

Mr Ben Taylor
Chief Executive Officer
Wollondilly Shire Council
PO Box 21
Picton, NSW 2571

Dear Mr Taylor

Wollondilly Shire Council Local Housing Strategy

Thank you for submitting Wollondilly Shire 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 Wollondilly Shire local government area (LGA) and a strong commitment to strategic planning.

I can confirm that I have determined to approve Wollondilly Council's LHS adopted by Council on 16 March 2021. My decision reflects the analysis undertaken to develop a comprehensive strategic planning and an evidence base to inform your LHS and to deliver the housing target of between 1,800 – 2,300 as set by Greater Sydney Commission (GSC) for the period 2021-26.

In doing so, I have determined that:

- The LHS addresses housing supply and has demonstrated that sufficient supply can be delivered predominantly through the current pipeline and existing capacity to meet the projected population growth during the 6-10 year period.
- The Department is satisfied that Council has a solid foundation from which secure sound housing diversity and affordability outcomes, subject to the requirements of approval.
- The LHS is not inconsistent with Section 9.1 Directions and SEPPs.
- The LHS is consistent with the Western City District Plan, subject to the requirements identified below and demonstrates good alignment with the Wollondilly Local Strategic Planning Statement (LSPS).

My approval is subject to the following requirements:

1. Council is to commit to a 6-10 year target for the period 2021/2026 of 1,800 to 2,300 dwellings target outlined in the GSC letter of assurance for Council's LSPS. This should be reflected in any further updates to the LHS.

2. Within six (6) months of Council receiving LHS approval, Council is to prepare and submit to DPIE a prioritised Implementation and Delivery Plan that clearly articulates the actions, capacity, roles and responsibilities and timing to facilitate housing supply, diversity and affordability between 2021 and 2026 and a broader program of 10 years plus.

The Plan should be prepared in consultation with DPIE, TfNSW, Sydney Water and the Western Sydney Planning Partnership, to ensure any critical interdependencies are satisfactorily resolved. As per the LHS, implementation priority should be given to the identified growth areas including the Greater Macarthur Growth Area.

In undertaking this work, Council is to review and confirm the methodology used to identify additional dwelling capacity within the existing urban zoned areas of local centres/villages, (outside of the Wilton and Greater Macarthur Growth Areas) having regard to natural constraints, infrastructure requirements and likely dwelling yields.

3. Council is to include new actions in the Implementation and Delivery Plan which:
 - a) Reflect the commencement and progression of land use changes and other appropriate controls through the LEP and DCP as per Section 2.7.3 of the LHS for Tahmoor, Picton and Thirlmere to ensure housing diversity outcomes are achieved and align with the actions and priorities of the MRA;
 - b) Reflect and include the outcome of the Wilton Town Centre planning proposal as well as the outcome of the TAP pilot program for Appin/North Appin, as this relates to the Wollondilly Local Government Area.
 - c) Establish the framework for managing housing across the Metropolitan Rural Area (MRA), including the recommendations of the Rural Lands Strategy when finalised.

The new actions should also be included in future iterations of the LHS.

4. Council is to finalise the Hazards Analysis and Emergency Management Study by the end of 2022 and subsequently progress with implementation of the study's recommendations.

Based on the targeted recommendations from this study, Council is to aim to progress planning for:

- a) the existing centres of Tahmoor, Thirlmere and Picton that will deliver housing diversity related actions that are able to be implemented through the LEP and DCP where this aligns with the actions and priorities of protecting the Metropolitan Rural Area (MRA). It is noted that priority has been given Picton Place Strategy by Council;
- b) non-standard dwellings (seniors housing, boarding houses, group homes etc) as part of future stages of the Wilton Growth Area.

5. Council's LHS should be revised and updated shortly after the strategic planning directions and infrastructure strategy are determined for the Greater Macarthur Growth Area precincts of Appin and/or North Appin, as this relates to the Wollondilly LGA. The revised LHS is to reflect, give regard to and support implementation of these directions. Council's Implementation Plan should also be updated to reflect actions for Council to progress and set directions for these precincts.
6. Future iterations of the LHS are to be informed by detailed land use opportunities, constraints analysis and mapping to confirm medium and long term housing opportunities. This should:
 - a) be contextualised having regard to the Greater Sydney Region Plan (as current), Western City District Plan (as current), the Wollondilly LSPS (including any updates), Future Transport 2056, Greater Macarthur 2040 Interim Plan (as revised), delivered infrastructure reinvestments and the outcomes of the Hawkesbury Nepean Flood Study;
 - b) be undertaken in collaboration with relevant stakeholders, including DPIE, TfNSW, Resilience NSW, Infrastructure NSW, the State Emergency Service, Rural Fire Service and Sydney Water;
 - c) clearly articulate existing and future opportunities and constraints particularly when considering infrastructure provision;
 - d) proactively identify Council and State Government-owned sites that may be suitable for redevelopment, and particularly deliver affordable housing outcomes (in consultation with the identified landowners).
7. Future iterations of the LHS and planning proposals should be informed, or continued to be informed, by any supporting studies/investigations, such as Council's Rural Lands Strategy, The Centres Strategy, the Social Planning Strategy and the Wollondilly Hazards Analysis and Emergency Management Study. The future LHS as revised should also be informed by the planning and infrastructure outcomes and directions set by the Department's TAP pilot program for Appin/North Appin, as relevant to the Wollondilly LGA.
8. Future iterations of the LHS should clearly articulate the endorsed objectives, inter-relationship and any relevant actions by either cross referencing the Rural Lands Strategy or adopting key housing actions from the Rural Lands Strategy into the LHS. If there are any inconsistencies with the final Rural Lands Strategy or this approval or the Council's LHS, the terms of this approval are to prevail.
9. The Department supports the Council's draft Rural Lands Strategy Action 6.1 to not rezone any further land outside the existing village footprints for further residential purposes unless:
 - It is compatible with the Metropolitan Rural Area as identified in the Greater Sydney Region Plan;
 - It is consistent with Council's Agricultural Viability Study recommendations (once the study is completed);
 - An infrastructure strategy can be implemented to support further development;

- It is consistent with the Council's Hazards Analysis and Emergency Management Study recommendations (once the study is completed); and
 - Council has consulted GSC on any potential inconsistencies with the District Plan (as current).
10. 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 Action 18 of the Western City District Plan. The LHS can also be amended to include an Action for Council to consider the outcomes or use the Western Sydney Housing Affordability Strategy when finalised.
 11. 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. A monitoring and review system will ensure that appropriate mechanisms can be identified and implemented to meet Council's housing needs. Council may wish to link this with the Department's Housing Evidence and Insights division.
 12. Council is to prepare principles for assessing proponent-initiated requests for planning proposals for residential or rural residential development, including out-of-sequence criteria to consider any additional opportunities for growth that are not identified in its LHS, or for urban renewal opportunities.
 13. 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).
 14. Council is to 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 Wollondilly Shire 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 Planning Portal alongside the letter of approval and advisory notes.

Should you have any further questions, please contact Dominic Stefan, Specialist Planner on 02 8275 1024.

Yours sincerely



Amanda Harvey
Executive Director: Local Strategies and Plan Making

9 September 2021

Encl: Advisory Notes



Wollondilly 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	Future iterations of the LHS should be underpinned by an Implementation and Delivery Plan with a priority work program, clearly defined roles and actions, capacity and potential yield, responsibilities and definitive timeframes with risks and dependencies identified. The Plan should be prepared in consultation with the Department, Transport for NSW (TfNSW) and the Western Sydney Planning Partnership, 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. The implementation plan should specifically address work streams related to items identified in the LHS Actions, including:- • confirmation which Place Plans Council would be progressing, their intended outcomes and timeframes • outcomes associated with Wilton growth area, and in particular the Wilton town centre. • recognising any outcomes or potential dwelling capacity arising from the Greater Macarthur Growth Area (Technical Assurance Panel (TAP) pilot program related to Picton and Appin/North Appin.
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 Local Strategic Planning Statement (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

Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
	services. 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 School 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. The Productivity Commission's Recommendation 4.1 encourages Council to concurrently exhibit future planning proposals with new or updated contribution plans. This should be considered as part of housing in the future.
Making appropriate provision for any additional housing opportunities that may arise out of sequence	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: • 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
Community and Stakeholder Engagement	Incorporate the findings of any future relevant community and stakeholder engagement.
Consultation and engagement with agencies	Council should continue consultation with the following agencies: • TfNSW in relation to planning for city-shaping and city-serving transport initiatives in Future Transport 2056 and alignment with Council-led transport infrastructure initiatives. • SINSW: ○ 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:

Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
	- 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. 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. • The Department in relation to: ○ potential opportunities to unlock barriers posed by the challenges of land fragmentation and its impact on the expected levels of housing delivery; ○ Council's Rural Lands Strategy regarding the need for approval to inform LEP updates.
Affordable Housing	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. Notwithstanding potential issues related to development feasibility, Action 18 of the Western City 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. 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> Council should continue to work with other councils in the Western Sydney Planning Partnership to assess options and the viability of affordable rental housing as part of the development of an Affordable Housing Strategy and AHCS.
Seniors housing and need for housing diversity	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.

Matter	Consideration for future LHS updates and preparation and assessment of planning proposals
	Council is encouraged to manage and expedite planning proposal processes, particularly where they will secure diversity and affordability outcomes and in particular support key cohorts such as seniors housing, affordable housing and other typologies that suit the changing needs of existing and future households in identified investigation areas. Future iterations of the LHS could be substantially strengthened through the inclusion of a finer grain analysis of population cohorts, housing supply and demand by typology to determine future implications.
Interdependencies with relevant local evidence base	Incorporate the findings and outcomes of latest studies, policies and State-led precinct plans prepared since the publication and release of the LHS, including but not limited to: • Rural Lands Strategy • Centres Strategy • Social Planning Strategy • Wollondilly Hazards Analysis and Emergency Management Study (once completed) • Wollondilly Shire Wide Flood Study (once completed) • Western City Affordable Housing Strategy, and • Sydney Water Growth Servicing Plan 2020-2025 (recently updated).
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.	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. Future iterations of the LHS be required to give due consideration to housing needs based on the LGA's future household composition in the context of existing, committed and planned infrastructure investment, as well as key State government programs (such as Wilton and Greater Macarthur 2040 Interim Plan).

Department of Planning and Environment

Our ref: 21/539

Mr Ben Taylor
Chief Executive Officer
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Subject: Wollondilly Local Housing Strategy and the Greater Macarthur Growth Area

Dear Mr Taylor

Thank you for Council's continued collaboration across implementation of the Wollondilly Local Housing Strategy (LHS) and the Greater Macarthur Growth Area Technical Assurance Panel (TAP) program.

As you would be aware, the Department has now finalised the TAP program for two precincts in the Greater Macarthur Growth Area – Appin and Gilead. The Department also published an update to the Greater Macarthur 2040 Plan in December 2021.

The Department notes that requirement 3(b) and 5 of Council's LHS approval requires council to update its LHS to reflect the outcomes of the TAP program and strategic planning directions for the Greater Macarthur Growth Area precincts of Appin and/or North Appin.

While I appreciate Council's LHS describes planning for the Greater Macarthur Growth Area to be a long-term housing opportunity beyond 2041, the final TAP advice notes that housing demand would exceed the current planned supply in the Western City District, including the Wilton and South West Growth Areas.

This update and the findings of the TAP outline the strategic planning direction for the Greater Macarthur Growth Area. Statements referring to Greater Macarthur being delivered after 2041 are now superseded as endorsed State-led strategies or plans prevail in the event of any inconsistencies with Council's LHS.

In order to address the above requirements of Council's LHS approval, the Department recommends council reflect the outcomes of the TAP in their Implementation and Delivery Plan which supports the LHS to reflect the strategic direction for the Greater Macarthur Growth Area in the short term.

Department of Planning and Environment

The Department will continue to support council in the implementation of its LHS and achieving housing outcomes. Should you have any further questions in relation to this matter please don't hesitate to contact Sara Roach, Director Metro Housing Programs on (02) 8275 1704 or sara.roach@dpie.nsw.gov.au.

Yours sincerely,

A handwritten signature in black ink that reads "Marcus Ray".

Marcus Ray
Deputy Secretary
NSW Planning

20/10/2022