



Response to *Hunters Hill Council*  
*Draft Local Strategic Planning Statement*  
Shelter NSW submission  
October 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 New South Wales (NSW) and the rising trends in homelessness, housing rental stress as well as the impacts of poor- quality housing, particularly on low income households. Over three quarters of lower income renters in NSW are paying unaffordable rents (92% of very low- income renters in Sydney<sup>1</sup>). 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 Hunters Hill 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 NSW. 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 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) also that all councils in NSW are eligible to use 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<sup>1</sup> 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 and regional centres that are well connected to the CBD and the rest of the metropolitan area. This has an impact on wealthy areas where housing is expensive such as Hunters Hill Local Government Area (LGA) as many people who work in the area cannot live nearby and have to travel from afar, and some of the people who grew up in the area are unable to purchase or even rent.

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 for affordable

housing strategies to neighbouring and nearby councils, especially those areas with major urban redevelopment projects 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 inner suburbs of Sydney’s metropolitan region such as Hunters Hill 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 Hunters Hill Council on the preparation of their 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”, (section 3.9 of the Environment Planning and Assessment Act 1979). The delivery of a LSPS is critical to the development of a council’s Local Housing Strategy and any future Local Environmental Plans (LEPs), under the Greater Sydney Commission’s (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 NSW. We understand the need for variation across different areas to respond effectively to different local conditions. In particular, we note and understand the constraints outlined by Hunters Hill Council on page 8 of the LSPS regarding size of the LGA, environment concerns and the number of heritage buildings. However, we have developed some [principles we would like to see applied](#) in all LSPSs<sup>3</sup>. Our analysis and comments on Hunters Hill 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 housing stress, and/or the proportion of very low and low income households in the area. The LSPS could also 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 role is to make clear that the LHS will identify and prioritise areas for growth. The LSPS should 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**

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

**Affordable Housing products.**-The LSPS should recognise that increasing the number of affordable dwellings in the area is a key component of liveability and a strategic priority. The LSPS should also 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 just planning as these tools are unlikely to address the affordable housing need without further targeted intervention (see principle #4).

Ideally these strategies should identify opportunities for delivering affordable housing dwellings 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 greater housing choice to community members. However, diversity is 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. 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 across greater Sydney, funded by mechanisms outside of the planning system such as state and federal government 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 an area with high environmental amenity and scenic views due to proximity to the Harbour and Cooks River, and relatively well connected to Sydney's Central Business District – a metropolis well known for its housing affordability issues– housing is much more expensive in Hunters Hill LGA than in Greater Sydney, including compared to areas that are as close to Sydney's central business district.

The median house price in Hunters Hill is \$2.5 million dollars<sup>4</sup>, more than three times the median value of a house in Greater Sydney, \$825,000. The difference is also significant for strata titled dwellings, more than double the median value, \$1,620,000<sup>5</sup> versus \$705,000 for Greater Sydney. Regarding rents, prices are also much more expensive, about 45% higher than the average in Greater Sydney (e.g. median weekly rent \$620 as compared to \$447 average in Greater Sydney – we note the significant jump to \$950 for the third quartile weekly rent<sup>6</sup>). 8% of all households spend more than 30% of their income on rent and 8.5% spend more than 30% on their mortgage<sup>7</sup>. This is a low percentage but it is important to keep in mind that these figures are calculated for all households, therefore including non-rental households and people on high incomes, they are likely to be much higher for rental households and people on very low to moderate income.

We note that options outside of the private buying and private renting markets are very few. Waiting times for social housing in CS04 Northern Suburbs allocation zone, which Hunters Hill LGA falls under, are very long. As of 30 June 2019, there were 1,346 general and 252 priority applicants (households, not just individuals) on the NSW Housing register for CS04 Northern Suburbs, with expected waiting times of 5 to 10 years for two and three bedroom properties, and more than 10 years for studios and four bedroom properties. This indicates the urgent need for more affordable rental housing for very low income people in the area.

Shelter NSW supports Hunters Hill statement (page 13) of the LSPS that “housing affordability and attainability are significant social issues for Australia and especially in Sydney” and the commitment that “Council will need to work with housing providers to ensure social housing options continue to be provided in the area and to use any planning system mechanisms to increase the supply of social housing with residential development”.

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<sup>4</sup> 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>

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> ABS 2016 Quick Stats for Hunters Hill LGA:

[https://quickstats.censusdata.abs.gov.au/census\\_services/getproduct/census/2016/quickstat/SSC11954](https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/SSC11954)

While a LSPS is a high level strategic planning document, we believe that the evidence outlined in the LSPS could further strengthen the evidence base to inform actions. For example, Figure 4, “Our Community” (page 14) does not include 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 evidence regarding these matters should be included as part of the studies analysis on affordable housing considerations for Hunters Hill.

We also note that Figure 4 puts together type of tenure (“housing authority”) and density in its breakdown of housing in the area. Density, from low density, detached dwellings to high density, multi dwellings residential buildings, is a completely separate housing data from tenure, from social rental to ‘owned outright’ or with a mortgage. The term ‘Housing Authority’ should also be amended as it is unclear, given that all dwellings are managed by a Community Housing Provider (CHP). 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. This will allow a stronger evidence base for actions, ensure the need is appropriately assessed and responded to in reviews of the LEP and the DCP, and provide baseline data for monitoring progress.

While the proportion of households in Hunters Hill on high incomes is very high (46.3%<sup>8</sup>), there would be a significant number of households that are on lower to moderate incomes with significant ties to the area, regarding the statement page 15 that most businesses in the area are in retail, health care and education. Given this, the potential level of housing rental stress mentioned earlier, and the waiting times for social housing, this indicates a need for affordable housing in the area for local workers. Such housing would have a positive impact on productivity and congestion.

Limited affordable housing options also has negative impacts on the quality of life for key workers, with financial and health costs associated with long distance commuting. A secondary impact is the lack of time available to spend with family or in the local community. The provision of affordable housing would align with Hunters Hill Council goals to reduce congestion and to provide opportunities for local employment.

Even though incomes in Hunters Hill are high, it can also be expected that the median prices for houses and strata titled dwellings put home ownership out of reach for many individuals, couples and families in the area. It is reasonable to assume that many will be displaced and have to move out of the area they have grown up in due to skyrocketing housing prices and private rental prices.

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. Social

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<sup>8</sup> ABS 2016 Quick Stats for Hunters Hill LGA:

[https://quickstats.censusdata.abs.gov.au/census\\_services/getproduct/census/2016/quickstat/SSC11954](https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/SSC11954)

housing as a proportion of total stock is decreasing, with risk of creating a 'rich enclave' where social diversity is reduced, with adverse impacts on productivity. This could lead to difficulties in filling essential and lower paid jobs which support the economy, and which enable the community to thrive.

Shelter NSW supports Hunters Hill Council recognition in the LSPS of the need for affordable housing in the area and commitment to work towards increased housing choice and affordability.

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

Shelter NSW particularly supports the following elements of Hunters Hill Council LSPS:

1. Liveability Goal, page 46-47, "to provide a range of housing types that address housing affordability."
2. Planning Priority 3, "undertake a Housing Strategy to anticipate and provide for the residential growth of Hunters Hill by 2040, Action 3.1, "prepare a Housing Strategy, to identify preferred localities, yield potential and preferred building design and form for new development".
3. Action 3.3 "In conjunction with 3.1 (preparation of the LHS), investigate affordable housing needs and develop a target for the provision of this housing in conjunction with any new housing development".
4. Planning Priority 4, "provide land use planning framework to support community needs and aspirations."

We also support the development of an evidence-based LHS including affordable housing targets based on estimated needs.

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

Shelter NSW supports the statement in Figure 5, page 22, "Future Opportunities" that there is an opportunity "to plan for housing that is well designed and provides choice in housing options for different stages of life, social needs and households types". Housing diversity strategies should ensure housing supply is diverse, and adapted to the needs of all. 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.

While Hunters Hill is "mainly comprised of low scale residential land", with a clear majority (62%) of detached dwellings, the proportion of medium/high density dwellings is significant, with 38%<sup>9</sup>. Shelter NSW recommends that data around density is detailed further in the final LSPS or the LHS, as putting medium and high density dwellings together does not capture where the opportunity in delivering greater housing diversity and choice may be. If Hunters Hill LGA is in line with the North District, which

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<sup>9</sup> See Figure 4, "Our Community", page 14.

has only 10% medium density<sup>10</sup>, the opportunity may be in delivering more of the ‘missing middle’, medium density dwellings in low rise and medium density areas.

Shelter NSW understands the specific constraints due to Hunters Hill LGA being a very small LGA (the smallest in Greater Sydney) with 6 square kilometres of land only. Land supply is very limited, and new floor space can only be generated in a few key places due to heritage and established use. We note that the target for new housing supply located in Hunters Hill LGA set by the Greater Sydney Commission (GSC) recognises that the LGA only makes up a small component of Greater Sydney urban system; with a target of 150 new dwellings or 0.6% of the total new supply for Greater Sydney.

We believe, however, that measures can still be taken to increase housing diversity and choice and achieve community’s aspirations to “increase housing choice”<sup>11</sup>. Shelter NSW recommends that Council consider the following as part of further work on the LSPS and the LHS:

- As part of actions 3.1, to prepare a LHS, and 4.2, to review and amend Hunters Hill DCP, consider how to support and encourage new innovative housing that will contribute to increased diversity, such as shop top housing in all village centres, for example.
- Investigate planning strategies to encourage sensitive infill for progressive densification of low rise areas with predominantly large detached dwellings. Council should detail what these strategies are and how they are to be implemented in order to justify an exemption from the Low Rise Medium Density Housing Code.

Hunters Hill LGA population already has a significant proportion of elderly people and will continue to age (22% of people are 65 and over, growing to 34% by 2036, see page 12). This means a growing need for adaptable, accessible and diverse housing. Shelter NSW strongly supports the commitment of Hunters Hill Council to housing that is adaptable and suited to the needs of residents. We believe that a good way to do so is to mandate for new housing to be built as informed by the principles of universal design.

Shelter NSW recommends that the planning controls in the DCP refer to the levels of the Liveable Housing Design Guidelines (LHDG) from Liveable Housing Australia<sup>12</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 a significant proportion of new residential 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

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<sup>10</sup> See ‘North District Snapshot’, page 7 of the LSPS.

<sup>11</sup> See Community top priorities from engagement around the Community Strategic Plan, LSPS page 23.

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



This is in line with action 3.2 of the LSPS, to “investigate ageing and disability housing needs, to support ageing in place and community health and wellbeing outcomes.”

Accessibility of public space and universal, inclusive design are also of primary importance to create healthy, inclusive communities. As noted by Council page 13 of the LSPS, there is a need for improved access to ensure greater inclusion of people ageing and people with disabilities. We note that using universal design principles leads to improved amenity for all and not only for people with mobility issues. Concerning the accessibility of public space, we suggest that a commitment be included in the LSPS to ensure the built environment and amenity of a LGA area is designed to be accessible to all members of the community. It could include a reference to the Seven Principles of Universal Design<sup>13</sup> in Action 8.6 of the LSPS, “to develop and implement strategies to improve the public domain”, for example.

Shelter NSW would like to provide the following commentary concerning a *housing choice and diversity* approach, rather than a *housing affordability* approach per se. In Hunters Hill LSPS, the idea that diversity will deliver affordability is illustrated by the Liveability goal that states “deliver a range of housing types that address affordability” for example. 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.*<sup>14</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, as described in the next section.

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

<sup>14</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>

## Commitment of the LSPS to address housing affordability

Shelter NSW strongly supports the vision of Hunters Hill Council for a municipality that is “home to a diverse and engaged community”, along with commitment to “look for opportunities to enable affordable housing for key workers”, and Planning Priority 5 to “plan for the growth of housing that creates a diverse range of housing types and encourages housing that is sustainable, liveable, accessible and affordable.” As recognised previously in this submission, we agree that there are important constraints related to housing supply in the LGA and that local government has relatively limited influence. This is why we have included a section on advocacy to other levels of government in this submission. Local government does have powers and responsibilities related to the provision of housing, however, including facilitation of, and direct delivery of affordable housing dwellings. Hunters Hill LSPS currently does include commitments and measures to improve affordability, which Shelter NSW is supportive of.

Shelter NSW provides the following commentary and recommendations regarding current social and affordable housing stock and what could be done to increase affordable housing provision in the area.

- The draft LSPS states that Hunters Hill LGA has a higher proportion of social housing than average: 5.6%<sup>15</sup>. Shelter NSW notes that the percentage (5.6%) does not fit with the values in the LSPS (163 dwellings and 5,010 total dwelling stock, see page 13, is 3.25%, not 5.6%). This proportion is also different from what can be found on Profile ID and AIHW data based on 2016 ABS Statistics (6.2%). While this proportion is indeed higher than the NSW average, 4.4% and 4.6% for Greater Sydney<sup>16</sup>, Shelter NSW notes that it is within the average rather than significantly higher. We commend Council for its commitment to maintain and expand social and affordable housing stock in the LGA. This is particularly important as social housing as a proportion of total stock has been consistently decreasing across NSW and probably in the LGA. We recommend that Council corrects the mistake mentioned above and refers to the source of the data about proportion of social housing in the area in the LSPS as it could be useful to other services and advocacy organisations.
- 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 could be done in Planning Priority 1. It will give Council flexibility in the future in the type of mechanisms it is able to use to facilitate delivery of affordable housing, and support further advocacy around increased delivery of social and affordable housing in Greater Sydney.
- Shelter NSW strongly supports Action 4.3, to “investigate and seek inclusion of Hunters Hill in SEPP70 (Affordable Housing Contribution Scheme) to ensure development activities contribute to local affordable housing needs and to diversify the housing stock”. From our understanding, DPIE considers more appropriate to apply schemes under SEPP 70 to a specific area where the

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<sup>15</sup> See page 9, 13 and 14 of the draft LSPS.

<sup>16</sup> AIHW housing profile based on ABS 2016 Census data.

need is identified and viability can be tested. Shelter NSW would support inclusion of the whole of Hunters Hill LGA into a SEPP 70 scheme considering its size and the well documented need for affordable housing. If more appropriate, however, we would recommend that Affordable Housing Contribution Schemes under SEPP 70 are prepared for Gladesville Town Centre, Boronia Park and Hunters Hill Village, where most of the dwelling growth will occur. It is Shelter NSW's view that delivering homes close to jobs is as important as the 'jobs close to homes' strategic planning objective often outlined by Councils. Considering the levels at which contributions should be set, Shelter NSW's general position is that 15% of private land and 30% of government controlled land are appropriate. Council is best placed to determine which levels of contributions are appropriate for Hunters Hill LGA, but we would recommend that levels are not set under 10% in order to deliver a significant number of affordable housing dwellings. Indeed, considering housing supply target is 150 dwellings, a 10% capture mechanism would only yield 15 dwellings.

- We support the use of Voluntary Planning Agreements (VPAs) to deliver affordable housing, although we believe SEPP 70 schemes to be more appropriate.
- As part of Action 3.4, to “work with NSW Government to deliver a housing, community, cultural and recreational solution for the former Gladesville Hospital Site.”, commit to advocating for a significant proportion of the housing delivered on the site to be social and affordable housing, for example above 30%.
- Consider exemptions for Community Housing Providers considering they are delivering essential infrastructure under the form of social and affordable housing. This would increase development feasibility for CHPs and allow them to compete with for profit providers more easily. This could be done as part of the review of contributions plans levying development contributions through section 7.11 and 7.12 (Action 2.1 and 2.2 of the LSPS).

On the specific question of seeking approval for SEPP 70 / Affordable Housing Contribution Schemes Shelter NSW understands the *value capture* 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 Hunters Hill Council's attention to the [\*Strengthening Economic Cases for Housing Policies\*](#) report<sup>17</sup>, 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, for example in its vision page 28; "the Municipality of Hunters Hill is home to a diverse and engaged community (...) embracing (...) inclusiveness". Shelter NSW supports the recognition that culturally and socially diverse communities are inclusive, healthy and creative. We believe that implementation of affordable housing contribution schemes across the entire LGA will contribute to achieving these goals, 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. As part of 'Future Directions for Social Housing', NSW State Government aims to decrease the concentration of social housing in specific areas. Shelter NSW's view is that 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.

This is particularly relevant for Hunters Hill LGA where prices of the private rental market and property market are not conducive to social diversity. Shelter NSW strongly supports Action 4.3 of the LSPS to seek inclusion in SEPP 70 for Hunters Hill LGA based on this principle.

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<sup>17</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/>

## **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 supports Hunters Hill Council in its recognition that “housing affordability and attainability are significant social issues for Australia and especially in Sydney” (LSPS page 13), and recommends strengthening of the commentary in the LSPS to emphasise further that this is a complex issue that needs to be tackled by all levels of government. For example, 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.

In particular we support the commitment made on page 15 to “work in collaboration with neighbouring LGAs and NSW Government to facilitate infrastructure provision”. We recommend that this approach is extended to delivery of affordable housing within the North District.

Given the high constraints highlighted by Council within its LSPS related to delivery of affordable housing within the LGA, more impact might be achieved by Council through advocacy than through delivery in the LGA.

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 the North District.
3. Commitment to advocate to NSW Government for reform of the Residential Tenancies Act to end ‘no-grounds’ evictions. This would immediately provide greater security of tenures to the households who rent their home in Hunters Hill LGA, without requiring any spending or changes

to the built form and land use within the LGA. Signing up to and supporting the [Make Renting Fair](#) campaign, which Shelter NSW leads on with the Tenants Union of NSW, would be one way for Hunters Hill Council to do so.

## **Implementation, Monitoring and Reporting**

Shelter NSW strongly supports the commitment of Hunters Hill Council to monitor and report on the implementation of actions to ensure planning priorities are achieved, as well as aligning the LSPS with the CSP (page 5).

We recommend for the reviewing of the LSPS to go above and beyond what the EP&A Act requires by aligning the review of the LSPS and the LHS with the review of the LEP and the DCP, every five years. This would provide greater clarity about the reviewing process as the LSPS currently only states it will be 'regularly' reviewed.

As mentioned previously, we recommend including more specific data and evidence around housing affordability in the area. Monitoring of the implementation of the LSPS and the LHS should also include specific 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 performance 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. Detail data around density split up further in the LSPS or the LHS.
3. Amend data on social housing as a proportion of total stock for greater clarity and so absolute values match the percentages.
4. Investigate strategies to support and encourage new innovative housing that will contribute to increased diversity such as shop top housing, and sensitive infill strategies for progressive densification of low density areas.
5. Include commentary and analysis in the LSPS to recognise affordable housing as critical social and economic infrastructure in line with leading research and the latest Australian Infrastructure Audit.

6. Regarding the commitment to adaptable housing informed by universal design, include explicit reference to the Liveable Housing Guidelines:
  - That a significant proportion of new residential 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
7. Strengthen the LSPS to ensure that the built environment and amenity is designed to be accessible to all members of the community, by including a reference to the Seven Principles of Universal Design<sup>18</sup>, for example.
8. Prepare Affordable Housing Contribution Schemes under SEPP 70 for the entire LGA and/or for Gladesville Town Centre, Boronia Park and Hunters Hill Village, and consider setting contribution at 15% of new floor space.
9. Consider exemption from section 7.11 and/or section 7.12 contributions for affordable housing development led by a Community Housing Provider (CHP) as part of the review of the contributions plan (Action 2.1, 2.2).
10. Commit to advocating for a significant proportion of the housing delivered on the Gladesville Hospital site to be social and affordable housing, for example above 30%, as part of Action 3.4.
11. Explicitly state in the LSPS that Council will consider other planning mechanisms at his disposal to facilitate the delivery of affordable housing, such as Voluntary Planning Agreements and use of section 7.11 contributions to deliver essential social and economic infrastructure such as affordable housing.
12. Recommend further advocacy by Council to the NSW and Australian Governments for more social and affordable housing to be developed in the local area.
13. Include recommendations in the LSPS 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.
14. Commit to advocate to NSW and Federal Governments for more social and affordable housing in the North District.
15. Commit to advocate to NSW Government for reform of the Residential Tenancies Act to end ‘no-grounds’ evictions.
16. Align the review of the LSPS and the LHS with the review of the LEP and the DCP, every five years.
17. Include indicators specific to housing affordability as part of the monitoring section of the LSPS.

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<sup>18</sup> See Centre for Excellence in Universal Design, <http://universaldesign.ie/What-is-Universal-Design/The-7-Principles/>

## Further discussion

Thank you for the opportunity to take part in the formulation of Hunters Hill 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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Shelter NSW

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