income households and that loss of housing that is affordable to people on lower income has significant social-economic implications for the effective functioning of Randwick LGA. We particularly support actions 2.2 to prepare affordable

housing contributions schemes in order to increase the supply of affordable housing and action 2.3 to work with neighbouring councils to ensure a regional approach to affordable housing.

- The recognition that social infrastructure includes affordable office space for non for profit organisations delivering services to the community.
- The commitment to work in collaboration with Community Housing Providers (CHPs) to undertake joint venture projects to deliver affordable housing.
- Action 7.1 of the LHS, to advocate to NSW Government for numbers of social and affordable housing dwellings to be at least maintained in redevelopment of social housing estates. Shelter NSW strongly supports Council's view that social housing is a vital asset, and should be increased as a proportion of total stock given decades of underinvestment and the vital function that it fulfils. It is the view of Shelter NSW that valuable public land should be retained when practical, and that urban renewal should result in increased numbers of social and affordable housing dwellings, particularly when renewal happens on social housing estates.
- The overall objective of the LHS, to "ensure we are providing diverse and affordable housing", as well as the guiding principles of the LHS page 5, and in particular the priority areas 2, 4 and 8;
 - Diverse housing to meet the needs of our community
 - Increase affordable rental housing across Randwick City
 - Support housing growth with appropriate infrastructure
- The commitment to ensure adequate supply of housing that is adaptable and adapted to the needs of ageing people, in particular the action 2.5 of the LHS to mandate that all new dwellings meet the silver standard of the Liveable Housing Guidelines.
- Action 2.7 to introduce a 90 day threshold for use of residential housing as short term visitor accommodation.
- Shelter NSW supports the view that ARHSEPP 2009 has delivered some housing diversity but not housing that is affordable to people on very low and low income. We would like to draw Randwick Council's attention on research Shelter NSW commissioned about the [boarding houses sector in NSW](#) and our [Policy Brief on the implications for policy making](#). As mentioned below, Shelter NSW supports changes to the ARHSEPP so it delivers on its objective, to deliver affordable housing for vulnerable renters, not self-contained micro-apartments for students.
- The target that 10% of all housing will be affordable to very low, low or moderate income households by 2040.

From our understanding, Randwick Council is using a range of planning mechanism available to local government authorities to directly deliver and encourage delivery of affordable housing. The draft LSPS and draft Local Housing Strategy (LHS) also recommend 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.

Recommendations for Randwick Council LSPS and LHS

Overall Shelter NSW strongly 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.
- In addition to Action 2.5 of the LHS, introduce a target and/or a requirement in the DCP that a proportion of new housing achieves the Gold and/or Platinum standard of the Liveable Housing Guidelines. 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 their review (LSPS Action 6.3), 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.
- Strengthen commentary in the LSPS and LHS to clearly specify that affordable housing is to be delivered in perpetuity
- In addition to advocating for Randwick exclusion from ARHSEPP 2009 so Council can introduce a more efficient planning mechanism, commit to advocate to State Government so a requirement is introduced in the SEPP to ensure that dwellings delivered under the SEPP are affordable to very low and low income households
- Section 3.2.3 of the LHS states areas and contributions levels for Affordable Housing Contribution Schemes under SEPP 70 will be determined as part of the LEP review in 2020. Shelter NSW's position is that 15% of floor space on private land and 30% on government controlled land are appropriate levels of contribution for value sharing mechanisms. We note that the current levels of contributions alone, 3% increasing progressively to 5%, will not deliver the 10% of total stock to be affordable to lower income households as targeted by Council. Higher contributions level and/or direct delivery of social and affordable housing in the area by NSW Government and Council will be necessary. 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.
- Given the high number of renters in Randwick LGA, 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 households who rent their home

in Randwick 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 strongly supports the LSPS and the LHS, and commends and congratulates Randwick Council for demonstrating strong leadership and commitment to its housing policy, planning and directions.

Further discussion

Thank you for the opportunity to take part in the formulation of Randwick 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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