

Item 3.2

Housing For All Into The Future

File No: S051491

Minute by the Lord Mayor

To Council:

Since 2004, the City has approved over 33,750 development applications (DAs) worth over \$50 Billion. These DAs have contributed to over 66,000 new homes.

The City is a leader in new housing, delivering the second highest number of new dwellings for any council area in NSW over the last 20 years. Our population has grown from 180,000 in 2011 to 235,000 in 2024 and is projected to exceed 300,000 by 2046.

The City remains at the forefront of delivering Australia's highest density residential areas, with half of the nation's most densely populated suburbs located here. This density is matched by diversity, reflected in a mix of traditional multi-storey terrace houses to newly planned medium and high-density urban renewal areas like Green Square and the Ashmore precinct. More than 97% of dwellings in our area are classed as medium or high density, compared to just 46% across Greater Sydney.

Increased density and height can be supported if they achieve public benefits like design excellence, high-quality public domain, well positioned open space, affordable housing, sustainability, public art, heritage conservation and infrastructure. By 2036 we expect 80% of the population to be living in an apartment. To support this high-density inner city living, we will continue to invest in high quality public domain, open space, and community facilities that are so vital.

We help deliver affordable rental housing alongside market housing, enabling people on low to moderate incomes to remain in our community, using every lever available to us to maximise delivery. We now have over 1,500 affordable and diverse rental dwellings in our local area - double what we had in 2015 - and we're expecting to reach more than 5,000 affordable homes by 2036.

Our existing planning controls have capacity for over 50,000 new homes, if they were all to be taken up. However, as we have highlighted many times, the construction industry has faced rising costs and shortage of labour and materials, financial constraints, and higher interest rates hampering housing delivery.

Regardless, we stand ready to enable the delivery of more housing by reviewing our planning controls, but it must be done with responsible planning and infrastructure delivery, in consultation with the community, as we have always done.

Local Strategic Planning Statement and Housing for All Strategy

In 2018, the former NSW Government introduced changes to the Environmental Planning and Assessment Act 1979 (the Act) to embed strategic planning into the NSW planning framework, which I strongly support in lieu of ad-hoc planning decisions to increase density.

Under the legislation, the NSW Government is responsible for preparing region and district plans, while local councils must develop Local Strategic Planning Statements (LSPS). The LSPS must be reviewed at least once every 7 years – by March 2027.

Our [City Plan 2036: City of Sydney Local Strategic Planning Statement](#) sets the City's vision on how it will change and grow, including 56,000 homes and 200,000 jobs by 2036. It aligns with Sustainable Sydney 2030-2050, our Central Sydney Planning Strategy and our planning controls.

Our [Housing for All: City of Sydney Local Housing Strategy](#) (Housing Strategy) accompanies the LSPS. It sets out the number of homes expected to be developed over 5, 10 and 20 years from 2016 to 2036 as well as planning priorities and actions to guide diverse, sustainable and well-designed housing to meet community needs at appropriate price points.

The Housing Strategy also sets a target that 7.5% of all private housing will be subsidised affordable rental housing for very low to moderate income households – an ambitious target that requires action from all levels of government.

Impressively, we have met 77% of our long-term housing target within just 9 years of our 20-year goal, with almost 25,000 dwellings built and almost 18,000 in the pipeline.

We have achieved many of the actions and projects identified in the LSPS including:

- Oxford Street Cultural and Creative Precinct planning controls
- A strategy for our Southern Employment Lands
- New planning controls in North Alexandria and Botany Road
- Net Zero planning controls
- Pyrmont and Ultimo planning controls, unlocking capacity for over 4,000 new homes
- Expanding our Affordable Housing contributions scheme across the whole City
- Finalising and implementing the Central Sydney Planning Strategy with nine planning proposals already approved, for buildings up to 300 metres high.

New Region Plan for Sydney

The NSW Government recently released the following documents without any warning just before the holiday period:

- The [draft Sydney Plan](#) (Region Plan)
- [A New Approach to Strategic Planning: Discussion Paper](#)
- [Statewide Policy for Industrial Lands](#)

Instead of long-term housing targets, the documents reiterate the 5-year short-term Housing Accord targets and repeat threats to councils who do not meet them.

The documents are focused on delivering more housing next to existing infrastructure in Sydney, with plans for other regions to be developed in future. I am concerned that the capacity of existing community infrastructure is inadequate to service the thousands of new residents councils are expected to accommodate in the short-term.

Positively, after years of our advocacy, the NSW Government is mandating that every council must have an affordable housing contribution scheme in place by 2027.

Planning for the future

The NSW Government's draft Sydney Plan sets out a clear expectation that councils should be reviewing their planning controls to ensure there is sufficient capacity for housing growth, and that the NSW Government will step in where councils fail to meet expectations.

Before the NSW Government released its draft Sydney Plan, the City has been busy proactively reviewing our LSPS to meet our statutory obligations. If we don't proceed with master planning for more housing in our area, we risk more ad-hoc planning decisions and approvals through alternative pathways such as the Housing Delivery Authority.

The City must remain in control of this planning process to ensure that additional housing is delivered in the most appropriate areas with consideration of amenity, infrastructure and local community needs, and not on a developer led basis.

We will continue to press the Department of Planning, Housing and Infrastructure as the Minister for Planning and Public Spaces said he would do in Parliament, to further strengthen the affordable housing criteria by supporting our program, and to respect new criteria relating to master planned precincts. Whether a proposal should be declared State Significant Development must consider whether a recent master planning process has already taken place.

It is critical that alongside this process, the NSW Government looks at its own sites suitable for housing in our area, which we estimate could accommodate up to 14,320 new homes based on existing and new planning controls, approvals and site capacity, including on vacant Transport for NSW land. The NSW Government must also set Sydney Metropolitan or statewide affordable housing targets on private and public land, not just general housing targets.

Recommendation

It is resolved that:

(A) Council note:

- (i) the City Plan 2036: City of Sydney Local Strategic Planning Statement (LSPS) was made in 2020 and sets the City of Sydney's vision on how it will change and grow including targets for 56,000 new homes and 200,000 jobs between 2016 and 2036;
- (ii) the Housing for All: City of Sydney Local Housing Strategy (Housing Strategy) accompanies the LSPS and sets a 20-year vision to help guide diverse, sustainable and well-designed housing in our area, including Affordable Housing, to meet community needs at appropriate price points;
- (iii) the City of Sydney is a leader in housing delivery, meeting 77% of our long-term housing target within just 9 years of our 20-year goal, with almost 25,000 dwellings built and almost 18,000 in the pipeline;
- (iv) the City is required to update our LSPS by March 2027 and staff have already begun preparing to review and revise the plans to meet its statutory obligations; and
- (v) the NSW Government released a draft Sydney Plan, A New Approach to Strategic Planning: Discussion Paper and the Statewide Policy for Industrial Lands which will be on public exhibition over the holiday period. These plans suggest the requirements and timeframe for councils to update their LSPS could change;

(B) the Chief Executive Officer be requested to:

- (i) review the draft Sydney Plan, A New Approach to Strategic Planning: Discussion Paper and the Statewide Policy for Industrial Lands and prepare a submission to be circulated to Councillors for feedback before finalisation;
- (ii) prepare a discussion paper to seek feedback on ideas and proposed changes to the LSPS and Housing Strategy, for Council's consideration; and
- (iii) as part of that work, develop an engagement plan for consultation on the discussion paper with the community, the Housing for All Advisory Panel and other relevant stakeholders; and

(C) the Lord Mayor be requested to write to the NSW Premier and the Minister for Planning and Public Spaces to:

- (i) welcome the requirement in the draft Sydney Plan that every council must have an affordable housing contribution scheme in place by 2027 and ask that these schemes must deliver income-based affordable rental housing in perpetuity;
- (ii) advise them of the City's plans to update the LSPS and our willingness to work with them to enable the delivery of more housing in our area through careful planning in consultation with the community;

- (iii) ensure that adequate new and upgraded infrastructure is delivered alongside new residential development;
- (iv) request that the NSW Government does not proceed with the declaration of State Significant Development for residential development in areas the City has already master planned or proposes to investigate for additional housing;
- (v) ask that the NSW Government investigates their own sites in our area for the delivery of more social, affordable and diverse housing; and
- (vi) again, ask that the NSW Government sets Sydney Metropolitan or statewide Affordable Housing targets including on NSW Government-owned land.

THE RT HON CLOVER MOORE AO

Lord Mayor of Sydney