



Response to *Strathfield Council*
Draft Local Strategic Planning Statement
Shelter NSW submission
November 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.shelternsw.org.au/uploads/1/2/1/3/121320015/shelternsw-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 Strathfield Council's draft Local Strategic Planning Statement.

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 recommend 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) identifies housing affordability as a key principle for consideration in the development of councils' local housing strategies. DPIE has also recently amended the 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, resulting in more lower income households looking for affordable housing in outer suburban areas. Increasing rents and property prices create displacement of essential and key workers on low and moderate incomes, unable to find affordable housing in middle-ring areas such as the Strathfield LGA. It also increases the number of residents in housing stress, 58.2% for rental households according to the LSPS page 11, an extremely significant difference with the average in Greater Sydney at 26.4%. This would have a significant impact on the lives of more than half of the members of the community who rent their homes. Due to this, many who have called this area their home are compelled to relocate out of the area in search of affordable housing. This also has an impact on quality of life, connection to the community, increased travel time and additional expenses for those workers who have long commutes to and from 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. Advocating the need for affordable housing strategies to neighbouring and nearby councils, especially those where major urban redevelopment will 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

Shelter NSW congratulates Strathfield 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. Producing a LSPS is critical to the development of a council’s Local Housing Strategy (LHS) and revision of Local Environmental Plans (LEPs), which are actions required by the GSC Regional and District Plans.

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 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

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

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.

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 or in the area, 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 Strathfield Council LSPS

As an attractive LGA located in the Inner West, close to employment centres and with good access to Sydney Central Business District (CBD) – a metropolis well known for its housing affordability issues– housing in Strathfield LGA is expensive, similarly to other inner-city suburbs but with a median rent slightly higher than in Greater Sydney (e.g. median weekly rent \$510 as compared to \$447 average in Greater Sydney⁴). Affordable housing is 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 demand for social housing in the area is high and waiting times are very long. As of 30 June 2019, there were 1227 general and 247 priority applicants (households, not only individuals) on the NSW Housing register for CS07 Inner West FACS allocation zone, which most suburbs within Strathfield LGA belong to, with expected waiting times of 5 to 10 years for studios/1 bedroom properties and 10+ year for all other type of properties.

Shelter NSW is pleased to see that Strathfield Council recognises the need to address housing affordability issues in the area through the important actions outlined in the LSPS. We also support Planning Priority 8, focused on providing “diverse housing options for people at all lifecycles”.

While we support many of the actions related to delivering greater housing diversity and affordability in the LSPS, Shelter NSW recommends the language is strengthened to support affordable housing more

^{4 4} See Rent and Sales Report for March/June 2019 Quarter, FACS:
<https://www.facs.nsw.gov.au/resources/statistics/rent-and-sales/dashboard>

clearly, and that the benefits of affordable housing are more clearly presented and articulated. For example, “Our Starting Point” page 37 presents delivering more medium and high density housing to meet the needs of the community as a challenge, but does not mention the opportunity to capture some of the development activity to provide more affordable housing. Considering the very high level of rental stress, and the key messages from community outlined page 7 that mention the need for housing mix, greater housing diversity, better and revitalised public domain, it is important to mention the importance of providing more affordable housing and implementing actions to address housing affordability issues in addition to recognising the challenges of development.

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 58.2% of renting households in the LGA are in rental stress⁵, Council alone cannot address the important demand for social housing and affordable housing. 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.

Shelter NSW provides commentary on the following specific points concerning Strathfield LSPS:

- We congratulate Council on providing up to date and comprehensive data about Liveability page 11 of the LSPS, including data on housing such as rental and mortgage stress, and the density and tenure split in the LGA. We recommend the inclusion of the median rent and income for the final LSPS.
- We support the vision for cultural and social diversity described by Council page 19. We note that the community engagement as consistently mentioned that living in a culturally diverse and socially cohesive community is one of the great aspects of living in Strathfield LGA. It is important to keep in mind that social, economic and cultural diversity needs to be supported by housing diversity and affordable housing strategies, as private market led development tends to lead to gentrification and displacement of lower income households.
- The first section of the LSPS focuses on Infrastructure and Collaboration. In line with the [latest Australian Infrastructure Audit](#), which recognised housing as infrastructure for the first time, Shelter NSW recommends that Council specifically recognise affordable housing as essential social and economic infrastructure in its LSPS. This will participate in achieving the objectives of Planning

⁵ Australian Bureau of Statistics, Census of Population and Housing 2016. Compiled and presented in atlas.id by .id <https://atlas.id.com.au/burwood/maps/rental-stress>

Priority 1 and give Council flexibility in the future in the type of mechanisms it is able to use to facilitate delivery of affordable housing. It could be done as part of action 29, for example.

- As part of Planning Priority 1 focused on collaboration, we recommend that the LSPS includes a recognition that housing affordability is a complex issue that needs action from all levels of government to be addressed, and a commitment that Council will work with NSW Government and the federal government to improve housing affordability and advocate for delivery more housing that is affordable to lower income households.
- Shelter NSW strongly supports the indicators chosen by Council to measure progress to 2040, page 38 of the LSPS, in particular the increased diversity of housing, the decrease in rental and mortgage stress, and an increase in the proportion of affordable housing delivered in new developments. Considering the latter, Shelter NSW recommends to set a target to be achieved (for example 15%), as well as a target for affordable housing as a proportion of total stock. Indeed, supply of affordable housing must keep up with general housing supply and population growth in order to deliver significant improvements for all lower income households.
- Shelter NSW supports Planning Priority 6, that “development balances growth with best practice planning and infrastructure provision to deliver sustainable, liveable and well-designed neighbourhoods”. We understand some of the community concerns described in the LSPS about growth and its impact on residents and amenity. Our view is that providing significant levels of affordable housing as part of development in the area, for example through a SEPP 70 Scheme set at 15% of new floor space, would help secure community support. Good growth delivering significant affordable housing and great design can be a good deal for communities. It is also important to consider equity when planning for growth. While local character is indeed an important consideration, it is important to make sure development, in particular high density, is not overly concentrated in certain areas and reducing amenity for residents while others are left virtually unchanged. This is particularly important to consider in actions 50 and 51 of the LSPS, for example.
- Shelter NSW strongly supports action 49, to prepare a LHS to increase housing diversity, including a local Inclusive Housing Strategy (action 53). We recommend to outline more clearly that the objectives of both these strategies will include to increase stock of affordable housing.
- Important strategic objectives for Strathfield Council are the development of strategic centres that include health and retail precincts, notably in Burwood and Rhodes, as well as an education cluster, as described in Planning Priority 12. Affordable housing for key workers in these areas would

support the strategic objectives of jobs close to homes, and vice versa, and support the precincts while reducing congestion. It would also support a vibrant, mixed use centre in Strathfield Town Centre, the objective of Action 63.

- Action 55 commits to advocate to NSW Government so social housing estate renewal includes a mix of housing types and tenures. Shelter NSW recommends that this advocacy also include support for increased number in total number of social housing dwellings in all social housing renewal sites, as well as avoiding to sell off public land whenever possible, as it would undermine future renewal and redevelopment projects. NSW State Government has delivered a number of projects with an aim to decrease the concentration of social housing in specific areas. 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.
- Shelter NSW supports the commitment to a more sustainable built environment in Strathfield LGA, as described in Planning Priority 16. Well-designed homes powered by affordable clean energy benefit landlords through reductions in their utility costs such as water, common area lighting, and environmentally sustainable homes are more attractive to tenants, so can assist in reducing vacancy rates. The benefits for tenants, include savings through reduced utility costs, resulting in more “after housing” income and enabling tenants to live more comfortably and generally have a better housing experience. There is also evidence that lower income households in homes with lower utility costs and with environmentally sustainable features are less likely to have rent arrears and more able to save. Shelter NSW has been involved in discussions leading to a recent advocacy win regarding mandating energy efficiency provisions for residential buildings in the National Construction Code⁶.
- We support the commitments made by Council to communicate and engage the community about the implementation and results of the LSPS (Action 112 and 113) as well as the commitment to review the LSPS every four years. This will allow for efficient alignment with the review of the LEP.

⁶ See <https://www.industry.gov.au/sites/default/files/2019-07/bmf-communique-18-july-2019.pdf>

Recommendations for Strathfield Council LSPS and LHS

We provide the following recommendations for Council's consideration concerning the LSPS and the oncoming LHS:

- Shelter NSW strongly supports the preparation of an Affordable Housing Contributions Scheme under SEPP 70 for certain areas of the LGA as described in Action 54. This would contribute in providing much needed affordable housing as development occurs in the area. We note that the need is well established and that by providing certainty to the development industry in establishing SEPP 70 schemes across the LGA, development viability is not affected as developers are able to pass the cost on to landowners. Due to rising land values, especially in the case of re-zonings, landowners' willingness to allow development is not affected either as they still benefit from significant windfalls. Shelter NSW recommends, however, that this value capture/inclusionary zoning mechanism is broadened to include as much of the LGA as possible, and that contribution levels for affordable housing provided in perpetuity are set at 15% for private land and 30% for government controlled land.
- As part of Action 7, to review the development contributions levied by Council, consider exempting Community Housing Providers from section 7.11 and 7.12 development contributions where it would allow for a development to become feasible, considering CHPs are already delivering essential infrastructure under the form of social and affordable housing.
- In order to provide a mix of dwellings adapted to the needs of the community, consider mandating a mix of dwelling sizes through the DCP in the LHS, in line with action 57.
- Action 52 mentions Council will investigate a minimum lot size for Boarding Houses in R2 zones. ARH SEPP 2009 Part 2, Division 3, Clause 30AA states that a boarding house cannot be granted development consent unless it is satisfied that the boarding house has no more than 12 boarding rooms. Depending on what minimum lot size is required, this action could limit financial viability of boarding houses in these areas. Boarding houses provide much needed housing that is affordable for people on very low and low incomes, as well as to students in recent times through New Generation Boarding Houses, and contribute to housing and social diversity. Shelter NSW would like to see further explanation of the intended effects of this action, given our concerns that it could prevent development of boarding houses by impacting financial viability of housing developed under ARH SEPP. For further evidence and policy recommendations, we draw council's attention to Shelter NSW's recent research on [Boarding Houses sector NSW](#) and our [Policy Brief](#).
- In order to meet the housing needs of all members of the community, and in particular people who would like to age in place, consider universal design and adaptable housing requirements as part of the LHS. Council could introduce a target and/or a requirement in the DCP that a proportion of new housing achieves the Silver, Gold and/or Platinum standard of the Liveable Housing Guidelines.
- Accessibility of public space and universal, inclusive design are of primary importance to create healthy, inclusive communities. Shelter NSW notes Strathfield Council's commitment in Planning Priority 6 to "excellence in design and high quality public domain". We suggest inclusion of explicit actions and outcomes indicators in the LSPS which stipulate the built environment and amenity in

the LGA will be designed to be accessible to all members of the community. This could refer to the Seven Principles of Universal Design⁷ in action 40 and action 66, for example.

- As part of the LHS, consider strategies to allow for greater housing diversity through infill sensitive to local character and innovative housing such as shop top housing in strategic centres. As identified by Council, there is a lack of medium density housing in the LGA (“the missing middle), with only 15% of medium density dwellings. The LHS should include actions to increase this as a proportion of total stock. Allowing shop top housing is in line with Planning Priority 9 and could be done as part of action 59.
- Action 45 and 46 of the LSPS focus on mandating design excellence and amenity for high density housing. Design excellence requirements should not be limited to, or specific to high density housing, and the LSPS should be amended to reflect this.
- As mentioned in the LSPS, one of the specificities of Strathfield LGA is the amount of industrial zoned land, including undeveloped. One innovative approach Council may want to investigate as part of its LSPS and subsequent LHS is preferential zoning, for example as part of Action 69 in Planning Priority 10 to investigate a broader range of uses for light industrial land. Additional land for affordable housing could be created through a preferential zoning mechanism that would allow for the exclusive use of land for affordable housing in zones where residential uses are not otherwise permitted, as long as the overall objectives of the zoning are not unduly impacted. This is an approach currently used by City of Sydney in B7 Business park zones and considered by Inner West Council in light industrial zones as part of its LHS. Shelter NSW recommends that Strathfield Council investigates this possibility for light industrial land as part of its LHS, as long as it does not impact on the overall objective of the zoning and amenity for potential residents.
- In addition to the other advocacy actions outlined in the LSPS, and building on the recognition that housing affordability is a complex issue that requires changes in policy from all levels of government, commit 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 40% of households⁸ who rent their home in Strathfield LGA, without requiring any spending or changes to the built form and land use within the LGA.

Finally, Shelter NSW draws Strathfield Council’s attention to the [Strengthening Economic Cases for Housing Policies](#) report,⁹ led by CHIA NSW and UNSW City Futures, and which Shelter NSW 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.

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

⁸ Context page 10/11 of the LSPS.

⁹ 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/>

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.

Further discussion

Thank you for the opportunity to take part in the formulation of Strathfield 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 LHS.

Please do not hesitate to contact me on (02) 9267 5733 or thomas@sheltersnsw.org.au in the first instance if you wish to discuss these comments.

Yours sincerely



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