



Mr Stephen Clements
Deputy CEO
GM Planning, Environment and Urban Services
Strathfield Council
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Dear Mr Clements

Strathfield Council Local Housing Strategy

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

The Department commends Council on preparing the robust evidence base to support its LHS, which provided Council with an initial understanding of the housing needs of the Strathfield local government area and a strong commitment to strategic planning.

We note that on 2 March 2021 Council resolved to adopt the Strathfield LHS in accordance with the minutes and recommendations of the Planning Policy and Urban Design Working Party Committee meeting held on 8 February 2021. It is also noted that the LHS had not been publicly exhibited but is intended to be exhibited alongside the Stage 1 Local Environmental Plan (LEP) Planning Proposal.

I also acknowledge that the Strathfield Local Planning Panel resolved on 3 June 2021 to endorse the Stage 1 LEP Planning Proposal to amend Strathfield Local Environmental Plan 2021 and recommended it be forwarded to the Minister for Planning and Public Spaces for Gateway Resolution. The same resolution endorsed public exhibition of the Planning Proposal and *'subject to its approval from the DPIE, that the Strathfield Housing Strategy be exhibited along with the draft Planning Proposal'*.

I can confirm that the Department has determined to provide approval to Strathfield Council's LHS adopted by Council on 2 March 2021. Our decision reflects the analysis undertaken to develop a strategic plan and an evidence base to inform your LHS and deliver 3,800 dwellings for the period 2021-2026, which is consistent with the Greater Sydney Commission's (GSC) 6-10 year target. As there is theoretical capacity within the existing controls, and future major projects occurring within the LGA we would encourage Council, during its LHS review, to confirm the impacts that the Stage 1 LEP planning proposal has on the housing targets and make necessary amendments or comments to the LHS prior to it being exhibited.

In doing so, I have determined that:

- The LHS provides a credible, but partial, evidence base and analysis of the key requirements, opportunities and challenges for housing in the Strathfield LGA.
- The LHS and the Department's additional assessment demonstrates Strathfield can achieve a resilient housing supply pipeline consistent with the GSC target range, to be delivered mainly through the committed development pipeline, existing planning controls and the acceleration of nominated future investigation areas. However, Council's draft Stage 1 Comprehensive LEP needs to demonstrate the dwelling yield impact on the LHS target. The LHS may need to be revised to address any impact on dwelling yield that arises from the Stage 1 LEP.
- The LHS identifies specific opportunities for longer term housing supply, noting further work will need to be undertaken, including a more comprehensive analysis of opportunities and constraints, and alignment with future transport infrastructure investment.
- The LHS can achieve sound housing diversity outcomes subject to implementation of the recommended requirements of approval.
- The LHS addresses housing affordability, including a strong evidence base and commitment to an affordable housing contribution scheme (AHCS).
- The LHS is generally consistent with Section 9.1 Directions and SEPPs.
- The LHS is generally consistent with the Strathfield Local Strategic Planning Statement (LSPS) and Eastern District Plan.
- Council can be well placed to deliver housing supply, diversity and affordability subject to reconciling the LHS actions with housing related actions identified in the LSPS and preparing a prioritised Implementation, Delivery and Monitoring Plan.

My approval is subject to the following requirements:

1. Council is to submit to the Department its council endorsed LHS (including any amendments arising from the public consultation) by the end of 2021/22 financial year. A summary of key themes raised during consultation, Council's response, changes to the LHS and a copy of Council's resolution should also be provided.

If the Council endorsed LHS is different to the Draft Strathfield LHS approved by the Department (as approved by this letter of approval), the Department may further review and revise its approval.

In this regard the Department encourages the council to adopt in its further version of the LHS the approaches outlined below, and advice provided in the accompanying Advisory Notes.

2. Within 6 months of this letter of approval Council is to prepare an updated and prioritised Implementation and Delivery Plan that clearly articulates the actions, yields, roles and responsibilities and timing to facilitate housing

supply, diversity and affordability between 2021 and 2026 and beyond. In doing so, Council is to:

- reconcile the housing related actions identified by the Strathfield LSPS with the actions in the LHS to ensure there is strong alignment;
- align the LHS with the Stage 1 LEP planning proposal and any Gateway determination conditions;
- provide clarity on the potential yields and expected delivery timeframes for land within the Parramatta Road Corridor Urban Transformation Strategy (PRCUTS);
- ensure that the recommendations throughout Section 5 of the LHS are translated into corresponding Actions in Section 6 of the LHS.

The updated and prioritised Implementation and Delivery Plan should be prepared with comments and inputs from the Department, TfNSW, Sydney Water and adjoining councils, to ensure any interdependencies are satisfactorily identified and resolved.

3. To ensure housing supply, diversity and affordability is secured in a timely manner, Council is to prioritise the following future investigation areas and submit planning proposals to the Department for Gateway determination no later than July 2022:
 - Homebush West Town Centre/Flemington
 - Strathfield Town Centre, Strathfield Station and associated master plan (land bounded by Elva street and Raw Square - pg 30 of LHS)
 - Hedges Avenue
 - Liverpool Road Centre
 - Belfield
4. To ensure housing diversity is achieved by 2026, Council is to demonstrate how the Stage 1 LEP planning proposal submitted to the Department for Gateway determination in June 2021 is consistent and achieves the outcomes and targets of the LHS, in particular that the introduction of new / revised medium density and high density controls across the R2 Low Density Residential, R3 Medium Density Residential, and R4 High Density Residential zones, and the change in dual occupancy controls will not have an adverse impact on Council's ability to achieve its 6-10 year housing target.
5. The proposed rezoning of the Water Street industrial precinct for residential purposes is not supported and approved to proceed. The reason for this is that this proposal contradicts the directions set for 'retaining and managing' this employment land under the Eastern City District Plan.
6. For all future investigation areas (irrespective of their priority), Council is to confirm the indicative yields, desired dwelling mix and timeline within each of the future investigation areas, so both Council and the Department understand the capacity and timing of housing delivery in the 10+ year period. All future investigation areas that are included into a planning proposal are to be supported by feasibility analysis and capacity assessment.

7. Future iterations of the LHS should provide an analysis and outline of housing diversity requirements including non-standard dwellings in the LHS for the entire LGA. In particular, housing diversity should include seniors housing and other housing types for key workers, students, boarding houses etc. This is a requirement of the GSC's Letter of Support issued during the LSPS Assurance process.
8. The next 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 Region Plan, East City District Plan, Strathfield LSPS (including any updates), Future Transport 2056, PRCUTS and delivered infrastructure reinvestments and the progression and implementation of the LHS actions;
 - be undertaken in collaboration with relevant stakeholders;
 - consider the implications of the Department's most recent Population Projections for the LGA;
 - 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 Inclusive Housing Strategy, Open Space and Recreational Strategy and Strathfield Town Centre Place Strategy;
 - consider how to best manage and balance housing needs with economic and productivity objectives along key corridors such as Parramatta Road and Liverpool Road.
9. Council is to prepare an AHCS 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 will ensure that planning proposals give effect to the District Plan, Action 18 to prepare an AHCS.
10. Council is to provide details on proposed monitoring and implementation of the LHS, including timing and any specific issues that would trigger an update.
11. Council is to prepare principles for assessing proponent-initiated requests for planning proposals, including out-of-sequence criteria to consider any additional opportunities for growth that are not identified in its LHS, or for urban renewal opportunities.
12. The direction and strategic planning approaches endorsed in any State-led strategies or plans are to prevail in the event of any inconsistency with this approval and/or the Council's LHS (as revised and current).
13. Update or revise the LHS to inform Council's updates/revision to its LSPS following the making of a future District Plan.

Any planning proposals for new housing development will be assessed against the Council's LHS, the requirements above and advisory notes attached. 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.

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 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 ePlanning Portal alongside the letter of support and advisory notes.

Should you have any further questions, please contact Dominic Stefan, Specialist Planning Officer on 8275 1024.

Yours sincerely



Amanda Harvey
Executive Director Local Strategies and Plan Making
Greater Sydney Place and Infrastructure

21 September 2021

Encl: Advisory Notes



Strathfield 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 (LHS). 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
General	
Implementation	<p>Future iterations of the LHS should be underpinned by an Implementation and Delivery 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. The Plan should be prepared in consultation with the Department, TfNSW 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 Council’s work program, including:</p> <ul style="list-style-type: none"> • In the short term (2021-2026) – Parramatta Road Urban Corridor (North Homebush), Homebush West Town Centre/Flemington, Homebush Station, Strathfield Town Centre, Hedges Avenue, Liverpool Road Centre, and Belfield. • In the medium to long term (beyond 2026) – Homebush West Town Centre/Flemington, Homebush Station, Coronation Parade, Greenacre, and further parts of Liverpool Road. • Planning for a diversity of housing types by reviewing medium density controls. • Increasing the supply of affordable housing on selected sites through development contributions and voluntary planning agreements, advocacy and partnerships with Community Housing Providers (CHPs) and developing concessions (or incentivisation clauses) to encourage the delivery of affordable housing outside of affordable housing scheme areas.



Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
	<ul style="list-style-type: none"> Reviewing and updating existing sustainability statutory standards and developing a sustainability and liveability framework that encourages best practice measures with potential planning incentives; and encouraging good housing design. <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	<p>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 Local Strategic Planning Statement (LSPS).</p> <p>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.</p>
Infrastructure	<p>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.</p> <p>Council is encouraged to cross reference any endorsed Council strategies and plans, where relevant, and collaborate with the Department and other State agencies (and in particular Schools Infrastructure NSW (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.</p>



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.</p> <p>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"> • Strategic merit and case for change • Robust demographic evidence • Housing affordability and diversity • Demand analysis and economic impacts • Infrastructure delivery and funding to be borne by the proponent • Stakeholder consultation and outcomes • Sustainability and resilience
<p>Community and Stakeholder Engagement</p>	<p>Incorporate the findings of any future relevant community and stakeholder engagement in 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"> • TfNSW in relation to the future investigation areas as well as Parramatta Road Corridor. • Sydney Water as part of the opportunities and constraints analysis. • SINSW: <ul style="list-style-type: none"> ○ Prior to the finalisation of any future strategy or planning proposal that proposes a significant increase in the number of dwellings. ○ When Council is aware of variations in the following: <ul style="list-style-type: none"> - The actual number of lots or dwellings varying from planning proposal estimates / strategic plans. - An emerging demographic that varies from the planned population profile, either with more or less families with children. - Rates of development and dwelling take-up varying from planned release programs or forecast residential take-up rates. <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
Management of risk	<p>To assist in managing risk Council should consider:</p> <ul style="list-style-type: none"> • undertaking more comprehensive opportunities and constraints analysis to confirm developable land, capacity and yields; • starting to planning for housing investigation areas earlier, based on the risk that the Parramatta Road may be delayed; • The LHS need to effectively identify capacity to contribute to the longer term 20-year strategic housing target for the District. The reason is that the Parramatta Corridor may not deliver within the 2021-2026 period.
Affordable Housing	<p>Council’s LHS evidence base is considered sufficient to justify the preparation of a SEPP70 affordable housing contribution scheme (AHCS). An LHS requirement of approval is included for Council to prepare an AHCS that sets out delivery and rent models, tenant eligibility criteria, tenancy allocation, asset ownership and management.</p> <p>Notwithstanding potential issues related to development feasibility, the District Plan requires Council to prepare an AHCS. The AHCS 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 with regard to 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.</p> <p>The AHCS 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>
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	<ul style="list-style-type: none"> • Incorporate the findings and outcomes of latest studies, policies and State-led precinct plans prepared since the publication and release of the LHS. • Consider the Future Transport 2056 opportunities that transport infrastructure investments provide to support a resilient housing supply pipeline



Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
Structure Plan	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.
Data	
Clarification of 6-10 year target and 10-20 year housing forecast.	<ul style="list-style-type: none"> • The Department requires further information from Council to verify the claimed existing capacity identified within the LHS. This additional information should be provided both prior to public exhibition of the Stage 1 LEP planning proposal and updated following the completion of the public exhibition of the draft LHS when the consultation outcomes are understood and any consequential changes to the planning proposal and/or LHS are made. This may assist in clarifying the 6-10 year targets. • Council should demonstrate the implications of proposed planning proposal related to Stage 1 LEP (June 2021) controls on capacity and acceleration of select investigation areas in both the LHS and the Stage 1 planning proposal, if needed. • Revisions to the LHS should provide a breakdown of how the 6-10 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. • Council should ensure that all population and dwelling forecasts are cross-checked against published Department 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.