

Tuesday 19 August 2025

Attn: Integrated Planning
Lake Macquarie City Council
Box 1906
HUNTER REGION MAIL CENTRE
NSW 2310

Dear Lake Macquarie City Council

Subject: Shelter NSW Submission to Draft Local Strategic Planning Statement

Shelter NSW appreciates the opportunity to make a submission to Council's draft of a new Local Strategic Planning Statement (LSPS) for the Lake Macquarie local government area.

Who are we?

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 a secure home for all. We are especially concerned for low-income households who struggle to afford good quality and well-located housing. We provide systemic advocacy and advice on policy and legislation for the whole NSW housing system. We are a member-based organisation; representing organisations and individuals committed to housing justice, from community housing providers, specialist homelessness services and related peak bodies, to community groups, policy professionals, academics and social housing tenants.

1. The proposed Lake Macquarie Local Strategic Planning Statement

It is Shelter NSW's understanding that the draft LSPS is Council's response to the recently adopted *Lake Macquarie Community Strategic Plan 2025-2035*. The purpose of the proposed LSPS is to align local priorities identified by council and the Lake Macquarie community - outlined in the Community Strategic Plan - with state and regional planning priorities. While council has identified eight planning priorities, the content of this submission will relate to housing, primarily Planning Priority 3: people have housing that suits their needs.

2. Housing and Lake Macquarie LGA

Housing, specifically in relation to affordability, remains a key concern in Lake Macquarie. The *New South Wales Regional Housing Report 2023*, co-authored by Shelter NSW and the Regional Australia

Institute, identified Lake Macquarie as being in the top ten regional LGAs in NSW with the greatest housing need. This report highlighted the significant proportion of low-income households experiencing mortgage and rental stress – 48% and 70% respectively – as well as the extensive social housing wait times to demonstrate the acute local housing need.¹ Council’s own affordability figures, noted in the LSPS, acknowledge that mortgage and rental stress remains pervasive, affecting 10.7% of all mortgaged dwellings, as well as 42.1% of all rented dwellings.

The 2021 *Lake Macquarie Housing Strategy* lists ‘increasing affordable rental housing and home ownership’ as a council priority. To address this priority, council lists the following objectives:

- *establish mechanisms for affordable housing contributions through the planning system,*
- *investigate ways of supporting affordable housing opportunities,*
- *collaborate with community housing providers in planning of affordable and social housing,*
- *advocate for planning policy tools for inclusionary zoning,*
- *ensure council processes support streamlined approval for housing, particularly accessible housing, special needs housing and social and affordable housing,*
- *undertake community engagement to reduce stigma associated with housing other than detached housing such as boarding houses²*

The acknowledgement of this need to address affordability continues to inform local government strategy. The recently adopted Community Strategic Plan includes an objective that ‘people have housing that suits their needs,’ an objective reiterated in the draft LSPS.

In addition to affordability considerations, council has noted the emerging need for greater local housing diversity. Approximately 85% of the current housing stock consists of standalone houses, with 44% of all houses having two or more spare bedrooms. Meanwhile, single person households are projected to become the dominant household type, with council forecasting 54% of households to be one person households by 2046.

2.1 The draft LSPS and housing need

Shelter NSW acknowledges the work done by Council in creating its housing strategy, supported by its *Ending Homelessness Plan 2021 – 2024*, Community Strategic Plan and the draft LSPS. Though, while

¹ Shelter NSW and Regional Australia Institute, *New South Wales Regional Housing Need Report 2023*, February 2023, accessed August 18, 2025, https://sheltersnsw.org.au/wp-content/uploads/2023/02/230223_Shelter-NSW-Regional-Housing-Need-Index_FINAL.pdf.

² Lake Macquarie City Council, *Lake Macquarie City Housing Strategy 2021* (Lake Macquarie: Lake Macquarie City Council, 2020), 47.

Lake Macquarie City Council has endorsed several actions to achieve the objectives listed above through its housing strategy, such as the development of an affordable housing contribution scheme, to our knowledge, many are yet to be implemented.

As noted above, the need for affordable housing is well established in Lake Macquarie. It is important that housing affordability remains central to future planning. At present, the LSPS focuses on the divergence between emerging household type and existing housing stock. The provision of smaller dwellings for single and two-person households (and potential measures to encourage freeing up underutilised dwellings, e.g. incentivising downsizing for empty nesters) will assist local housing issues to an extent, but is unlikely to address affordability challenges for people living on lower incomes. Council's focus on the development of strategic centres – in alignment with the Transport Oriented Development reforms – should allow for greater density and the provision of greater housing diversity in high amenity areas, providing a genuine alternative to standalone housing.

However, specific provisions regarding affordability must urgently be developed and implemented. To address the levels of rental stress noted above, and reduce risk and incidence of homelessness and housing stress, council must work to ensure that clear provisions are made for the development, delivery, and management of Affordable Housing. This LSPS should look to centre affordability in relation to its housing priorities and seek to complement the objectives listed in the housing strategy, noted above. The longer development continues to occur in the area without an affordable housing contribution scheme being in place, the more potential contributions for affordable housing purposes Council – and local residents, workers and families – miss out on.

3. Recommendations

Shelter NSW recommends that Lake Macquarie City Council address affordability within the LSPS and include an affordability 'measure of success' to be measured and reported to under the 'people have housing that suits their needs' planning priority. This should be measured by the percentage of very low- to moderate-income households experiencing housing stress.

Lake Macquarie City Council should also progress the actions of its housing strategy and implement a clear, actionable, and measurable affordable housing policy. This policy should provide a means for council to acquire and manage Affordable Housing dwellings via inclusionary zoning, as well as enact targets for affordable and social housing informed by local housing needs.

This policy should provide clarity to council, the development industry and community as to when and how affordable housing will be delivered and managed, as well as how council will engage with State Government regarding the provision of social housing. Given that the Transport Oriented Development

reforms will require mandatory inclusionary zoning of 2% within 800m of five train stations within the LGA, council should seek to promptly enact an Affordable Housing policy so that proper provision and management of Affordable Housing is assured.

Shelter NSW also recommends that an update is provided on the objectives and actions listed in the *Lake Macquarie Housing Strategy*.

Thank you for your consideration

Shelter NSW thanks Lake Macquarie City Council for its consideration. Should council wish to discuss this letter further, please contact Thomas Chailloux (thomas@shelternsw.org.au) or Drew Beacom (drew@shelternsw.org.au).

Sincerely,

Drew Beacom

Housing Officer

Shelter NSW