

May 2021

SUBMISSION

Campsie and Bankstown Town Centre Masterplans

About Shelter NSW

Shelter NSW is a non-profit organisation that conducts housing research and advocacy on behalf of households on ordinary incomes—those in low- and moderately-paid work, in casual or part-time employment, or getting by on government support payments. We were founded in 1975 as a member-based organisation that today represents a diverse network of other organisations and individuals who share our vision of a sustainable housing system that provides a secure home for all. To advance our vision, we engage our members, experts, and partners and advocate on housing reforms that aim to benefit our economy, our society, and our environment.

About our submission

Shelter NSW ('Shelter') appreciates the opportunity to comment on the draft *Campsie and Bankstown Town Centre Masterplans*. This submission follows our previous submissions about the Canterbury Bankstown [Local Strategic Planning Statement and Local Housing Strategy \(November 2019\)](#) and [Draft Affordable Housing Strategy \(May 2020\)](#). We thank Canterbury Bankstown Council ('Council') for its previous acknowledgment of Shelter NSW's submissions and recommendations.

Shelter is concerned about the housing crisis in NSW and the rising trends in homelessness, housing rental stress as well as the impacts of poor-quality housing, particularly on low-income households. 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.

And of course, this was the case well before the economic impact of the Covid19 pandemic took its toll on large sections of the workforce and across a wide section of industry.

Thank you for reviewing our submission. To discuss any part of it, please contact our Senior Policy Officer Cathy Callaghan on 02 9267 5733 or by email at cathy@sheltersnsw.org.au.



Background to our submission

Shelter NSW has a particular interest in the local government area (LGA) of Canterbury Bankstown. While housing has historically been relatively affordable in the LGA compared to similar medium-ring areas in Greater Sydney, affordability has deteriorated starkly in the last decade. Supply of social and affordable housing has failed to keep up with demand, and high levels of general housing supply have not delivered affordability for lower income households. This is illustrated by the high levels of housing stress in the area: 18.6% for all households, higher for lower income earners and especially renters (with 39% of renters paying more than 30% of their income in rent).

Last year, we commended Council for its commitment to creating a dedicated Affordable Housing Strategy – giving focus and attention to the issue of housing affordability and importantly, committing itself to action to make substantial improvement. The *Draft Affordable Housing Strategy (AHS): Background Report* was and remains a very comprehensive assembly of research and analysis. It provides a compelling need for action to reduce housing stress, especially for the lowest-income cohort of the LGA's population.

The AHS noted that 'housing stress is negatively affecting households in the LGA and the private market and social housing pipeline is unlikely to meet the current and future need for affordable rental housing with intervention'. It went further, noting Council's AHS and Planning Agreement Policy will require the dedication or equivalent contribution of at least 5% of residential floor space uplift whereby a Planning Proposal seeks at least 1,000 sqm GFA uplift. In order to provide sufficient lead in time, Council noted its intention to phase in the contributions scheme with a 0% applying in the year to December 2021 increasing by 1% increments to 5% from January 1, 2025, onwards.

While at the lower end, this type of target was consistent with the guidance of the Greater Sydney Commission (GSC)^{1 2} for the Greater Sydney metro region, that Affordable Rental Housing Targets of 5-10% of new residential floor space would generally be viable (but subject to a viability test).

At Shelter we see that the Council has a great opportunity and responsibility to ensure that any proposals effectively and efficiently address the well-documented housing affordability issues already plaguing the LGA as well as creating a liveable, substantiable community for the future.

Council has the ability to maintain and provide affordable housing for the Canterbury Bankstown community. This includes striving for the targets set by the GSC and in Council's strategic planning framework.

¹ Department of Planning and Environment [sepp-70-viability-tool](#)

² Greater Sydney Commission [South-district-plan/liveability/housing-city/providing-housing-supply-choice-and-affordability](#) – refer *Affordable Rental Housing Target* section

Executive Summary

Shelter NSW commends Canterbury Bankstown Council for taking a comprehensive and detailed set of town centres proposals to the community as part of an early consultation process.

We further commend:

- the ongoing honest, recognition of the LGA's housing affordability issues
- proposals to improve the diversity of dwellings requiring for example, a far greater proportion of 3+ bedrooms in buildings with more than 20 dwellings
- requirement for any new dwellings to comply with the *Liveable Housing Design Guidelines* as well as other 'family friendly' and 'flexible working' floorspace and design requirements
- efforts made to propose an affordable Rental Housing scheme for Campsie and Bankstown

We have however, major concerns about the limited nature of the proposed *Affordable Housing Contribution Schemes* for Campsie and Bankstown town centres. Council proposes an affordable housing contribution of just 3% of total dwellings of a development (or monetary contributions). While Shelter NSW is not privy to the viability testing that produced this proposed scheme and rate, we note that it is well short of Council's own previous plan to instate a 5% contributions scheme and even further short of the recommend 5-10% housing targeted included in the GSC Southern District plan. We further note that with proposed exemptions³ will further dilute any outcome and, worse still, may influence developers to make design changes so as to avoid the scheme entirely.

Shelter NSW recommends that Council review its approach entirely, on the grounds that in all likelihood it will not deliver the scale of affordable rentals housing required in the LGA. We recommend that Council review the comparative schemes administered by Canada Bay Council⁴ noting that it applies its schemes site-by-site requiring contributions in the range of 4-5% right up to 10% in one site case.

³ Development sites providing infrastructure on-site or providing substantial proportions of employment-generating floor space will not be required to make affordable housing contributions

⁴ City of Canada Bay Affordable Housing Contribution Scheme (June 2020)

Why Affordable Housing Schemes are important – equity, demand and market failure

In NSW there is a generally accepted principle, codified in planning legislation, that planning changes such as rezoning can and do have a material impacts on land values; and when that happens, that the public has a fair and reasonable right to share in the extra value that has been created. In the eyes of the community that helps soften the blow of what is often the downside of densification – increased traffic, congestion, gentrification and loss of amenity.

We commend Council for its recognition of these principles. As was noted in **Affordable Housing Strategy Background Report**⁵ in its explanation of the rationale for capturing land value increment through relevant planning mechanisms:

Land value capture in the context of urban development involves a planning authority capturing public benefit from increased land value where the planning authority has increased the development potential of the land... designed to gain a reasonable share of the increased land value on the basis that the unearned increment be shared by the planning authority whose planning activities (e.g. rezoning, maximum building height increase) resulted in land value uplift. It follows that a share of this unearned increment of land value uplift be used by the community as a public purpose....

A precinct-specific land value capture mechanism, which uses the unearned increment of land value uplift to address housing affordability issues, is required to address the varying types of housing stress across Canterbury Bankstown.

As noted, in its previous studies and strategic plans Council has done an excellent job describing the housing affordability challenges in the LGA *noting that housing stress is an important issue in Canterbury Bankstown due to comparatively low income⁶ and high housing costs; and that renters were disproportionately more likely to be experiencing housing or rental stress.*

Shelter NSW is firmly of the view, that the housing market in Australia continues to fail to provide secure, affordable and accessible housing for low income people and reject traditional theories that increased ‘supply’, of the scale planned for the LGA, will inevitably solve affordability issues.

It is with this in mind that we recommend Council completely review its viability testing model with the goal of producing an affordable housing contribution scheme that is strengthened in order to capture a far greater amount of ‘value’ for the people of the LGA.

⁵ Canterbury Bankstown Council (2020) **Affordable Housing Strategy Background Report at p 28**

⁶ **Affordable Housing Strategy Background Report** - *Almost half of all households in Canterbury Bankstown are considered very low income.*

Recommended Actions

Regarding the proposed *Affordable Housing Contribution Scheme*:

- Review the scheme with the goal of finding ways to introduce a viable scheme that fits within the 5-10% contribution rate required by the GSC (and as demonstrated in other LGAs like Canada Bay). This may require a longer-term commitment to establishing a 10% rate say in 5-10 years in order to provide developers with sufficient notice.
- Remove blanket exemptions from the affordable scheme. For example, the proposed scheme allows a developer to be exempted if infrastructure is provided. Remove this blanket exemption and instead, reduce the amount of ‘infrastructure contribution’ the developer needs to otherwise make.
- Investigate the development of a scheme that applies at the site level rather than whole town centre (as per Canada Bay Council). This may provide greater scope for flexibility and viability.

In general,

- **Affordable Student Housing:** examine how current (actually) affordable student housing will be assured in the LGA and especially in Bankstown where large growth is anticipated⁷. We refer Council to a submission made by Shelter regarding the Waterloo Metro OSD which proposes a large amount of student housing. Additionally, we note that the propose ‘Housing SEPP’ currently being developed by the NSW Government does not identify student housing as an ‘affordable housing product)
- **Social Housing supply:** advocate to the NSW Government for a greater supply of social and specialist housing in the LGA
- **Need for targets and goals:** set targets for the LGA for the provision of affordable housing (in a general sense but also specifically housing delivered by the not-for-profit sector, rented at discounted rates)

⁷ Shelter NSW Submission (Dec 2020) [Waterloo-Metro-Quarter-OSD](#) pp 8-10

Thank you

Shelter NSW appreciates the opportunity to comment on the Campsie and Bankstown Masterplans. We hope that the comments and insights we have provided bring some value to considerations in the Council's deliberations. We are also happy to engage on the issues raised in our submission.

If you wish to discuss our submission in more detail, please contact **Cathy Callaghan** on **0407 067 587** or by email at **cathy@shelternsw.org.au**.

Sincerely Yours,



John Engeler

Chief Executive Officer, Shelter NSW

Sincerely Yours,



Cathy Callaghan

Senior Policy Officer, Shelter NSW