



Response to *Georges River Council*  
*Draft Local Strategic Planning Statement*  
Shelter NSW submission  
August 2019

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### 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 households<sup>1</sup>. 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](#)<sup>2</sup>, 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;

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<sup>1</sup> 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 Georges River Council's draft Local Strategic Planning Statement (LSPS).

### **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, resulting 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 such as Georges River Local Government Area (LGA).

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 Georges River Council to manage the impacts of population growth, development and urban renewal on their own communities, even while that renewal may be happening elsewhere.

## Analysis

Shelter NSW congratulates Georges River Council on the preparation of a comprehensive and evidence based 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 LSPS<sup>3</sup>. Our analysis and comments on Georges River Council 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.**

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<sup>3</sup> See <https://www.shelternewsw.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 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 Georges River LGA than in Greater Sydney but cheaper than closer to Sydney's central business district. Compared to Greater Sydney, it is more expensive for houses (\$1.25M vs \$825,000 in Greater Sydney<sup>4</sup>) but within the average for strata titled dwellings (\$690,000 vs \$705,000<sup>5</sup>). Regarding rents, prices are more expensive, about 15% higher than the average in Greater Sydney (e.g. median weekly rent \$520 as compared to \$447 average in Greater Sydney<sup>6</sup>).

The Strategic Context provided as part of the LSPS page 46 shows that levels of mortgage stress and housing stress are higher than in Greater Sydney (13.3% and 29.6% versus 11% and 27%), with specific areas where housing stress is extremely high. We note in particular that it is housing stress is 39% in Hurtsville, a very high level that needs to be addressed to retain lower income households in the area.

We note that waiting times for social housing in Georges River LGA 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. The LGA is experiencing a deterioration of affordability for such households across the housing stock that already exists within the area.

Shelter NSW is pleased to see that Georges River 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 the vision for the desired future of the Georges River area in 2040 which includes "*affordable and well-designed homes*" page 17. We also support Planning Priority 9, as part of Theme 3 'Housing & Neighbourhoods', which states that a priority of Council is a "mix of well-designed housing for all life

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<sup>4</sup> Georges River draft LSPS p46

<sup>5</sup> Ibid.

<sup>6</sup> See Rent and Sales Report for March 2019 Quarter, FACS: <https://www.facs.nsw.gov.au/download?file=664499>

stages caters for a range of needs and incomes". This is also in line with pillars 2, 4 and 5 of Georges River Community Strategic Plan.

We would recommend that Council strengthen the language of the LSPS, however, to recognise more clearly the need for affordable housing and how affordable housing is social and economic infrastructure.

The LSPS discusses housing choice and inclusive housing (page 8 for example) rather than about housing affordability per se. Theme 3, "Housing & Neighbourhood" mentions in "Our future vision" that "Our community has access to a choice of housing across the LGA" and that this housing meets "the needs of people at different life stages, with differing incomes and lifestyles". While the commitment to housing choice and diverse housing suiting the needs of all is laudable, we would support stronger and more specific recognition of the need for affordable housing for people on lower incomes, given housing affordability issues disproportionately affect people on lower incomes and their families.

We suggest including the following statement in the "Housing & Neighbourhood" theme:

"Members of our community on very low, low and moderate income have access to housing, including rental housing - that is affordable, safe, secure and which meets their housing needs".

We note that housing affordability is not mentioned as part of Theme 4 "Economy & Centres". As we will discuss further, affordable housing is essential social and economic infrastructure and is critical to building functioning centres that provide local jobs.

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 and on the outskirts of Sydney's CBD, where households might tend to look for more affordable housing.

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

For the reasons outlined above, we particularly support the following elements of Georges River Council LSPS:

1. Planning Priority 9, Action 41 on page 49 indicating the local council will complete a Local Housing Strategy (LHS) for the LGA that includes planning for District Plan housing targets, inclusive housing targets and addressing housing diversity
2. Figure 7, Structure Plan, Housing and Neighbourhoods, page 44 that indicates Council has already started identifying areas for growth in housing, to be developed further as part of the LHS and the LEP review

Shelter NSW strongly supports the commitment of Georges River council to develop “inclusive housing targets”, which we understand as targets for housing that is affordable to people on very low to moderate incomes. We have concerns, however, about the use of ‘inclusive housing’ rather than ‘affordable housing’. The term ‘affordable housing’ has legal definitions in NSW under the [State Environmental Planning Policy \(Affordable Rental Housing\) 2009](#) and the [State Environmental Planning Policy No 70 - Affordable Housing \(Revised Schemes\)](#), either as housing where rent is set to a maximum of 80% of market rent or as housing where rent is set to a maximum of 30% of the tenant’s income. There is also academic consensus about what is ‘affordable housing’; housing for the 40% of people with the lowest incomes where they do not need to pay more than 30% of their income in rent. The term ‘inclusive housing’ doesn’t have a legal definition and is unclear. This could lead to unexpected and unintended outcomes, such as delivering housing that is not targeted to those most in need, or housing that is not actually affordable to people on lower incomes.

We recommend that the term ‘inclusive housing’ is clearly defined and affordable housing is mentioned separately or is replaced by the term ‘affordable housing’ throughout the LSPS and supporting documents.

### **Commitment of the LSPS to housing diversity**

Shelter NSW supports Planning Priority 9, promoting a mix of well-designed housing through local planning controls and initiatives. 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 the LSPS should include a range of additional strategies to address housing affordability issues, as discussed further in the next section.

We support in particular the following actions outlined page 49 of the draft LSPS:

- Action 41, which includes a commitment to addressing housing diversity as part of the preparation of the LHS. We recommend however to replace ‘inclusive housing’ by ‘affordable housing’ for the reasons previously outlined.
- Action 42, to facilitate a broader range of housing types. In particular, allowing for carefully planned delivery of smaller dwellings in strategic centres will support and retain the strength of the LGA that is “Attractive to overseas student population”<sup>7</sup>
- Action 45, to provide controls to deliver universal design as part of new residential developments through Council’s DCP

There is an ageing population and growing need for adaptable, accessible and diverse housing. This was also stressed by community members who said that housing that is “affordable and suitable to older members of the community” is particularly important (page 45). Shelter NSW recommends that the planning controls mentioned in Action 45 refer to the levels of the Liveable Housing Design Guidelines

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<sup>7</sup> See draft LSPS page 53.

(LHGD) from Liveable Housing Australia<sup>8</sup>. 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 that the language is strengthened in Planning Priority 3, 10 and 13 to ensure the built environment and amenity in the LGA are designed to be accessible to all members of the community. It could include a reference to the Seven Principles of Universal Design<sup>9</sup>, for example.

We understand and recognise the need for Georges River LGA to support local employment by retaining scarce commercial and industrial land, as outlined in Planning Priority 12. We support Action 51 to include controls in the LEP 2020 to retain non-residential floor space in commercial centres, and Action 53 to retain and manage industrial and urban services land by safeguarding industrial zoned land from residential development. Concerning Action 52, which states Council will introduce broader land uses in zone IN2 light industrial in Council 2020 LEP, we suggest the following innovative action, as considered by Inner West Council in their LHS:

- Consider to investigate density bonuses for the exclusive provision of affordable housing on employment or industrial land. This could allow for mixed use while delivering the objectives of Planning Priority 12, “Land is appropriately zoned for ongoing employment growth”. Carefully designed and implemented to ensure there is no impact on the primary use of land as light industrial, this could be an innovative incentive for affordable housing delivery, and keep complying with Planning Priority E12 of the GSC Eastern City District Plan, “retaining and managing industrial and urban services land”.

### **Commitment of the LSPS to address housing affordability**

Shelter NSW strongly supports Council’s commitment to encourage affordable housing through the Local Housing Strategy. We recommend the development of a specific Local Affordable Housing Strategy, especially the identification of local sites where Council could support the delivery of new

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<sup>8</sup> See <http://www.livablehousingaustralia.org.au/95/downloads.aspx>

<sup>9</sup> See Centre for Excellence in Universal Design, <http://universaldesign.ie/What-is-Universal-Design/The-7-Principles/>



affordable housing initiatives, especially those which demonstrate innovation and partnering across the sectors to optimise outcomes for residents and the community.

We strongly support the following actions outlined page 49 in particular:

- Action 43, to establish a planning framework to provide housing for people from very low to low income households including key workers
- Action 44 to utilise the provisions for planning agreements in the EP&A Act for affordable housing without impacting feasibility. Regarding feasibility, we would like to highlight that if the development industry has certainty about the planning policies in place regarding affordable housing contributions, they will pass costs on to the landowners by factoring these contributions into the price they offer for the land. As long as contributions are not set at a level that will impact willingness of the landowner to sell land for development, which would be extremely unlikely in the case of a rezoning given land prices in Sydney Metropolitan area, feasibility is not affected<sup>10</sup>.

We recommend the following amendments to the draft LSPS for better outcomes

- That action 43 includes people from moderate income households. This will allow for increased financial feasibility as developments that include a mix of dwellings targeted at very low, low, and moderate income households provide higher rental returns than developments targeted at very low and low income households only. This would also facilitate access to affordable housing for key workers such as teachers, nurses and community services professionals and in doing so, provide for diversity of income eligibility and mix within the affordable housing that will be delivered.
- Considering our previous comment, we suggest to remove ‘without impacting feasibility’ from the wording of action 44.
- Planning Priority 13, Action 61, “encourage new housing for professionals and key workers in Kogarah Health and Education Precinct”. We suggest inclusion of the following so the new housing delivered is affordable to key workers and not to higher income professionals only: “encourage new housing (...) including dedicated affordable housing managed by Council or a CHP for key workers on low to moderate incomes employed in the Precinct”.

Re the Georges River Council focus on *housing choice and diversity* (see page 47 for example), 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

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<sup>10</sup> See ‘Development Contributions for Affordable Housing: Theory and Implementation’, Marcus Spiller, Liz Mackevicius and Andrew Spencer: <https://www.sgsep.com.au/publications/development-contributions-affordable-housing-theory-and-implementation>

See also AHURI Final Report 281 ‘Housing supply responsiveness in Australia: distribution, drivers and institutional settings’ [https://www.ahuri.edu.au/\\_data/assets/pdf\\_file/0012/13242/AHURI-Final-Report-281-Housing-supply-responsiveness-in-Australia-distribution-drivers-and-institutional-settings.pdf](https://www.ahuri.edu.au/_data/assets/pdf_file/0012/13242/AHURI-Final-Report-281-Housing-supply-responsiveness-in-Australia-distribution-drivers-and-institutional-settings.pdf)

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.*<sup>11</sup>

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.

To this end, Shelter NSW strongly recommends the development and implementation of more specific measures to address the need for more affordable housing identified by Council and successfully answer the challenge described page 43 of the LSPS, “increasing supply of affordable housing stock for very low to moderate income households”:

1. The explicit inclusion of affordable housing in a list of social and economic infrastructure for example in “Planning Priority 4, “Collaboration supports innovation and delivers infrastructure, services and facilities”. This will allow Actions 15, 17 and 20 to include affordable housing as required.
2. The explicit listing of planning mechanisms (for example in Action 43) that Council might use as part of its planning framework to facilitate delivery of affordable housing dwellings in the future, such as SEPP 70/Affordable Housing Contribution Schemes, VPAs, or Section 7.11 contributions.
3. Within Action 17, to review plans and policies regarding sections 7.4, 7.11 and 7.12 of the EP&A Act, explicitly specify that this review will consider affordable housing delivery as a key objective of the use of these sections by Council
4. As part of the review of planning policies (Action 17), include explicitly that Council will consider exempting Community Housing Providers (CHPs) from payment of section 7.11/7.12 contributions to increase their development feasibility and assist them in competing more efficiently for land against private developers considering CHPs are delivering social and economic infrastructure through their developments under the form of social and affordable housing.

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<sup>11</sup> 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>

5. Ideally, an explicit commitment to seeking approval for SEPP 70 schemes, (although Shelter NSW understands Council might consider this to be more appropriate at the LHS stage). We note that the three following industries totalise more than 45% of jobs in the LGA; health care and social assistance, retail trade and accommodation and food services<sup>12</sup>. Given that these sectors employ significant numbers of people on low and moderate incomes, it demonstrates the need for affordable housing in the area. SEPP 70/Affordable Housing Contribution Schemes would be particularly appropriate for the Strategic Centres described in page 58 such as Hurtsville, which has an important commercial retail function, and Kogarah, a growing health hub. Delivering affordable housing in these areas would help retain and attract key workers on low and moderate incomes.
6. A commitment to consider other value capture mechanisms that allow for delivery of affordable housing through rezoning, for example in an additional action in Planning Priority 9

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 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. 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 Georges River Council's attention to the *Strengthening Economic Cases for Housing Policies* report,<sup>13</sup> led by CHIA NSW and UNSW City Futures, and which Shelter NSW co-funded.

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<sup>12</sup> See page 53 of the draft LSPS

<sup>13</sup> 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/>

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**

Whilst the LSPS includes explicit commitment to social diversity, recognising that culturally and socially diverse communities are inclusive, healthy and creative, we suggest strengthening the language in Theme 3 to be more explicit about the provision of affordable housing across the LGA, ideally in the form of a percentage of all new residential development that should be dedicated to affordable housing, preferably delivered on site, to ensure social mix. This is particularly relevant for Georges River LGA where NSW State Government has partnered in the delivery of projects such as Riverwood Planned Precinct with an aim 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 we need to tackle housing affordability issues 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 recognises the need for a systemic response to addressing a public policy issue that is the responsibility of all levels of Government.

Shelter NSW would like to see stronger recognition in the Georges River 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 71 in Planning Priority 15 that states Council will collaborate with neighbouring councils regarding land use controls and delivery of infrastructure, amongst other things.

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.
2. Commitment to advocate to NSW and Federal Governments for more social and affordable housing in Georges River LGA, for example as part of Theme 3.

### **Implementation, Monitoring and Reporting**

Shelter NSW strongly supports the commitment of Georges River 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 every four years.

We strongly support the commitment to do so with strong community engagement processes, as described in Planning Priority 5, "The community is involved in planning our future". We support actions 30, 31 and 32.

We strongly support the target page 50 of "increased proportion of affordable housing provision in all new development" and look forward to the measure being more precisely defined in the LHS.

We are concerned, however, that there are no other monitoring indicators to measure success regarding better housing affordability in the area. 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. Strengthen the language of the LSPS to recognise more clearly the need for affordable housing and how affordable housing is social and economic infrastructure.

2. Define clearly the term ‘inclusive housing’ and mention affordable housing separately or replace the term by ‘affordable housing’ throughout the LSPS and supporting documents.
3. Refer to the levels of the Liveable Housing Design Guidelines (LHGD) from Liveable Housing Australia in the planning controls mentioned in Action 45. Include the following relating to universal design of new residential development
  - That all new apartment development achieves the silver level of the LHGD, 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 LHGD
  - That a proportion of all new development in the LGA, including low and medium density housing, achieves the silver level of the LHGD, allowing ‘visitability’ of dwellings for people with mobility issues
4. Strengthen language in Planning Priority 3, 10 and 13 to ensure the built environment and amenity in the LGA are designed to be accessible to all members of the community
5. In Planning Priority 12, consider to investigate density bonuses for the exclusive provision of affordable housing on employment or industrial land.
6. Include people from moderate income households in Action 43.
7. Remove ‘without impacting feasibility’ from the wording of action 44.
8. Include “encourage new housing (...) including dedicated affordable housing managed by Council or a CHP for key workers on low to moderate incomes employed in the Precinct” in Planning Priority 13, Action 61.
9. Include affordable housing explicitly in a list of social and economic infrastructure for example in “Planning Priority 4. This will allow Actions 15, 17 and 20 to include affordable housing as required.
10. List explicitly the planning mechanisms (for example in Action 43) that Council might use as part of its planning framework to facilitate delivery of affordable housing dwellings in the future, such as SEPP 70/Affordable Housing Contribution Schemes, VPAs, or Section 7.11 contributions.
11. Specify explicitly within Action 17, that the review of use of sections 7.4, 7.11 and 7.12 of the EP&A Act will consider affordable housing delivery as a key objective
12. As part of Action 17, include explicitly that Council will consider exempting Community Housing Providers (CHPs) from payment of section 7.11/7.12 contributions
13. Include an explicit commitment to seeking approval for SEPP 70 schemes within the LGA.
14. Commit to consider other value capture mechanisms that allow for delivery of affordable housing through rezoning, for example in Planning Priority 9
15. Strengthen the language in Theme 3 to be more explicit about the provision of affordable housing across the LGA, ideally in the form of a percentage of all new residential development that should be dedicated to affordable housing, preferably delivered on site, to ensure social mix.

16. 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.
17. Commit to advocate to NSW and Federal Governments for more social and affordable housing in Georges River LGA.
18. Include more indicators specific to housing affordability in monitoring mechanisms

## Further discussion

Thank you for the opportunity to take part in the formulation of Georges River 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](mailto:thomas@shelternsw.org.au) in the first instance if you wish to discuss these comments.

Yours sincerely



Karen Walsh  
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