



Ms Meredith Wallace  
General Manager  
Bayside Council  
444-446 Princes Highway  
Rockdale NSW 2216

Dear Ms Wallace

### **Bayside Council - Local Housing Strategy**

Thank you for submitting Bayside Council's Local Housing Strategy (LHS) to the Department.

The Department commends Council on preparing a robust evidence base to support its LHS, providing Council with a clear understanding of the housing needs of the Bayside local government area and a strong commitment to strategic planning.

I can confirm that I have determined to approve Bayside Council's LHS adopted by Council in March 2021. My decision reflects the analysis undertaken to develop a comprehensive strategic planning and an evidence base to inform your LHS and deliver more than 7,720 dwellings for the period 2021-26.

In doing so, I have determined that:

- The LHS addresses housing supply, including the 6-10 year housing target, to be delivered mainly through capacity under existing planning controls, current and subsequent planning proposal.
- The LHS addresses the need for housing diversity, although commitment to further actions for housing diversity and delivery are required.
- The LHS addresses housing affordability, although commitment to further actions for delivery are required.
- The LHS is generally consistent with Section 9.1 Directions and SEPPs.
- The LHS is consistent with the Eastern City District Plan, subject to the requirements identified below.

My approval is subject to the following requirements:

1. Based on the committed pipeline and capacity under existing planning controls the Department's assessment of Bayside Council's LHS indicates that Council has ability to meet the Greater Sydney Commission's (GSC) target of 8,500 –

10,500 additional dwellings in the 2021-2026 period. This is subject to implementing the actions in its LHS and those requirements outlined in this approval. Council is to therefore adopt and work towards achieving and exceeding a minimum housing target aligned to the GSC target range for this period to ensure that regional strategic planning can be appropriately managed.

2. Within four months of Council being notified of the LHS approval, Council is to prepare an updated and prioritised Implementation and Delivery Plan that clearly articulates the actions, roles and responsibilities and timing to facilitate housing supply, diversity and affordability between 2021 and 2026 and beyond. This is critical particularly based on Council's recent decision at its meeting on 9 June 2021, wherein Council resolved to proceed with Rockdale Town Centre and Waltz Street precinct, and not at this stage progress the areas of Bay Street (Rockdale to Brighton) and West Arncliffe. Council may need to consult with DPIE, TfSNW, Sydney Water and adjoining Councils. Council should submit at the same time to the Department any feasibility analysis and updated collated data identifying completions and committed development pipeline.
3. Council is to prioritise the Eastgardens future investigation area, in collaboration with Randwick City Council and DPIE, for the future planning of the strategic centre and one other future investigation area of Council's choosing as a matter of priority to ensure housing supply, diversity and affordability is secured in a timely manner. The investigation area should include the confirmation of future implementation mechanisms including any necessary planning proposals and their timing.
4. To ensure housing diversity is achieved by 2026, Council is to expedite the following investigations and obtain Gateway for planning proposals by December 2022:
  - a) the introduction of dwelling size and mix controls;
  - b) the review and update of medium density controls; and
  - c) the review and update of dual occupancy controls.Council should concurrently review development controls including the use of controls to ensure effective design for infill development as outlined in the LHS.
5. For all future investigation areas (irrespective of their priority), confirm the indicative yields, desired dwelling mix and timeline for future investigation areas, so both Council and DPIE understand the timing of housing delivery in the 10+ year (2026+) period. The investigation area studies may need to be supported by feasibility analysis.
6. Provide housing diversity targets including non-standard dwellings in future iterations of the LHS for the entire LGA. This should include student accommodation, key worker housing and seniors housing, and may need to be supported by feasibility analysis.

7. Future iterations of the LHS continue to be informed by a detailed land use opportunities and constraints analysis and mapping to confirm long-term housing opportunities. This analysis should:
  - be contextualised having regard to the Greater Sydney Regional Plan, Eastern City District Plan, the Bayside LSPS (including any updates), Future Transport 2056, SETS and delivered infrastructure reinvestments and the progression and implementation of the LHS actions;
  - be undertaken in collaboration with relevant stakeholders;
  - consider the implications of DPIE 2019 Population Projections for the LGA, or any future revised DPIE projections;
  - clearly articulate existing and future opportunities and constraints as either manageable or insurmountable;
  - include the relevant evidence base from any background study/ies prepared by Council and include better referencing to other existing and emerging Council strategies, such as the Centres and Employment Lands Strategy, the Social Infrastructure Strategy, and the Land Use Limitation Study; and
  - consider how to best manage and balance housing needs with economic and productivity objectives particularly in the strategic centres and along key economic corridors such as the Princes Highway.
8. Future iterations of the LSPS and LHS should detail the key local and State infrastructure commitments and investment decisions that will support the unlocking of housing supply. This analysis should consider public and active transport, education and health facilities, open space, community infrastructure, drinking supply, wastewater and utility services. Council is encouraged to cross reference any endorsed Council strategies and plans, where relevant, and collaborate with DPIE and other State agencies (and in particular SINSW, Sydney Water and TfNSW) to ensure identified opportunities are realistic and accurately reflect staging, sequencing, servicing and delivery of critical infrastructure such as public transport, education facilities and drinking supply and waste water services. Thresholds/triggers, funding, responsibilities for delivery and indicative timeframes should also be identified.
9. As housing diversity is a key objective in the LHS, Council is to provide a comprehensive evidence base in relation to the delivery of medium-density housing, including dual occupancy and associated controls, particularly if Council will request an exemption from the Low Rise Housing Diversity Code. This should include:
  - a. Historical and forecast supply of medium-density housing, including statistics on range of housing types approved over the last five years (DA and CDCs) and anticipated future take-up rates.
  - b. Recommended controls outlined in LHS for medium-density housing in the implementation plan, including current status and timeline for implementation.

10. Council is to monitor and review the supply and delivery of housing, in particular, to track its performance against the 6-10 year housing target and the housing diversity and affordability outcomes delivered. The Monitoring and Implementation framework shall include timing, take up rates and any specific issues that would need to trigger an update of the LHS. A monitoring and review system should be set up to ensure that appropriate mechanisms can be identified and implemented to meet Council's housing needs.
11. Future iterations of the LHS should outline a clear commitment on the timing and process for reviews and updates.
12. The direction and strategic planning approaches endorsed in State-led precinct plans are to prevail in the event of any inconsistency with this approval and/or the Council's LHS (as revised and current).
13. Council is to update or revise the LHS to inform its LSPS following the making of a future District Plan.

Any planning proposals for new housing development will be assessed against Bayside Council's LHS, the requirements above and Advisory Notes enclosed. Any State Government policy changes that may occur in the future are to prevail in the event of any inconsistency.

### *Implementing your Local Housing Strategy*

The State Government is committed to reducing the time taken to complete planning proposals that support housing delivery by tailoring the steps in the process to the complexity of the proposal, and by providing clear and publicly available justification for each plan at an early stage.

To meet these commitments, a detailed implementation plan is required. This should reflect a comprehensive work program for all strategic planning work Council commits to undertake to implement its LHS, and should include but not be limited to:

- The future investigation areas of Banksia, Arncliffe, Rockdale, Kogarah, Carlton, Bexley North, Bardwell Park, Brighton Le Sands, Eastgardens, and Ramsgate
- Future planning proposals and amendments to Development Control Plans to enable greater housing diversity and medium-density housing.
- An Affordable Housing Policy, and (if feasible) include a Contribution Scheme in accordance with the Department's Guideline for Developing an Affordable Housing Contribution Scheme that commits Council to examining the feasibility of levying affordable housing contributions for any new planning proposals that would result in development uplift or an increase in land value. This should be included in a future LHS, or be completed earlier, if possible.

- When preparing the Scheme, Council is to demonstrate:
  - it has considered all mechanisms and locations that may be available to secure affordable housing; and
  - in consultation with relevant stakeholders, State Government-owned sites capable of contributing to long-term social and affordable housing demand are identified.

### *Local Housing Strategy Reviews and Updates*

We strongly recommend that Council review and revise (where required) its LHS before the LSPS is required to be reviewed by the GSC. This will help best inform the next update to the LSPS.

It will also provide Council with the opportunity to improve and clarify aspects of the LHS. The Advisory Notes enclosed provide specific guidance on matters that Council is encouraged to consider when updating the LHS. The Department will expect these same matters, including alignment with the LHS, to be addressed in planning proposals and will be reinforcing them through Gateway determinations as an interim measure in the absence of the LHS review process.

Once again, I would like to take this opportunity to acknowledge the significant amount of work your team has undertaken to develop the LHS. Please be advised that the LHS will be published on the NSW Planning Portal alongside the letter of approval and Advisory Notes.

Should you have any further questions, please contact myself or Jenny Rudolph, Director Local Strategies and Plan Making on 8275 1030.

Yours sincerely



**Amanda Harvey**  
**Executive Director**  
**Local Strategies and Plan Making**

30 June 2021

Encl: Advisory Notes



# Bayside Council Local Housing Strategy

## Advisory Notes

The following advisory notes identify the further work Council will need to undertake to strongly position future planning proposals and further iterations of the Local Housing Strategy (LH). The advisory notes provide specific guidance on matters that Council is encouraged to consider when updating the LHS. The Department will expect these same matters to be addressed in planning proposals (where relevant) and that these will be reinforced through Gateway determinations as an interim measure in the absence of the LHS review process.

Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
<b>General</b>	
Implementation	<p>Future iterations of the LHS should be underpinned by an Implementation Plan with a priority work program, clearly defined roles, responsibilities and definitive timeframes with risks and dependencies identified and clarity around delivery and anticipated yields.</p> <p>The Plan should be prepared in consultation with DPIE, TfSNW and SINSW, to ensure any critical interdependencies are satisfactorily resolved. This is encouraged to be informed by resourcing and budgets to demonstrate how housing targets will be delivered.</p> <p>The Implementation Plan should specifically address work streams related to items identified in Councils work program, including:-</p> <ul style="list-style-type: none"> <li>• details of any interdependencies, thresholds or impediments that are required to be secured to facilitate housing delivery, diversity and affordability.</li> <li>• confirmation of the extent and timing of any specific changes Council is planning to make to its LEP, DCP, or contribution plans to implement the LHS.</li> <li>• expedite planning for all other future investigation areas (noting Eastgardens and one other investigation area selected by Council are to be expedited to ensure supply for the 6-10 year period) and in doing so, identify a potential yield for each future investigation area, or alternatively indicative targets for dwelling types;</li> <li>• consider the South East Transport Strategy (SETS) and the opportunities that transport infrastructure investments provide to support a resilient housing supply pipeline.</li> <li>• demonstrate that the proposed approach to delivering housing diversity in the upcoming Comprehensive LEP is the most effective application of planning provisions to achieving housing diversity.</li> <li>• consider the housing priorities and requirements across all cohorts and plan for non-standard dwellings.</li> </ul>



Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
	<ul style="list-style-type: none"> <li>• expedite the introduction of dwelling size and mix controls.</li> <li>• expedite the review of medium density and dual occupancy controls.</li> <li>• expedite the planning of Eastgardens future investigation area in consultation with Randwick City Council, and one other future investigation area to be nominated by Council and in doing so establish targets to ensure housing diversity is achieved.</li> <li>• articulate, in future strategic planning work, the need to balance employment and housing functions of strategic centres, particularly regarding facilitation of housing supply and affordability to meet the needs of lower income workers.</li> <li>• consider all mechanisms and locations that may be available to secure affordable housing.</li> <li>• identify State Government-owned land and LAHC opportunities as potential opportunities to renew social housing estates to meet increasing demand and long-term social and affordable housing opportunities.</li> <li>• consider whether a broader policy for the protection of existing affordable housing is appropriate.</li> </ul> <p>The future LHS should also ensure that the supply pipeline data is cross-checked against published data and is inclusive of the scope of imminent developments and planning proposals.</p>
Review and monitoring framework	Revisions to the LHS may be required in response to significant changes in the LGA such as announcements on new infrastructure investment and employment opportunities, significant changes in projected population growth or updates to the LSPS. The framework should also review the supply and delivery of housing, including the 6-10 year housing target and targets for medium-density and seniors housing.
Infrastructure	Future iterations of the LHS should detail the key local and State infrastructure commitments and investment decisions that will support the unlocking of housing supply. This analysis should consider public and active transport, education and health facilities, open space, community infrastructure, drinking supply, wastewater and utility services. Council is encouraged to cross reference any endorsed Council strategies and plans, where relevant, and collaborate with DPIE and other State agencies (and in particular Transport for NSW (TfNSW), Schools Infrastructure NSW (SINSW) and Sydney Water) to ensure identified opportunities are realistic and accurately reflect staging, sequencing, servicing and delivery of critical infrastructure such as public transport, education facilities and drinking supply and wastewater services. Thresholds/triggers, funding, responsibilities for delivery and indicative timeframes should also be identified.



Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
<p>Making appropriate provision for any additional housing opportunities that may arise out of sequence</p>	<p>The inclusion of a transparent and robust framework to consider additional opportunities will assist Council, the Department and other relevant agencies to assess proposals that are inconsistent with the LHS. It will also ensure that changes to land use or development controls do not take place without demonstrating strong strategic merit. Council is encouraged to develop a framework within which to consider such proposals, including but not limited to the following heads of consideration:</p> <ul style="list-style-type: none"> <li>• Strategic merit and case for change</li> <li>• Robust demographic evidence</li> <li>• Housing Affordability and Diversity</li> <li>• Demand analysis and economic impacts</li> <li>• Infrastructure delivery and funding to be borne by the proponent</li> <li>• Stakeholder consultation and outcomes</li> <li>• Sustainability and resilience</li> </ul>
<p>Community and Stakeholder Engagement</p>	<p>Future iterations of the LHS address feedback provided through the exhibition and community engagement process of the LHS.</p>
<p>Consultation and engagement with agencies</p>	<p>Council should continue consultation with the following agencies and Councils:</p> <ul style="list-style-type: none"> <li>• TfNSW in relation to the future investigation areas and impacts of the SETS on housing.</li> <li>• SINSW: <ul style="list-style-type: none"> <li>○ Prior to the finalisation of any future strategy or planning proposal that proposes a significant increase in the number of dwellings; and</li> <li>○ When Council is aware of variations in the following: <ul style="list-style-type: none"> <li>- The actual number of lots or dwellings varying from planning proposal estimates/ strategic plans.</li> <li>- An emerging demographic that varies from the planned population profile, either with more or less families with children.</li> <li>- Rates of development and dwelling take-up varying from planned release programs or forecast residential take-up rates.</li> </ul> </li> <li>○ Neighbouring councils: Collaboration with Randwick Council on planning for Eastgardens-Maroubra Junction.</li> </ul> </li> </ul> <p>This is to ensure SINSW specifically understands where growth, or changes to growth rates are occurring and can effectively respond by targeting appropriate resourcing to impacted Government schools.</p>





Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
Affordable Housing	<p>Council’s LHS evidence base is considered sufficient to justify the preparation of a SEPP70 affordable housing contribution scheme. An LHS requirement of approval is included for Council to prepare a scheme that sets out delivery and rent models, tenant eligibility criteria, tenancy allocation, asset ownership and management. Notwithstanding potential issues related to development feasibility, the District Plan requires Council to prepare an affordable housing contribution scheme. The scheme would be prepared in advance of any out-of-sequence planning proposals and sends a critical signal to the market regarding Council’s strategic planning intentions regarding affordable housing provision. It will also commit Council to examining the feasibility of affordable housing contributions for all new proposals that are likely to result in an uplift of land value. If feasible and appropriate, affordable housing contributions would be required by LEP provisions that implement the contributions scheme. The scheme should be prepared in accordance with the <i>Greater Sydney Region Plan</i> key parameters for successful implementation of Affordable Rental Housing Targets and the NSW Government’s <i>Guideline for Developing an Affordable Housing Contribution Scheme</i>.</p> <p>Future iterations of the LHS should be required to consider all mechanisms and locations that may be available to secure affordable housing.</p> <p>Future iterations of the LHS should identify State Government-owned land and LAHC opportunities as potential opportunities to renew social housing estates to meet increasing demand and long-term social and affordable housing opportunities. This can be done in liaison with LAHC.</p> <p>Council should also consider whether a broader policy for the protection of existing affordable housing is appropriate.</p>
Housing Diversity	<p>Future iterations of the LHS will need consider the cohorts such as seniors living, key worker housing, student accommodation and group homes and their housing needs to ensure they are appropriately accommodated. Council is encouraged to investigate the inclusion of seniors housing provisions in its LEP that increase the supply of housing for seniors and people with a disability.</p>
Interdependencies with relevant local evidence base	<p>Incorporate the findings and outcomes of latest studies, policies and State-led precinct plans prepared since the publication and release of the LHS.</p>
Structure Plan	<p>Future iterations of the LHS should include a structure plan(s) that clearly identifies housing growth areas /precincts and their anticipated delivery over the short, medium- and longer-term horizons. Annotations to identify likely yield ranges and any key threshold assumptions should also be included.</p>
<b>Data</b>	
Data	<p>Council should ensure in the future LHS that supply pipeline data is cross-checked against published data and is inclusive of the scope of imminent developments and planning proposals.</p>



<b>Matter</b>	<b>Consideration for future LHS updates and preparation and assessment of planning proposals</b>
Clarification of 6 to 10 year target and 10-20 year housing forecast.	<p>Revisions to the LHS should provide a breakdown of how the 6 to 10 year target will be achieved, including when and where anticipated supply will be delivered and explain market take up rates. LHS revisions will also need to include a revised housing delivery forecast for the 10-20 year period as new information becomes available.</p> <p>The Department does not support Council claiming credit for the dwellings delivered within the 0-5 year or 6-10 year period and carrying these dwellings into the 10+ year period. Council should ensure that all population and dwelling forecasts are cross-checked against published DPIE projections to provide greater transparency. Additional guidance and support can be arranged with the Department's Evidence and Insights team to resolve any discrepancies in dwelling forecasts. Council should also consider the actions and timeframes identified in Council's LSPS and the GSC's letter of assurance.</p>