

Trim Ref: R20/0017 SUB-675

7 September 2021

Housing Policy Team

NSW Department of Planning, Industry and Environment

Proposed Housing SEPP – Consultation draft.

Thank you for the opportunity to provide comment on the draft Housing SEPP. Local Government NSW (LGNSW) appreciates the Department's ongoing engagement with councils to develop the SEPP and the recent forum to outline key policy changes to councils. LGNSW is the peak body for local government in NSW, representing all NSW general purpose councils and related entities. This is a draft submission until it is endorsed by the LGNSW Board. We will advise at that time if there are any substantive changes to the submission.

LGNSW Position

LGNSW is **supportive** of many provisions in the proposed Housing SEPP. LGNSW has advocated for the review of housing-related SEPPs, and their consolidation, for many years. We acknowledge that the Department has listened to and worked with local government to address the issues with the boarding house provisions and seniors housing. The proposed Housing SEPP addresses areas of significant concern for local government, such as the need for boarding houses to provide affordable housing in perpetuity and not be mandated in the R2 zone, and prescribing zones where seniors housing is permissible.

While welcoming many of the changes, councils are concerned that some new provisions will undermine their local planning strategies and result in development that is not responsive to the local context. Blanket provisions that apply statewide do not accommodate the unique differences between regional and metropolitan areas, coastal and inland and rural and remote settings. This points to a need for the proposed Housing SEPP to provide greater discretion for councils to determine both where certain forms of housing can be built and the development standards that apply.

Allowing for variations to minimum site dimensions, rates of car parking and heights in the Housing SEPP is needed to respond to different subdivision patterns, density of development and transport infrastructure across local government areas.

Councils have also identified the need for clarification of many provisions and definitions. LGNSW urges the Department to defer to councils' specific technical feedback to ensure these concerns are considered.

Recommendation 1

The Housing SEPP should provide greater flexibility for councils to determine where different housing forms are permitted and for council development standards such as rates of car parking to apply.

Specific comments are outlined below.

Boarding House Provisions

LGNSW strongly supports the proposed amendments to boarding housing provisions. These amendments - which include a requirement for boarding house rooms to be rented at affordable rates and managed by a registered community housing provider in perpetuity, and provisions that they will no longer be mandated in the R2 Low Density Residential zone - are consistent with the recommendations of the [Boarding House Working Group](#).

They respond to the call from the local government sector that boarding houses should genuinely provide housing that is affordable for very low- and low-income households and address councils' increasing concerns about the amenity impacts of out-of-scale boarding houses in R2 zones.

Councils recognise the need for social and affordable housing but are concerned provisions allowing the Land and Housing Corporation (LAHC) to build boarding houses in the R2 zone will result in ongoing planning issues arising from boarding houses that are out-of-scale with surrounding development. The self-assessment pathway also limits councils' ability to provide meaningful input, particularly given the SEPP only provides councils with 21 days to comment.

Recommendation 2

The boarding house provisions for LAHC should be carefully monitored to ensure that councils and their communities do not see unacceptable outcomes such as out-of-scale development, as a result of these provisions.

Co-living Housing

The inclusion of provisions for co-living are generally supported. Councils recognise this form of housing contributes to diversity of dwellings and tenure but do not support the density bonus, 10% additional floor space. This is not linked to a social benefit such as affordable housing and allows development over and above the scale of development councils have determined as appropriate in consultation with their communities. The floor space ratio should be consistent with the council's local environmental plan (LEP) and policies to ensure the built form is compatible with development permitted within the zone.

Recommendation 3

The Housing SEPP should not include the 10% additional floor space for co-living developments and floor space ratios should be in line with the relevant LEP.

Seniors Housing

LGNSW is concerned that the list of prescribed zones for seniors housing development includes the full range of business zones. Councils carefully plan business zones to ensure that communities have access to the services and facilities they need and to support local businesses. They are also critical to providing jobs close to where people live, an objective underpinning district, regional and local plans. Business and industrial uses are an important part of local and regional economies and must be protected from residential encroachment or dislocation.

Councils are also not supportive of the height increases for seniors housing and floor space bonuses for vertical villages proposed in the SEPP. As with the provisions for co-living developments, councils note these additional height allowances will lead to building forms that are inconsistent with local streetscape and character, with amenity and privacy impacts on adjoining properties.

Recommendation 4

The Housing SEPP should allow councils to determine whether seniors housing is permissible in business zones and the local development standards under LEPs should apply for all forms of seniors housing.

Finalising the Housing SEPP

LGNSW understands the build-to-rent and short-term rental accommodation (STRA) provisions already developed will be consolidated in the final Housing SEPP in October 2021, and further work is being undertaken in relation to group homes, caravan parks and manufactured housing estates.

LGNSW remains very concerned about the planning framework for STRA. We have consistently advocated that councils should be able to determine the locations where properties can be used for short-term letting and the number of days it is available in their local government area. Not doing so risks putting further pressure on the availability and affordability of housing in many areas and undermining the outcomes which the Housing SEPP is seeking to achieve. The provision that un-hosted bookings of STRA for 21 or more consecutive days would not count towards applicable day thresholds is also seen as problematic and this provision should be removed.

Recommendation 5

Before the Housing SEPP is finalised, the planning provisions for STRA should be amended to provide greater flexibility for councils to determine where STRA is permitted and the number of days that properties can be let, and the 21-day exemption should be removed.

Review and monitoring

LGNSW's submission on the Housing Diversity SEPP Explanation of Intended Effect in October 2020 identified the need for a monitoring program, developed from the outset with input from councils, and regular 2-yearly reviews of the SEPP. This is critical to assessing whether the Housing SEPP is delivering intended outcomes and does not undermine Local Strategic Planning Statements, and locally based plans and strategies.

Recommendation 6

Fundamental to implementing the Housing SEPP, the Department of Planning, Industry and Environment (DPIE) should establish a monitoring program for commencement of the SEPP, including regular 2-yearly reviews to ensure the SEPP is delivering the outcomes sought.

Thank you again for the opportunity to comment on the draft Housing SEPP. LGNSW requests that DPIE prepare a submissions report on the consultation draft so that councils understand how the issues they have raised will be addressed.

Please contact Jane Partridge Strategy Manager, Planning at jane.partridge@lgnsw.org.au on 02 9242 4093, for any queries about this submission.

Yours sincerely



Kelly Kwan

Executive Manager Advocacy