



Ms Manjeet Grewal
Chief Executive Officer
Sutherland Shire Council
Locked Bag 17
SUTHERLAND NSW 1499

Dear Ms Grewal

Sutherland Shire Council - Local Housing Strategy

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

The Department commends Council on preparing a detailed update to the Sutherland LHS 2014, demonstrating how additional housing capacity has been achieved in the Sutherland Local Government Area (LGA).

I can confirm that I have determined to approve Sutherland Shire Council's LHS adopted by Council on 14 June 2021. My decision reflects the commitment of Council to prepare the Stage 2 LHS that will meet the requirements of the Departments LHS Guidelines and contain elements of the template of the LHS for Council's consideration in early 2022.

In doing so, I have determined that:

- The LHS addresses housing supply, including the 6-10 year housing target, to be delivered mainly through theoretical capacity under existing planning controls. However, further capacity and feasibility work is needed to be completed as part of the Stage 2 of the LHS
- The LHS addresses the need for housing diversity, although commitment to further actions for delivery is required.
- The LHS is generally consistent with Section 9.1 Directions and SEPPs.
- The LHS is consistent with the South District Plan, subject to the requirements identified below.

My approval is subject to the following requirements:

1. Council is to finalise its Stage 2 LHS and report this to Council by July 2022. This is to be submitted to the Department for approval once endorsed by Council. The Stage 2 LHS is to be prepared in accordance with the Department's *Local Housing Strategy Guidelines and Template (2018)* and include further analysis on the risk/constraints to deliver future housing targets with a clear implementation plan. Council is encouraged to undertake formal public exhibition of the Stage 2 LHS.
2. Detailed analysis of opportunities and constraints to provide a strategic justification for the contribution of the Sutherland LGA to the longer-term South District housing supply target should be undertaken and included in the Stage 2 LHS (or earlier), to ensure that Council has clearly identified and set actions to support future housing supply opportunities for its LGA beyond 2026.

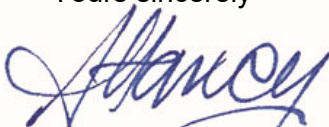
3. Council is to prepare an updated and detailed Implementation and Delivery Plan, reflecting the current actions noted in the LHS 2031 and the proposed actions to support the preparation of the Stage 2 LHS. Council is to provide DPIE with a monthly update and review of these actions, identifying how housing supply and delivery is tracking in the LGA as well as commitment to actions
4. Council is to commit to an Affordable Housing Scheme and include this narrative of Council's approach on affordable housing within the Stage 2 LHS.
5. Council is to present the findings of the feasibility studies to understand the future steps towards the focus of the three strategic centres (Miranda, Caringbah and Sutherland-Kirrawee) and the subsequent housing approach, and the remainder of underdeveloped residential land to understand the likely take up rate and capacity of these areas. This can be presented with or as part of the Stage 2 LHS.
6. Council should seek to collaborate with other major stakeholders for future infrastructure investments and upgrades, most notably TfNSW. Clearer direction on key infrastructure planning and timing for delivery will assist in the forward planning of the LGA.
7. 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 the LHS, or for urban renewal opportunities. This could be undertaken prior to or as part of the Stage 2 LHS.
8. Council is to implement a monitoring review system for the actions identified in the Ageing Well Strategy and establish housing targets for seniors housing. This will allow Council to understand whether future changes to the LEP and/or DCP are required to incentivise or encourage housing diversity or in response to the new Housing Diversity Code once finalised.
9. Council is to update or revise the LHS to inform its LSPS following the making of a future District Plan.
10. The direction and strategic planning approaches endorsed in any future State-led precinct plans are to prevail in the event of any inconsistency with this approval and/or the Council's local housing strategy (as revised and current).

Any planning proposals for new housing development will be assessed against Sutherland Shire 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.

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

Should you have any further questions, please contact Louise McMahon, Specialist Planning Officer on 9274 6595.

Yours sincerely



Amanda Harvey
Executive Director
Local Strategies and Plan Making

11 June 2021

Encl: Advisory Notes



Sutherland Local Housing Strategy

Advisory Notes

The following advisory notes identify the further work Council will need to prepare Stage 2 of the Local Housing Strategy (LHS) and strongly position future planning proposals. The advisory notes provide specific guidance on matters that Council is encouraged to consider when preparing the Stage 2 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 until the Stage 2 LHS is finalised in accordance with the approval requirements and these notes.

Matter	Consideration for Stage 2 LHS and preparation and assessment of planning proposals
General	
Stage 2 LHS	<p>Stage 2 LHS shall be prepared in accordance with the Local Housing Strategy Template and should seek to include:</p> <ul style="list-style-type: none">• Planning Policy and Context• LGA Snapshot• Demographic Indicators• Housing Demand• Housing Supply• Land use opportunities and constraints• Housing Vision and Objectives• Summary of community and stakeholder engagement outcomes• Approaches to housing diversity/ housing typologies• Identified precincts for change (location, type of housing, mechanism for change). This is a similar approach to the precincts for change provided in the current housing strategy.• Affordable housing• Planning mechanisms to deliver change – LEP changes, DCP changes, other• Outline of housing related elements of Planning Proposal for Draft SSLEP2022• Monitoring and reporting program



Matter	Consideration for Stage 2 LHS and preparation and assessment of planning proposals
Implementation	<p>Stage 2 and any 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. This is encouraged to be informed by resourcing and budgets to demonstrate how housing targets will be delivered. The implementation plan should specifically address:</p> <ol style="list-style-type: none">1. Housing Growth and Location Clarification of the 6-10 year and 10-20 year housing targets. The LHS should include 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, along with any opportunity areas for future residential development.2. Medium Density Housing Stage 2 of the LHS should identify mechanisms to deliver medium density housing, including details of baseline supply and demand studies, investigation of housing typologies and land suitability, and potential future residential areas.3. Affordable Housing Contribution Scheme Council's LHS has not committed to an affordable housing target or scheme. Action 17 of the South District Plan requires Council to prepare an affordable housing contribution scheme, therefore in accordance with the approval of the LHS Council must 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 with regard to affordable housing provision. It should 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 Greater Sydney Region Plan key parameters for successful implementation of Affordable Rental Housing Targets and the NSW Government's Guideline for Developing an Affordable Housing Contribution Scheme.4. Seniors Housing Council's LHS has not provided a monitor and review system for seniors housing and it is recommended that this be undertaken to establish housing targets for seniors housing. This will assist Council to understand whether future



Matter	Consideration for Stage 2 LHS and preparation and assessment of planning proposals
	changes to the LEP and/or DCP are required to incentivise or encourage housing diversity or in response to the new Housing Diversity Code once finalised.
Review and monitoring framework	Further 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	Stage 2 and any 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 Schools Infrastructure, 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.
Making appropriate provision for any additional housing opportunities that may arise out of sequence	<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:</p> <ul style="list-style-type: none"> • Strategic merit and case for change • Robust demographic evidence • Demand analysis and economic impacts • Infrastructure delivery and funding to be borne by the proponent • Stakeholder consultation and outcomes • Sustainability and resilience • Social and affordable housing contribution



Matter	Consideration for Stage 2 LHS and preparation and assessment of planning proposals
Community and Stakeholder Engagement	Incorporate findings of exhibition of Stage 2 LHS as well as relevant community and stakeholder engagement.
Consultation and engagement with agencies	<p>Council is to continue consultation with the following agencies:</p> <ul style="list-style-type: none"> • <u>TfNSW</u> in relation to: <ul style="list-style-type: none"> ○ the future growth of centres, specifically in place planning and to support forthcoming LEP amendments as a result of the LSPS and the Stage 2 LHS; and ○ the provision of adequate pedestrian facilities and amenities and the protection of strategic freight corridors. • <u>DPIE</u> - Council is encouraged to consult with the DPIE's Place and Housing Policy teams when preparing an Affordable Housing Contribution Scheme and to work with DPIE to identify opportunities to achieve affordable housing delivery in medium density residential rezoning. • <u>Schools Infrastructure NSW (SINSW)</u>: <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; and ○ 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>
Interdependencies with relevant local evidence base	Incorporate into Stage 2 of the LHS the findings and outcomes of the centres feasibility studies that are currently being undertaken by Council, along with any further evidence based used to develop the Stage 2 LHS.



Matter	Consideration for Stage 2 LHS and preparation and assessment of planning proposals
Data	
Clarification of 6-10 year and 10-20 year housing target	<p>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.</p> <p>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 division to resolve any variations in dwelling forecasts.</p>