



Response to *Hornsby Shire Council* *Draft Local Strategic Planning Statement*

Shelter NSW submission

October 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 Hornsby Shire's draft Local Strategic Planning Statement (LSPS). Our submission builds on the Hornsby Council Affordable Housing Discussion Paper and the comments that Shelter NSW provided in March 2019.

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/semi-rural regional centres connected to the rest of the metropolitan area such as Hornsby Shire 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 urban/rural interface on the outskirts of Sydney's metropolitan region 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 Hornsby Shire Council on the preparation of its 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. We recognise that Hornsby Shire LGA is on track to meet its housing targets.

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 LSPS³. Our analysis and comments on Hornsby Shire LSPS is 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

Sydney's Greater Metropolitan Region is a metropolis well known for its housing affordability issues. Although Hornsby Shire is a suburban/semi-rural area, housing is more expensive than on average in Greater Sydney for houses, but slightly cheaper for units (e.g. median price for detached dwelling \$1,175,000 versus \$825,000 for Greater Sydney, \$646,000 versus \$705,000 for strata titled dwellings⁴). This is potentially due to a historically high proportion of large detached dwellings in the housing stock, high levels of environmental amenity and good connection to the rest of the metropolitan region. Regarding rents, prices are also more expensive, about 8% higher than the average in Greater Sydney (e.g. median weekly rent \$520 as compared to \$480 average in Greater Sydney⁵). Over the long term, the LGA is experiencing a deterioration of affordability for such households across the housing stock that already exists within the area. The data in the LSPS and the Affordable Housing Discussion Paper highlights a high need for affordable housing for very-low, low and moderate income households in the LGA.

Shelter NSW is pleased to see that Hornsby Shire Council researched extensively the issue for its Affordable Housing Discussion Paper and included further consideration of housing affordability in its LSPS. We note that a significant number of households rent (21%⁶), and in particular the significant levels of housing stress described page 14 of the Discussion Paper; 69% of lower income households in 2011. While this data is not very recent, it remains a shockingly high number and is unlikely to have improved. Shelter NSW agrees with the analysis of Hornsby Shire Council on page 32 of the LSPS that fast rising rents and housing prices are pushing key workers out of the LGA which they serve, affecting businesses and essential services. We support the commitment of Council to look at options which "keep (our) key workers (...) close to work and family", and more broadly, "provide access to housing options for people on low and moderate incomes"⁷.

Social housing stock in Hornsby LGA is insufficient to meet demand, and waiting times are very long. As of 30 June 2019, there were 1,346 general and 252 priority applicants on the NSW Housing register for CS04 - Northern Suburbs Allocation Zone, which all of Hornsby LGA belongs to, with expected waiting

⁴ See Rent and Sales Report for March 2019 Quarter, FACS: <https://www.facs.nsw.gov.au/download?file=672628>

⁵ See Rent and Sales Report for June 2019 Quarter, FACS: <https://www.facs.nsw.gov.au/download?file=664499>

⁶ See Affordable Housing Discussion Paper page 9

⁷ See LSPS page 32.

times of over 10 years for studios/1 bedrooms and 4+ bedrooms, and 5 to 10 years for 2 and 3 bedrooms properties.

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 outer ring and on the outskirts of Sydney’s greater metropolitan region, where households might tend to look for more affordable housing.

Developing a Local Housing Strategy (LHS)

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

1. Liveable Priority 6, Action LA14 on page 34 indicating that council will be updating its Local Housing Strategy (LHS)
2. Liveable Priority 6, Action LA15 on page 34 indicating that council will prioritise the findings and recommendations of the Affordable Housing Discussion Paper
3. Liveable Priority 6, Action LA 13 on page 34 to finalise the Hornsby Town Centre Review and integrate the recommendations into the LHS update

Shelter NSW recommends that the LHS for Hornsby LGA includes targets for housing that is affordable to people on very low to moderate incomes, either through specific Affordable Rental Housing targets, or through targets for social and affordable housing stock as a proportion of the total stock.

Commitment of the LSPS to housing diversity

Shelter NSW strongly supports Liveable Priority 6 of the LSPS, to “providing housing in the right locations that meets the needs of our community with regard to housing type and mix, design, sustainability, affordability and safety”. We agree that “designing places for people (and) giving people housing choices are critical directions for Hornsby”⁸ and that “providing greater housing choice” for the community will participate in meeting “the needs of increasingly diverse residents and families (...) throughout their lives.”⁹ We believe Councils have a key role in promoting housing diversity 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, it is unlikely to be significant for low to moderate income households. The LSPS and the LHS should include a range of additional strategies to address housing affordability issues, as discussed further in the next section.

As mentioned on page 12 of the LSPS, housing stock in the LGA is predominantly low density detached housing (72%), with some high density housing (15%) and medium density housing (12%). Shelter NSW understands there are some specific issues affecting residential development in Hornsby LGA such as

⁸ See LSPS page 24

⁹ Ibid.

bushfire risk, with 48% of properties currently located in a risk area¹⁰. We believe that it is appropriate for Council to focus on meeting housing supply targets through a concentrated housing model in existing housing precincts (Action LA1). If Council is to achieve the objectives outlined in the LSPS, however, “providing housing choice, diversity and affordability” (page 28) to people living in the areas, there needs to be some planning mechanisms implemented to encourage more diverse housing stock.

Shelter NSW would like to provide commentary on the following:

- Shelter NSW recommends that Council mandates for a mix of dwelling sizes and types through its DCP, based on the housing diversity needs identified in the LHS, as recommended in the Affordable Housing Discussion Paper.
- We support Liveable Priority 2, “promoting design excellence for new housing”. It is important, however, that design excellence criteria is not used to unreasonably withhold consent for appropriate development. The intent to discourage mezzanines, for example, by reducing height controls in the DCP to 16.5m instead of 17.5m in residential flat buildings, is not conducive to housing diversity and perhaps unnecessary. Similarly, the impact of town houses development on the character of suburban areas in the LGA mentioned page 31 is unlikely to be major on amenity for existing residents. We do not consider that discouraging this type of development should be a priority for Council given its commitment to housing diversity.
- One of the priorities of the LHS will be to protect lower density suburbs from “incompatible development including Child Care Centres and Medium Density Housing”¹¹. Shelter NSW is unclear about how child care centres are incompatible with lower density suburbs. We recommend this is either removed from the LSPS or that the LHS provides further evidence of the incompatibility between child care centres and low density dwellings.
- Concerning medium density housing, Shelter NSW understands that Council has concerns about the potential impacts of the Low Rise Medium Density Housing Code. We note that the code only applies to areas where residential development is already permitted, and that there is little information provided by the LSPS about how an agreement from NSW Government to exempt Hornsby Council from the application of the Code in order for Council to zone more land as R3 Medium Density Housing might work. If medium density development is carefully managed and regulated, there are opportunities for Hornsby Shire Council to encourage greater housing diversity and delivery of some affordable housing while maintaining the high level of amenity the community enjoys and values. Manor houses, in particular, should be considered appropriate in lower density zones, as their impact is not significantly different from very large detached dwellings if the same height, setbacks, and other controls are applied. We strongly recommend that any action seeking the permanent exclusion of the LGA from the LRMDH Code, the ‘preferred alternative’ described page 32 in the LHS, is tied to detailed planning strategies

¹⁰ See LSPS page 60.

¹¹ See LSPS page 28.

regarding how Hornsby Shire Council will encourage greater housing diversity and medium density, including planning controls encouraging delivery of housing that is affordable to people on low and moderate income, and dedicated affordable housing to be managed by a registered CHP.

- Liveable Priority 5 states that Council will work with State Government for changes to the SEPP and the LRMDH Code. The LSPS does not specify which changes Council will advocate for. This should be indicated in the final LSPS for the information of the community and the general public.
- Concerning secondary dwellings ('granny flats'), Shelter NSW is in agreement with Council that there needs to be a sensible approach in how they are delivered and regulated. Anecdotal evidence from other Councils where there is significant development of secondary dwellings suggest that many of these are unaffordable to people on very low and low income, and therefore not contributing to increased housing stock that is affordable to people on lower incomes. Current controls limiting the size of secondary dwellings to 33% of the floor space of the main dwelling are not appropriate and should be changed to more precise controls allowing for clearer control of this type of development. Shelter NSW notes that delivery of smaller dwellings alone does not ensure they will be affordable and/or adequate for people on lower incomes, therefore why there is a need for Council to facilitate the delivery of specific affordable housing products.

There is an ageing population and growing need for adaptable, accessible and diverse housing. This is recognised in the LSPS, for example on page 16 describing the notable increase in elderly population. Shelter NSW recommends that the LHS and the subsequent planning controls developed refer to the levels of the Liveable Housing Design Guidelines (LHGD) from Liveable Housing Australia¹². This would be useful in defining precisely terms such as 'adaptable housing' and 'universal design' which are used in the LSPS. It would also significantly increase amenity for housing seniors and people with a disability. We recommend the inclusion of more specific guidance around delivery of residential dwellings informed by universal design principles, either in the LSPS/LHS or at a later stage in the LEP or 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

The ageing population will need housing within the LGA, and not all elderly people will be able to live in a detached dwelling. While Shelter NSW does not have enough information to assess whether Seniors

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

Housing development is unduly impacting rural areas in Hornsby LGA¹³, we note the lack of strategies in the LSPS regarding Seniors Housing except commitment to ‘protect rural areas’ from its development. We recommend that Hornsby Council describes the mechanisms it will use to provide adapted, secure and safe housing to its ageing population in the final version of the LSPS.

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 inclusion of a commitment in the LSPS 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 Design¹⁴, for example. This would contribute to achieving the objective of the LSPS to create better and more accessible public spaces (‘Our Public Spaces’, page 29).

Commitment of the LSPS to address housing affordability

Shelter NSW recognises the work done by Council to research and evaluate housing affordability issues in the LGA, in particular through the Affordable Housing Discussion Paper. We strongly support Liveable Priorities 6 to meet the needs of the community including in regards to affordability. The need in Hornsby LGA is well established given that the low rate of people living and working in the area (28%) and the fact that the largest industries (health care/social services and retail) would include a large number of workers that would be eligible for affordable housing as low and moderate income earners. Affordable housing supports the productivity objectives outlined page 68 of the LSPS and the vision of a 30 minute city where jobs are close to homes and there are vibrant, inclusive, mixed use precincts.

We recommend strengthening the commentary throughout the LSPS to include stronger recognition of housing affordability issues impacting lower income households as well as key workers and the need for Council to act to deliver some affordable housing. 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.

We believe that the LHS should also include a specific Local Affordable Housing Strategy, including the identification of local sites where Council could support the delivery of new affordable housing initiatives, especially those which demonstrate innovation and partnering across the sectors to optimise outcomes for residents and the community. Affordable housing delivered in the LGA should be provided in perpetuity in order to achieve lasting positive outcomes, and rent setting should be done based on people’s incomes rather than discounted compared to market rent to provide housing that is truly affordable to people on lower incomes.

¹³ See page 28 of the LSPS

¹⁴ See Centre for Excellence in Universal Design, <http://universaldesign.ie/What-is-Universal-Design/The-7-Principles/>

Similarly to when the Affordable Housing Discussion Paper was exhibited, we providing the following comment regarding a *housing diversity* approach, 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. We note in particular the comments on page 14 of the LHS stating that housing diversity is a key driver of affordability and that high vacancy rate and diversity of dwellings will put downward pressure on rental prices¹⁵. While this may be true to a limited extent (given capacity of developers to control supply) of housing affordability in general, it does not apply to affordability *for lower income households*. Indeed, and as recognised by Council, these dwellings are occupied by households that are not on lower income brackets. Given the possibility for landlords to select tenants with the highest income, a lot of affordable private rental stock is not actually available to lower income households, and the ‘trickle down’ phenomenon of dwellings is likely to be very limited, given costs associated to moving and likely willingness of current occupants to keep their rent low. Hence a strategy over reliant on housing diversity is extremely unlikely to improve housing affordability for very low and low income households. 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.*¹⁶

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.

In line with the recommendations of the Affordable Housing Discussion Paper, Shelter NSW strongly recommends the development and implementation of more specific measures in the LSPS or LHS to address the need for more affordable housing identified by Council:

1. The explicit listing of other planning mechanisms (for example in Liveable Priority 6) that Council might use to facilitate delivery of affordable housing dwellings in the future, such as SEPP 70/Affordable Housing Contribution Schemes, VPAs, or Section 7.11 contributions.

¹⁵ See also page 47 of the LSPS

¹⁶ 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>

2. An explicit commitment to seeking approval for Affordable Housing Contribution schemes under SEPP 70. Based on our understanding of Council's strategic planning and existing constraints, we believe this would be particularly appropriate in key precincts listed in PA1 and PA2 such as Hornsby Town Centre and Pennants Hill. This would contribute to the revitalisation of the town centre Council describes in Productivity Priority 1.
3. Shelter NSW recommends targets of 15% of new housing to be affordable housing on private sites, and 30% on government land.
4. The explicit inclusion of affordable housing in the list of social and economic infrastructure that might be negotiated through Voluntary Planning Agreements (VPA) in greenfield developments and urban renewal projects.
5. A commitment to consider other value capture mechanisms that allow for delivery of affordable housing through rezoning.
6. Investigate potential exemptions to s7.11/s7.12 contributions for Community Housing Providers given that they are delivering essential social and economic infrastructure in the area under the form of social/affordable housing. This could be done as part of actions LA8 and LA9.

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.

As described in Hornsby Affordable Housing Discussion Paper, 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.

Clearly listing the precincts where Hornsby Shire Council is considering using such schemes would provide certainty to landowners and the development industry. 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. 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.

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 affected¹⁷.

Finally, Shelter NSW draws Hornsby Shire City Council's attention to the [Strengthening Economic Cases for Housing Policies](#) report,¹⁸ 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

We support the commitment to social diversity made in 'Our Affordability' section of the LSPS, recognising the role social infrastructure has to play to support active, healthy and socially inclusive communities. We suggest strengthening the commentary to be more explicit, however, 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. 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.

¹⁷ 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

¹⁸ 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/>

We commend Council for taking the time to engage with the community to clarify misconceptions about affordable housing¹⁹, and succeeding in securing agreement from community members that more needs to be done to address housing affordability issues in Hornsby LGA and deliver more affordable housing. Shelter NSW notes that anti-social behaviour is certainly not specific or unique to social and affordable housing tenants, and that affordable housing does not necessarily have to be part of a high density development.

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

Shelter NSW is pleased to see that Hornsby Shire recognises 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. Shelter NSW recommends that the LSPS include a commitment to advocate to NSW and Federal Governments for more social and affordable housing in Hornsby Shire LGA.

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.

Concerning housing affordability, we recommend 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 such as The Hills Shire Council and Central Coast Council, to advocate for development of a Regional Affordable Housing Strategy to operate across council borders. This could be included as part of the 'Collaborative' section

Implementation, Monitoring and Reporting

Shelter NSW strongly supports the commitment of Council to work to ensure the on-going alignment of the LSPS with Council's overarching community strategic planning. We support the review of the LSPS in 2020 following the accelerated review of the LEP²⁰. We believe, however, that the LSPS should include a

¹⁹ See LSPS page 31.

²⁰ See LSPS page 80.

clearer timeframe for the regular review of the LSPS than “updated on a regular basis”²¹. Shelter NSW recommends that this review is aligned with the review of the LSPS every five years.

We recommend the inclusion in the monitoring section of additional performance indicators specific to housing affordability, such as:

- 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 targets for housing that is affordable to people on very low to moderate incomes as part of the 5, 10 and 20 year housing targets for Hornsby Shire LGA
2. Mandate for a mix of dwelling sizes and types through the DCP based on the need identified in the LHS.
3. Remove from the LSPS or provide further evidence of the incompatibility between child care centres and low density dwellings
4. Tie any action seeking the permanent exclusion of the LGA from the LRMDH Code to detailed planning strategies regarding how Hornsby Council will encourage greater housing diversity and medium density, including mechanisms encouraging delivery of housing that is affordable to people on low and moderate income.
5. Specify which changes to the SEPP and LRMDH Code Council will advocate for to NSW Government.
6. Investigate further the regulation of secondary dwellings and whether they are delivering housing that is affordable to people on lower incomes.
7. Refer to the levels of the Liveable Housing Design Guidelines (LHGD) from Liveable Housing Australia in the LHS and the subsequent planning controls developed regarding ‘adaptable housing’. In particular, mandate the following:
 - a. That all new apartment development achieves the silver level of the LHDG, allowing ‘visitability’ of dwellings for people with mobility issues
 - b. That a proportion of all new residential development achieves the gold or platinum level of the LHDG
 - c. 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
8. Describe the mechanisms Hornsby Council will use to provide adapted, secure and safe housing to its ageing population.

²¹ See LSPS page 4.

9. Include a commitment to ensure the built environment and amenity in the LGA are designed to be accessible to all members of the community by including a reference to the Seven Principles of Universal Design.
10. Strengthen the language in the LSPS to include stronger recognition of housing affordability issues impacting lower income households and the need for Council to act to deliver some affordable housing.
11. Recognise that affordable housing is essential social and economic infrastructure in the LSPS.
12. List explicitly planning mechanisms Council might use to facilitate delivery of affordable housing dwellings in the future, such as SEPP 70/Affordable Housing Contribution Schemes, VPAs, or Section 7.11 contributions.
13. Include an explicit commitment to seeking approval for Affordable Housing Contribution schemes under SEPP 70, for example for Hornsby Town Centre and Pennants Hills.
14. Consider other value capture mechanisms that allow for delivery of affordable housing through rezoning.
15. Investigate potential exemptions to s7.11/s7.12 contributions for Community Housing Providers.
16. Strengthen the language 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 or in the area, to ensure social mix.
17. Commit to advocate to NSW and Federal Governments for more social and affordable housing in Hornsby LGA
18. Commit to working with neighbouring councils towards the development of a Regional Affordable Housing Strategy
19. include additional performance indicators specific to housing affordability in the monitoring section

Further discussion

Thank you for the opportunity to take part in the formulation of Hornsby Shire 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



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