

14 June 2024

To the Director of Development Services at Orange City Council,

RE: Draft Strategic Policy - Redmond Place Precinct (Diverse and Affordable Housing)

Shelter NSW thanks Orange City Council for the opportunity to comment on the *Draft Strategic Policy - Redmond Place Precinct (Diverse and Affordable Housing)*, being exhibited alongside the *Draft Redmond Place Vision Statement*.

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 who struggle to afford good-quality and well-located housing in the private market. In more recent years, Shelter NSW has made a concerted effort to better understand the regional housing crisis and [prioritise our advocacy in LGAs of relatively high housing need](#). To this end, we previously made a [submission on the Orange Local Housing Strategy](#) and we were pleased to note many of our asks had been translated into actions in the final version of the LHS. We are heartened by Council's receptivity on matters of Affordable Housing policy and trust that this submission will also be useful to key decision-makers.

Shelter NSW notes the importance of the Redmond Place precinct in delivering diverse and Affordable Homes in partnership with Landcom. Our comments relate mostly to the strategic need for policy to lead projects and ensure that genuinely Affordable Housing (including Social Housing) will be delivered on-site.

Please contact our Policy Officer, Kayla Clanchy (kayla@shelternsw.org.au), should you wish to discuss our comments in more detail.

Policy development

1. The “Redmond Place precinct” in south-east Orange is one of many locations across regional NSW earmarked by Landcom (a State Government developer) for development to ramp up housing supply, especially Affordable Housing supply. Development is undertaken in collaboration with Landcom and local Councils (who usually own the land).
2. Separately, various Orange City Council resolutions have been passed pertaining to investigations and strategic planning work to boost Affordable Housing supply (Resolution 22/178) and understand “key worker” housing needs (Resolution 22/173).
3. The apparent purpose of the Draft Strategic Policy is to ensure there is an underpinning policy and set of objectives for the Redmond Place precinct (which is already subject to a Project Delivery Agreement with Landcom).
4. Under section 5.2, Action 1.1 of the Draft Strategic Policy, it appears that
... project outcomes [will] inform policies intended to support the Orange Local Housing Strategy, including Key Worker Housing Policy, Affordable Housing Policy, Public Land Audit, and amendments to Council's Planning Agreement Policy”
5. Whilst we agree that on-the-ground projects can serve a secondary purpose of providing iterative feedback on existing policies, or provide learnings and inspiration for new policy development, we do not agree that pinning future policy development so closely to one-off projects is a sound way to create coherent land use policies.
6. **A risk of this approach is having external policy agendas wholly setting the scene for internal policy development.** For example, the “Affordable Housing” definition in the Draft Strategic Policy is too wedded to Landcom’s definition of “affordable housing”, which does not directly cite the NSW planning legislation definition of Affordable Housing. If this norm is duplicated in future policy creation – say for the yet-to-be-created Key Worker Housing Policy – Council’s own policies could suffer dislocation from the source definition (in the *Environmental Planning & Assessment Act 1979* and *State Environmental Planning Policy (Housing) 2021*). See next section for more details.

“Affordable Housing”

7. **“Affordable Housing” is an umbrella term for Public, Community, Social, Aboriginal, and Affordable Rental Housing in the NSW planning framework.** “Affordable Housing” is therefore a suite of dedicated, targeted housing products. Subjective “housing affordability” discussions about the private housing market are not to be confused with ring-fenced Affordable Housing dwellings.
8. The definition of “Affordable Housing” in the *EP&A Act 1979* (s1.4) and *Housing SEPP 2021* (cl13) combines to mean:

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...

(1) In this Policy, a household is taken to be a very low income household, low income household or moderate income household if—

(a) the household—

(i) has a gross income within the following ranges of percentages of the median household income for Greater Sydney or the Rest of NSW—

(A) very low income household—less than 50%,

(B) low income household—50–less than 80%,

(C) moderate income household—80–120%, and

*(ii) **pays no more than 30% of the gross income in rent, or***

(b) the household—

(i) is eligible to occupy rental accommodation under the National Rental Affordability Scheme, and

(ii) pays no more rent than the rent that would be charged if the household were to occupy rental accommodation under the Scheme.

(2) In this section—

Greater Sydney means the area that the Australian Bureau of Statistics determines from time to time to be the Greater Sydney—Greater Capital City Statistical Area.

National Rental Affordability Scheme has the same meaning as in the [National Rental Affordability Scheme Act 2008](#) of the Commonwealth.

Rest of NSW means the area that the Australian Bureau of Statistics determines from time to time to be the Rest of NSW—Greater Capital City Statistical Area.

9. [Landcom's Housing Policy December 2023](#) references the [NSW Ministerial Guidelines on Affordable Housing 2023-2024](#) in its definition of "Affordable Housing". These Guidelines essentially mask the above clear, legislated definition of Affordable Housing by using terminology "as a rule of thumb... households **should not** pay more than 25-30% of their gross income on rent" (p. 6, 12). There is only a passing reference in the Guidelines to the *Housing SEPP* and *EP&A Act*, and nothing on the mandatory, legislated definition of "Affordable Housing" as a proportion of income in these instruments. As both these instruments are legislation, and the Guidelines are meant to support but not supplant legislation, the effect of this loose language (ie "**should not**" rather than "**must not**") in the Guidelines is mass confusion about when and where the legislated, income-set Affordable Housing definition applies.
- a. **To eliminate this uncertainty and to halt the dilution of the legislated definition of "Affordable Housing", the Draft Strategic Policy for Redmond Place should directly refer to the source definition of Affordable Housing** as it occurs in the *EP&A Act* and in the *Housing SEPP*.
10. The Draft Strategic Policy appears to be at pains to exclude "Public Housing" from the umbrella definition of "Affordable Housing". As mentioned under point 7 above, in the NSW planning system no land use or Environmental Planning Instrument definition is offered up for "Public Housing"; instead, "Public Housing" and indeed "Social Housing" are considered sub-categories of "Affordable Housing"¹.
11. **The specific exclusion of "Public Housing" and silence on Social Housing provision more generally² in the Draft Strategic Policy is unacceptable.** Development of government-owned land, such as that of the Redmond Place precinct, must deliver significant gains in Social Housing stock to genuinely tackle waitlist numbers. As of June 2023, the Social Housing waitlist in Orange has ballooned to 324 households³. We know that the official waitlist does not represent actual housing need for low-income households⁴, who are discouraged from even accessing the waitlist by way of its reputation for years-long wait times, cumbersome eligibility criteria, and the administrative pruning of applicants who

¹ Refer s1.4 of the *EP&A Act 1979*; Refer Chapter 2 Affordable Housing in the *Housing SEPP 2021*

² Note that the Draft Strategic Policy lists "social housing" as a form of diverse housing (p. 3) but then goes on to state that for the purposes of the Policy, Landcom's definition of diverse housing in its [Housing Policy December 2023](#) prevails (which excludes references to Social Housing)

³ Homes NSW/DCJ. (30 June 2023). *Expected waiting times*. Retrieved from <https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times>

⁴ Pawson, H. and Lilley, D. (May 2022). *Managing Access to Social Housing in Australia: Unpacking policy frameworks and service provision outcomes*. UNSW City Futures Research Centre. Retrieved from https://shelternsw.org.au/wp-content/uploads/2022/05/Waithood_paper.pdf

do not respond to DCJ letters sent to old addresses (when applicants are usually homeless with no forwarding address).

12. Shelter NSW asserts that **Social Housing proportions should be mandated on government-owned land for residential development in addition to Affordable Rental Housing:**

- a. **Commit to at least 30%** of residential development being Social Housing (Public, Community, Aboriginal Housing).
- b. **Commit to at least 20%** Affordable Rental Housing.
- c. **Commit to at least 20%** other government-owned housing (such as build-to-rent, key worker housing) or affordable home ownership (government shared equity).

13. **Using Affordable Rental Housing provision as the primary way to tackle the Social Housing waitlist is indirect, clumsy, and unreliable**, especially if an underpinning Affordable Housing Policy is not cognisant of the following factors that go into making “good” Affordable Housing policy:

- a. **Mandatory rather than voluntary Affordable Housing Schemes are overall fairer**, easier to interrogate and implement, and deliver more predictable outcomes in Affordable Housing delivery⁵.
- b. **Specify minimum proportions within the three income bands** (very low, low, and moderate) who should be housed in Affordable Rental Housing to prevent developer or housing provider bias in accepting mostly moderate income tenants.
- c. **Careful attention to be paid to design outcomes for Affordable Housing within broader private housing complexes** so these dwellings are not materially subpar or perceived to be subpar by way of location, floor-level, number of bedrooms, strata by-laws, open space, solar access, ventilation, passive heating/cooling opportunities and the like⁶.
- d. **If the Council wants its land to be used in a responsible way for future generations, it must require Affordable Housing to be affordable (*Housing SEPP: rent-set at no more than 30% of gross income*) in perpetuity.** We note [Landcom's Housing Policy December 2023](#) does not commit to Affordable Housing needing to be

⁵ Gilbert, C. and Zanardo, M. (January 2024). *What an Inclusionary Housing Policy Should be: Considerations for Designing Inclusionary Housing Approaches for NSW*. A Research Report for Shelter NSW, Sydney: The University of Sydney and Shelter NSW. Retrieved from <https://sheltersnsw.org.au/wp-content/uploads/2024/01/Shelter-report-FINAL-18-January-2024.pdf> ; also echoed in Phibbs, P. (2023). *The Affordable Housing Height and Density Bonus Scheme*. EPIC DOT GOV Consultant and Shelter NSW. Retrieved from https://sheltersnsw.org.au/wp-content/uploads/2023/11/106250_ShelterNSW_FinalPlanningBonus_11pp_A4_1s_PROOF.pdf

⁶ Shelter NSW submission. (18 October 2023). *Department of Planning and Environment – Draft Housing SEPP – Social and Affordable Housing reforms*. Retrieved from https://sheltersnsw.org.au/wp-content/uploads/2023/10/231018_DPE-Draft-Housing-SEPP-Social-and-Affordable-Housing-Reforms.pdf

affordable in perpetuity. In perpetuity or 50+ year requirements in international cases (the US) have not been shown to significantly affect unit development activity⁷.

- e. **Affordable Rental Housing ownership, operations, and tenancy management should be retained by government agencies, local Councils, or not-for-profit community housing providers.**
- f. **Affordable Housing compliance needs to be instilled in DA conditions of consent** as well as on land titles (examples include requiring Affordable Housing tenancies to be filled prior to Occupation Certificates being issued for private market dwellings).
- g. **A centralised monitoring framework on dwellings approved, constructed, and operational as Affordable Housing** with clear demarcation of government agencies responsible for compliance and enforcement at each stage in the Affordable Housing lifecycle.

14. If the above requirements under points 12 and 13 are not accounted for in the Draft Strategic Policy, nor the Project Delivery Agreement, **where will they be incorporated?**

Connection to the *Draft Redmond Place Vision Statement*

A final note on the Draft Strategic Policy as it relates to the simultaneously exhibited [*Vision Statement for Redmond Place*](#):

“Redmond Place is the future of sustainable living in Orange, with housing choices for people at every stage of life. An inclusive, safe and well-connected community, nestled within parklands and tree lined streets. A neighbourhood designed to foster opportunities for the community to learn, grow and evolve together.”

Does the Strategic Policy adequately capture the essence of inclusive neighbourhoods with housing for people at all stages of life, if the Strategic Policy specifically excludes Public Housing (and Social Housing) from the planned-for mix? And what commitments does Council have from Landcom as to minimum proportions of dwellings that will **overlap on targets of Diverse AND Affordable AND Universal in design?**

⁷ Gilbert, C. and Zanardo, M. (January 2024). *What an Inclusionary Housing Policy Should be: Considerations for Designing Inclusionary Housing Approaches for NSW*. A Research Report for Shelter NSW, Sydney: The University of Sydney and Shelter NSW. Retrieved from <https://sheltersnsw.org.au/wp-content/uploads/2024/01/Shelter-report-FINAL-18-January-2024.pdf>