



Response to *Fairfield 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 Fairfield 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 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. Fairfield is a diverse, vibrant and inclusive community and its appeal as a great place to live has pushed up housing costs. Fairfield's diverse economy and proximity to significant infrastructure planned for Western Sydney provides an opportunity to ensure affordable and diverse housing is included in the planning to support the future of Fairfield as a thriving community.

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 council's 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. Shelter NSW strongly supports the inclusion of affordable housing as a planning priority in the Fairfield LSPS

At the outset, Shelter NSW congratulates Fairfield City Council for the development of the draft Local Strategic Planning Statement (LSPS).

We note that affordable housing was among the top ten priorities identified by the community during the community engagement undertaken by Council.

Council has identified in the draft LSPS that a very large proportion of households renting in the private rental market are experiencing rental stress:

“Five in ten households who rent in Fairfield City are doing so within the private rental market. Of those five households, four are experiencing rental stress.”

Shelter NSW notes that diversity of housing is recognised in the LSPS vision and that housing affordability is specifically addressed in Planning Priority 2 – Deliver greater housing affordability to meet the changing needs of the community.

Shelter NSW strongly supports Council’s commitment to develop a Local Housing Strategy (LHS) and an Affordable Housing Strategy.

We strongly support the development of a LHS and an Affordable Housing Strategy as opportunities to focus on the important question of how to plan for housing, especially affordable housing to support the health and well-being of the community, foster a diverse, inclusive and cohesive community and also support the local economy to thrive.

While the health and well-being benefits of secure and affordable housing are understood, the economic benefits of affordable housing are also significant but perhaps not as well understood.

Affordable housing is critical infrastructure that supports economic as well as social wellbeing, as demonstrated by recent research by City Futures research Centre and led by CHIA (Community Housing Industry Association) NSW, to which Shelter NSW was a funding partner. The *Strengthening Economic Cases for Housing Policies*⁴ research report 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 local government to develop a program on the scale that has been modelled, the results of this research should give local Councils and their Planners 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.

Providing affordable housing is important to support Planning Priority 11 – Promote a robust economy which generates diverse services and job opportunities.

Shelter NSW notes that the Fairfield LGA has significant industrial and employment opportunities:

- Fairfield City includes one of the largest industrial areas (comprising the Smithfield/Wetherill Park Industrial Estates) in the Western Parkland City. The industrial estate has an established industry base in advanced manufacturing, transport, logistics, trade and warehousing.
- Wetherill Park TAFE plays a complementary role in these industry clusters.
- Council will seek to leverage the opportunities for more diverse and robust jobs presented by major new transformative infrastructure such as the Western Sydney Freight Line, Western Sydney Airport (WSA) and potential new passenger rail link from Parramatta to the WSA.
- Fairfield City's town centres are also a major contributor to the economic and cultural wellbeing of the local area.
- The uniqueness of the City's centres created by their multicultural character provides opportunities for food related tourism and notes that Council will seek to promote these through the continued support and promotion including a focus on the night-time economy.

Affordable housing is needed for people on low to moderate incomes, including those who work in manufacturing, transport and logistics, tourism and a night-time economy as well as for the students attending TAFE. Given so many households renting in Fairfield are experiencing rental stress, and the significant unmet demand for social and affordable housing; it's critical that affordable housing is delivered locally, so that workers can live in close proximity to their work place and aren't compelled to travel long distances to and from work. This will not only reduce the time and expense of travel, but will also help to relieve congestion and pressures on the transport system.

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/>

Shelter NSW notes that the young workforce in on the rise in the Fairfield LGA. Affordable housing will be needed to give young people affordable housing options and minimize the potential loss of young locals because they can't afford housing in the area.

2. Fairfield needs an ambitious Affordable Housing Strategy and Local Housing Strategy to deliver much need affordable housing

Shelter NSW commends Fairfield City Council's commitment to develop a Local Housing Strategy and an Affordable Housing Strategy. There are a number of key elements that we recommend should be included in a LHS and an Affordable Housing Strategy to ensure diverse and affordable housing is delivered to support the Fairfield community's affordable housing needs now and into the future.

We especially welcome Fairfield City Council's commitment to develop an Affordable Housing Strategy. Increasing the supply to overall housing is not enough to ensure a supply of housing that is affordable for low income households, keys workers and low income workers. Indeed the recent construction boom and record levels of new housing supply has fueled rising housing costs. There is an increase in the numbers of people experiencing housing rental stress and homelessness due to lack of available affordable housing, especially for young people, seniors (especially older women who are the fastest growing cohort experiencing homelessness), low to moderate income workers and very low incomes households.

Research by the Australian Housing and Urban Research Institute (AHURI) found that the market driven transformation of communities and neighbourhoods has led to low-cost housing in the private rental market being displaced with higher cost high density housing;

Most of the growth in housing supply has been taking place in mid-to-high price segments, rather than low price segments. There seems to be structural impediments to the trickle-down of new housing supply. Targeted government intervention might be needed in order to ensure an adequate supply of affordable housing.⁵

Include detailed understanding of affordable housing need in the Local Housing Strategy

Shelter NSW recommends that the Fairfield LHS and Affordable Housing Strategy should include a comprehensive analysis of the housing needs of the community including the affordable housing need.

Shelter NSW recommends the following information and analysis should be included in the Fairfield LHS and Affordable Housing Strategy;

- Demographic profile – including age profile; household size and structure (e.g. family households, lone households); number of people living with disability

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>

- Local affordability profile – including latest rent and sales data⁶; the number of social housing stock in the LGA; housing stress (including rental stress)
- Expected waiting times for social housing⁷
- Recent housing supply trends
- Housing demand forecast
- Capacity assessment
- Affordable housing supply – including the number of affordable housing supplied to date; existing affordable housing schemes

Investigate a suite of planning and non planning mechanism to deliver affordable housing during the development of the LHS and Affordable Housing Strategy

Shelter NSW recognises that while Councils are not able to directly deliver social and affordable housing to any large scale, Council has access to a number of planning and non planning mechanisms to promote and deliver affordable housing. We recommend that Fairfield Council includes the following actions and strategies in the LHS and Affordable Housing Strategy;

- Inclusionary zoning for all new developments.
- Prepare a SEPP 70 affordable housing contributions scheme.
- Density bonuses in exchange for affordable housing contributions.
- Voluntary Planning Agreements to capture a proportion of value uplift where SEPP 70 doesn't apply.
- Affordable Rental Housing SEPP – while there is no requirement for housing delivered under this SEPP to be offered at “affordable” rents, this can be considered together with advocating the State Government amend the SEPP to require that developers offer housing delivered under this SEPP at a discounted rent of at least 80% of market rent. We are also mindful that secondary dwellings whilst offering an additional housing option which is relatively affordable, research by Professor Gurran et al⁸ from the University of Sydney found that Sydney's ongoing housing affordability crisis is hitting low income and vulnerable groups particularly hard and that vulnerable and low income people are most at risk of being exposed to informal and often illegal renting arrangements in substandard, poorly constructed or converted dwellings.

⁶ Rent and Sales Report for March 2019 Quarter, FACS: <https://www.facs.nsw.gov.au/download?file=664499>

⁷ Expected Waiting Times Dashboard; <https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times>

⁸ *Informal Accommodation and Vulnerable Households*, Professor Nicole Gurran et al, University of Sydney Policy Lab; <https://sydney.edu.au/content/dam/corporate/documents/news-opinions/informal-housing-spl-report.pdf>

- Provide exemptions for Community Housing Providers delivering affordable housing in Fairfield from section 7-11 contributions.
 - Set an ambitious Affordable Rental Housing Target. Given the significant need for affordable housing, Shelter NSW recommends 15% for private developments and 30% for developments on Government owned land.
 - Use Council owned land for affordable housing.
 - Advocate to State and Federal Government for more investment in social and affordable housing.
 - Collaborate with the Land and Housing Corporation to renew and deliver more social housing.
 - Advocate to the State Government to reform no-grounds evictions to give tenants in the private rental sector more security of tenure. Expected waiting times for social housing for all households types is 10+ years. While eligible social housing applicants wait for social housing in the private rental sector, they are made more vulnerable because landlords are not required to give a reason to terminate a tenancy agreement that is not on a fixed term. This insecurity creates significant instability that can potentially impact on a household's ability to sustain employment and for children this unstable environment can impact on their educational opportunities.
- 3. Include adaptable housing and universal design features in housing and infrastructure for less mobile households**

Shelter NSW recommends that the planning controls should include reference to the levels of the Liveable Housing Design Guidelines (LHGD) from Liveable Housing Australia⁹. 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

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

⁹ See <http://www.livablehousingaustralia.org.au/95/downloads.aspx>

liveability. The Seven Principles of Universal Design¹⁰, can be referenced to support Council’s housing options for older people and people living with disability.

4. Regular monitoring and reporting and inclusion of additional housing affordability measures

Shelter NSW commends Fairfield City Council for including “Number of affordable housing stock in Fairfield City” as a measure. Additional housing affordability measures that can be included in the LHS for monitoring include;

- decrease in proportion of residents of the LGA in housing stress (includes rental 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

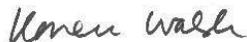
In relation to monitoring and reporting on diverse housing, the percentage of new housing as diverse (adaptable) dwellings should also be included in a LHS. This is important as Fairfield has experienced a significant increase in retirees and seniors.

Shelter NSW also recommends regular reviews of the LHS and Affordable Housing Strategy - every 3-5 years – to ensure the LHS adapts to the changing needs of the Fairfield community.

Further discussion

Thank you for the opportunity to take part in the formulation of the draft Fairfield 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

¹⁰ See Centre for Excellence in Universal Design, <http://universaldesign.ie/What-is-Universal-Design/The-7-Principles/>