



## Response to *Sutherland Shire 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 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 Sutherland Shire 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/regional centres connected to the rest of the metropolitan area such as Sutherland 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 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 Sutherland Shire Council on the preparation of its LSPS to outline a “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 note that Sutherland Shire Council 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 LSPSs<sup>3</sup>. Our analysis and comments on Sutherland 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.**

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.

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

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 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 that could 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 Sutherland Shire is a suburban area relatively far from the CBD, housing is within the Greater Sydney average, with median prices significantly above average in Greater Sydney for houses (+21%) and within the average for units (e.g. median price for detached dwelling \$1,050,000 versus \$865,000 for Greater Sydney, \$700,000 versus \$695,000 for strata titled dwellings<sup>4</sup>). 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 slightly more expensive, about 6% higher than the average in Greater Sydney (e.g. median weekly rent \$550 as compared to \$520 average in Greater Sydney<sup>5</sup>). Council notes page 40 of the draft LSPS that "In September 2017, only 16% of rental stock in Sutherland Shire was affordable for very low and low income households". 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. This highlights a high need for affordable housing for very-low, low and moderate income households in the LGA.

Social housing stock in Sutherland LGA is insufficient to meet demand, and waiting times are very long. As of 30 June 2019, there were 551 general and 131 priority applicants on the NSW Housing register for CS08 - Sutherland Allocation Zone, which all of Sutherland LGA belongs to, with expected waiting times of 10+ years for 4 bedroom properties and 5 to 10 years for all other types of properties.

We support Council's statements that "housing affordability (is) critical to achieving a diverse community and providing opportunities for workers to live locally<sup>6</sup>" and must be considered in preparing a housing strategy. Shelter NSW entirely agrees that "research and policy development is required to facilitate more affordable rental housing in the Shire"<sup>7</sup>.

While a Local Strategic Planning Statement is a high level strategic planning document, we believe that the evidence base to inform actions in the LSPS could be strengthened. For example, Section 3.1 of the LSPS "Who are We"<sup>8</sup> includes the proportion of residents who are high income earners but does not

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

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

<sup>6</sup> See LSPS page 40.

<sup>7</sup> Ibid.

<sup>8</sup> See LSPS page 16/17.

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, median prices of detached and attached dwellings, current affordable housing stock and social housing stock, etc. We would suggest that such evidence is included and analysed as part of the studies on affordable housing considerations for Sutherland LGA. We recommend completing this research for integration into the final LSPS adopted by Council or that this evidence is integrated retrospectively in the LSPS and the LHS, which will allow a stronger evidence base for actions, ensure the need is appropriately assessed and responded to as part of the reviews of the LEP and the DCP, and provide baseline data for monitoring.

Current trends indicate that housing affordability will continue to decline in the area – as it will in all areas that are reasonably accessible to employment and services throughout the Sydney basin – as long as metropolitan and state-wide social affordable housing strategies are not developed and adopted. The same is likely to be true of other urban centres in the outer ring and on the outskirts of Sydney’s greater metropolitan region, where households might look for more affordable housing.

### **Developing a Local Housing Strategy (LHS)**

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

1. Planning Priority 8, “Housing Choice: Provide our community with housing choice by making available opportunities for a range of housing sizes and types within each community”
2. Action 8.1 of Planning Priority 8 indicating that council will be preparing a Local Housing Strategy (LHS)
3. Action 8.2 of Planning Priority 8 indicating that council will undertake research and policy development work to facilitate affordable rental housing

Shelter NSW recommends that the LHS for Sutherland 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 Planning Priority 8 of the LSPS, to provide the community with housing choice. 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 16 of the LSPS, housing stock in the LGA is predominantly low density detached housing (63%), with some high density housing (23%) and limited medium density housing (14%). Shelter NSW understands there are some specific issues affecting residential development in Sutherland LGA such as bushfire risk, with a significant number of properties currently located in a risk area<sup>9</sup>. We believe that it is appropriate for Council to focus on meeting housing supply targets through a concentrated housing model in high density precincts. It is important, however, to make sure that equity is considered in planning for development and increased density, and to avoid concentrating development in certain areas without increasing amenity while other areas are left unchanged. This is particularly important when preparing Local Character statements and other strategic planning documents. In order to achieve the objectives outlined in the LSPS; to provide “a range of housing sizes and types” (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 and recommendations 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. This will allow delivery of a mix of housing types and sizes to suit the needs of the changing community in Sutherland LGA, with a growing number of ageing households, lone person households and couples without children.
- Consider and outline planning mechanisms Council will use to increase housing diversity and choice in the LHS. Mechanisms to encourage progressive densification of low rise areas through sensitive infill must be considered, as well as secondary dwellings and innovative housing in strategic centres such as top shop housing.
- Planning Priority 15, “Grow Tourism”, plans to “support initiatives to increase short stay visitor accommodation in Cronulla and surrounding areas”. This is an appropriate objective, but impact on the private rental market must be considered to make sure that the increase in short stay visitor accommodation does not result in a decrease in long term private rental accommodation available. We recommend that mechanisms are implemented to make sure this visitor accommodation is commercial in nature and delivered in a way that does not reduce residential private rental stock.

There is an ageing population and growing need for adaptable, accessible and diverse housing. This is recognised in the LSPS, for example on page 17 describing the expected increase in elderly population, 28% by 2036. 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 Australia<sup>10</sup>. This would also significantly increase amenity for housing seniors and people with a disability.

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<sup>9</sup> See LSPS page 40 and 70.

<sup>10</sup> See <http://www.livablehousingaustralia.org.au/95/downloads.aspx>

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 residential development in the LGA, including low and medium density housing, achieves the silver level of the LHDG, allowing ‘visitability’ of dwellings for people with mobility issues

Accessibility of public space and universal, inclusive design are also of primary importance to create healthy, inclusive communities. Concerning the accessibility of public space, we suggest strengthening of commentary and 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 Design<sup>11</sup>, for example. This would contribute to achieving the objective of Planning Priority 9, “Create attractive public spaces”.

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

Shelter NSW supports Sutherland Council statement that the “community needs local housing options” in Planning Priority 1, “Align Planning to existing infrastructure”. We believe it would be particularly appropriate to strengthen the commentary in this Planning Priority to recognise affordable housing as essential social and economic infrastructure, in line with the [latest Australian Infrastructure Audit](#), which recognised housing as infrastructure for the first time.

In part 4 of the LSPS “Managing Change”, Council states that “Housing is another multifaceted issue where Council actions can have only limited impact”, and that “Council’s ability to support more affordable housing is very limited in practice”. While it is true that housing affordability is an issue impacted by a number of complex, inter-related policy settings that requires action from all levels of government, and ultimately, direct investment in social and affordable housing funded from State and federal government budgets, Shelter NSW believes that local government has an important role to play in facilitating delivery of, and direct delivery, of affordable housing. Indeed, there are a number of mechanisms Council can use to facilitate delivery of, and deliver more affordable housing. This is especially true when development is already occurring in the area, as value capture mechanisms can be used, but Council can also use other mechanisms such as preferential zoning, use of development contributions to fund affordable housing, and working in partnerships with Community Housing Providers (CHP) to facilitate development of affordable housing. Council can and must endeavour to make a difference for affordable housing in the area through facilitation of greater housing diversity,

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<sup>11</sup> See Centre for Excellence in Universal Design, <http://universaldesign.ie/What-is-Universal-Design/The-7-Principles/>



value capture mechanisms, direct delivery and advocacy to other levels of government for an integrated response to this “multifaceted issue”.

As previously mentioned, the need for more affordable housing in Sutherland LGA is well established given the lack of housing that is affordable to lower income households in the private rental and purchasing market, lack of social and affordable housing stock, and the number of key workers potentially on lower income in the health, construction and retail sectors. Affordable housing supports the productivity objectives outlined in 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 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.

Shelter NSW recommends that Council investigate the following planning mechanisms and initiatives in its final LSPS or LHS in order to deliver more affordable housing for lower income households in the area:

1. Recognise explicitly affordable housing as essential social and economic infrastructure in the LSPS. This will provide Council with greater flexibility in the future in the mechanisms it can use to deliver affordable housing, as well as being a leader in this recognition, in line with leading academic experts and Infrastructure Australia latest Australian Infrastructure Audit.
2. Investigate Affordable Housing Contributions Schemes under SEPP 70 for the LGA, or *a minima* for strategic centres such as Sutherland, Kirawee, Miranda and any other centres where Council finds out a SEPP 70 scheme would be appropriate. This would support the objectives of Planning Priority 10, “Grow strategic centres jobs” and contribute to growing vibrant, mixed use and socially diverse centres that include local affordable housing for local workers and lower income households. It would also support the focus of Planning Priority 11, Caringbah Medical Precinct. Shelter NSW’s position is that 15% on private land and 30% on government land are appropriate targets for contributions in value sharing mechanisms.
3. State explicitly in the LSPS or the LHS that Sutherland Council will consider delivery of affordable housing through Voluntary Planning Agreements (VPAs) where Affordable Housing Contributions Schemes under SEPP 70 are not practical.
4. Consider exemptions from section 7.11 and 7.12 contributions for CHPs given they are already delivering essential infrastructure under the form of social and affordable housing dwellings. This would facilitate delivery of more affordable housing in the LGA.

5. Investigate “preferential zoning”, i.e. allowing affordable housing exclusively as a residential use in zones where residential housing is not allowed, as long as it does not preclude the overarching objectives of the zoning. This allows access to land for CHPs without competition from private developers and other residential use, increasing affordable housing development feasibility. City of Sydney has a preferential zoning mechanism operating in B7 Business Park, and Inner West is considering a similar mechanism in light industrial zones. Sutherland Council could consider this as part of Planning Priority 13 action.
6. In Planning Priority 4, “Collaborative partnerships” Council mentions that “large strategic land holdings represent an opportunity for Council to collaborate with land owners to provide the community with open space, infrastructure and other outcomes”. We recommend that Council commits specifically to consider affordable housing as infrastructure that could be delivered in partnership with strategic land owners.

As noted in the Housing Diversity section, we would like to provide the following comment regarding a *housing diversity* approach, rather than a *housing affordability* approach per se. Shelter NSW fully supports 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>12</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.

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

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<sup>12</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>

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

Culturally and socially diverse communities are inclusive, healthy and creative, making them more productive. Shelter NSW recommends that commentary in the LSPS is strengthened to include explicit commitment to social diversity. Implementation of affordable housing contribution schemes across the entire LGA would contribute to greater social and economic diversity within the LGA. The new affordable housing should ideally be delivered in the form of a percentage of all new residential

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<sup>13</sup> Maclennan, D., Randolph, B., Crommelin, L., Witte, E., Klestov, P., Scealy, B., Brown, S. (2019) *Strengthening Economic Cases for Housing Policies*, City Futures Research Centre UNSW Built Environment, Sydney, <https://cityfutures.be.unsw.edu.au/research/projects/strengthening-economic-cases-housing-productivity-gains-better-housing-outcomes/>

development, preferably delivered on site or in the immediate area, to ensure social mix. As part of the “Future Directions for Social Housing” policy, NSW State Government aims to decrease the concentration of social housing in specific areas. Social diversity should be encouraged not only in areas with a high proportion of social housing stock, but also in other areas through implementation of inclusionary zoning mechanisms. This could be integrated either in Planning Priority 7, “Community Connections” or in Planning Priority 8 on housing.

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

Shelter NSW is pleased to see that Sutherland Shire recognises that housing affordability is a complex issue that needs to be tackled by all levels of government, as outlined in “4. Managing change”. 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 Sutherland 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, to advocate for development of a Regional Affordable Housing Strategy to operate across council borders. This could be included as part of Planning Priority 4 on collaboration.

Another impactful action Sutherland Council could commit to in its LSPS is to advocate to NSW Government for reform of the Residential Tenancies Act to end ‘no-grounds’ evictions. This has been recommended recently by the Productivity Commission in [its report on vulnerable renters](#). It would immediately provide greater security of tenures to the households who rent their home in Sutherland Shire LGA, without requiring any spending or changes to the built form and land use within the LGA.

## 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<sup>14</sup>. We support section 7.3 committing to on-going review of the LSPS based on completion of relevant studies, other plans and controls<sup>15</sup>.

Concerning future reviews of the LSPS, as described in section 7.4<sup>16</sup> Shelter NSW recommends that this review is aligned with the review of the LSPS every five years.

We strongly support the inclusion of the “% of dwellings rented as social housing” as a key performance indicator in the monitoring section for Housing. Shelter NSW recommends that this includes “affordable housing” as well, however, given that Council has no control over the number of dwellings rented as social housing.

We also recommend the inclusion in the monitoring section of additional 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

## Summary of Recommendations

1. Include additional local data about housing affordability in the LSPS (median dwelling prices, levels of housing stress, mortgage stress, etc.)
2. 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 Sutherland Shire LGA.
3. Mandate for a mix of dwelling sizes and types through the DCP based on the need identified in the LHS.
4. Consider mechanisms allowing progressive densification of low rise areas through sensitive infill in the LHS, as well as secondary dwellings and innovative housing in strategic centres such as top shop housing.
5. Consider implications on the private rental market of plans to “support initiatives to increase short stay visitor accommodation in Cronulla and surrounding areas” as part of Planning Priority 15 “Grow Tourism”.
6. 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

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<sup>14</sup> See LSPS page 72 and 75.

<sup>15</sup> See LSPS page 80.

<sup>16</sup> See LSPS page 81.

- 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
- 7. Include a commitment to ensure the built environment and amenity in the LGA is designed to be accessible to all members of the community by including a reference to the Seven Principles of Universal Design.
- 8. Recognise explicitly affordable housing as essential social and economic infrastructure in the LSPS.
- 9. Investigate Affordable Housing Contributions Schemes under SEPP 70 for the LGA, or *a minima* for strategic centres such as Sutherland, Kirawee, Miranda and any other centres where Council finds out a SEPP 70 scheme would be appropriate. Shelter NSW’s position is that 15% on private land and 30% on government land are appropriate targets for contributions in value sharing mechanisms.
- 10. State explicitly in the LSPS or the LHS that Sutherland Council will consider delivery of affordable housing through Voluntary Planning Agreements (VPAs) where Affordable Housing Contributions Schemes under SEPP 70 are not practical.
- 11. Consider exemptions from section 7.11 and 7.12 contributions for CHPs given they are already delivering essential infrastructure under the form of social and affordable housing dwellings.
- 12. Investigate “preferential zoning”, i.e. allowing affordable housing exclusively as a residential use in zones where residential housing is not allowed, as long as it does not preclude the overarching objectives of the zoning.
- 13. Commit specifically in Planning Priority 4 to consider affordable housing as infrastructure that could be delivered in partnership with strategic land owners.
- 14. Recognise that affordable housing is essential social and economic infrastructure in the LSPS.
- 15. Strengthen commentary in the LSPS to include explicit commitment to social diversity and for 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.
- 16. Commit to advocate to NSW and Federal Governments for more social and affordable housing in Sutherland LGA.
- 17. Commit to working with neighbouring councils towards the development of a Regional Affordable Housing Strategy.
- 18. Commit to advocate to NSW Government for reform of the Residential Tenancies Act to end ‘no-grounds’ evictions.
- 19. Align the review of the LSPS with the review of the LEP every five years, depending on reviews occurring as relevant studies and development of plans is completed.
- 20. 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 Sutherland 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](mailto:thomas@shelternsw.org.au) in the first instance if you wish to discuss these comments.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Thomas Chailloux', written over a horizontal line.

Thomas Chailloux  
Senior Policy Officer  
Shelter NSW