



**Willoughby City Council**

**DRAFT AMENDMENTS TO  
WILLOUGHBY LOCAL  
ENVIRONMENTAL PLAN 2012**

**Shelter NSW submission**

7 June 2022



# About Shelter NSW

Shelter NSW has been operating since 1975 as the State’s peak housing policy and advocacy body. Our vision is to create a sustainable housing system that provides secure homes for all. We pursue our vision through critical engagement with policy, practice, and thought leadership. We provide systemic advocacy and advice on policy and legislation for the whole NSW housing system to resolve housing inequality.

We are especially concerned for low-income households which struggle to afford good-quality and well-located housing in the private market.

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.

We consider a sustainable housing system one that delivers what we call ‘Triple-A housing’ and ‘Triple-P outcomes’.

<b>Affordable and diverse homes</b>	<b>Accessible and well-located housing</b>	<b>Appropriate and high-quality development</b>
Housing supply and demand Tenure forms and rights Housing types and sizes	Proximity to jobs and services Access to public transport Accessibility and adaptability	Amenity and aesthetics Energy and environment Standards and maintenance
<b>Productive cities and regions</b>	<b>Poverty-free communities</b>	<b>Protected neighbourhoods</b>
Access to jobs and services  Housing costs and consumption Financial and economic stability	Housing stress and homelessness Physical and mental health Education access and attainment	Energy use and consumption  Urban heat Climate resilience and adaptation

At Shelter NSW, we believe that all people deserve to live in housing that delivers these priorities and objectives. We assert for example, that someone renting has as much right to secure, affordable, and sustainable housing as someone who owns their own property. We believe the housing system should be ‘tenure blind’ and delivering outcomes for all.

## About our submission

Shelter NSW thanks Willoughby City Council for the opportunity to comment on the draft amendments to *Willoughby Local Environmental Plan 2012* (‘dLEP’). We have previously provided submissions to Council on its Draft Affordable Housing Strategy in July 2020 and Draft Local Strategic Planning Statement in September 2019.

The tone of our previous submissions and our current submission remain the same; the Australian housing market has moved a long way from what many would say is its inherent and essential purpose – to provide secure, functional, and affordable shelter to all people at various stages of their lives. Housing is now considered a financial product or a wealth-generating vehicle. The

private housing market in this country is consistently and persistently failing to provide secure, well-located, and affordable shelter, especially for the lowest 40 percent of income earners.

Given our firmly held position that the private market fails to provide enough quality, well-located, affordable housing, we call on governments to make an urgent and widespread investment in social and affordable rental housing acquisition and construction. The increase in social housing stock in Australia has lagged behind population growth for decades, all the while, demand has accelerated for non- and below-market housing due to wealth inequality, gentrification, and a range of other macrolevel pressures. Albeit a (presently) small slice of the non- and below-market housing pie, local Councils are uniquely placed to collect developer contributions for the purposes of in-perpetuity affordable rental housing via the Housing SEPP (formerly SEPP 70).

We commend Council for its commitment to increase the contribution rate in its Affordable Housing Contributions Scheme. We view this as an important step for ensuring key workers are able to live in the same suburbs in which they work. An ambitious base and bonus rate would increase the number of in-perpetuity affordable rental dwellings delivered via the Scheme.

Shelter NSW is also supportive of Council's goal to strengthen landscaping requirements (including deep soil zones), combat urban heat, and promote design excellence in the dLEP. Consideration should be given to expanding the stock of R1 and R3 zoned land (from R2 zoned land) to allow for more medium-density development. A summary of our recommendations is included on page 5.

Sincerely yours,

John Engeler

Chief Executive Officer, Shelter NSW

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Policy Officer, Shelter NSW

## Affordable housing and key workers

Recent research by Gilbert, Nasreen and Gurran<sup>1</sup> has highlighted the extent to which key workers in Sydney are struggling to find appropriate and affordable housing. Although there is no commonly accepted definition for ‘key worker’ industries in Australia<sup>2</sup>, most research tends to include public sector employees such as teachers, nurses, ambulance and emergency officers, and other critical functions such as community support workers, delivery personnel, and cleaners.

Twenty percent of key workers across Sydney experience housing stress, with much higher rates in inner subregions<sup>3</sup>. There are no LGAs in the Sydney metropolitan region with a median house price that is affordable to an early career registered nurse, and only a few LGAs having affordable unit prices.

Of particular concern is the 2011-to-2016 trend of key workers, such as nurses and aged care workers, needing to move further afield from their places of employment (i.e., inner city key workers needing to move to outer suburbs)<sup>4</sup>. This trend is likely to have worsened since 2016, as the cost of renting has increased by 10+ percent across Sydney in the past 12 months alone<sup>5</sup>.

The latest *SGS Economics Rental Affordability Index*<sup>6</sup> found low to middle income key workers in the following locations face “moderately to severely unaffordable” renting constraints:

Suburb, postcode	Household profile	Annual income	Rental affordability Index (50 or less = extremely unaffordable, 200 or more = very affordable)
Willoughby, 2068	Single-income, single-person, 1-bedroom dwelling	\$45,000 (akin to full-time laundry worker)	59 (severely unaffordable)
	Dual-income couple, no dependents, 2-bedroom dwelling	\$95,000 (akin to 2x full-time early career emergency workers)	101 (moderately unaffordable)
Chatswood, 2067	Single-income, single-person, 1-bedroom dwelling	\$45,000 (akin to full-time laundry worker)	54 (severely unaffordable)
	Dual-income couple, no dependents, 2-bedroom dwelling	\$95,000 (akin to 2x full-time early career emergency workers)	94 (unaffordable)
St Leonards, 2065	Single-income, single-person, 1-bedroom dwelling	\$45,000 (akin to full-time laundry worker)	58 (severely unaffordable)
	Dual-income couple, no dependents, 2-bedroom dwelling	\$95,000 (akin to 2x full-time early career emergency workers)	84 (unaffordable)

<sup>1</sup> Gilbert, C., Nasreen, Z. & Gurran, N. (May 2021). *Housing Key Workers: Scoping challenges, aspirations, and policy responses for Australian cities*. AHURI Final Report No. 355. Retrieved from <https://www.ahuri.edu.au/research/final-reports/355>

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid, pp. 64-65

<sup>5</sup> SQM Research. (April 2022). *Weekly rents: Sydney*. Retrieved from <https://sqmresearch.com.au/weekly-rents.php?region=nsw-Sydney&type=c&t=1>

<sup>6</sup> SGS Economics. (November 2021). *Rental Affordability Index: Key Findings*. Retrieved from <https://www.sgsep.com.au/sgs-lab/rental-affordability-index> [interactive map]

Lane Cove, 2066	Single-income, single-person, 1-bedroom dwelling	\$45,000 (akin to full-time laundry worker)	59 (severely unaffordable)
	Dual-income couple, no dependents, 2-bedroom dwelling	\$95,000 (akin to 2x full-time early career emergency workers)	109 (moderately unaffordable)

Rental vacancy rates are also remarkably low, meaning limited stock is available to rent regardless of a worker’s pay packet. As of April 2022, Willoughby and surrounds had a rental vacancy rate of 1.7 to 2.5 percent, below 3 percent comfort levels often touted by economists and housing experts as a ‘happy medium’ between lessors and lessees<sup>7</sup>.

**Abundant affordable, below-market rental housing is necessary to reverse the trend of key workers having to commute long distances to perform jobs** – or having to altogether abandon performing critical work in affluent suburbs.

## Affordable Housing Contributions Scheme

The term ‘affordable housing’ is defined in the NSW planning system as:

*Housing for very low-income households, low-income households or moderate-income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument.*<sup>8</sup>

Affordable housing is not necessarily public or community housing (‘public’ and ‘community’ housing both come under the umbrella of ‘social’ housing<sup>9</sup>). Affordable housing can be funded (and delivered) by local Councils, particularly where private development must contribute funds/land/dwellings for the purposes of affordable housing.

Affordable housing is nearly always affordable rental housing. A greater variety of households may be eligible for affordable rental housing than social housing. Indeed, income brackets for affordable rental housing eligibility tends to include key workers such as teachers, nurses, aged care workers, trade apprentices, and other industry workers who are essential to local communities. Providing more housing opportunities for these working cohorts is therefore imperative to advancing any region’s economic growth goals.

We commend Willoughby City Council for proposing to increase its Affordable Housing contribution rate, to at least 10 percent. A more ambitious target – including a base and bonus rate – may be required to deliver significant on-the-ground gains, noting the following admission by Council:

<sup>7</sup> SQM Research. (April 2022). *Residential Vacancy Rates: Sydney*. Retrieved from [https://sqmresearch.com.au/graph\\_vacancy.php?region=nsw-Sydney&type=c&t=1](https://sqmresearch.com.au/graph_vacancy.php?region=nsw-Sydney&type=c&t=1)

<sup>8</sup> NSW Government. (current version December 1, 2021). *Environmental Planning and Assessment Act 1979 No 203*, s1.4 Definitions. Retrieved from <https://legislation.nsw.gov.au/view/whole/html/inforce/current/act-1979-203>

<sup>9</sup> NSW Government. (current version November 26, 2021). *State Environmental Planning Policy (Housing) 2021*, Dictionary=“social housing provider”. Retrieved from <https://legislation.nsw.gov.au/view/whole/html/inforce/current/epi-2021-0714>

*Since inception of the Willoughby Affordable Housing program in 1999, 25 affordable housing units have been dedicated to Council, some in medium density and some in higher density developments.*

Bonus rates allow for planning concessions (increases to floor space ratios, height of building restrictions) so long as a higher rate of affordable housing is dedicated to Council from the developer. **Shelter NSW is of the view that Willoughby City Council should implement an ambitious rate above 10 percent, as a 'bonus' planning provision.**

## Medium-density zoning

The dLEP does not identify tracts of R2 Low Density zoned land to be upzoned to R1 General Residential or R3 Medium Density Residential. **This omission from the comprehensive LEP review is a missed opportunity to realise short- to medium-term gains in delivering dedicated affordable housing** under the Affordable Housing Contributions Scheme.

A healthy mix of residential zones is required for housing diversity, and Willoughby is uniquely positioned in Greater Sydney to deliver more 'missing middle' dwelling typologies than is currently permissible for R2 zoned land, being the land zone that tends to dominate the LGA beyond Chatswood and Artarmon. There are safeguards being introduced into the LEP for significant landscaping requirements, urban heat mitigation, and design excellence standards, which would complement an increase in R1 or R3 zoned land.

As currently drafted, there is significant discretion in how the design excellence clause 6.19 will be applied (or not):

*(8) If the consent authority is satisfied a design excellence panel review or an architectural design competition for an external building alteration is unreasonable or unnecessary in the circumstances of the development; subclause (6)(a) and 6(b) does not apply*

In supporting greater medium-density residential outcomes and the need for design excellence to be routinely demonstrated, **we propose publicly available criteria be compiled for when design excellence panel reviews and architectural design competitions do not apply to a site/development, per clause 6.19.**

## Summary of recommendations

The recommendations peppered throughout this submission are collated below. Shelter NSW recommends Council:

- Increase its Affordable Housing contribution rate, particularly making provision for a 'bonus' rate above 10 percent
- Imminently consider the need for greater tracts of R2 zoned land to be upzoned to R1 or R3
- Make publicly available criteria for when design excellence panel reviews and architectural design competitions do not apply to a site/development, per clause 6.19.