



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

Introduction

Shelter NSW has been operating since 1975 as the state's peak housing policy and advocacy body. Our vision is "A secure home for all". We pursue our vision through critical engagement with policy and practice and thought leadership. We provide systemic advocacy and advice on policy and legislation for the whole NSW housing system to resolve housing inequality and we seek to ensure that the voices of housing consumers are included in our policy responses and review.

Our approach involves engaging, collaborating and connecting with Government, the private and not for profit sectors, stakeholders and consumers. Our research centres on the causes of inequity and injustice in the housing system and we advocate solutions that aim to make the housing system work towards delivering a fairer housing system for all.

Shelter NSW is concerned about the housing crisis in NSW and the rising trends in homelessness, housing rental stress as well as the impacts of poor- quality housing, particularly on low income households¹. Over three quarters of lower income renters in NSW are paying unaffordable rents (92% of very low- income renters in Sydney). Lower cost properties are being steadily replaced with new ones at higher rents, and new concentrations of disadvantage have been created across our major cities as low income households are displaced. The NSW rental market is failing, forcing our most vulnerable citizens to go without essentials and are being excluded from jobs and opportunities.

Shelter NSW priorities are [centred on four core areas](#)², all of which are relevant to the Local Strategic Planning Statements:

- **Building enough low-cost rental housing to meet current and future need** – and recognition that social and affordable housing are critical social and economic infrastructure;

¹ See Shelter NSW 2019 Election Platform <https://www.shelternsw.org.au/uploads/1/2/1/3/121320015/shelternsw-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 Waverley 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 market driven developers drive significant transformation of communities and neighbourhoods, low-cost housing in the private rental market is being displaced with higher cost high density housing. Indeed recent research from the Australian Housing and Urban Research Institute (AHURI) 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.*³

³ 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>

As a consequence, more low-income households look for affordable housing in suburban and regional centres that are well connected to the CBD and the rest of the metropolitan area. This impacts on what were traditionally considered low cost housing areas, placing greater strain on their housing supply and infrastructure. It also has an impact on areas where housing is more expensive such as many people who work in the area are forced to leave in search of more affordable housing, adding to pressure on transport infrastructure and a loss of residents, especially young people who grow up in the area but can't continue to afford the rents in the area.

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. As a vibrant and inclusive community that embraces diversity, Waverley has an important role in leading on affordable housing strategies to neighbouring and nearby councils and to the Department of Planning and Environment.

Principles for Local Strategic Planning Statements (LSPS)

Shelter NSW recognises that a “one-size-fits-all” approach is limited in providing an appropriate framework to plan for and manage land use that is responsive to the community’s need now and into the future. We recognise that a local councils’ capacity to deliver and facilitate the delivery of new Affordable Housing across Sydney and New South Wales varies across the Greater Sydney Metropolitan region and understand the need for variation to suit the broad range of local conditions. To assist Councils we have developed [broad principles](#) that can be applied to all LSPS⁴ to ensure LSPSs provide a robust framework to support the community’s growing and changing needs for affordable and diverse housing. Our submission 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 (LHS)

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.

⁴ 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.

Analysis and Recommendations

1. Shelter NSW congratulates Waverley Council for the strong focus on affordable housing

Shelter NSW notes that Waverley Council has released a Local Housing Discussion Paper that details the local housing context and will be used to inform the development of a Local Housing Strategy.

The draft Waverley Local Strategic Planning Statement (LSPS) leaves no doubt that affordable housing is a priority for the community and the Council.

The focus of housing affordability in the LSPS reflects the key issues and challenges that were identified during Council's comprehensive community engagement for the Community Strategic Plan.

We acknowledge that the importance of housing affordability is reflected in the inclusion of "a range of housing to accommodate our whole community" in the overarching vision for the LSPS.

The draft LSPS also reflects Council's understanding that providing housing options including affordable housing is fundamentally linked to productivity. In addition to the recognition of the importance affordable housing and housing diversity in "Housing the City" Planning Priority 6; the LSPS recognises the importance of housing options in supporting jobs and skills (Planning Priority 11).

Affordable housing as infrastructure that supports economic as well as social wellbeing is demonstrated by recent research jointly commissioned by Shelter NSW and CHIA (Community Housing Industry Association) NSW and led by City Futures UNSW. The *Strengthening Economic Cases for Housing Policies* research report⁵, 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 local government to develop a program on the scale that has been modelled, the results of this research demonstrate that Affordable Housing Contribution Schemes, designed to fund a local affordable housing

⁵ 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/>

program will have positive economic impacts that will not only benefit the affordable housing residents but also 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. This research presents an opportunity to change the conversation among decision makers and communities about the broad ranging and far reaching benefits of affordable housing.

It is also worth noting that the recently published *“An Assessment of Australia’s Infrastructure Needs - Australia Infrastructure Audit 2019”* recognises affordable housing as essential social infrastructure⁶.

Shelter NSW suggests that affordable housing should also be recognised as supporting the provision of critical social and economic infrastructure, and indeed should in itself be considered as critical social and economic infrastructure. The social infrastructure identified in the LSPS including; schools, libraries, community centres and halls, hospitals, and cultural facilities will require workers, including low and moderate income workers. Providing affordable housing in Waverley provides a local workforce without adding to current congestion and parking problems.

The LSPS also includes working with neighbouring Councils to develop regional solutions to affordable housing as a “Collaborative City” project.

Overall Shelter NSW supports the commitments and actions outlined in the LSPS as they relate to housing affordability and diverse housing including the development of a Local Housing Strategy and an Affordable Housing Strategy.

2. Shelter NSW recommends an ambitious Affordable Rental Housing Target be included in an Affordable Housing Strategy

The Housing Discussion Paper released by Waverley Council provides a comprehensive and detailed evidence base for the development of a Local Housing Strategy.

Shelter NSW congratulates Council for a thorough Housing Discussion Paper that includes extensive analysis of affordable housing including demand, need, supply, and an analysis of the impact of short term holiday letting.

We also acknowledge Council’s inclusion of boarding housing in the discussion paper; a housing option (traditionally for people on very low to low-incomes) that is often hidden and neglected. Shelter NSW recently commissioned UNSW City Futures to undertake research on boarding houses to inform our input into the statutory review of the Boarding Houses Act. Our research highlights a number of concerns with the current planning system and monitoring regimes around the use of boarding houses. One issue being that new generation boarding houses delivered as “affordable housing” are often not actually affordable for people with low incomes, rather, they are being marketed and rented out as “micro apartments” at market rental rates.

⁶ [www.infrastructureaustralia.gov.au/sites/default/files/2019-08/Australian Infrastructure Audit 2019.pdf](http://www.infrastructureaustralia.gov.au/sites/default/files/2019-08/Australian%20Infrastructure%20Audit%202019.pdf)

While the research has not been officially published, we welcome Council contacting Shelter NSW to access the research report to assist in the development of the LHS and Affordable Housing Strategy.

Shelter NSW suggests that the development of the LHS should include some analysis of social housing wait times and the number of households with people living with disability to ensure a more complete picture of the housing needs for people on very low incomes and the diversity of housing required to meet the current and future needs of the Waverley community.

We strongly support the recommendation of the Housing Discussion Paper to develop an Affordable Housing Strategy that will:

- Develop a detailed understanding of affordable housing need in the LGA.
- Investigate affordable housing delivery vehicles.
- Investigate appropriate funding mechanisms

Shelter NSW acknowledges the direct actions that Council has already taken to provide affordable and diverse housing including the Affordable Housing program in partnership with a Community Housing Provider, and housing for seniors and people living with disability.

We recognise that there is limited capacity for developable land in Waverley and that land costs in the LGA are especially high. Given these constraints, it's especially important to ensure that any future infill development includes meaningful supply of affordable housing. Additional options for consideration could include;

- co-locating affordable housing with other social infrastructure and community facilities;
- affordable housing above retail space;
- exempting not-for-profit housing providers from infrastructure contributions.

Shelter NSW recommends Waverley Council set an ambitious Affordable Rental Housing Target to drive Council's efforts to facilitate the delivery of affordable housing. The Target could be developed in collaboration with neighbouring Councils. It is noted that The Inner West Council has set a 15% target for private developments and a 30% target for government owned land.

3. Additional recommendations to support diversity and inclusiveness

Shelter NSW recommends further actions to enhance the LSPS including:

- In addition to collaborating with neighbouring Councils to identify affordable housing solutions, we recommend Council also includes a strategy or action which advocates for additional social housing. Social housing is essential infrastructure. Infrastructure Australia has included social housing in its recent [Australian Infrastructure Audit](#) in which it was highlighted that social housing is coming under increasing pressure. Social housing, in addition to affordable housing, will enhance the social diversity of the area, reduce homelessness, reduce housing rental stress and relieve the pressure on the private rental market. Many social housing eligible households who are waiting for 10 years or more for social housing, are forced to rent in the private rental market and compete with higher income earners for scarce and unaffordable rental properties. This puts these households in severe or extreme rental stress.

The benefits of a diverse mix of housing tenure types will provide social and economic benefits for individuals and households as well as the broader community and the local economy.

- We recommend that Council also advocate for reform of no-grounds evictions. The growing unmet demand for social and affordable housing is part of a wider systemic failure to ensure housing meets the needs of all in our community. People renting in the private rental sector face unaffordable and insecure housing. Limiting no-grounds evictions will enhance the housing options available in Waverley and will give renters the stability and the peace of mind they need to fully participate in the life of their community.
- The Seven Principles of Universal Design⁷, (to enhance accessibility of public space) can be referenced to support Council's housing options for older people and people living with disability.
- To ensure the LSPS remains up-to-date with emerging issues and continues to be responsive to the changing needs of the Waverley community, we recommend the LSPS is reviewed every 3-5 years. We also recommend that the LHS is also reviewed regularly to align with the review of the LSPS.

Further discussion

Thank you for the opportunity to take part in the formulation of the Waverley Local Strategic Planning Statement. Shelter NSW, as a housing policy and advocacy peak is keen to continue to work with and support Council on the further development of the LSPS and the LHS. Please do not hesitate to contact Thomas Chailloux on (02) 9267 5733 or thomas@shelternsw.org.au in the first instance if you wish to discuss these comments.

Yours sincerely



Karen Walsh
Chief Executive Officer

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