



Response to *Bayside Council*
Draft Local Strategic Planning Statement
Shelter NSW submission
September 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:

- **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.sheltersnsw.org.au/uploads/1/2/1/3/121320015/sheltersnsw-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 Bayside Council's draft Local Strategic Planning Statement (LSPS). Our submission is also informed by the Bayside Housing Strategy Background paper prepared by SGS Economics & Planning for Bayside Council.

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 have recommended 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) has noted housing affordability as a key principle for consideration in the development of councils' local housing strategies. DPIE has also recently amended 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, as recognised in the Background paper page 22. This results in more lower income households looking for affordable housing in suburban centres that are well connected to the CBD and the rest of the metropolitan 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 is set to 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 the middle suburbs of Sydney's metropolitan region such as Bayside Council 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 and LHS

Shelter NSW congratulates Bayside Council on the preparation of a 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 and revision of Local Environmental Plans (LEPs), which are actions required by the GSC Regional and District Plans.

Shelter NSW does not believe a "one-size-fits-all" approach will be of 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. Our analysis and comments on Bayside LSPS are underpinned by these 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 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.

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

Given the need identified in #1, 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, 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.

Taking the need for Housing Affordability into account in the LSPS

As a local centre and middle suburban area reasonably well serviced by public transport including rail within Sydney's Greater Metropolitan Region – a metropolis well known for its housing affordability issues– housing is generally more expensive in Bayside LGA than in Greater Sydney but cheaper than in surrounding LGAs⁴ and closer to Sydney's central business district. Compared to Greater Sydney, it is more expensive for houses (\$1.138M vs \$865,000 in Greater Sydney⁵) but within the average for strata titled dwellings (\$675,000 vs \$695,000⁶). Regarding rents, prices are more expensive, about 15% higher than the average in Greater Sydney (e.g. median weekly rent \$570 as compared to \$520 average in Greater Sydney⁷).

Social housing stock in Bayside LGA is insufficient to meet demand, and waiting times are very long. As of 30 June 2019, there were 1512 general and 296 priority applicants on the NSW Housing register for CS09 St George allocation zone, with expected waiting times of over 10 years for all types of properties, from studio to 4+ bedrooms.

Overall, these factors highlight an urgent need for additional supply of social and affordable housing for very-low, low and moderate income households in the LGA. Due to significant increases in median dwelling prices and rent over the last ten years, the LGA is experiencing a deterioration of affordability for such households across the housing stock that already exists within the area. Parts of Bayside are still relatively affordable but this is due to ageing building stock and deteriorating built quality reflecting lower demand.

Shelter NSW is pleased to see that Bayside Council recognises the significant need for more housing that is affordable to people on low to moderate incomes in the area. In particular, we note recognition page 19 of the LSPS that "housing affordability is a key issue and a significant problem" due to the fact that "increases (of median dwelling prices) in Bayside have still outpaced outcomes". We also commend

⁴ See Figure 16, Median dwelling prices in Bayside LGA and surrounds, page 19, Bayside Housing Strategy Background paper.

⁵ See Rent and Sales Report for March (sales) / June (rents) 2019 Quarter, FACS: <https://www.facs.nsw.gov.au/resources/statistics/rent-and-sales/dashboard>

⁶ Ibid.

⁷ Ibid.

Council on the recognition that “as gentrification occurs lower income households may be pushed out of Bayside”. The introduction of the Liveability Section of the LSPS states that “Quality of life requires housing, infrastructure and a good level of service”. Shelter NSW absolutely supports the view that housing is at the core of liveability and productivity. Safe, secure, affordable housing is the basis for participation in community life and unpaid work, as well as employment and education. We are pleased to see that Council is committed to develop planning strategies that aim to deliver housing at a range of types and price points, as well as having a “role in providing affordable rental housing in the non-market sector” (page 54). This is illustrated by Planning Priority 8 to “provide housing that is affordable” and Planning Priority 7 to “provide choice in housing that meets the needs of the community”. Overall we support the vision for Bayside Land Use 2036 in regards to housing outlined page 9, to “encourage a mix of dwelling types and increase the number of affordable rental housing to meet the housing needs of our community”.

While a Local Strategic Planning Statement is a high level strategic planning document, we believe that the evidence outlined in the LSPS could be further developed to strengthen the evidence base to inform actions. While the Background paper does include some information such as median dwelling price (figure 16, page 19.) and levels of rental affordability⁸, it does not include relevant information that is essential to assessing affordable housing need such as the proportion of total and lower income households in housing stress, rental stress and mortgage stress, median rent and median income, median prices of detached and attached dwellings, current affordable housing stock and social housing stock, etc. We would suggest that such evidence is included and analysed as part of the Local Housing Strategy. We recommend completing this research for integration into the final LSPS adopted by Council or that this evidence is integrated retrospectively in the LSPS and the LHS, which will allow a stronger evidence base for actions, ensure the need is appropriately assessed and responded to as part of the reviews of the LEP and the DCP, and provide baseline data for performance monitoring.

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 affordable housing strategies are not developed and adopted. The same is likely to be true of other urban centres in the middle ring.

Commitment of the LSPS to developing a Local Housing Strategy (LHS)

For the reasons outlined above, we particularly support the commitment of Bayside Council LSPS to prepare a local housing strategy that will “provide direction as to where growth can occur and the housing diversity required” (page 50) and “identify the affordable housing need which may lead to the development of an affordable housing contributions scheme” (page 54). Shelter NSW considers the scope of the LHS described in the Background paper page 30 to be appropriate. We recommend for a specific affordable housing strategy considering where and how affordable housing dwellings will be described to be developed as part of the LHS.

⁸ National Shelter Rental, SGS, Brotherhood of St Laurence Rental Affordability Index quoted page 20 in figure 17.

In line with the [latest Australian Infrastructure Audit](#), which recognised housing as infrastructure for the first time, we recommend that Council specifically recognise affordable housing as essential social and economic infrastructure in its LSPS. This is consistent with statements made by Council in the LSPS that housing is essential for healthy and prosperous individuals and communities. It makes sense given the fact that secure and affordable housing supports a number of objectives of the LSPS (see page 30, 39 in particular) to create local jobs that are close to homes, enable growth of employment sectors such as health and vibrant town centres. It will also provide Council with flexibility and choice in the future in the number of planning mechanisms it can use to facilitate affordable housing delivery. This could be done in Planning Priorities 1, 2 or 3 and the Social Infrastructure Strategy being prepared by Council (Action 4.1, 4.2) should include some consideration of affordable housing.

Commitment of the LSPS to housing diversity

Shelter NSW supports Planning Priority 7, to provide choice in housing to meet the needs of the community. This aims to ensure housing supply is diverse, and provides housing choice to diverse community members. Whilst this may have an effect on housing affordability and provide some much needed supply at a price point affordable to moderate income earners, it is extremely unlikely to significantly improve housing affordability as such, however, as discussed further in the next section.

We support in particular the following in the draft LSPS:

- Action 7.1, to review planning controls to inform Bayside 2020 LEP and DCP to achieve delivery of a greater range of dwelling types and sizes
- The opportunities for development to meet demand for housing in the short, medium and long term identified page 51 of the LSPS

Shelter NSW provides the following commentary and recommendations regarding the housing diversity strategy outlined in Bayside LSPS.

Firstly, it is important to acknowledge that housing stock in Bayside LGA is more diverse than in the rest of Greater Sydney. It is unevenly distributed, however, with some areas being predominantly low rise and suburban in character, and others having borne the bulk of high density development⁹. We also recognise that there is a low stock of vacant land and that industrial land and impacts of aviation constrain development in the area.

Between 2006 and 2016, 80% of dwellings delivered in the LGA were apartments, with the majority being two bedrooms (63%) and a significant proportion of 1 bedrooms or studios (23%)¹⁰. This shows the incapacity of the market to deliver varied, diverse stock suited to the needs of local households and families rather than the needs of investors. The LSPS makes the assumption in “What Housing will Bayside need in the future” (page 19) that semi-detached, terraces and row houses are more

⁹ see figure 5 and Figure 8, Background paper.

¹⁰ Ibid, page 9 and 10.

appropriate than apartments for the needs of families with children. We would consider, however, that the issue would be more with size, amenity and number of bedrooms available in attached dwellings rather than with the density and/or type of dwelling. Demographic trends outlined in the Background Paper show that the number of children living in apartments has already increased¹¹. This would definitely support Council mandating for certain proportions of new development to be delivered as a specific number of bedrooms, as proposed in Action 7.1 – a. Shelter NSW recommends for the LHS to specify dwelling mix in medium and high density development further to achieve the objectives of the housing diversity strategy described in the LSPS.

Infill development in suburban areas of Bayside will also assist in delivering a more diverse housing stock and Shelter NSW would support planning mechanisms designed to progressively and sensitively increase density and diversity in low rise, suburban areas.

Considering that densification has and will continue to occur in the LGA, there is a need for well designed “third spaces” that will allow for liveable and connected medium and high density living. We support the commentary made in regards to this page 21 of the LSPS, “to proactively plan and advocate for improved and increased provision of social infrastructure”.

Another aspect of meeting the needs of the community is the ageing population and growing need for adaptable, accessible and diverse housing. This was also stressed by community members who said that “universal design is to be supported, if not required” (page 29, Background paper). Shelter NSW recommends that the planning controls in the DCP refer to the levels of the Liveable Housing Design Guidelines (LHDG) from Liveable Housing Australia¹². We recommend the inclusion of more specific guidance around delivery of residential dwellings informed by universal design principles, either in the LSPS or at a later stage in the LHS and then the DCP:

- That all new apartment development achieves the silver level of the LHDG, allowing ‘visitability’ of dwellings for people with mobility issues
- That a proportion of all new residential development achieves the gold or platinum level of the LHDG
- That a proportion of all new development in the LGA, including low and medium density housing, achieves the silver level of the LHDG, allowing ‘visitability’ of dwellings for people with mobility issues

Accessibility of public space and universal, inclusive design are also of primary importance to create healthy, inclusive communities. Concerning the accessibility of public space, we suggest an action is added as part of Planning Priority 9 to ensure the built environment and amenity in the LGA are designed to be accessible to all members of the community. This perfectly fits with the objective of

¹¹ Page 16, for example

¹² See <http://www.livablehousingaustralia.org.au/95/downloads.aspx>

Planning Priority 9 to provide “good quality urban design” and “enhancement of the public realm”. It could include a reference to the Seven Principles of Universal Design¹³, for example.

To conclude this discussion of housing diversity, Shelter NSW emphasises the importance of considering equity and impact on lower income households in preparing and implementing strategic plans. This should be carefully considered in the final writing and delivery of Planning Priority 6. As discussed previously, lower income households bear the brunt of the development boom and urban renewal. Housing diversity should be delivered at the local, neighbourhood level, and not simply in certain areas while leaving established, more affluent areas unchanged. Change and development should deliver increased amenity and benefits for lower income households and the communities in which they live.

Commitment of the LSPS to address housing affordability

Shelter NSW strongly supports Bayside Council’s Planning Priority 8 “to provide housing that is affordable” and to identify further the need for affordable housing and how to address it as part of its Local Housing Strategy. We commend the vision of the liveability section that states that “Quality of life requires housing” and that this means “that a range of housing types are available in the right location and that affordable housing for those that require it is available”¹⁴.

We strongly support the following actions in particular:

- Action 8.1, to prepare an affordable housing policy
- Action 8.2, to prepare an affordable housing contributions scheme that sets out how, where and are what rate development contributions can be collected by Council for affordable housing. Considering the high need identified for affordable housing in the LSPS and potential increases in land value associated with uplift in an area such as Bayside, Shelter NSW would consider 15% of total floor space to be provided as affordable housing to be appropriate, and 30% on government land. While there would be a basis to apply such contributions across the entire LGA to avoid boundary effects and provide certainty to the development industry, we would consider preparation of such schemes under SEPP 70 to be particularly appropriate in local centres.
- Action 4.5 states that Council will develop a Bayside Developer Contributions Plan. In order to facilitate social and affordable housing delivery in the area, Shelter NSW would recommend that CHPs are exempted of development contributions under sections 7.11 and 7.12 considering they are already delivering essential social and economic infrastructure under the form of affordable housing.

¹³ See Centre for Excellence in Universal Design, <http://universaldesign.ie/What-is-Universal-Design/The-7-Principles/>

¹⁴ Bayside LSPS, page 46.

- Action 8.3 to develop a framework to facilitate delivery and ongoing management of affordable housing by Community Housing providers (CHPs). As mentioned above, we recommend exemptions from certain contributions for CHPs under this framework.
- Action 8.4, to develop VPAs for delivery of affordable housing in cases where contributions do not apply. While *ad hoc* planning processes are not ideal, Shelter NSW supports a variety of planning mechanisms to ensure increase delivery of affordable housing.

We recommend for Council to commit to investigating direct delivery of affordable housing as well as part of its Local Housing Strategy, in addition to requiring contributions from development. Considering the severity of the affordable housing crisis, government agencies should consider all mechanisms at their disposal to deliver this much needed infrastructure.

Considering the differences between a *housing choice and diversity*, rather than a *housing affordability* approach per se we fully support the principle of housing diversity and acknowledge the importance of a range of housing typologies being planned for and delivered across various localities, at increasing levels of density where appropriate. However such an approach alone will not deliver meaningful improvements to housing affordability given the constraints of current federal and state policy settings, and with no known future policy or funding settings to significantly boost social and affordable housing supply. It is extremely unlikely to improve housing affordability for very low and low income households, and at best this type of strategy is likely to improve affordability only for households on moderate incomes. This can be inferred from the already noted deterioration in housing affordability across the LGA, but is also reflected in recent research, from the Australian Housing and Urban Research Institute (AHURI) which found that:

*Most of the growth in housing supply has been taking place in mid-to-high price segments, rather than low price segments. There seems to be structural impediments to the trickle-down of new housing supply. Targeted government intervention might be needed in order to ensure an adequate supply of affordable housing.*¹⁵

It is important for Local Government authorities to consider the types of intervention that are available to them within the policy and funding frameworks set by federal and state governments.

On the specific question of seeking approval for SEPP 70 / Affordable Housing Contribution Schemes Shelter NSW understands the *housing diversity* approach places a strong reliance on rezoning and up-zoning areas for higher density residential development, leading to significant uplift in land values in the areas identified for prospective development or redevelopment. This creates opportunities for communities to share in some of the increased value and can be used to fund new infrastructure and community facilities, and this is facilitated by provisions in the *Environmental Planning and Assessment Act 1979*. We note the growing recognition at the State Government level for this to include funding for

¹⁵ Ong, R., Dalton, T., Gurran, N., Phelps, C., Rowley, S. and Wood, G. (2017) *Housing supply responsiveness in Australia: distribution, drivers and institutional settings*, AHURI Final Report No. 281, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/281>

new affordable housing, as is reflected in the recent extension of SEPP 70 to allow all councils across New South Wales to adopt Affordable Housing Contribution Schemes.

Such schemes are already in operation in the City of Sydney local government area, as noted page 18 of the Background paper. Similar schemes are also in development in the Cities of Willoughby and Randwick, as well as the Inner West Council, for example. These schemes require developers who wish to operate within certain defined precincts, as approved and included in a revised Local Environmental Plan, to make a contribution to a Council's affordable housing program as a condition of development consent.

Importantly, where there is certainty around the requirement for developer contributions, the apparent extra costs to developers are capitalised into the price they pay for developable land, as previously discussed. This means developers' viability considerations are not unduly impacted by the need to provide affordable housing contributions, allowing councils to fund and develop their own portfolios of targeted affordable housing through the uplift in value created by rezoning land for higher density use.

Finally, Shelter NSW draws Bayside Council's attention to the [Strengthening Economic Cases for Housing Policies](#) report,¹⁶ 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. 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.

Commitment of the LSPS to social diversity

The LSPS includes explicit commitment to social diversity, recognising that culturally and socially diverse communities are inclusive, healthy and creative, for example in 'A City for People' page 47. Shelter NSW also shares the view of Bayside Council described in the introduction of the Productivity Section¹⁷ that productivity should support economic diversity. We recommend that Council implements affordable housing contribution schemes across the entire LGA in order to achieve these goals, ideally in the form

¹⁶ 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/>

¹⁷ LSPS page 56.

of a percentage of all new residential development that should be dedicated to affordable housing, preferably delivered on site, to ensure social mix. As discussed page 6 of the Background paper, NSW State Government aims 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.

Commitment of the LSPS to further advocacy from local government for social and affordable housing

It is important to recognise that housing affordability issues need to be tackled at the metropolitan and regional level. Advocacy from local government to state and federal governments for direct investment in social and affordable housing would assist local government and the planning system and recognise the need for a systemic response to addressing a public policy issue that is the responsibility of all levels of Government.

Shelter NSW is pleased to see recognition in the Bayside Council LSPS that housing affordability is a complex issue that needs to be tackled by all levels of government. The LSPS could 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 including those outside of the planning system, such as those outlined in Shelter NSW, National Shelter or CHIA policy and platform documents.

Shelter NSW' position is that partnering across all three levels of Government, as well as the not for profit and private sectors is vital to achieving sustainable social and economic outcomes for residents.

We support Action 8.5 in Planning Priority 8 that Council will “work with key agencies to deliver affordable rental housing and advocate for policies and controls that promote (*affordable?*) housing¹⁸”. We also agree with the statement page 15 of the Background paper that, unfortunately, the private rental market is “the only housing option available to many households”, and that it “provides less security” and is “more transitory”. Reform of tenancy law, and in particular of ‘no-grounds’ evictions is a low cost and easily implemented policy that would provide greater security and stability to people who rent their homes, as recently recognised by the Productivity Commission [in its research report on the private rental market and vulnerable renters](#).

Shelter NSW recommends:

1. That the LSPS includes recommendations for Council to tackle housing affordability issues at both 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.

¹⁸ Wording needs to be amended in the LSPS to include LSPS as sentence is currently unclear. See page 54.

2. Commitment to advocate to NSW and Federal Governments for more social and affordable housing in Bayside LGA, for example as part of the Liveability theme.
3. That the LSPS includes a commitment for Bayside Council to advocate to NSW Government for a reform of 'no-grounds' to provide greater security and stability to people renting their homes.

Implementation, Monitoring and Reporting

Shelter NSW supports the commitment of Council to work to ensure the on-going alignment of the LSPS with Council's overarching community strategic planning, as well as the commitment to review the LSPS and LHS regularly. We would recommend for this to be aligned with the review of the LEP and happen every five years.

We are concerned, however, that there are no other monitoring indicators to measure success regarding better housing affordability in the area. The only potential indicator that is mentioned in the LSPS is "increase in housing mix" (page 12) in the "Housing the City" section, which is not directly related to housing affordability for very low and low income households, as previously established. This is especially important given the need identified by Council in the LSPS. We recommend the inclusion of more indicators specific to housing affordability such as:

- Decrease in proportion of residents of the LGA in housing stress
- Decrease in unmet affordable housing need
- Increase in proportion/number of dwellings in the area that are affordable to people on low to moderate incomes

Summary of Recommendations

1. Include additional local data about housing affordability in the LSPS (median income, median dwelling prices, levels of housing stress, mortgage stress, etc.)
2. Specifically recognise affordable housing as essential social and economic infrastructure
3. Mandate for certain proportions of new development to be delivered as a specific number of bedrooms, as currently considered in Action 7.1
4. Consider planning mechanisms designed to progressively and sensitively increase density and diversity in low rise, suburban areas, including affordable housing dwellings.
5. Review and amend Bayside DCP so
 - all new apartment development achieves the silver level of the LHDG, allowing 'visitability' of dwellings for people with mobility issues
 - that a proportion of all new residential development achieves the gold or platinum level of the LHDG
 - That a proportion of all new development in the LGA, including low and medium density housing, achieves the silver level of the LHDG, allowing 'visitability' of dwellings for people with mobility issues

6. Add an action as part of Planning Priority 9 to ensure the built environment and amenity in the LGA are designed to be accessible to all members of the community, for example through reference to the Seven Principles of Universal Design.
7. Consider applying affordable housing contributions schemes across the LGA
8. Considering the rate to be applied for affordable housing contributions schemes, consider 15% of total floor space to be provided as affordable housing, and 30% on government land.
9. Consider exempting CHPs from development contributions under sections 7.11 and 7.12 considering they are already delivering essential social and economic infrastructure under the form of affordable housing.
10. Commit to investigating direct delivery of affordable housing as well as part of its Local Housing Strategy
11. Include recommendations for Council to tackle housing affordability issues at both 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.
12. Commit to advocate to NSW and Federal Governments for more social and affordable housing in Bayside LGA
13. Commit to advocate to NSW Government for a reform of 'no-grounds' to provide greater security and stability to people renting their homes.
14. Include specific housing affordability indicators as part of Council monitoring strategy for the implementation of the LSPS and the LHS.

Further discussion

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

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

Yours sincerely



Karen Walsh
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Shelter NSW