



Response to *Ku-ring-gai 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 Ku-ring-gai 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 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 Ku-ring-gai 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 the need for affordable housing strategies to neighbouring and nearby councils, especially those where major urban redevelopment is planned 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 and outer suburbs of Sydney's metropolitan region such as Ku-Ring-gai 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 Ku-ring-gai 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"*, 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. In particular, we note and understand the constraints outlined by Ku-ring-gai Council p22/23 of the LSPS regarding size of the LGA, environment, topography and 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 Ku-ring-gai 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.

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

**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.**

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.

### **Recommendation 1: Analyse and identify housing affordability and affordable housing need**

Ku-ring-gai is well known for housing is that is more expensive compared to other LGAs in Greater Sydney. The LSPS includes some information on the profile of the Ku-ring-gai LGA including population increase since 2006, projected population growth; age structure of the population, cultural and linguistic diversity, education, income and employment profile.

Shelter NSW also notes that the LSPS has been developed within a context of a number of other Council document and plans including Council's *Community Strategic Plan – Our Ku-ring-gai 2038*, the overarching policy document for Ku-ring-gai which provides the basis for Council's decision-making. *Our Ku-ring-gai 2038* provides additional demographic information including household type and composition of building type in the LGA.

Understanding the housing and rental market, the representation of tenure types (especially the growth in renting households) and quantifying the need for affordable housing is important context for the LSPS and should be provided. An analysis of the local availability of affordable rental dwellings for very low, low and moderate income households would also provide valuable context for the need for affordable housing and assist in identifying the complexity of challenges and develop appropriate actions to address “the challenge will be to plan for a more diverse and affordable range of housing”<sup>4</sup>.

Shelter NSW suggests the following resources which may be utilised to assist Council to analyse housing affordability and the need for affordable housing in the LGA including:

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<sup>4</sup> Urban Environment, Key assets, challenges & opportunities, Local Environment Planning Statement , Ku-ring-gai Council, July, 2019

- The Rental affordability Index - research undertaken by SGS Economics & Planning & National Shelter, the latest version from November 2018<sup>5</sup>
- data on the housing and rental market is available from the Rent and Sales Report for March 2019 Quarter<sup>6</sup>.
- expected wait times for social housing CS04 Northern Suburbs zone<sup>7</sup>.
- 2016 Census Quicks; Tenure, occupied private dwellings<sup>8</sup>

## **Recommendation 2: Recognising housing affordability and affordable housing as a priority in the LSPS**

There is a significant need for social and affordable rental housing in the Ku-ring-gai LGA. Housing rental stress trends are on the rise with over 4,600 households experiencing housing rental stress in 2018 and there are currently 1,467 eligible households on the NSW Social Housing Register for CS04 zone, which Ku-ring-gai falls under, with wait times of 5-10+ years for all property types. Given these worrying trends and the undersupply of both social and affordable rental housing in the LGA Shelter NSW strongly recommends that the issue of housing affordability and the need for affordable housing in the LGA are given more prominence and greater priority.

We support Council's proposed action to "Investigate the development of an Affordable Housing Contributions Plan under Section 7.2 of the EP&A Act (short-medium term)<sup>9</sup> within the LSPS's local planning priorities and actions for local infrastructure. However given the persistent housing affordability problems, that has not eased despite the significant growth in housing supply, addressing housing affordability and delivering more affordable housing should be a priority across all Greater Sydney LGAs, including Ku-Ring-Gai. Recent research, from the Australian Housing and Urban Research Institute (AHURI) found that increasing supply has done little to improve housing affordability:

*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>10</sup>

<sup>5</sup> Rental Affordability Index, SGS & National Shelter, November 2018:

<https://www.sgsep.com.au/maps/thirdspace/australia-rental-affordability-index/>

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

<sup>7</sup> Expected Waiting Times Dashboard; <https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times>

<sup>8</sup> [https://quickstats.censusdata.abs.gov.au/census\\_services/getproduct/census/2016/quickstat/SED10041](https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/SED10041)

<sup>9</sup> Infrastructure & Collaboration, LSPS, page 29

<sup>10</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>

The need to increase affordable housing supply in Ku-ring-gai is critical for a thriving and vibrant local economy and for connected and sustainable communities. Any future policy focus should consider the social and economic impacts of a growing undersupply of affordable housing on the LGA, and recognise that this will affect the whole community, not only those who aren't adequately housed. Future policies need to consider a diversity of affordable housing options which enable and facilitate ageing in place as well as housing for people with disabilities, key workers on moderate incomes and also other essential workers on lower incomes. It's the very low and low-income households who are the most vulnerable and have the least access to secure and affordable rental housing. These lower income households comprise a significant percentage of the essential workers in the LGA, such as child care workers, teachers' aides, hospitality workers, hospital and health staff, cleaners and retail workers. The gap between the need and the supply of low cost housing for very low and low income households is severe, and with no known future policy or funding settings to significantly boost social and affordable housing supply from the state and federal governments it is critical for local government to consider the impacts of these constraints in their communities and on the local economy.

### **Recommendation 3: Commitment to developing a Local Housing Strategy (LHS)**

Shelter NSW is concerned that the LSPS does not commit to the development of a Local Housing Strategy.

We note that Council's *Community Strategic Plan – Our Ku-ring-gai 2038* identifies the need "to focus on facilitating a diverse and affordable range of housing to meet the community needs", and that Ku-ring-gai Council has committed to leading, delivering, advocating and facilitating to increase housing diversity, adaptability and affordability<sup>11</sup>.

The Ku-ring-gai LSPS comprehensively sets out how Council will support local infrastructure delivery, support the economy and productivity of the area among other things, however there is little detail on strategies to address housing affordability and support the priority to facilitate the delivery of both affordable housing and diverse housing.

Ensuring adequate affordable housing will impact on Council's objectives to support the economic, infrastructure, productivity and liveability objectives in the LSPS. Shelter NSW draws Council's attention to The [\*Strengthening Economic Cases for Housing Policies\*](#) report,<sup>12</sup> led by CHIA NSW and UNSW City Futures, and co-funded by Shelter NSW which 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 Council greater

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<sup>11</sup> Community Strategic Plan – Our Ku-ring-gai 2038, page 27

<sup>12</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/>

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 decision makers including Councils should harness this thinking in its policy and planning, as well as its messaging to local communities so that the benefits of the creation of more affordable housing in their local government area is better understood.

Affordable housing will not only assist young people to stay in the area, but will provide local business with access to a local workforce while minimising the need to commute into the area. Affordable housing will help residents balance work and family by supporting residents to live close to where they work.

In analysing the LSPS Shelter NSW notes that numerous opportunities are available to Council to deliver and facilities more affordable housing, for example through infill developments, on redevelopments on Council land, proposed mixed use developments.

Housing affordability and affordable housing are complex issues and Council has a number of planning and non-planning mechanisms to ensure that there is additional affordable housing to support a sustainable and thriving Ku-ring-gai. A local housing strategy will provide a focused and strategic framework to identify the need for affordable housing and to develop and coordinated plan of action. The suite of affordable housing measures that can be investigated in a LHS can include (but not limited to):

- Affordable housing contributions scheme under SEPP 70
- Inclusionary zoning – with dedicated targets
- Voluntary Planning Agreements
- Density bonuses for provision of affordable housing on employment and industrial land
- Affordable housing opportunities for all redevelopments at major sites
- Ambitious affordable rental housing targets
- Partnership opportunities with Community Housing Organisations
- Partnership opportunities with Land and Housing Corporation
- Develop affordable housing on Council sites
- Identify opportunities for affordable housing on State owned sites within the LGA
- Promote partnerships between Community Housing Providers, industry, developers and private landlords
- Advocate for more social and affordable housing in the local area with State and Federal Governments.

We strongly recommend Ku-ring-gai Council include a commitment to develop a LHS in the LSPS.



#### **Recommendation 4: Develop a Local Housing Strategy (LHS) that includes a comprehensive strategy to address housing diversity, social diversity and advocacy for more social and affordable housing**

The *Community Strategic Plan – Our Ku-ring-gai 2038* projects that proportion of older people living in Ku-ring-gai is expected to grow.

Together with the challenge to provide housing that meet's the changing needs of the community and delivers enough affordable housing to support the local economy and provide opportunities for young people to continue to live in the area, housing is a complex issue that should be dealt with in a Local Housing Strategy.

A LHS provides an opportunity to identify, quantity and focus on the complexity of housing that is needed into the future. An LHS provides the opportunity to provide a coordinated strategy to address;

- Housing affordability and affordable housing
- Diverse housing including housing to building typology and adaptable housing
- Supporting social diversity and inclusiveness through housing

In relation to adaptable housing Shelter NSW recommends Council consider Liveable Housing Design Guidelines (LHGD) from Liveable Housing Australia<sup>13</sup>.

We note that places significant priority in designing quality public spaces especially in town centres. Accessibility of public space and universal, inclusive design is also of primary importance to create healthy, inclusive communities. The Seven Principles of Universal Design<sup>14</sup> provides best-practice principles for accessibility to public spaces.

Councils are well placed to understand the needs of their community and while they have access to a number of planning and non-planning mechanisms to support the delivery of affordable housing, Shelter NSW recognises that State and Federal Governments play key roles in providing and supporting affordable housing. However, it is important to recognise that to tackle housing affordability issues we need a systemic response to addressing a public policy issue that is the responsibility of all levels of Government.

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.

Council can also play a significant role advocating for more affordable and social housing through:

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<sup>13</sup> See <http://www.livablehousingaustralia.org.au/95/downloads.aspx>

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

1. 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 Ku-ring-gai LGA, without requiring any spending or changes to the built form and land use within the LGA.

### **Recommendation 5: Include additional housing affordability reporting**

We support Ku-ring-gai Council's proposal to commence its first full review of the LSPS in 2021 and again every 4 years (rather than the 7 years required under section 3.9 of the Environmental Planning and Assessment Act 1979). In addition to ensuring the review aligns with Council's other key planning processes and documents, more regular reviews will ensure the LSPS responds to changing needs of the community and changes in the housing and rental market.

Shelter NSW recommends indicators to measure success regarding better housing including 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

### **Further discussion**

Thank you for the opportunity to take part in the formulation of Ku-ring-gai 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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