



STRATEGIC PLANNING AND DEVELOPMENT COMMITTEE MEETING

A meeting of the STRATEGIC PLANNING AND DEVELOPMENT COMMITTEE will be held at Waverley Council
Chambers,
Cnr Paul Street and Bondi Road, Bondi Junction at:

7.30 PM, TUESDAY 4 APRIL 2023

Emily Scott
General Manager

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Delegations of the Waverley Strategic Planning and Development Committee

On 10 October 2017, Waverley Council delegated to the Waverley Strategic Planning and Development Committee the authority to determine any matter **other than**:

1. Those activities designated under s 377(1) of the *Local Government Act* which are as follows:
 - (a) The appointment of a general manager.
 - (b) The making of a rate.
 - (c) A determination under section 549 as to the levying of a rate.
 - (d) The making of a charge.
 - (e) The fixing of a fee
 - (f) The borrowing of money.
 - (g) The voting of money for expenditure on its works, services or operations.
 - (h) The compulsory acquisition, purchase, sale, exchange or surrender of any land or other property (but not including the sale of items of plant or equipment).
 - (i) The acceptance of tenders to provide services currently provided by members of staff of the council.
 - (j) The adoption of an operational plan under section 405.
 - (k) The adoption of a financial statement included in an annual financial report.
 - (l) A decision to classify or reclassify public land under Division 1 of Part 2 of Chapter 6.
 - (m) The fixing of an amount or rate for the carrying out by the council of work on private land.
 - (n) The decision to carry out work on private land for an amount that is less than the amount or rate fixed by the council for the carrying out of any such work.
 - (o) The review of a determination made by the council, and not by a delegate of the council, of an application for approval or an application that may be reviewed under section 82A of the *Environmental Planning and Assessment Act 1979*.
 - (p) The power of the council to authorise the use of reasonable force for the purpose of gaining entry to premises under section 194.
 - (q) A decision under section 356 to contribute money or otherwise grant financial assistance to persons,
 - (r) A decision under section 234 to grant leave of absence to the holder of a civic office.
 - (s) The making of an application, or the giving of a notice, to the Governor or Minister.
 - (t) This power of delegation.
 - (u) Any function under this or any other Act that is expressly required to be exercised by resolution of the council.
2. Despite clause 1(i) above, the Waverley Strategic Planning and Development Committee does not have delegated authority to accept any tenders.
3. The adoption of a Community Strategic Plan, Resourcing Strategy and Delivery Program as defined under sections 402, 403, and 404 of the *Local Government Act*.

Statement of Ethical Obligations

Councillors are reminded of their oath or affirmation of office made under section 233A of the Act and their obligations under Council's code of conduct to disclose and appropriately manage conflicts of interest.

Live Streaming of Meeting

This meeting is streamed live via the internet and an audio-visual recording of the meeting will be publicly available on Council's website.

By attending this meeting, you consent to your image and/or voice being live streamed and publicly available.

AGENDA

PRAYER AND ACKNOWLEDGEMENT OF INDIGENOUS HERITAGE

The Chair will read the following Opening Prayer and Acknowledgement of Indigenous Heritage:

God, we pray for wisdom to govern with justice and equity. That we may see clearly and speak the truth and that we work together in harmony and mutual respect. May our actions demonstrate courage and leadership so that in all our works thy will be done. Amen.

Waverley Council respectfully acknowledges our Indigenous heritage and recognises the ongoing Aboriginal traditional custodianship of the land which forms our Local Government Area.

1. Apologies/Leaves of Absence

2. Declarations of Pecuniary and Non-Pecuniary Interests

3. Addresses by Members of the Public

4. Confirmation of Minutes

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5. Reports

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6. Urgent Business

7. Closed Session 98

The following matters are proposed to be dealt with in Closed Session and have been distributed to Councillors separately with the Agenda:

PD/7.1/23.04	CONFIDENTIAL REPORT - 194-214 Oxford Street and 2 Nelson Street, Bondi Junction - Use of Council Land
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8. Resuming Open Session 100

9. Meeting Closure

CONFIRMATION OF MINUTES

PD/4.1/23.04



Subject: Confirmation of Minutes - Strategic Planning and Development Committee Meeting - 7 March 2023

TRIM No: SF23/18

Author: Al Johnston, Governance Officer

RECOMMENDATION:

That the minutes of the Strategic Planning and Development Committee Meeting held on 7 March 2023 be received and noted, and that such minutes be confirmed as a true record of the proceedings of that meeting.

Introduction/Background

The minutes of committee meetings must be confirmed at a subsequent meeting of the committee, in accordance with clause 20.23 of the Code of Meeting Practice.

Attachments

1. Strategic Planning and Development Committee Meeting Minutes - 7 March 2023 .



**MINUTES OF THE STRATEGIC PLANNING AND DEVELOPMENT COMMITTEE MEETING
HELD AT WAVERLEY COUNCIL CHAMBERS, CNR PAUL STREET AND BONDI ROAD, BONDI JUNCTION ON
TUESDAY, 7 MARCH 2023**

Present:

Councillor Steven Lewis (Chair)	Hunter Ward
Councillor Paula Masselos (Mayor)	Lawson Ward
Councillor Elaine Keenan (Deputy Mayor)	Lawson Ward
Councillor Sally Betts	Hunter Ward
Councillor Ludovico Fabiano	Waverley Ward
Councillor Leon Goltsman	Bondi Ward
Councillor Michelle Gray	Bondi Ward
Councillor Tony Kay	Waverley Ward
Councillor Tim Murray	Waverley Ward
Councillor Dominic Wy Kanak	Bondi Ward

Staff in attendance:

Emily Scott	General Manager
Sharon Cassidy	Director, Assets and Operations
Tara Czinner	Director, Corporate Services
Fletcher Rayner	Director, Planning, Sustainability and Compliance
Ben Thompson	Director, Community, Culture and Customer Experience

At the commencement of proceedings at 8.10 pm, those present were as listed above.

Crs Betts, Goltsman, Gray, Kay and Keenan attended the meeting by audio-visual link.

PRAYER AND ACKNOWLEDGEMENT OF INDIGENOUS HERITAGE

The General Manager read the following Opening Prayer and Acknowledgement of Indigenous Heritage:

God, we pray for wisdom to govern with justice and equity. That we may see clearly and speak the truth and that we work together in harmony and mutual respect. May our actions demonstrate courage and leadership so that in all our works thy will be done. Amen.

Waverley Council respectfully acknowledges our Indigenous heritage and recognises the ongoing Aboriginal traditional custodianship of the land which forms our local government area.

1. Apologies

Apologies were received from Cr Angela Burrill and Cr Will Nemesh.

2. Declarations of Pecuniary and Non-Pecuniary Interests

The Chair called for declarations of interest and none were received.

3. Addresses by Members of the Public

There were no addresses by members of the public.

4. Confirmation of Minutes

PD/4.1/23.03 Confirmation of Minutes - Strategic Planning and Development Committee Meeting - 7 February 2023 (SF23/18)

MOTION / UNANIMOUS DECISION

Mover: Cr Lewis
Seconder: Cr Masselos

That the minutes of the Strategic Planning and Development Committee meeting held on 7 February 2023 be received and noted, and that such minutes be confirmed as a true record of the proceedings of that meeting.

5. Reports

PD/5.1/23.03 Waverley Development Contributions Plan 2006 (Amendment No. 9) – Adoption (A23/0030)

MOTION / UNANIMOUS DECISION

Mover: Cr Lewis
Seconder: Cr Murray

That Council adopts the Waverley Development Contributions Plan 2006 (Amendment No. 9) attached to the report.

PD/5.2/23.03 Managing Conflicts of Interest for Council-related Development Policy - Exhibition (A23/0076)

MOTION / UNANIMOUS DECISION

Mover: Cr Masselos
Seconder: Cr Fabiano

That Council:

1. Publicly exhibits the Managing Conflicts of Interest for Council-related Development Policy attached to the report for 28 days.
2. Officers prepare a report to Council following the exhibition period.

PD/5.3/23.03 Pesticide Use Notification Plan 2023 - Adoption (A06/0333)

MOTION / UNANIMOUS DECISION

Mover: Cr Gray
Seconder: Cr Keenan

That Council adopts the Pesticide Use Notification Plan 2023 attached to the report.

6. Urgent Business

There was no urgent business.

7. Closed Session

PD/7/23.03 Closed Session

MOTION / UNANIMOUS DECISION

Mover: Cr Lewis
Seconder: Cr Murray

That:

1. Council moves into closed session to deal with the matters listed below, which are classified as confidential under section 10A(2) of the *Local Government Act* for the reasons specified:

PD/7.1/23.03 CONFIDENTIAL REPORT - Development Application Fees

This matter is considered to be confidential in accordance with section 10A(2)(g) of the *Local Government Act*, and Council is satisfied that discussion of the matter in an open meeting would, on balance, be contrary to the public interest as it deals with advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege.

2. Pursuant to sections 10A(1), 10(2) and 10A(3) of the *Local Government Act*, the media and public be excluded from the meeting on the basis that the business to be considered is classified as confidential under section 10A(2) of the *Local Government Act*.
3. The correspondence and reports relevant to the subject business be withheld from the media and public as provided by section 11(2) of the *Local Government Act*.

At 8.23 pm, Council moved into closed session.

PD/7.1/23.03 CONFIDENTIAL REPORT - Development Application Fees (A23/0004)**MOTION / UNANIMOUS DECISION**

Mover: Cr Masselos
Seconder: Cr Wy Kanak

That Council:

1. Treats the report as confidential in accordance with section 11(3) of the *Local Government Act 1993*, as it relates to a matter specified in section 10A(2)(g) of the *Local Government Act 1993*. The report contains advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege.
2. Approves Option 1, as set out in the report, regarding development application fees.

8. Resuming in Open Session**PD/8/23.03 Resuming in Open Session****MOTION / UNANIMOUS DECISION**

Mover: Cr Masselos
Seconder: Cr Goltsman

That Council resumes in open session.

At 8.29 pm, Council resumed in open session.

Resolutions from closed session made public

In accordance with clause 14.21 of the Waverley Code of Meeting Practice, when the meeting resumed in open session the chair announced the resolutions made by Council while the meeting was closed to members of the public and the media.

9. Meeting Closure

THE MEETING CLOSED AT 8.30 PM.

.....
SIGNED AND CONFIRMED
CHAIR
4 APRIL 2023

REPORT

PD/5.1/23.04



Subject: Mill Hill Heritage Conservation Area Rezoning

TRIM No: PP-3/2022

Author: George Bramis, Executive Manager, Urban Planning

Director: Fletcher Rayner, Director, Planning, Sustainability and Compliance

RECOMMENDATION:

That Council:

1. Notes the Department of Planning and Environment's rejection of the planning proposal to downzone the Mill Hill Heritage Conservation Area from R3 Medium Density Residential to a R2 Low Density Residential zone.
2. Notifies the Mill Hill/Bondi Junction and Queens Park Precinct Committees of the decision.

1. Executive Summary

The NSW Department of Planning and Environment has advised it does not support the Mill Hill Heritage Conservation Area planning proposal. On 5 April 2022, Council resolved to amend the *Waverley Local Environmental Plan 2012* (WLEP) by changing the land use zone from Zone R3 Medium Density Residential to Zone R2 Low Density Residential.

The proposal sought to amend the WLEP2012 as follows:

- Amend the residential zoning within the subject area from R3 Medium Density Residential to R2 Low Density Residential.
- Amend the floor space ratio (FSR) from 0.9:1 of the subject area to 0.55:1.
- Amend the height of building development standards from 9.5 m to 8.5 m.

2. Introduction/Background

The Mill Hill Heritage Conservation Area (Mill Hill HCA) takes in the majority of land to the south of Oxford Street, east of York Road and St James Road, south of Ebley Street, west of Bronte Road and North of Birrell Street in Bondi Junction and is within a Heritage Conservation Area listed under schedule 5, part 12 (Heritage Conservation Area), of the WLEP.

The Mill Hill HCA is zoned R3 Medium Density Residential in the WLEP and forms a transition zone between Bondi Junction, zoned B4 Mixed Use and the R2 Low-Density Residential zone south of Birrell Street in Queens Park.

The subject area is predominantly residential with several other uses including a delicatessen, a service station, a storage facility, childcare facilities, an early education centre, a dry cleaner and health consulting rooms. The majority of existing housing is attached, with some multi-dwelling housing, semi-detached and detached dwellings.

3. Relevant Council resolutions

Meeting and date	Item No.	Resolution
Strategic Planning and Development Committee 5 April 2022	PD/5.1/22.04	That Council: <ol style="list-style-type: none"> 1. Proceeds with the rezoning of the Mill Hill Heritage Conservation Area from R3 Medium Density Residential to R2 Low Density Residential. 2. After further investigation, implements all necessary changes to the permitted uses in the R2 Low Density Residential Zone in the <i>Waverley Local Environmental Plan 2012</i>.
Council 20 July 2021	CM/8.7/21.07	That Council: <ol style="list-style-type: none"> 1. Reviews the zoning classification for the Mill Hill Conservation area from R3 to R2 to better reflect the character and heritage of the local area. 2. If feasible, amends the Waverley Local Environmental Plan to clarify which commercial projects can operate in a R3 zone and that must genuinely service the immediate community. 3. Writes to the NSW Planning and Open Spaces Minister, Rob Stokes, local MPs Dr Marjorie O'Neil and Gabrielle Upton, and LGNSW President, Linda Scott, demanding the return of planning decisions to elected members of local councils, as residents deserve a planning system that protects them. 4. Notes that these changes are necessary as the current planning system takes the power away from residents and locally elected representatives and gives power over planning to developers. 5. Officers report back to Council on the matters raised in clauses 1 and 2 above.

4. Discussion

At the Strategic Planning and Development Committee held on 5 April 2022, Council considered a report on the rezoning of the Mill Hill Conservation Area, in response to a previous resolution (see above) and resolved to proceed with a planning proposal.

On 25 October 2022, the proposal was reported to the Waverley Local Planning Panel (WLPP) for advice and was not supported for the following reasons:

1. *The Panel does not support the planning proposal to downzone the Mill Hill Heritage Conservation Area from R3 to R2 due to a lack of both Strategic Merit and Site-Specific Merit. In addition, the planning proposal is inconsistent with both the Local Strategic Planning Statement and Local Housing Strategy, which both have actions to achieve housing targets*

within existing planning controls.

2. *The planning proposal lacks Site Specific Merit due to inconsistency with the existing medium-density built form and character of the area, considering the narrow lot sizes and historical subdivision patterns within the Heritage Conservation Area. Planning Panel notes the reason behind the rezoning of Mill Hill HCA; however, the planning proposal would not achieve Council's objective to limit the permissible uses in the Mill Hill Conservation Area. 'Medical centres' would still be permissible in the R2 Low-Density Residential zone under the Infrastructure State Environment Planning Policy.*
3. *We note and agree with the conclusion reached in the Council officers report to April Strategic Planning and Development Committee in April 2022.*

The planning proposal was forwarded to the Department of Planning and Environment for Gateway determination. On 13 December 2022, the Department advised it would not support the proposed zoning and development standard changes on the following grounds:

At a strategic level, the proposal is not considered to meet the relevant priorities of the Eastern City District Plan, Waverley Local Strategic Planning Statement and Local Housing Strategy, due to the potential impacts on housing diversity and delivery in a location that is within close proximity to the Bondi Junctions strategic centre.

There is a lack of evidence to suggest that the existing planning controls would result in adverse impacts on the heritage significance of the Mill Hill HCA. The proposal would also affect the ability of landowners to undertake alterations and additions to existing buildings due to the reduction to the development standards.

See Attachment 1 (cover letter from the Department) and Attachment 2 (Gateway determination).

5. Financial impact statement/Time frame/Consultation

Financial impact statement

There have been no upfront or recurrent costs associated with this planning proposal other than staff costs associated with the administration, assessment and reporting.

Consultation

As the planning proposal was refused by the Department, there is no public exhibition or further consultation. The local Bondi Junction Mill Hill and Queens Park Precincts will be notified of the decision.

6. Conclusion

An amendment to WLEP2012 to change the zoning of the Mill Hill Heritage Conservation Area from R3 Medium Density Residential to R2 Low Density Residential was not supported by the Department of Planning and Environment. The proposal was assessed by the Department as inconsistent with the relevant priorities of the Eastern City District Plan, Waverley Local Strategic Planning Statement and Local Housing Strategy due to the potential impacts on housing diversity.

7. Attachments

1. DPE cover letter [↓](#)
2. Gateway determination [↓](#)

**Department of Planning and Environment**

Ms Emily Scott
General Manager
Waverley Council
PO Box 9
BONDI JUNCTION NSW 1355

Our ref: IRF22/3999

Via email: info@waverley.nsw.gov.au

Dear Ms Scott

Planning proposal PP-2022-3853 to amend Waverley Local Environmental Plan 2012

I am writing in response to the planning proposal you have forwarded to the Minister under section 3.34(1) of the *Environmental Planning and Assessment Act 1979* (the Act) to amend Waverley Local Environmental Plan (LEP) 2012 to change the land use zone from R3 Medium Density Residential to R2 Low Density Residential, decrease the height of buildings control to 8.5m and decrease the floor space ratio (FSR) control to 0.55:1, in respect to land in the Mill Hill Heritage Conservation Area (HCA).

As delegate of the Minister for Planning and Homes, I have determined that the planning proposal should not proceed. In reaching this decision, I have carefully considered the merit and rationale of the proposal.

The Department understands Council's concerns regarding a recent development approval for a medical centre within the HCA, which triggered a resolution to review the zoning of the area. However, the proposal has not established the need for amendments to the existing zoning and development standards applicable to the HCA, especially given the diverse housing types, built forms and the presence of non-residential uses that characterise the area.

At a strategic level, the proposal is not considered to meet the relevant priorities of the Eastern City District Plan, Waverley Local Strategic Planning Statement and Local Housing Strategy, due to the potential impacts on housing diversity and delivery in a location that is within close proximity to the Bondi Junctions strategic centre.

There is a lack of evidence to suggest that the existing planning controls would result in adverse impacts on the heritage significance of the Mill Hill HCA. The proposal would also affect the ability of landowners to undertake alterations and additions to existing buildings due to the reduction to the development standards.

I note Council officer's recommendation in the report to the Strategic Planning and Development Committee meeting of 5 April 2022 to not pursue a rezoning of the Mill Hill HCA, and that the Waverley Local Planning Panel has also advised against the planning proposal due to the lack of strategic and site-specific merit.

In light of the above, the Department does not support the planning proposal. However, I encourage Council to explore alternative planning pathways, such as provisions and guidance in the Development Control Plan, to ensure high-quality design and amenity outcomes are achieved for infill developments within the HCA.

Should you have any enquiries about this matter, I have arranged for Mr Simon Ip, Manager, Place and Infrastructure to assist you. Mr Ip can be contacted on 8289 6714.

Yours sincerely



Amanda Harvey
Executive Director, Metro East and South
Planning and Land Use Strategy

13 December 2022

Encl: Gateway determination



Department of Planning and Environment

Gateway Determination

Planning proposal (Department Ref: PP-2022-3853): *to amend the Waverley Local Environmental Plan (LEP) 2012 by changing the land use zone from R3 Medium Density Residential to R2 Low Density Residential, decrease the height of buildings control to 8.5m and decrease the floor space ratio (FSR) control to 0.55:1, as applying to land in the Mill Hill Heritage Conservation Area.*

I, the Executive Director, Metro East and South at the Department of Planning and Environment, as delegate of the Minister for Planning and Homes, have determined under section 3.34(2) of the *Environmental Planning and Assessment Act 1979* (the Act) that an amendment to the Waverley Local Environmental Plan 2012 to change the land use zone from R3 Medium Density Residential to R2 Low Density Residential, decrease the maximum height of buildings control to 8.5m and decrease the maximum floor space ratio control to 0.55:1 in respect to land in the Mill Hill Heritage Conservation Area, should not proceed.

The reasons for the Gateway determination are:

1. The planning proposal has not demonstrated adequate strategic merit as:
 - a) The proposal has not demonstrated the need for the rezoning and amendment to the FSR and height of buildings standards.
 - b) The inconsistency with the following Planning Priorities of the Eastern City District Plan, which gives effect to the Greater Sydney Region Plan, is unresolved due to the potential impact on housing diversity and supply in an accessible location close to the Bondi Junction strategic centre, and that a more restricted range of commercial uses would result from the rezoning:
 - i. E3 *Providing services and social infrastructure to meet people's changing needs;*
 - ii. E5 *Providing housing supply, choice and affordability, with access to jobs, services and public transport;* and
 - iii. E10 *Delivering integrated land use and transport planning and a 30-minute city.*
 - c) The proposal does not adequately address consistency with the Waverley Local Strategic Planning Statement (LSPS). The inconsistency with the following Planning Priorities in the LSPS remains unresolved due to the potential impacts on housing supply and diversity in an accessible location close to the Bondi Junction strategic centre and public transport:
 - I. Priority 6 *Facilitate a range of housing opportunities in the right places to support and retain a diverse community;* and
 - II. Priority 8 *Connect people to inspiring and vibrant places, and provide easy access to shops, services and public transport.*
 - d) The proposal is inconsistent with the following priorities of the Waverley Local Housing Strategy for the above-mentioned reasons:
 - I. H1 *Manage housing growth sustainably and in the right location;* and
 - II. H2 *Encourage a range of housing options to support and retain a diverse community.*

PP-2022-3853 (IRF22/3999)

- e) The inconsistency with Section 9.1 Ministerial Directions – 5.1 Integrating Land Use and Transport and 6.1 Residential Zones is not adequately justified and remains unresolved.
- 2. The planning proposal has not demonstrated adequate site-specific merit as:
 - a) The proposal is inconsistent with the existing medium density residential uses, built form and local character of the Mill Hill HCA;
 - b) There is a lack of justification that the existing zoning and development standards would result in detrimental impacts on the heritage significance of the Mill Hill HCA;
 - c) The proposal would unreasonably limit the ability of landowners to make alterations and additions to their properties; and
 - d) The proposal would result in negative social and economic impacts by discouraging housing diversity and prohibiting certain commercial uses that could service the local community.
- 3. The planning proposal has not adequately explained the intended amendments to the LEP with sufficient clarity.

Dated 13th day of December 2022.



Amanda Harvey
Executive Director, Metro East and South
Planning and Land Use Strategy
Department of Planning and Environment

Delegate of the Minister for Planning

PP-2022-3853 (IRF22/3999)

REPORT

PD/5.2/23.04



Subject: Innovation Roadmap 2025 - Adoption

TRIM No: A21/0514

Author: George Bramis, Executive Manager, Urban Planning

Director: Fletcher Rayner, Director, Planning, Sustainability and Compliance

RECOMMENDATION:

That Council adopts the Innovation Roadmap 2025 attached to the report.

1. Executive Summary

The Innovation Roadmap 2025 responds to Council resolutions to position the Waverley local government area (LGA) as an innovative and economically resilient community moving into the future. It proposes actions under three key themes over a 24-month period.

The draft roadmap was publicly exhibited from 30 January 2023 to 24 February 2023, whereby four submissions were received as detailed in this report. In response, it is recommended that Council adopts the Innovation Roadmap 2025 attached to this report.

2. Introduction/Background

To become a more innovative and economically resilient community, Council's roadmap seeks to support local entrepreneurs and the growing innovation ecosystem for sustainable job growth. Although Council has limited influence over job creation, the actions and direction of the roadmap are based on extensive research and consultation with the local business community to support this outcome.

At its meeting in December 2022, Council endorsed public exhibition of the draft Waverley Innovation Roadmap 2025, which was exhibited from 30 January 2023 to 24 February 2023. Four submissions were received during the exhibition period, and are summarised in this report.

3. Relevant Council Resolutions

Meeting and date	Item No.	Resolution
Strategic Planning and Development Committee 6 December 2022	PD/5.2/22.12	That Council: <ol style="list-style-type: none"> Publicly exhibits the draft Innovation Roadmap 2025 attached to the report for a minimum of 28 days. Officers prepare a report to Council following the exhibition period.
Strategic Planning and Development Committee	PD/5.2/21.06	That Council: <ol style="list-style-type: none"> Endorses the methodology to prepare the Jobs and

8 June 2021		<p>Innovation Discussion Paper as set out in the report.</p> <p>2. Receives a report at the conclusion of the research.</p>
<p>Council 16 February 2021</p>	CM/6.3/21.02	<p>That Council:</p> <p>1. Notes:</p> <ul style="list-style-type: none"> (a) The recent Bondi Junction Planning Proposal that aims to help protect Waverley's commercial floor space. (b) That many commercial areas abut residential areas and have impacts upon our residents and community. (c) That for Waverley to retain Bondi Junction's status as a strategic centre it must have a minimum of 10,000 local jobs. (d) The work to date concerning innovation and economic development aimed at positioning Waverley as the place for 21st century jobs. (e) The planned jobs innovation summit planned for April 2021. <p>2. Progresses a preliminary discussion paper that:</p> <ul style="list-style-type: none"> (a) Investigates job creation strategies for jobs of the future that will be able to accommodate 21st century needs. (b) Identifies suitable anchor businesses and types of commercial buildings that may be required in the medium to longer term to accommodate these jobs. (c) Considers how existing commercial areas that abut residential areas impact our residents, the community and amenity. (d) Identifies key strategic elements to be addressed in a comprehensive and integrated strategic plan that provides a coherent roadmap, including Council's role from economic development and planning perspectives, for achieving outcomes. (e) Builds upon the outcomes of the Innovation Summit and other relevant work being undertaken by the Economic Development team. (f) Places the Waverley local government area at the forefront of this work.

		<p>3. Continues to fund participation in the Property Council Office Market Report for Bondi Junction for a further two years to 2023.</p> <p>4. Officers identify a budget allocation from Council budgets as well as potential grants that may be available to pursue work in this area.</p> <p>5. Officers report back to the April Council meeting with an action plan and timetable for the development of this discussion paper including a consultation process and stakeholder engagement list.</p>
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4. Discussion

Council has undertaken a range of projects and strategies to foster local innovation. This is supported by the Community Strategic Plan 2032 pillar of innovation. The plan intends to position Waverley as a knowledge-driven, innovative, and digitally connected community.

Waverley has a high concentration of entrepreneurs and registered businesses which often develop innovative ideas into tangible business success. Council can play multiple roles in supporting local innovation, reducing risks and barriers for innovation to grow, collaboration on research and development, and adopting supportive policies.

To avail benefits of innovation, the approach to delivering the foundations of an innovation ecosystem is divided into three stages.

- Stage 1: research paper outlining trends, innovation in the context of Waverley, and developing a local innovation ecosystem.
- State 2: draft roadmap that provides high level strategies to foster innovation.
- Stage 3: implementation of the adopted roadmap.

The roadmap was developed in accordance with the best practice of the CITIE framework (City Initiatives for Technology, Innovation and Entrepreneurship). The framework provides understanding on how policy in key areas at the local level can be used in part, or whole, to support innovation and entrepreneurship. It offers a basis for Government to adapt the framework to suit any local community by leveraging its own strengths while reducing weaknesses. Strengths and weaknesses of the Waverley innovation ecosystem were identified, as well as gaps in community needs, to highlight three key focus areas for the roadmap.

Stage 2 – Draft roadmap

The vision for this roadmap is ‘Inspired by the future. Driven by ambition. Always resilient’. It reflects a point in time when businesses assess anticipated problems to identify market opportunities such as the pressure from climate change, growth of artificial intelligence, an aging population with greater health care needs and so on. The roadmap actions support the local business community with transitioning into the future and will nurture the growing local innovation ecosystem and encourage sustainable job growth. Actions reflect the three core principles of collaboration, resilience and being future ready.

The draft roadmap aims to position Waverley LGA as a more innovative and economically resilient community moving into the future. It helps strengthen the emerging local innovation ecosystem and respond to challenges the COVID-19 pandemic has presented. It also lays the foundations to enhance our capability as a strategic innovation centre based on our strengths and key industry sectors.

5. Financial impact statement/Time frame/Consultation

Financial impact statement

Several proposed actions are currently budgeted and in progress and will be reviewed quarterly.

Time frame

The draft roadmap covers a 24-month time frame.

Consultation

The draft roadmap was placed on public exhibition from 30 January to 24 February 2023. Four submissions were received that are summarised in the table below.

Table 1. Feedback

Themes feedback summary	Comment
<p>To consider the following actions prior to Boot Factory completion:</p> <ul style="list-style-type: none"> - Identify funding sources for new businesses and startups. - Provide mentor program and collaboration opportunities for businesses. - Develop two initiatives to attract new businesses to the LGA. <p>This will help seed growth of new businesses, entrepreneurs and start-ups within the community during completion of the roadmap.</p>	<p>Feedback relates to the implementation and delivery of the roadmap. No amendment required.</p>
<p>Disagree with the roadmap and deem it an inefficient use of rate-payers money.</p>	<p>Noted</p>
<p>Overdevelopment and traffic congestion have made the LGA a less attractive proposition. Yet, little is done to address either issue.</p>	<p>The role of the innovation roadmap is not to address these issues. However, an action exists to consider inclusion of commercial floor space in Council's Planning Policy.</p> <p>No amendment required.</p>
<p>Consider a focus on women led or minority group businesses, particularly as they struggle in gaining support and traction in the innovation sector.</p> <p>Connect local tech startups with local businesses to drive the innovation focus.</p>	<p>Feedback relates to the implementation and delivery of the roadmap. No amendment required.</p>

6. Conclusion

The draft roadmap is the initial step in positioning the future of the Waverley LGA as an innovative and economically resilient community. The current business landscape has evolved significantly in the last three years which demands a roadmap with a short 24-month time frame.

As submissions raised during the consultation period raise no issues that would require further amendment, it is recommended that Council adopts the Innovation Roadmap 2025 attached to this report.

7. Attachments

1. Waverley Innovation Roadmap 2025 [↓](#)



Waverley Innovation Roadmap 2025

waverley.nsw.gov.au



WAVERLEY
COUNCIL

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Acknowledgement and our reconciliation vision

We acknowledge the Bidjigal and Gadigal people, who traditionally occupied the Sydney coast.

We also acknowledge Aboriginal and Torres Strait Islander Elders both past and present.

Our vision for reconciliation is for Waverley to be a vibrant, resilient, caring, and inclusive community where Aboriginal and Torres Strait Islander peoples:

- Practise and celebrate their culture and heritage proudly
- Are honoured for their survival and resilience, and supported to continue to overcome adversity
- Are respected and acknowledged as First Nations peoples with the right to determine their own futures.

Council will continue to value and protect our environment with respect to Aboriginal and Torres Strait Islander peoples' intrinsic relationship with the land and waters.

Mayor's Message

Waverley Council is committed to positioning the Waverley Local Government Area as an innovative and resilient community of the future.

Our Waverley Innovation Roadmap 2025 highlights the Council's vision, purpose and objectives for an innovative future and has been informed through a cooperative process between Council, the local business community and thought leaders.

We aim to position Waverley for the 21st century by supporting innovation at all levels to support bold and innovative ideas which have accelerated in recent years due to technological advancements.

We will work with our current and future collaborators to bring success to the roadmap and nurture the growth of innovation in Waverley together.

The pandemic has highlighted the uncertainty of changes in the economy and markets and a short timeframe for this roadmap ensures adaptability to changes in delivery during this period of economic recovery in these unprecedented times.

Our vision for this roadmap is '*Inspired by the future. Driven by ambition. Always resilient*'. I invite you to join us on this journey.





Background

Communities are a blend of social, environmental and economic systems that are woven together surviving by adapting to change. For the first time in decades, these systems are again rapidly evolving by drivers like advancing technology, climate change and more recently COVID-19.

The regional, national and global economies have undergone significant change in the last decade accelerated by Covid-19 and creating a once in a generation shift, offering new opportunities.

Locally, the Waverley LGA has experienced changes with advancing technology, growth in health and wellbeing businesses, encouraging sustainable living and visitation, and most recently COVID-19.

Innovation in the local business community has also become more visible with a growing local innovation ecosystem, more businesses adopting innovative technology, and an increase in startups.

Innovation involves the process of discovering new ideas and realising those ideas at large scale. In the context of a local economy, collaborative and successful environments for innovation, emerge from diverse and robust entrepreneurship, and innovation ecosystems.

It is Council's aim to position Waverley for the 21st century by supporting innovation and the local economy.

This roadmap links to the Waverley Community Strategic Plan 2032. Innovation is one of the pillars – to position Waverley as a knowledge-driven, innovative and digitally connected community.

Strategies that link to the roadmap include:

- *Strategy 3.5.1 - Improve Waverley's post COVID-19 economic resilience through innovation.*
- *Strategy 3.5.2 - Position Waverley as a future business destination and promote local businesses*

Introduction

The roadmap aims to position the Waverley LGA as an innovative and economically resilient community moving into the future.

The Waverley Innovation Roadmap 2025 will build the foundations for an integrated local innovation ecosystem and respond to challenges the COVID-19 pandemic has presented. The roadmap helps lay the foundations to an integrated environment that expands and enhances our capability as a strategic innovation centre, in a permeable community space where creative people work, collaborate, and live. Waverley has constantly been a hub of bold and innovative ideas, and this has accelerated in recent years due to technological innovations.

The pandemic has demonstrated the uncertainty of changes in the economy and markets and a short timeframe ensures adaptability to changes in delivery during uncertain times.

This roadmap represents the result of a cooperative process between the local business community, thought leaders and Council. It highlights the vision, purpose and objectives for the next two years. It provides a snapshot of the point in time and reinforces our commitment to collaborate toward our goals to find innovative solutions to old and new problems. We are focused on our resilient future and building Waverley's brand identity as an innovation leader. We will work with our current and future collaborators to bring success to the roadmap and together nurture the growth of innovation in Waverley.



Vision

Inspired by the future. Driven by ambition. Always resilient.

Our innovation vision defines our long-term aspirations for Waverley's local business community. This vision will be driven by three core themes of delivery.

- **Leadership & Governance**
Drive change as a Council by strengthening our focus and be the driving force that positions Bondi Junction as a future innovation precinct.
- **Infrastructure**
Facilitate reliable, sustainable and resilient physical infrastructure, while delivering new digital infrastructure for a more connected community.
- **Partnerships & Advocacy**
Guide strong partnerships and advocate to collaborate and build Waverley's brand identity as a centre of innovation and sustainable job growth.

Principles

Collaborative

We will collaborate with the local business community, thought leaders, NSW Government, academic institutions, and other identified stakeholders to find solutions to community problems, and create a more connected community.

Resilient

We will continue to overcome any adversity and the unprecedented uncertainties of a post-pandemic world, adapting with innovation. We will encourage sustainable measures to ensure longevity of the local business community. We will adopt sustainable solutions that builds a more resilient Waverley.

Future Ready

We will continue addressing gaps and solving problems for the business community to achieve our objectives. We will nurture the established business community and mould Waverley's brand identity into a leading innovation precinct with a thriving innovation ecosystem in the long term.

Purpose

This roadmap supports our local business community with transitioning into the future. It will nurture the local innovation ecosystem, and encouraging sustainable job growth.



Snapshot in numbers

Waverley LGA – Key Statistics

GRP
\$5.06 billion

NIEIR 2021



POPULATION
69,388

ABS ERP 2021

LARGEST INDUSTRY
(by employment)

Retail Trade

NIEIR 2021



LOCAL BUSINESSES
11,175

ABS 2021

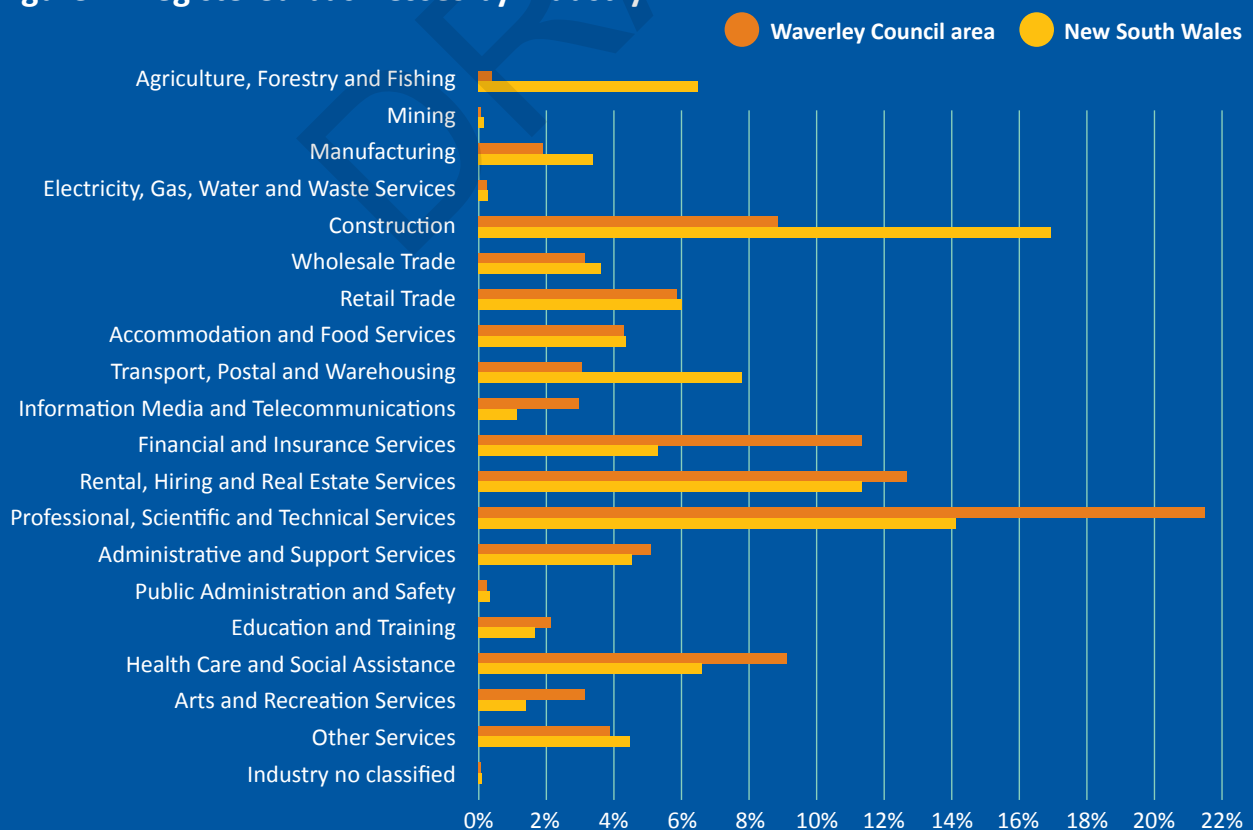
Source: Economy ID

44,105

REGISTERED BUSINESSES IN WAVERLEY

Source: Australian Business Register (2022)

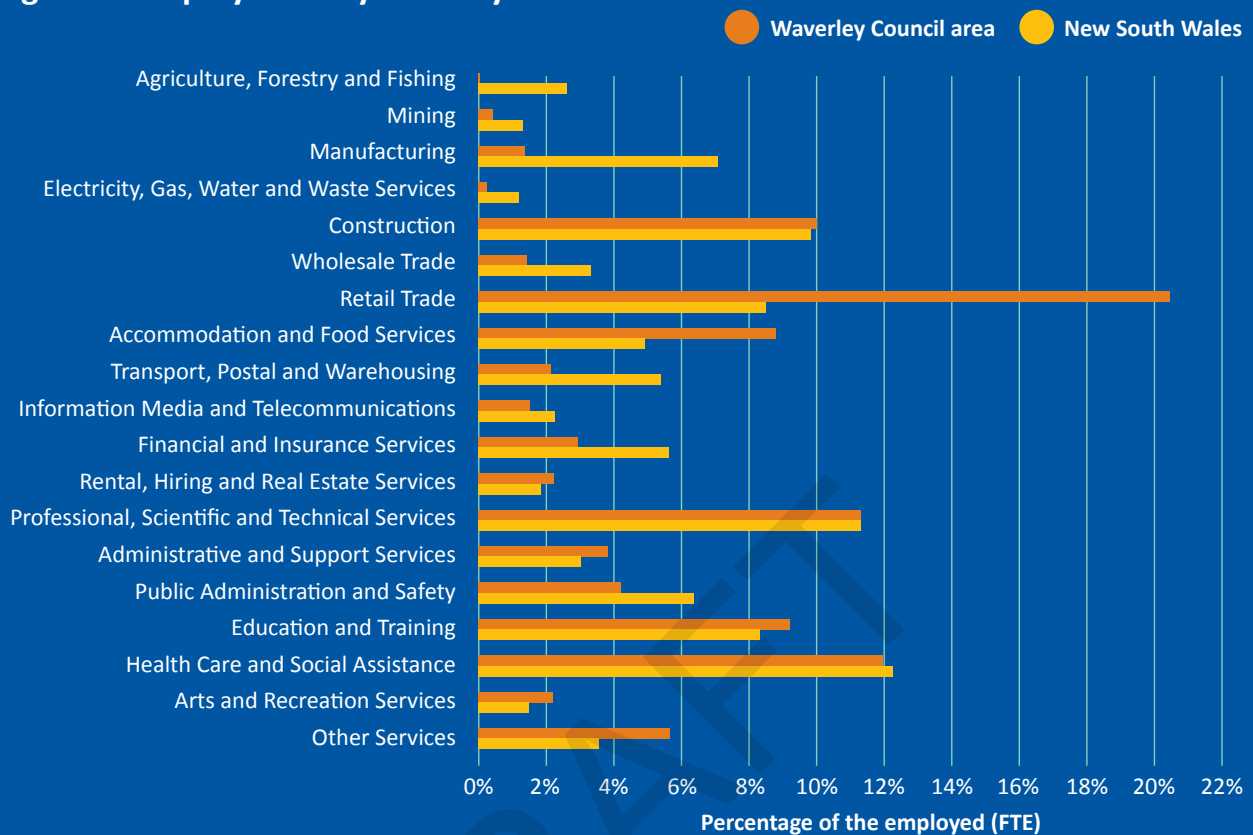
Figure 1: Registered businesses by industry



Source: Economy ID

FULL TIME EMPLOYMENT BY INDUSTRY

Figure 2: Employment by industry




Source: Economy ID


WORKFORCE OVERVIEW

 **44.5%** Bachelor or Higher degree qualification, 15% higher than the Greater Sydney average.

 **<4%** unemployment rate as of September 2021 (Sydney average 9.4%)

 **39%** Waverley's workforce were in the Professional fields in 2016 (Sydney average 26%)

 **20%** in managerial roles (Greater Sydney average 13%)

 **17%** largest percentage of workforce is Professional, Scientific and Technical Services with over including IT, graphic design, finance and other professional sectors

10% are in the Health Care sector

8% workforce is also in the Education and Training sectors

75% residents travel to work outside the LGA boundaries

22% live and work within the LGA.

\$2,173m SPENT IN WAVERLEY

Source: SpendMapp (Oct 2021)

Overview of Innovation

Mega-trends have a global reach and influence, often consisting of numerous smaller trends that span over a decade or more. They have a macro-outlook significantly influencing change across geopolitical, economic, environmental, social and technological parts of society. Global key trends in business, innovation and jobs have relevance to Waverley's economy and influences the direction that needs to be taken to ensure a more resilient future local economy.

MEGA-TRENDS



Transformative
technology



Resource scarcity
and climate crisis



Social change



Rapid
urbanisation



Shifting
economic power

What is innovation?

Innovation is the process of discovering new ideas and realising those ideas at large scale, changing the ways we live and work.

Innovation from a Government perspective seeks to create value and impact by responding to public interest, addressing a community's needs, filling gaps, and enhancing efficiency of public services, while also considering a strengthening of the local economy.

Local innovation is primarily driven by following key stakeholders:

- Government
- Businesses
- Universities and research institutions
- Not-for-profits

Fostering entrepreneurship has become a core component of economic development in cities around the world.

An innovation ecosystem is represented by a variety of stakeholders involved in local innovation and how they interrelate. The strength of an innovation ecosystem is critical to the success of local innovation. They create a flow of information and resources for ideas to be realised. Innovation ecosystems allow entrepreneurs, innovators, and universities to develop and launch solutions to solve problems faster.

Innovation in Waverley’s Context

Waverley Council as an organisation has used innovation as a core theme in its strategic directions with a key foundation of the Waverley Community Strategic Plan 2032 (CSP) being Innovation. A range of plans has also been aligned with State and Federal Government outcomes.

The Council is delivering several strategies that incorporate innovation strategies. These include the Smart Waverley Strategy 2023 that has helped deliver innovation driven projects and the Waverley Cultural Diversity Strategy 2031 that incorporates strategies with innovation components.

Council has delivered, and will continue to deliver a number of programs and projects that seek to foster innovation internally and/or externally. These include:

- Annual Innovation Forum
- Public Wi-Fi network
- Solar powered smart bins
- Upcoming Boot Factory as an Innovation Hub

Council has committed to understanding and driving local innovation through a range of key actions to strengthen Waverley’s innovation and job growth. Waverley’s strategy will support the growing innovation ecosystem. This roadmap fills that crucial gap, to provide strategic direction and actions in the short term.

The roadmap has been prepared with consultation and collaboration with the local business community and Council staff. The feedback provided key insights into the tangible needs and opportunities of the local community.

Opportunities

- Develop Waverley innovation brand identity
- Nurture collaboration between the business community and Council
- Introduce funding opportunities for new businesses and startups
- Increase commercial space to attract new businesses
- Encourage social spaces for collaboration
- Reduce Red-tapism and bureaucracy to ease business operations

The roadmap seeks to lay the foundations to address some of these needs in the short term.

According to research, Waverley’s economy and residential community currently have numerous local concerns that offer an opportunity for the innovation ecosystem to provide sustainable solutions, particularly in health and wellbeing, technology transformation, and climate adaptation.

PRIORITY SECTORS

Waverley is a health and wellbeing hub focused on sustainability and creativity. Four key industry sectors are being prioritised to deliver the roadmap.



Health & Wellbeing



Technology



Sustainability



Creative

Waverley Innovation Ecosystem

Below are the stakeholders that make up Waverley's innovation ecosystem.



Professional / Scientific
Technological Sector



Coworking
spaces



Media



Advocacy
& Groups



Knowledge intensive
workers



Entrepreneurs



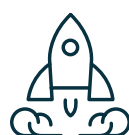
Infrastructure
Investment



Innovation
Precinct



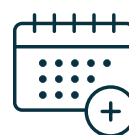
Funding



Startups



Programs



Events



Theme 1: Leadership & Governance

Drive change as a Council by strengthening our focus, and be the driving force that positions Bondi Junction as a future innovation precinct.

Leadership and governance are defined as the process of leading to create change often delivered through programs, policy and resourcing. Governments are increasingly leading to improve processes and offer better services to the community. Innovation and greater collaboration have helped deliver changes and improvements in service delivery for all levels of Government and in conjunction with the private sector.

Waverley Council has delivered strategies and implementing services that drive innovation, including the Smart Waverley Strategy, smart parking, sustainable waste and transport services, and more. Data is also being used to increase insights, optimise services with open data enabling local businesses to engage with it. This leads to a new source of economic growth for a community, including jobs.

Objective

Strengthen relationships with the local business community and be the leader of setting the foundation of positioning Waverley as a centre of innovation.

Outcome

- Waverley Council adopts internal processes of innovation to become a Council leading in innovative practices.
- The business community entrusts Council to deliver innovative programs that support economic development and job growth.

Opportunities

- Encourage innovation in retail sector.
- Boost collaboration with stakeholders in innovation ecosystem, particularly STEM businesses.
- Attract innovative businesses and startups to the area.
- Encourage collaboration between entrepreneurs.
- Identify funding sources to support new businesses.
- Build Waverley as a sustainable innovation leader.
- Build Waverley's brand identity as a centre of innovation.
- Build a stronger night time economy.
- Merge and refine innovation goals with Council and local community.

Actions

- Deliver an innovation program (Thinker-in-residence at the Boot Factory).*
- Identify funding sources for new businesses and startups.
- Provide mentor program and collaboration opportunities for businesses.
- Continue delivering an annual innovation forum.*
- Develop two initiatives to attract new businesses to the LGA.
- Include a Business Awards category that recognises an innovative business.*
- Further research for developing Waverley into an innovation precinct.*

**These are currently being delivered.*



Theme 2: Infrastructure

Facilitate reliable, sustainable and resilient physical infrastructure, while delivering new digital infrastructure for a more connected community.

Public infrastructure and services represent a primary function of Local Government. Quality, reliable, sustainable and resilient infrastructure supports business innovation and more specifically are fundamental to a future innovation precinct, that Waverley aspires.

A range of opportunities exist including the evaluation of how commercial floor space can be better supported as an infrastructure need.

Council aims to build Waverley's identity as an innovation leader. Physical, transport and digital infrastructure that supports research, innovation activities and business connectivity within and outside of the LGA are required for a successful innovation precinct. The roadmap helps set the foundations to strengthen physical and digital infrastructure in order to build Waverley as an innovation precinct.

Objective

Strengthen physical and digital infrastructure to deliver innovative internal and external services, and support Waverley's position as an innovation leader.

Outcome

- Waverley Council utilises digital innovation to provide more efficient community services.
- Waverley Council builds and promotes physical infrastructure such as the upcoming Boot Factory as a centre of innovation.

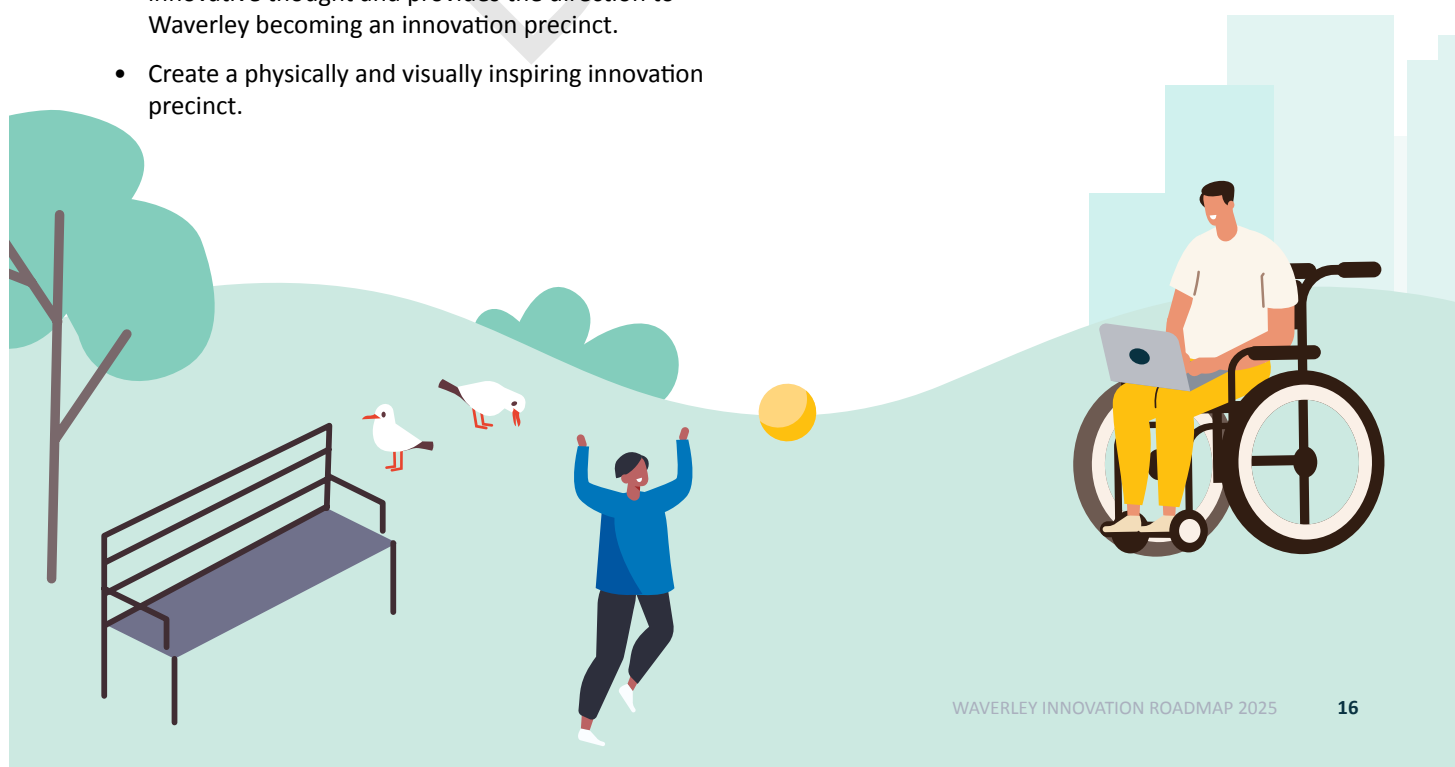
Actions

- Deliver collaborative and innovative programming for the Boot Factory.*
- Boot Factory programming will focus on one or more priority sectors (i.e. Creative, Sustainability, Technology, or Health).*
- Develop a digital platform for businesses to engage.
- Encourage inclusion of commercial floor space in Council Planning Policy.
- Investigate long term solutions to scale innovation locally.
- Drive the night-time economy for vibrancy and to attract new businesses.

Opportunities

- Capitalise on cultural and physical assets to promote Waverley's attractiveness as an innovation hub.
- Utilise data to drive innovation and job creation.
- Purchase services and processes that drive internal innovation.
- Find innovative ways to encourage commercial floorspace.
- Ensure Boot Factory becomes the centre of innovative thought and provides the direction to Waverley becoming an innovation precinct.
- Create a physically and visually inspiring innovation precinct.

**These are currently being delivered.*





Theme 3: Partnerships & Advocacy

Guiding strong partnerships and advocating to collaborate and build Waverley's brand identity as a centre of innovation and sustainable job growth.

Innovation relies on partnerships. This theme strategic collaboration and actions that strengthen the knowledge, abilities, skills and behaviour of Council staff, local businesses, working community, and stakeholders in innovation. This helps build an innovation ecosystems and nurture business communities.

Local, or area-based partnerships between different stakeholders whether public or private organisations involve the community, local business sector or others to support the design and implementation of local initiatives.

Advocacy is the process of influencing others to create change. Consciously branding a region as a place where innovation happens, and entrepreneurship is valued helps existing businesses grow and attracts the next generation of start-ups.

Objective

Nurture collaboration with stakeholders in the innovation ecosystem that supports effective partnerships, and advocates for positioning Waverley as a centre of innovation.

Outcome

Map a collaborative innovation ecosystem that will help Waverley grow and establish as an innovation precinct.

Opportunities

- Identify key players in Waverley's innovation ecosystem.
- Emulate other successful local innovation ecosystems to become an innovation leader.
- Attracting knowledge workers, entrepreneurs, and startups to the area via programs, grants and promotion.

Actions

- Mentorship program and workshops for businesses.*
- Education program for schools and parents.
- Education program for Youth in early career stage.
- Collaborate and strengthen networks with local organisations.*
- Host a business pitching event centred on innovation.*
- Develop an initiative that provides access to funding for new businesses and startups in collaboration with local investors.

**These are currently being delivered.*

DRAFT

Next Steps

- An annual delivery program will be prepared every year contingent on budget and resource availability.
- The proposed actions will be delivered over a 24 month period from the date of adoption of the roadmap.
- A working group will be established after adoption to support the effective delivery of the roadmap.

Glossary

Community Strategic Plan

The NSW Government's Integrated Planning and Reporting legislation requires councils to develop a long-term community strategic plan. The Waverley Community Strategic Plan identifies the community's vision and priorities for the future of Waverley.

Innovation Ecosystem

An innovation ecosystem is a network of individuals, entities, resources, and structures that collaborate to catalyse new ideas, methods, systems, and products.

Innovation Precinct

A concentration of innovation activity in a single geographic location is referred to as an innovation precinct. The location will have an innovation ecosystem that comprises of various interconnected stakeholders and collaborators.

Roadmap

A roadmap is a high-level strategic overview of an initiative or program.





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CUSTOMER SERVICE CENTRE

55 Spring St, Bondi Junction, NSW 2022

REPORT
PD/5.3/23.04

Subject: Housing Advisory Committee - Terms of Reference - Review

TRIM No: A10/0353

Author: George Bramis, Executive Manager, Urban Planning

Director: Fletcher Rayner, Director, Planning, Sustainability and Compliance

RECOMMENDATION:

That Council:

1. Adopts the Terms of Reference for the Housing Advisory Committee attached to the report, noting the stronger policy focus and amended membership criteria to attract people with a background or expertise in affordable housing.
2. Calls for expressions of interest for new social and affordable housing expert members of the Committee.

1. Executive Summary

Responsibility for the Housing Advisory Committee (HAC) is now managed by the Urban Planning Department. To support a stronger policy focus, amendments to the Terms of Reference are proposed, as discussed in this report.

The proposed amendments also seek to ensure that members, other than Councillors, are experts in social and affordable housing, encouraging specialist industry input. The Terms of Reference would retain the requirement that expert members must have a demonstrated interest and connection with the Waverley local government area (LGA).

2. Introduction/Background

Since its reconstitution in 2021 to explore and provide advisory feedback on Council's social and affordable housing programs, the HAC has been managed by Community Services with an operational focus. HAC members have comprised the Mayor and three other members of the elected body, and four community members appointed by Council to provide a variety of perspectives on matters such as housing needs, priorities, and potential approaches to achieving growth in provision.

With the appointment of a new Executive Leadership Team in 2022, management of the HAC has been allocated to Urban Planning to ensure a strategic perspective. As the term of the current community members ended in December 2022, opportunity exists to revise the Terms of Reference and reconsider member criteria, roles and responsibilities.

3. Relevant Council Resolutions

Meeting and date	Item No.	Resolution
Finance, Operations and Community Services Committee 6 September 2022	FC/5.2/22.09	That Council: <ol style="list-style-type: none"> 1. Extends the term of the community members of the Housing Advisory Committee until 1 December 2022. 2. Adopts the Housing Advisory Committee terms of reference attached to the report (Attachment 1), noting the extension of the membership term from 12 to 24 months. 3. Calls for expressions of interest for new community members of the Housing Advisory Committee at the end of the current term. 4. Receives and notes the minutes of the Housing Advisory Committee meetings held on 21 July and 20 October 2021 attached to the report (Attachments 2 and 3).
Council 22 June 2021	CM/7.9/21.06	That Council appoints the following individuals to the Housing Advisory Committee from 1 July 2021 to 4 September 2022: <ol style="list-style-type: none"> 1. Stephanie Bbhim. 2. Gabriela Quintana Vigiola. 3. Carlo di Giulio. 4. Mora Main.
Council 20 October 2020	CM/7.3/20.10	That Council: <ol style="list-style-type: none"> 1. Reinstates the Housing Advisory committee. 2. Adopts the Housing Advisory Committee Terms of Reference attached to the report (Attachment 1). 3. Appoints the Mayor, Cr Masselos, as the Chair, Cr Lewis, Cr Keenan and Cr Betts as members of the Committee. 4. Seeks expression of interest for up to four community representative members of the committee to serve a 19-month term from their appointment in February 2021 to September 2022.

4. Discussion

The proposed key changes to the Terms of Reference relate to Part 3 (Membership) and Part 5 (Role and Responsibilities), as shown in track changes in Attachment 1.

The purpose of the amendments is to ensure that members are experts in social and affordable housing, and to direct the primary focus of the HAC from operational to policy-oriented, with a greater focus on delivery models.

Operational matters would still be relevant. However, advice would most often relate to the provision of new affordable housing to meet the growing needs of the Waverley LGA.

By including expert members in the HAC, specialist industry input can inform advice provided by the Committee. The proposal to invite 'experts' would strengthen the advice from the HAC while still ensuring input is relevant to the Waverley community as the experts would have to demonstrate a connection to Waverley. To increase the opportunity for representation in a diverse policy area, it is suggested to increase the number of representatives from 'up to' four to six. Furthermore, the Mayor and three other Councillors who sit on the Committee would ensure feedback is relevant to the Waverley context.

Given the proposed changes, a new call for expressions of interest is required.

5. Financial impact statement/Time frame/Consultation

No direct financial or staff resourcing implications are expected to arise from the proposed changes.

If supported, the revised Terms of Reference can be implemented immediately and calls for expressions of interest for expert members can be actioned shortly after adoption.

6. Conclusion

Proposed amendments to the Terms of Reference for the Housing Advisory Committee are intended to align the Committee with a stronger policy focus and expert membership would support this outcome.

7. Attachments

1. Housing Advisory Committee - Terms of Reference [↓](#)



Housing Advisory Committee Terms of Reference

Housing Advisory Committee Terms of Reference

Policy owner	General Manager
Approved by	Council
Date approved	4 April 2023
Commencement date	4 April 2023
TRIM Reference	A10/0353
Next revision date	4 April 2025
Relevant legislation/codes	Code of Conduct for Council Committee Members and Other Council Officials. Code of Meeting Practice
Related policies/procedures/guidelines	
Related forms	

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1. Objective

The objective of this Committee is to enable detailed consideration of analysis and service/program information on Social and Affordable Housing in the context of Council strategic [policy](#) and operational goals, and to provide perspectives and comment for consideration by both Council staff and Council.

Background

Waverley Council has had a strong focus on the provision of social and affordable housing for its local community for many years. As is widely recognised, the current housing environment is challenging for many people in the community, and gentrification continues to impact on Waverley's diversity.

Strategic planning work has resulted in the development of the Waverley Local Housing Strategy which included a renewed commitment by Council to work on increasing affordable housing stock. A new property strategy is in place and Council has endorsed key directions following a review of its existing social and affordable housing programs. Council has also resolved to explore new models, partnerships and delivery options to optimise social and affordable housing outcomes.

2. Authority

The Committee is an advisory body to Council that assists the Council to fulfil its functions. It does not have any delegated authority to act on behalf of Council. The advisory status of the Committee means that it may provide input to Council officers and make recommendations to Council or its Standing Committees.

3. Membership

Committee membership will comprise:

- The Mayor (or Mayor's nominee) and three Councillors.
- Up to ~~six~~ [four experts in Social and Affordable Housing who have experience with the management, operation or delivery of such housing, or the preparation, review or implementation of policy for such housing.](#) ~~community representatives with skill sets relating to Social and Affordable Housing.~~

3.1 Appointment of Councillor members

The Councillor members of the Committee must be appointed by resolution of the Council.

The Council may resolve to appoint an alternate Councillor member to the Committee to attend meetings in the absence of one of the Councillor members. The alternate Councillor member will have the same voting rights as the Councillor member being replaced.

3.2 Appointment of ~~community representatives~~ [expert members](#)

The ~~community representatives~~ [expert members](#) may only be appointed to the Committee by resolution of the Council.

The ~~community representatives~~ [expert members](#) shall be sought by way of public advertisement inviting expressions of interest for assessment by a panel comprising the Mayor (or the Mayor's delegate), the three councillor members assisted by the Directors and staff assigned by the General Manager.

The Panel will evaluate the candidates against the following selection criteria:

- Demonstrated interest and connection with Waverley
- Availability to attend meetings and contribute to the work of the committee, and
- Expertise across the following areas:
 - Affordable and social rental housing
 - Relevant development and planning experience

- Relevant asset management experience
- Models for service delivery and evaluation

The Panel will recommend the ~~community~~expert membership to Council for its determination.

Where there are more nominations than positions available, an eligibility list may be established, and if a vacancy arises during the Committee's term, the assessment panel will make an appointment from the list.

3.3 Vacancies

A vacancy for an ~~community~~expert member of the Committee will occur upon the resignation of the member, expiry of a term of appointment as outlined in Section 4 of this Terms of Reference, failure to attend without cause for three consecutive meetings, or removal of the member by resolution of the Council.

Vacant ~~community~~expert member positions on the Committee must be filled by way of public advertisement inviting expressions of interest for assessment by the Panel, who will recommend a new member to Council. This will occur as soon as practical within the period of two Committee meetings.

However, Council may establish a pool of suitable candidates to fill future vacancies on the Committee. A candidate may be a member of the pool for a maximum period of 12-months.

3.4 Non-voting Invitees

The Committee will issue a standing invitation to the following people to attend meetings of the Committee as non-voting invitees:

- All non-member Councillors
- The General Manager
- All Directors
- The Chief Financial Officer
- The General Counsel

Other Council staff may be invited by the Chair of the Committee to attend meetings as observers, advisors or to provide information and presentations as required.

Additional specialist advisors may be invited to attend meetings where required, at the discretion of the Chair or as part of work being reported by the General Manager.

Councillors who are not Committee members may attend meetings of the Committee. However, they are not entitled to:

- Give notice of business for inclusion on the agenda of the meeting;
- Move or second a motion at the meeting; or
- Vote at the meeting.

3.5 Chair of the Committee

The Mayor (or the Mayor's nominee) is the Chair of the Committee.

The Chair is to have precedence over the control and management of the meetings.

In relation to any procedural matter, the ruling of the Chair shall be final.

The Chair may call any member to order whenever in the opinion of the Chair it is necessary to do so.

Should the Mayor or the Mayor's nominee be unable to chair a meeting or part of a meeting, prior to the meeting the Mayor or the Mayor's nominee will nominate one of the councillor members to act as Chair for the meeting, or that part of the meeting as the case may be.

4. Term of Office

Councillor members of the Committee shall hold office for a 12-month term, as determined by Council in September each year.

~~Community Expert~~ members of the Committee shall hold office for a two year term.

An individual member will cease to be a member of the Committee if the member has been absent from three consecutive meetings without having given reasons acceptable to the Chair for their absence.

5. Role and Responsibilities

The role of the Housing Advisory Committee is to assess, consider and provide perspectives and comment/advice/recommendations to Council staff and Council on a range of matters relating to Social and Affordable Housing, including:

- ~~Strategic p~~Planning matters as they relate to social and affordable housing, including Local Environmental Plan and Development Control Plan amendments.
- Partnerships with other Council's and Community Housing Providers on joint Social and Affordable Housing strategies, projects or funds.
- Developer contribution plans and funding programs for Social and Affordable Housing.
- The strategic and operational effectiveness of its affordable social housing programs.
- The implementation of Social and Affordable Housing goals and objectives including asset management strategies, and the purchase, sale, replacement and development of affordable and social housing properties.
- ~~Asset management strategies and approaches related to Social and Affordable Housing.~~
- Other dDelivery options for Social and Affordable Housing.

The General Manager may also place before the Committee such other matters as they think fit where the Committee's input may add value.

6. Responsibility of Committee Members

Members of the Committee are expected to:

- Understand the relevant legislation and regulatory requirements appropriate to the Council.
- Contribute the time needed to study and understand the papers provided.
- Apply good analytical skills, objectivity and good judgment.
- Express opinions frankly, ask questions that go to the fundamental core of issues, and pursue independent lines of enquiry.

6.1 Code of Conduct

Members of the Committee must comply with Council's *Code of Conduct for Council Committee Members and Other Council Officials* in carrying out their functions as Committee members.

It is the personal responsibility of each Committee member to comply with the standards in the code of conduct and regularly review their personal circumstances with this in mind.

6.2 Conflict of Interests

Committee members must declare any conflict of interests at the start of each meeting or before discussion of a relevant agenda item or topic. Details of any conflicts of interest should be recorded in the minutes.

Where Committee members at Committee meetings are deemed to have a real or perceived conflict of interest, it may be appropriate they be excused from Committee deliberations on the issue where the conflict of interest may exist.

Members of the Committee will be precluded from participating in any transactions involving Council's properties, including leases and sales.

For the avoidance of doubt, non-councillor members of the Committee are not 'designated persons'.

6.3 Confidential and Personal Information

In the course of their work on the Committee, Committee members will be entrusted with sensitive or confidential information about Council's operations.

Committee members must maintain the integrity and security of confidential and personal information in their possession, or for which they are responsible.

Provisions concerning the use and security of confidential and personal information are set out in Part 7 of Council's *Code of Conduct for Council Committee Members and Other Council Officials*.

Should a Committee member become aware of any breach of security, or misuse of Council's confidential or personal information, they should inform the General Manager immediately.

6.4 Media Protocol

Committee members must not make public comment, including to the media and on social media, on any matter related to Waverley Council.

6.5 Responsibilities of Non-voting Invitees, Observers and Non-member Councillors

All non-voting invitees, observers and non-member Councillors must comply with sections 6.1-6.4 of this Terms of Reference.

7 Review of the Terms of Reference

The Committee will review its Terms of Reference at least once every two years to ensure it remains current, relevant and accurately reflects the Committee's composition, role and responsibilities.

The Committee may make recommendations to the Council to change aspects of the Terms of Reference. However, the adoption of the Terms of Reference is the responsibility of Council.

8. Administrative Arrangements

8.1 Committee Support

Council Officers assigned by the General Manager will support the work of the Committee and attend meetings to provide reports, information and expert advice to the Committee.

8.2 Meetings

Meetings of the Committee are not open to the public. However, members of the public may be invited to speak at a meeting on the issues being considered by the Committee at the discretion of the Chair.

A Committee meeting will be held at least once annually to consider the Annual Program Report. Additional meetings will be called on an 'as needs' basis.

Meetings may be held in person, by telephone or online.

In general, meetings of the Committee will take place without strict adherence to the rules of debate and other procedural requirements. The Committee is intended to provide more detailed consideration of matters than possible in formal Council meetings and provide comment and input into the development of advice to Council. However, members are required to behave in accordance with Council's *Code of Conduct for Council Committee Members and Other Council Officials*.

Where these Terms of Reference do not address the conduct of the meetings, Council's Code of Meeting Practice will apply.

8.3 Extraordinary Meetings

Members of the Committee and the General Manager or relevant Directors may approach the Chair at any time to call an extraordinary meeting of the Committee.

In lieu of calling an extraordinary meeting of the Committee to discuss an issue or opportunity, email or video conferencing can be used to enable the Committee to provide advice to Council.

8.4 Agendas and Minutes

The Committee will consider an agenda including items on policy, finance and assets, service reviews and review of program performance.

Assigned Council Officers will supply a draft annual report for consideration at the meeting at least 14 days before the meeting to enable Committee members to make considered recommendations.

Members may raise other matters within the terms of reference for the Committee for consideration, discussion and comment. Where practicable, members should notify the Director or officer assigned to support the Committee of an item at least 21 days prior to a scheduled meeting to enable its inclusion in the agenda.

The assigned support officer will ensure meeting agendas and associated documents will be issued to Committee members, all councillors and non-voting invitees at least seven days before the meeting, and then published on Council's website.

The General Manager, through the assigned support officer, must ensure that full and accurate minutes of the proceedings of Committee meetings are kept. The minutes must record:

- the date and start time of meetings, attendees and any apologies
- any conflict of interests declared at the meeting
- the confirmation of the minutes from previous the meeting
- the Committee's recommendation on each item
- the time the meeting closed.

The draft minutes must be approved by the Chair of the Committee. The assigned support officer will then circulate the draft minutes to all Committee members, Councillors and relevant staff within 10 business days of the meeting being held.

Draft minutes are not publicly available.

Minutes must be confirmed by the Committee at the next available Committee meeting, and subsequently reported to Council for noting and then published on Council's website.

8.5 Quorum

A quorum for a meeting of the Committee will be a majority of Committee members, at least one of whom must be a Councillor.

8.6 Voting

A motion supported by the majority of Committee members, by means of a vote, at a meeting of the Committee at which a quorum is present is a decision of the Committee.

Voting at a Committee meeting is to be by a show of hands or on the voices.

A member of the Committee is entitled to one vote only on each matter. In the case of an equality of votes, the Chair of the Committee has a casting vote. Where the Chair decides not to exercise their casting vote, the motion being voted upon is lost.

Whether or not the Chair used their casting vote shall be recorded in the minutes.

8.7 Induction

New committee members will receive information and briefings upon their appointment to assist them to meet their Committee responsibilities.

Explanatory Note

Affordable Housing targets the needs of very low to moderate income earners. Social housing is a sub-set of affordable housing. Historically it was a distinct portfolio of properties owned and operated by the NSW government. Over the last 10 years, the government has diversified its approach to provision of support for people in need. Government subsidised housing is now provided through a variety of funding programs (State and Federal) targeting identified needs in the NSW community and delivered directly by the State government and community housing providers.

Council currently operates its housing as two distinct portfolios each aiming to address different needs in the Waverley community – social housing targeting the needs of older people and people with disability on very low to low incomes, and affordable housing targeting working people on low to moderate incomes.

The policy settings for these programs, and for any programs Council may establish in the future can be determined by Council so long as the requirements of any federal or state government funding or planning provisions utilised in the procurement of the properties are met.

REPORT
PD/5.4/23.04

Subject: Affordable Housing Contribution Scheme - Gateway Determination Amendments - Exhibition

TRIM No: A04/0302

Author: George Bramis, Executive Manager, Urban Planning

Director: Fletcher Rayner, Director, Planning, Sustainability and Compliance

RECOMMENDATION:

That Council:

1. Notes that the Affordable Housing Contribution Scheme was adopted by Council in December 2020.
2. Notes that Council previously approved the submission and exhibition of a planning proposal to implement the Affordable Housing Contribution Scheme in accordance with any conditions of the Gateway determination that may be issued by the Department of Planning and Environment.
3. Publicly exhibits the amended Affordable Housing Contribution Scheme attached to the report (Attachments 2 and 3) for 28 days alongside an amended planning proposal.
4. Officers prepare a report to Council following the exhibition period.

1. Executive Summary

The Waverley Affordable Housing Contribution Scheme (AHCS) was first adopted by Council on 1 December 2020. It was established to allow Council to collect monetary or in-kind contributions for affordable housing through the planning system. To enable a Scheme to be applied as part of the LEP, the legislative requirements are set out in the *Environmental Planning and Assessment Act 1979* (EP&A Act) and other subsidiary legislation.

The scheme aims to facilitate a socially diverse and inclusive community by ensuring that lower income households can continue to live and work locally within the Waverley local government area (LGA). The AHCS currently sets out a scheme for contributions as follows:

- A contribution on all new residential apartment and mixed-use development of 1% of gross floor area at a flat \$ rate/sqm.
- A contribution of 10% of gross floor area towards affordable housing for sites that receive planning uplift through a rezoning (planning proposal) process.

To be able to collect contributions under this scheme, a new affordable housing contribution clause is required to be entered into the *Waverley Local Environmental Plan* (WLEP).

A planning proposal was submitted to the Department of Planning and Environment (DPE) in April 2021 and Council received a Gateway determination in January 2023, advising the planning proposal was to be withdrawn and re-submitted following revisions to the AHCS and the planning proposal. The changes requested included: revising the prescriptive 10% contribution rate on sites that receive uplift through the

planning proposal process; additional feasibility work relating to the 1% levy on new development; and minor clarifications and areas where additional information is to be provided.

As a result of the Gateway determination, the AHCS has subsequently been revised and it is recommended Council endorse the updated AHCS, to progress the planning proposal. Further discussion is provided throughout the report.

2. Introduction/Background

The AHCS was exhibited in September 2020 and subsequently endorsed by Council on 1 December 2020. On 13 April 2021, Council adopted minor amendments to the AHCS and supported the submission of a planning proposal to implement the AHCS to the DPE, which was lodged with the DPE shortly thereafter.

On 26 October 2021, Council resolved to request a Gateway Review be undertaken due to the assessment of the planning proposal having not been completed by the DPE. A Gateway Review is a review of a Gateway determination of a planning proposal by the DPE and is assessed by the Independent Planning Commission who provide advice as to whether or not the Gateway determination should be altered. A Gateway Review request was put to the DPE. However, as a Gateway determination had not been provided at this time, a Gateway Review was unable to take place.

On 9 January 2023, Council finally received a Gateway determination for the planning proposal, requesting that the planning proposal be withdrawn and resubmitted with amendments to both the planning proposal and the AHCS within a period of 6 months. The requested changes and implications are discussed in this report with the Gateway determination provided as an attachment.

As the ACHS is a Council-adopted document, support to amend the ACHS is sought which would accompany the submission of a revised planning proposal. This report does not seek endorsement for the re-submission of the planning proposal as Council already endorsed Council Officers to make necessary amendments to the planning proposal in line with any Gateway determination on 13 April 2021 as detailed under the Relevant Council Resolutions section in this report.

3. Relevant Council Resolutions

Meeting and date	Item No.	Resolution
Council 26 October 2021	CM/7.6/21.10	<p>That Council:</p> <ol style="list-style-type: none"> Requests a variation to the Department of Planning, Industry and Environment (DPIE) conditions as follows: <ol style="list-style-type: none"> There are no Council-led planning proposals to increase density on Curlewis Street and/or Bondi Road. Proponent-led planning proposals will continue to be considered. Seeks a 'Gateway Review' at the Independent Planning Commission (IPC) for the Waverley Affordable Housing Contributions Scheme Planning Proposal to: <ol style="list-style-type: none"> Challenge DPIE's rejection of the Waverley Affordable Housing Contributions Scheme. Advocate to the DPIE to review its Guideline for

		<p>Developing an Affordable Housing Contribution Scheme to be more in line with the <i>Environmental Planning and Assessment Act</i>.</p> <p>3. Endorses the draft Waverley Local Housing Strategy Implementation and Delivery Plan attached to the report for submission to the DPIE.</p>
Strategic Planning and Development Committee 13 April 2021	PD/5.2/21.04	<p>That Council:</p> <ol style="list-style-type: none"> 1. Notes that the Affordable Housing Contribution Scheme was adopted by Council in December 2020. 2. Notes that the Waverley Local Planning Panel (WLPP) has reviewed the Affordable Housing Contribution Scheme planning proposal and provided advice, as set out in Attachment 2 of the report. 3. Notes that the updates to the planning proposal based on advice from WLPP include a proposed Waverley Local Environmental Plan 2012 clause. 4. Adopts the amended Affordable Housing Contribution Scheme attached to the report (Attachment 3) for clarification reasons. 5. Authorises officers to forward the planning proposal attached to the report (Attachment 1) to the Department of Planning, Industry and Environment (DPIE) for a Gateway Determination. 6. Publicly exhibits the planning proposal for a minimum of 28 days in accordance with any conditions of the Gateway Determination that may be issued by the DPIE. 7. Requests the role of local plan-making authority from the DPIE to exercise the delegations issued by the Minister under section 3.36 of the Environmental Planning and Assessment Act 1979 in relation to the making of the amendment. 8. Officers prepare a plain English explanation and infographic for the purposes of public exhibition to clarify the application of the proposed policy in various circumstances.
Strategic Planning and Development Committee 1 December 2020	PD/5.1/20.12	<p>That Council:</p> <ol style="list-style-type: none"> 1. Notes the matters raised in the submissions made on the draft Planning Agreement Policy (Amendment No. 3) and the draft Affordable Housing Contributions Scheme during the exhibition period. 2. Adopts the Planning Agreement Policy (Amendment 3)

		<p>attached to the report (Attachment 1) subject to the following changes:</p> <ul style="list-style-type: none"> (a) Page 13, after clause 8, insert a new clause 9: 'That as part of any VPA report, Councillors be provided with an overview of meetings between applicants and staff, and the rationale for the decision.' (b) Page 7, second paragraph, after the sentence ending 'as amended from time to time', insert: 'Council has resolved and committed to implementing and progressing the LSPS in ways that operate to involve and acknowledge that Aboriginal First Nation Peoples have a custodial ongoing spiritual, social, cultural, economic and traditional relationship to looking after country and people.' <ul style="list-style-type: none"> 3. Adopts the Affordable Housing Contributions Scheme attached to the report (Attachment 3). 4. Notifies those people who made a submission of Council's decision. 5. Submits a planning proposal to the Department of Planning, Industry and Environment seeking a Gateway Determination to incorporate the Affordable Housing Contributions Scheme into the Waverley Local Environment Plan 2012.
Council 15 September 2020	CM/7.8/20.09	<p>That Council:</p> <ul style="list-style-type: none"> 1. Publicly exhibits for 42 days the draft Waverley Planning Agreement Policy 2014 (Amendment No. 3) attached to the report. 2. Notes that the updates to the Policy include an update to the VPA split of contributions to affordable housing from a minimum of 10 to 25%, updated benchmark rates and housekeeping amendments. 3. Publicly exhibits for 42 days the draft Waverley Affordable Housing Contributions Scheme attached to the report. 4. Investigates using the affordable housing reserve for the provision of Social Housing and Waverley Community Living Program (WCLP) Accommodation in addition to our current affordable housing program.

4. Discussion

The scheme has been prepared to levy contributions on larger scale residential and mixed-use developments in the Waverley LGA and aims to facilitate a socially diverse and inclusive community by ensuring that lower income households can continue to live and work locally within the Waverley LGA. The AHCS currently sets out a scheme for contributions as follows:

- A contribution on all new residential apartment and mixed-use development of 1% of gross floor area at a flat \$ rate/sqm.
- A contribution of 10% of gross floor area towards affordable housing for sites that receive uplift through a rezoning (planning proposal) process.

The Gateway determination with the specific changes requested by the DPE are listed in Attachment 1, with the majority of changes being relatively minor in nature in terms of clarifications and small amendments to the planning proposal. In addition to the changes required, the DPE have supported the inclusion of the 1% levy on gross floor area of new development specified above, subject to further provision of feasibility testing being provided as part of the planning proposal process. Council officers have commenced the feasibility work and will liaise directly with the DPE to satisfy this condition. Amendments to the AHCS are provided as tracked changes to this report in Attachment 1, with a summary of changes provided below.

Inclusion of an objective or discussion that the 10% of gross floor area affordable housing contribution may be applied to sites seeking uplift, on a case-by-case basis

Council's AHCS currently specifies a requirement for sites seeking uplift (i.e. increased height and FSR) through a planning proposal, that 10% of total gross floor area be provided as either an in-kind or cash contribution for affordable housing. The Gateway determination requests that the blanket 10% requirement to future planning proposal processes be removed and replaced with an objective or discussion in the AHCS and associated planning proposal to indicate that an affordable housing contribution may be applied to any planning proposal that seeks uplift on a site, with the rate to be subject to feasibility testing and determined at the site-specific planning proposal stage on a case-by-case basis.

In preparing the AHCS, Council officers undertook testing to ensure that the 10% rate would not make development unviable. However, as the DPE do not supported such a provision, the AHCS has been revised to clarify the 10% rate is a target, and would be sought for any planning proposal lodged with Council seeking uplift.

Clarification changes and additional information

The AHCS has been updated to clarify further details relating to the administration of the affordable housing contributions as they relate to the role of Community Housing Providers and the ability of Waverley's affordable housing program to meet the needs of the community.

In addition, the types of development that are subject to, or excluded from affordable housing contributions have been further clarified within the amendment document.

The AHCS now specifies the following types of development would be subject to paying a contribution:

- New residential flat buildings.
- New independent living units (residential apartments for over 60s).
- New multi-dwellings (three or more dwellings on one lot of land, each with separate access at ground level, i.e. 'town houses').
- New mixed-use developments (defined as 'shop top housing' in the LEP).

Development that is exempt from paying a contribution has been updated and clarified as follows:

- Residential development not specified in the abovementioned list.
- Residential care facilities (aged care).
- Employment only generating development.
- Social and affordable housing developed exclusively for the purposes of affordable housing.

Updates to the planning proposal

If the amended AHCS is endorsed for exhibition, officers would amend the planning proposal in line with the updated AHCS and resubmit the proposal to the DPE for a Gateway determination. The amended AHCS would be placed on exhibition concurrently with the planning proposal once Gateway has been received from the DPE.

5. Financial impact statement

There have been no upfront or recurrent costs associated with this planning proposal other than staff costs associated with amending the AHCS and preparing the planning proposal. The benefits of implementing this scheme would serve the community via the ability to charge contributions for affordable housing for new larger scale development.

6. Conclusion

It is a legislative requirement for Council to have an AHCS to levy contributions relating to development and rezoning processes for the purposes of affordable housing. Following the receipt of Gateway determination for the AHCS planning proposal, draft amendments to the AHCS are now proposed for public exhibition alongside the planning proposal.

7. Attachments

1. Gateway determination [↓](#)
2. Affordable Housing Contribution Scheme - Gateway determination amendments [↓](#)
3. Affordable Housing Contributions Scheme - Appendix A [↓](#)



Department of Planning and Environment

Gateway Determination

Planning proposal (Department Ref: PP-2021-3131): to introduce an affordable housing contributions clause in the Waverley Local Environmental Plan 2012 to implement the Waverley Affordable Housing Contributions Scheme 2020.

I, the Executive Director, Metro East and South at the Department of Planning and Environment, as delegate of the Minister for Planning and Homes, have determined under section 3.34(2) of the *Environmental Planning and Assessment Act 1979* (the Act) that an amendment to the Waverley Local Environmental Plan (LEP) 2012 to introduce an affordable housing contributions clause to implement the Waverley Affordable Housing Contributions Scheme (AHCS) 2020 should be resubmitted to address the following:

1. The planning proposal shall be revised and updated to:
 - a) Provide detailed economic justification and feasibility analysis in accordance with the Department's *Guideline for Developing an Affordable Housing Contribution Scheme* (February 2019) (the Guideline) to demonstrate the viability of a 1% affordable housing contribution rate imposed on all new residential apartment development across the Waverley local government area. The testing is to include:
 - i. Identification of the types of development and/or land use zones or locations to which the proposed levy under the AHCS will be applied (e.g. residential apartment in the relevant residential and business / employment zones);
 - ii. Assessment of the potential development capacity for the applicable types of development in the relevant land use zones or locations, based on the existing planning controls;
 - iii. Preparation of generic feasibility analysis based on the above, taking into account all applicable fees, charges and development contributions and including sensitivity testing of any future changes to the fees and charges; and
 - iv. Assessment of the impact of the proposed affordable housing contribution rate pursuant to the baseline feasibility analysis described above.
 - b) Remove the proposed affordable housing contribution of 10% of the total floor area applying to sites receiving uplift through separate and future planning proposal processes;
 - c) Justify the inconsistency with the Department's requirements (number 3b and 8) and advisory notes of the approval of the Waverley Local Housing Strategy 2020-2036, which require Council's AHCS to be revised to be consistent with the Department's Guideline;
 - d) Include an objective or discussion in the AHCS and planning proposal to indicate that an affordable housing contribution may be applied to any planning proposal that seeks uplift on a site, with the rate to be subject to

- feasibility testing and determined at the site-specific planning proposal stage on a case-by-case basis;
- e) Confirm the types of development that are excluded from affordable housing contributions;
 - f) Clarify whether the scope of the AHCS is to address and clarify the housing needs of “low to moderate” or “very low to moderate” income households;
 - g) Provide further details in the AHCS relating to the administration of the affordable housing contributions collected under the scheme, including:
 - i. The role of any community housing provider(s) in managing affordable housing units, the appointment process and performance monitoring measures; and
 - ii. Information on any affordable housing program to ensure Waverley’s affordable housing demand would be met.
 - h) Include updated commentary against the state and local strategic plans, relevant State Environmental Planning Policies (with information relating to repealed Policies removed) and section 9.1 Ministerial Directions.
2. The AHCS shall be amended to align with the revised planning proposal.
3. The timeframe to resubmit the revised planning proposal is **six months** from the date of the Gateway determination.

Dated 9th day of January 2023.



Amanda Harvey
Executive Director
Metro East and South
Department of Planning and Environment

Delegate of the Minister for Planning and Homes



Waverley Affordable Housing Contributions Scheme 20230

Document Control

Amendment	Adopted
Document first adopted	1/12/2020
Amendments proposed for clarity	13/04/2021
<u>Amendments in line with Gateway Determination provided by Department of Planning and Environment</u>	

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1. Strategic context and background

1.1. Background

Section 7.32 of the Act requires an affordable housing contributions scheme in order to impose a condition requiring land or contributions for affordable housing.

The Waverley Affordable Housing Needs Analysis (Appendix A) demonstrates the need to increase the supply of affordable rental housing in Waverley Local Government Area (LGA). Without provision of more affordable forms of housing, the market will continue to produce more expensive housing in the area, so that housing will only be affordable to households on relatively high incomes. The flow on effect is that existing lower income groups would need to move out of the area, and new lower income households may be prevented from finding housing in the local area.

The Waverley LGA is undergoing significant change from projected population growth and redevelopment pressures. These changes combined with access to the eastern beaches, significant open spaces, Bondi Junction rail interchange, commercial and retail centre makes the area an attractive place to live, work and visit. This will continue to place upward pressure on property values beyond the means of lower income households to purchase or rent in the area.

1.2. Introduction

The *Waverley Affordable Housing Contributions Scheme* (herein referred to as the Scheme) aims to ensure that lower income households continue to live and work locally within the Waverley LGA, to facilitate a socially diverse and inclusive community.

Council's affordable housing programs

Council administers its own affordable housing programs which comprise Council's broader Social and Affordable Housing Program. These are:

- Waverley Affordable Housing Program (WAHP)
- Waverley Housing for Older People (WHOP), and
- Waverley Community Living Program (WCLP).

Each of these programs targets different groups in need of social and affordable housing support in the local community.

At the time that this scheme was prepared, Council owns 79 housing units as part of Council's overall program, with many of these located in the suburb of Queens Park. The majority of current tenants in Council's program are single person households.

Affordable stock owned by Council are administered by an eligible community housing provider. The provider is appointed by a tender process and contractual agreements between Council and the community housing provider include maintenance responsibilities and a performance management framework which includes but is not limited to the provision of detailed financial statements; quarterly performance monitoring reports relating to vacancies; renewals compliments and complaints; and annual outcomes monitoring for tenants.

Current approach for collecting contributions

Waverley's current approach to collecting affordable housing contributions is under Waverley's Planning Agreement Policy 2014. This Policy has been successfully utilised to negotiate and draft planning agreements accompanying Development Applications seeking a Clause 4.6 variation to Clause 4.4 Floor space ratio for additional floorspace. Waverley has had a longstanding commitment to the provision of affordable housing where every planning agreement contribution allocates 10% of funds towards affordable housing. Amendment ~~3 to the Policy seeks to~~3 increased ~~d~~ this to a minimum of 25%.

The NSW Government released a Ministerial Direction requiring that Councils who wish to require land or contributions for affordable housing through a voluntary planning agreement must have an affordable housing contributions scheme. Council wishes to continue allocating planning agreement funds to affordable housing and hence the preparation of this Scheme.

Proposed approach for collecting contributions

Under *State Environmental Planning Policy (Housing) 2021 (previously known as State Environmental Planning Policy No 70 – Affordable Housing (Revised Schemes))* ~~(SEPP 70)~~ *(Housing SEPP)* all Councils in NSW were made eligible to start collecting affordable housing contributions where there is uplift in the planning controls, an identified local housing need (Appendix A) and where it is viable.

Council has adopted the Local Housing Strategy which does not propose any ~~upre~~zoning in the LGA. This is because it was determined that existing housing capacity under current controls would deliver the appropriate housing supply to meet housing targets. Notwithstanding, the Local Housing Strategy identified a strong need for affordable housing in the Waverley LGA and indicated that new market

housing was not addressing this need but exacerbating it by often reducing existing affordable housing. To this end, there is a clear case for intervention, in the form of an affordable housing contribution, to ensure that new housing delivery is contributing to the delivery of affordable housing. The LHS recommended a percentage range of 1-3% contribution on all new residential apartment development and 10-15% contribution on sites receiving uplift.

~~This scheme. It was identified that a specific percentage of will apply a 1% contribution levy of to the total gross floor area on all new residential apartment development (including independent living units), mutli-dwellings and mixed-used developments. The levy rates are outlined in Section 2.2, and 10% of gross floor area on sites receiving uplift would be more appropriate compared to a range, as a test of industry acceptance. It is envisaged that this rate will increase in the future.~~

Furthermore, Council also receives unsolicited spot rezonings from private industry. ~~Council will seek to apply an. The subject scheme will give Council the legislative backing to levy require~~ affordable housing contribution ~~target of 5-10% of total gross floor area from proponents that tofor sites subject to upzoning via a Planning Proposal. are granted uplift through the planning proposal process.~~

1.3. Aim of this scheme

The aim of the Scheme is to deliver affordable housing resulting from contributions in the Waverley LGA. The scheme aims to:

- Support a socially diverse community
- Capture value attributed to individual landowners through uplift granted by the planning system for the public purpose of affordable housing
- Expand Council's existing affordable housing portfolio

1.4. Where does the scheme apply?

The Scheme applies to the whole Waverley Local Government Area.

1.5. What types of development does the scheme apply to?

~~The scheme applies to all new residential flat buildings, Residential apartment development independent living units, multi-dwellings and mixed-use development (shop top housing), excluding employment generating only development.~~

1.6. Overview of affordable housing need in Waverley

Affordable housing refers to a spectrum of housing options including social housing, affordable rental housing, and certain types of market housing. There are few opportunities in Waverley to access affordable housing. Unaffordability has been a growing issue over the last two decades as household income-to-house price ratio has increased from 4:1 in 1994 to 12:1 in 2016. At present, Waverley is severely unaffordable. Waverley's rent for all dwellings is 1.3 times higher than the Sydney average. As a result, 30% of all renting households are in rental stress and, most strikingly, 85% of low-income households are in rental stress.

The current forms of affordable housing supply are not going to meet the relevant demand. Waverley has the fifth lowest key worker population in Sydney. Where key workers are on a very low, low and moderate income, this is contributing to overall demand for affordable housing. To meet the base demand, 11% of total dwelling stock needs to be affordable. Projecting this to 2036, this equates to an additional 600 affordable rental dwellings, or approx. 30 affordable rental dwellings per annum. Proposed affordable

housing targets of 1% of gross floor area on all new development specified in section 1.5 and a target of 10% of ~~total~~ gross floor area on development receiving uplift, while not meeting all underlying demand, will provide a pathway to increasing affordable housing in the LGA. Furthermore, to retain the current proportion (2%) and ensure no further net loss of social housing, 90 social housing units should be delivered by 2036. Whilst Council can continue to advocate for this, the state government owns and manages social housing.

The current sources of affordable housing are from what is approved under the Housing SEPP ARHSEPP, Waverley Council's Affordable Housing program and what's available in the market. The current supply of affordable rental housing is only meeting 57% of demand and 43% of households in rental stress are not going to have their housing needs met in the current housing climate.

1.7. Legislative basis for affordable housing contributions

Residential development and mixed-use development excluding dwelling houses (a building containing only one dwelling) and employment generating only development within the Waverley LGA is subject to the collection of contributions for affordable housing under Section 7.32 Clause 1 of the Act because:

- The Housing SEPP ~~State Environmental Planning Policy 70—Affordable Housing (Revised Schemes) (SEPP 70)~~ is applied to the whole state. It allows Councils to collect affordable housing contributions where there is an identified need for affordable housing in the area. Appendix A provides additional analysis for affordable housing in the LGA.
- Redevelopment in the LGA will reduce the availability of affordable housing by increasing demand for affordable housing while also increasing the cost of housing.

1.8. Relationship to other affordable housing provisions in the LGA

Where an applicant seeks to utilise the bonus provisions of the ~~Affordable Rental Housing State Environmental Planning Policy 2009~~ Housing SEPP - Division 1 In-fill affordable housing, this contributions plan does not apply to the gross floor area dedicated to affordable housing as part of that development.

1.9. Affordable housing principles

The Waverley affordable housing principles are:

- Affordable housing must be provided and managed in Waverley so that a socially diverse residential population representative of all income groups is available in Waverley,
- Affordable housing must be rented to tenants whose gross household incomes fall within the following ranges of percentages of the median household income for the time being for the Sydney Statistical Division according to the Australian Bureau of Statistics:
 - Very low income household - less than 50%
 - Low income household - 50% or more, but less than 80%
 - Moderate income household - 80–120%
 - and at rents that do not exceed a benchmark of 30% of their actual household income, and
- Dwellings provided for affordable housing must be managed so as to maintain their continued use for affordable housing,
- Rental income from affordable housing received by or on behalf of the Council, after deduction of normal landlord's expenses (including management and maintenance costs and all rates and

taxes payable in connection with the dwellings), must be used for the purpose of improving or replacing affordable housing or for providing additional affordable housing in Waverley or for research and policy development for housing and affordable housing purposes, and

- Affordable housing must consist of dwellings constructed to a standard that, in the opinion of the consent authority, is consistent with other dwellings within the development, especially in terms of internal fittings and finishes, solar access and privacy.

2. Affordable housing contributions

2.1. Voluntary Planning Agreements

The Planning agreement policy 2014 requires that at a minimum 25% of all VPA contributions go to affordable housing. In some circumstances, this may be higher.

2.2. Monetary contribution rates in the LEP

The levy will be calculated as a percentage across the whole development in accordance with the market value of residential floorspace around the time of the development. These rates are outlined in the table below and will be updated on a regular basis in line with current market conditions.

- A levy of 1% of the total gross floor area will apply to all new residential flat buildings, independent living units), multi-dwellings and mixed-use developments (shop top housing) only. This excludes residential development not specified in the above, or commercial generating only developments and other types of development referred to in section 2.3.
- A levy of the total gross floor area will apply to sites receiving uplift through planning proposals, with a target rate of 10% of total gross floor area.
- ~~A levy of 1% of the total gross floor area applying to all new residential apartment development~~
- ~~A levy of 10% of the total gross floor area applying to sites receiving uplift through planning controls.~~

Table 1. Suburb revenues to calculate the affordable housing contribution.

Gross realisation \$/sqm	
Rose Bay	\$14,000
Bronte	\$21,000
Waverley	\$14,000
Dover Heights	\$14,000
Bondi	\$18,500
Vaucluse	\$14,000
Bondi Beach	\$20,000
Bondi Junction	\$18,500
Tamarama	\$21,000
North Bondi	\$19,500
Queens Park	\$17,000

2.2.1. Dedication of dwellings

Council's preference is for monetary contributions. However, where the opportunity arises that the monetary contribution is equal to that of a whole unit (at least 50 sqm), this could be dedicated to Council.

2.3. Development that is exempt from the affordable housing contribution scheme

~~Residential development that is not apartments or~~ Residential development not specified in section 1.5, ~~employment generating only developments, social and affordable housing developed exclusively for the purposes of affordable housing and residential care facilities are all exempt from the affordable housing contribution scheme.~~

2.4. Conditions of consent for affordable housing

Where the total floor area to be dedicated as affordable housing is less than the amount equivalent to a unit at least 50sqm or where the proposed dwellings are considered not appropriate for the purpose of affordable housing (subject to Council approval), an equivalent monetary contribution that would otherwise be required will be sought in accordance with the rate, outlined in section 2.2.

Where an in-lieu contribution is being made the condition of consent is to contain but not be limited to, the following information:

- The monetary contribution required in accordance with the rates as specified under 2.2 of this plan;
- The total floor area of the development used for residential purposes that was used in the calculations;
- A requirement that the condition be satisfied (to Council's approval) prior to the issue of a construction certificate.

3. Administration and implementation

3.1. How to make a contribution

Payment of contributions will be by unendorsed bank cheque or electronic transfer to the Council prior to issue of any construction certificate. In circumstances where no construction certificate is required, payment is required prior to commencement of use/occupation.

3.2. Processes for the distribution and management of funds

Contributions resulting from in-kind or monetary contributions are to be provided in accordance with the following criteria:

- Affordable housing is to be dedicated to the Council
- Contributions are to be pooled and managed by the Council until such time as there is sufficient funding available to develop and/or acquire new affordable housing
- Affordable housing units are owned by the Council and managed by an eligible community housing provider
- Affordable housing is rented to low and moderate income households at 30 per cent of gross household income
- All rent received after deduction of management and maintenance costs will be reinvested back into Council's Affordable Housing Program to be used for the purpose of improving, replacing or providing additional affordable rental housing in Waverley LGA, and
- Affordable housing is designed and constructed to a standard which, in the opinion of Council, is consistent with other dwellings within the same development, that is, they are not differentiated (internally and externally) as affordable housing compared with the design of other housing.

3.3. Tenant eligibility criteria¹

In order to be eligible to participate in the WAHP, successful applicants must be able to substantiate compliance with the following criteria:

- a) The average household gross annual income, which includes all people in the household aged eighteen (18) years and older, taken over the last two (2) years prior to application to WAHP must fall within the following ranges of percentages of the median household income from the Waverley Statistical Division according to the Australian Bureau of Statistics:
 - Low 0% - 80% (the precise income amount will vary annually)
 - Medium 0% - 120% (the precise income amount will vary annually)
- b) Must be able to demonstrate a connectedness to the Waverley LGA area meaning a tenant must be living in the Council LGA currently and for the past three (3) years; or if not living the Waverley Council LGA, have lived in the area for at least five (5) years in the previous ten (10) years;
- c) Must not own assets or property which could reasonably be expected to be used to solve their housing needs;
- d) Employees, or immediate relatives of employees of the Waverley Council and the Affordable Housing Manager ("AHM");
- e) Must not be already living in secure medium and long term subsidized social housing the Eastern Suburbs including the Local Government Area of Waverley, Woollahra, Randwick, Botany and City of Sydney at the time of application submission;
- f) Prior to accepting potential tenants on the waiting list, their eligibility needs to be confirmed through:
 - proof of income, through documentation such as income tax returns, social security documentation, declaration of all assets etc, and
 - proof of connection with the Waverley area, through evidence of current and past phone/power bills and/or current and past rent receipts.

Interviews are conducted with applicants in order to verify compliance with eligibility criteria; and

- g) Prior to placement of anyone from the waiting list in a dwelling, the income and connectedness criteria, lack of secure accommodation are to be verified.

Applicants no longer meeting the criteria should be removed from the waiting list.

3.4. How tenants are assessed and allocated homes

WAHP properties are allocated to approved tenants as per the following:

- a) properties will be advertised. Advertisements for properties will clearly stipulate all eligibility criteria; applicants who fulfil the eligibility criteria will be short listed;
- b) eligible applicants whose household numbers are appropriate to the available property size will be further short listed; and
- c) all eligible potential tenants will enter a ballot which will be drawn.

¹ This tenant eligibility criteria is from the *Waverley Affordable Housing Program Policy 2007 (Amendment 1)*. This policy will be updated from time to time and should be referred to.

Three (3) years is the maximum period available to any tenant in the WAHP. Shorter periods of tenure may be negotiated for privately owned rent capped properties. Previous tenants unsuccessful at the ballot will be advised of new similar properties coming into the WAHP by way of letter from the respective AHM for twelve (12) months only. It is noted, there will be no succession or transfer of tenure. The AHM should inform prospective tenants of all possible conditions of tenure.

3.5. Monitoring and review of scheme

Council will regularly review this policy and the manner in which it operates. As necessary, amendments and other changes may be required to ensure the policy operates in the way that Council intends.

Appendix A – Local housing needs assessment

Appendix A

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Affordable Housing Needs Analysis

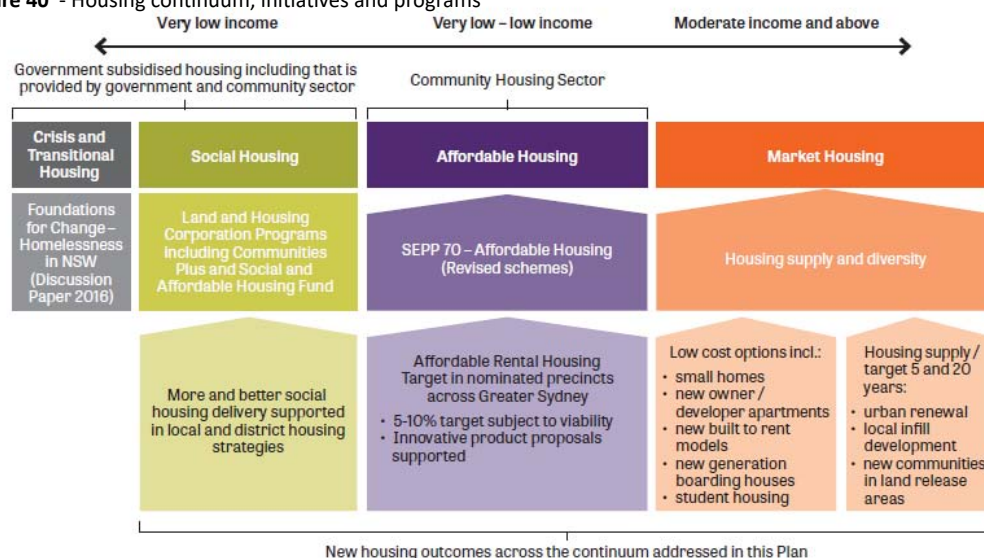
'Affordable housing' is often used as an umbrella term for a spectrum of affordable housing options. The figure below shows that these options include social housing, affordable rental housing, and certain types of market housing. The following sections will highlight that there is a clear and critical need to improve housing affordability in Waverley. A range of factors contribute to this need, including a combination of rising housing costs, population growth pressures and growing demand for inner-city living, in addition to limited land availability.

7.1 Affordable housing

Median household wage growth in Sydney has remained relatively stable, however house prices continue to climb resulting in a widening house price to income ratio. In Waverley the household income to house price ratio has risen from 4 in 1994 to 12 in 2016. The house price to income ratio indicates that Sydney median household income of \$1,750 would need to spend 12 times their annual gross income to purchase the average house in Waverley.

Term	Definition
Affordable rental housing	Housing that is owned by government or a registered community housing provider and rented to a mix of very low to moderate income households.
Housing stress	A household is categorised as being in housing stress where it spends 30% or more of household income on housing costs.
Low cost housing	Housing that is 'naturally' more affordable than other stock e.g. older boarding houses, granny flats
Social housing	To qualify for social housing, tenants must be on very low to low incomes, need to support to live independently and/or have been unable to find affordable housing in the private market. Social housing includes public, community and Aboriginal housing. Public housing is managed by Department of Communities and Justice (DCJ formerly known as Family and Community Services) while community housing is managed by non-government organisations.

Figure 40 - Housing continuum, initiatives and programs



Source: Greater Sydney Commission 2018

Waverley Local Housing Strategy

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Figure 41 - What households can afford vs. median property prices in 2018.



Source: Housing.ID 2019, Hometrack 2018

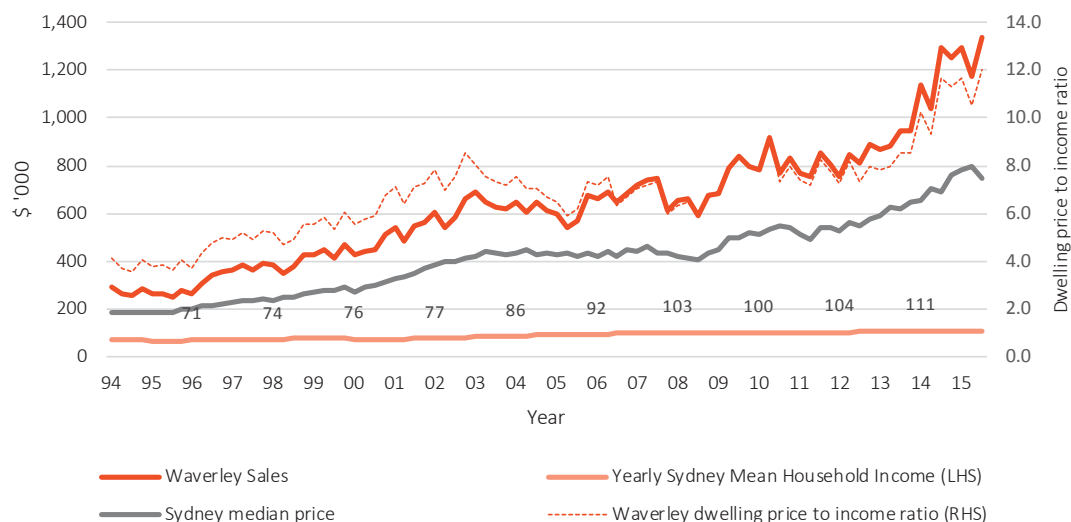
The affordability of housing currently available on the market is based on very low, low and moderate household incomes. The Greater Sydney median household income is used as opposed to the Waverley median household income because Waverley has a higher proportion of high income earners than Greater Sydney.

Median house prices across all suburbs in the Waverley LGA were well out of reach for very low, low and moderate income households in 2018. The purple gradation in the image below shows what very low, low and moderate income earners could afford based on spending 30% of their household income towards a mortgage. The median house price in all suburbs was a significant distance from what would be deemed an affordable mortgage.

Table 3 - Greater Sydney median household income ranges

	Very low income household	Low income household	Moderate income household
Income benchmark	<50% of Gross Median H/H income for Greater Sydney	50-80% of Gross Median H/H income for Greater Sydney	80-120% of Gross Median H/H income for Greater Sydney
Income range	<\$875	\$876-\$1,400	\$1,401-\$2,100

Figure 42 - Waverley house price growth in context



Source: HNSW Rent and Sales Reports 1994-2016 / ABS 1994-2011 Income Data
Note: Income extrapolated for years after 2011.

¹⁸Sydney income used to assess the relative affordability against Sydney.

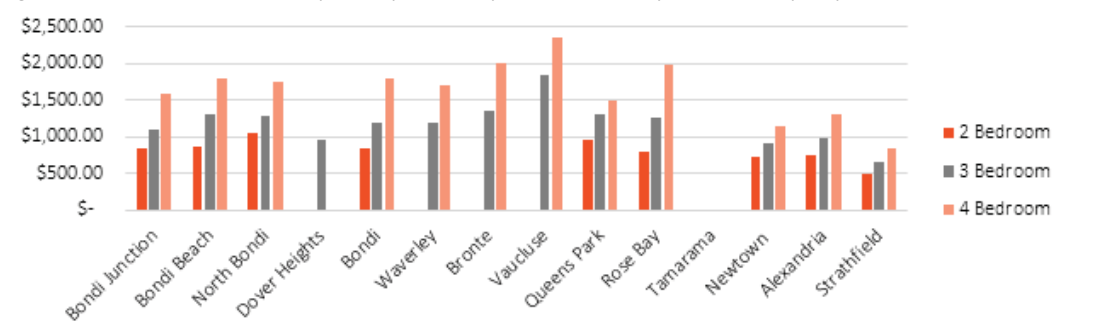
Median unit prices were closer to the affordable purchase range of very low, low and moderate income households but were still above what would be considered affordable. Median unit prices were particularly high, above \$1 million, in beachside suburbs such as Bondi, Bondi Beach, North Bondi and Tamarama.

Waverley’s rent (for all dwellings) is 130% higher than the Sydney average. The median rent for a house of \$1,300/week is like the median price in that it is well beyond the affordable rental range. In particular, the disparity between rents in Waverley compared to Greater Sydney are more pronounced for three or more bedroom places. This reflects a high demand for this type of housing product in Waverley.

The median rent for a unit is \$680/week. The median unit rent is likely to be affordable for households on a moderate income. The median unit rent was at the top end of the moderate income affordability range in Bondi Junction, Bronte, Queens Park, Rose Bay and Waverley. When looking at the apartment types by bedroom number, the affordable units were for one and two bedroom apartments. Like rental prices for houses, there is a significant increase in price for three bedroom dwellings. This points to a demand for larger affordable units and the potential forced relocation for those residents who cannot afford these dwellings.

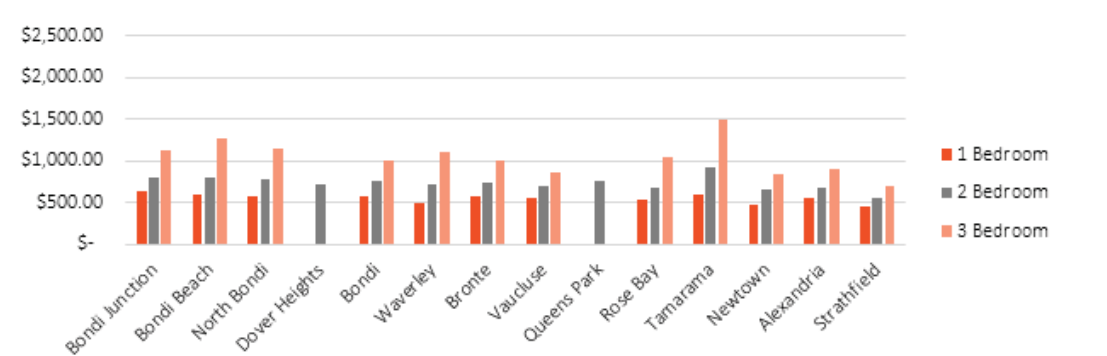
The above analysis highlights how Waverley has become severely unaffordable. This will be exacerbated by fluctuations in available housing supply, as Waverley continues to be a desirable place to live.

Figure 43 - Detached house weekly rental prices comparison – Waverley suburbs vs. Sydney suburbs



Source: Realestate.com. Note: excludes not stated, not applicable, nil or negative responses.

Figure 44 - Unit weekly rental prices comparison – Waverley suburbs vs. Sydney



Source: Realestate.com. Note: excludes not stated, not applicable, nil or negative responses.

Table 4 - Social housing base level demand Waverley, 2016-2036

	2016	2021	2026	2031	2036
Number of dwellings	510	571	576	588	600

Table 5 - Base level affordable rental housing demand (2016-2036)

	2016	2021	2026	2031	2036
Number of dwellings	3,438	3,847	3,885	3,962	4,044

Demand for social housing

To qualify for social housing, tenants must be on very low to low incomes, need support to live independently and/or have been unable to find affordable housing in the private market. Social housing includes public, community and Aboriginal housing. Public housing is managed by Department of Communities and Justice (DCJ formerly known as Family and Community Services) while community housing is managed by non-government organisations.

A contributing factor to demand for social housing is homelessness. The ABS recognises a person as experiencing homelessness if they are living in a dwelling that is inadequate; has no tenure, or if their initial tenure is short and not extendable; or does not allow them to have control of, and access to space for social relations. There are six categories of homelessness including persons living in severely crowded dwellings, improvised dwellings, tents, or sleeping out ('rough sleepers'), in supported accommodation, staying temporarily with other households ('couch surfing'), living in boarding houses and in other temporary lodgings. Of the 116,427 people counted as being homeless on Census night 2016, the greatest proportion (51,088 or 43.9% of all homeless people) were those living in 'severely' crowded dwellings.¹⁹ From the available ABS data for Waverley, 15 people were recorded to be sleeping in an 'improvised home', tent or on the street on Census night 2016. This does not capture those in any of the five other homelessness categories described above and likely underplays the extent of homelessness in Waverley.

Social housing demand is based on the current share of households who are currently in social housing. As

at 2016, social housing makes up 2% of total dwelling stock in Waverley which equates to 510 dwellings (assuming one household = one dwelling). This proportion is extrapolated forward to 2036 and five year increments up to then. By maintaining the 2%, 600 dwellings should be social housing by 2036, which means an additional 90 social housing units should be delivered. This forms a base level target for social housing to ensure no further net loss in the future (Table 4). It does not reflect the broader demand reflected in the waiting list time of 5-10 years for social housing in the Eastern Suburbs. The protection of social housing however is largely out of Council's jurisdiction as it is developed and managed by the state government.

Demand for affordable rental housing/key worker housing

Affordable rental housing is aimed to assist very low, low and moderate income earners who are unable to afford rent in the private market. Affordable rental housing is managed by a community housing provider on behalf of Council where the dwelling is rented out at a capped percentage (around 70-80%) of the market rent. Affordable housing is sometimes referred to as 'key worker' housing.

It is important to understand the demand for key worker housing as key workers are essential to the social and economic wellbeing of cities. The financial ability of key workers to live somewhere is often used as a measure of housing affordability because they are generally in lower-paid occupations and need to live close to their place of work because of irregular shifts (e.g. at night) or the need to respond to emergency situations. Typically, key workers are teachers, nurses,

¹⁹Australian Bureau of Statistics 2018, '2049.0- Census of Population and Housing: Estimating homelessness, 2016', accessed 12 November 2019, < <https://www.abs.gov.au/ausstats/abs@.nsf/mf/2049.0>>.

ambulance, paramedic and emergency services and police officers.

Key workers are essential to the social and economic wellbeing of cities. They typically include teachers, nurses, ambulance, paramedic and emergency services and police officers. The definition of a key worker could differ between places.

In 2016, there were 1,600 key workers on very low, low to moderate incomes living in Waverley. Between 2006 and 2011, there was a 15.2% net loss of these key workers in the Eastern Suburbs, and now Waverley LGA has the fifth lowest key worker population in Sydney.²⁰ The loss of key workers is telling of the broader picture that Waverley has grown as an increasingly unaffordable area for very low and low income households. This entrenches and exacerbates disadvantages as it “can force long distance commutes and increasingly displace asset poor older and younger people from areas where they have historically lived; thereby excluding those who play a valuable role in the Waverley’s economic and social fabric”.²¹

There are also people who work within Waverley on very low, low to moderate incomes who, while not designated as a part of the ‘key worker’ nomenclature, nevertheless form an important part of the economic function of Waverley. The top three local industries are retail, accommodation and food services and health care and social assistance industries. These lower income earners live across Sydney and are more likely to travel from outside the LGA (more than 10km) and therefore experience commutes of 1 hour or more. In total, there are approximately 20,000 local workers on very low, low to moderate incomes in Waverley.

To determine the forecast demand for affordable rental housing, households who need this housing are those who have very low, low or moderate household incomes and spend more than 30 per cent of this income on rent (i.e. are experiencing rental stress).

Housing stress is a critical measure of the need for affordable housing, as it shows the interplay between housing costs (rental and purchasing) and income levels. Housing stress has generally been defined as those households in the lowest 40% of incomes (i.e. very low, low or moderate income households) who are paying more than 30% of their usual gross weekly income on housing costs (rental or purchasing). Those experiencing mortgage stress are excluded from this demand analysis because they have the option of selling their asset and entering the private rental market.

Increasing housing stress caused by the loss of affordable housing has detrimental ramifications such as the displacement of long term residents in gentrifying areas, loss of cultural and social diversity, and key workers struggle to afford high housing costs proportionally to low incomes.

Rental stress is a growing issue across Sydney as more people choose or can only afford to rent in a competitive housing market. In 2016, 30% of households renting in Waverley are in rental stress, which makes up 13% of all households in Waverley. When broken down into the income brackets below,

Figure 45 - Households in rental stress



Source: Housing.ID 2019, ABS Census 2016.

²⁰Gurran, N., Gilbert, C. Zhang, Y., Phibbs, P. 2018, “Affordability in Sydney”, Report prepared for Teachers Mutual Bank, Police Bank and My Credit Union, The University of Sydney, Sydney.

²¹Judith Stubbs and Associates, 2016, SSROC Affordable Housing Submission: Background report part 1 – demographic and housing market analysis.

there is a stark comparison between the proportion of households in rental stress when compared to Greater Sydney. This is markedly noticeable for very low income and low income households where 81% and 85% of these households are in rental stress. Based on anecdotal evidence, these households are likely to be those on a pension or single income families.

The proportion of households in rental stress has been translated as a base level demand target for the provision of affordable rental housing. In 2016, 13% of Waverley households were in rental stress equating to 3,440 dwellings (assuming one household=one dwelling). This made up 11% of the total dwelling stock in 2016. Table 5 indicates the likely future demand for affordable rental housing, assuming the proportion of rental stress remains constant. It highlights that just to address the current proportion of households in rental stress, an additional 600 affordable dwellings will be required by 2036; equating to approximately 30 affordable rental dwellings per annum.

7.2 Affordable housing supply

The NSW Environmental Planning and Assessment Act 1979 has explicitly aimed to promote and retain affordable housing. State and local governments in New South Wales have a relatively long history of addressing affordable housing through planning legislation and policy, much of which was developed during the 1990s. The focus has been on protecting existing sources of low-cost housing, especially in metropolitan areas; overcoming barriers to diverse housing forms contained in local planning schemes; and allowing planning authorities some limited opportunities to seek contributions towards affordable housing programs.²²

Affordable Rental Housing State Environmental Planning Policy (ARHSEPP) 2009

The ARHSEPP was introduced to encourage the provision of new affordable housing developments and where low cost housing is lost, requiring a monetary contribution to offset the impact. The ARHSEPP applies to all LGAs in Greater Sydney and provides bonus floorspace provisions if new development provides a portion of new stock as

affordable housing for a fixed-term of 10 years. The ARHSEPP requires that where the demolition or strata subdivision of affordable rental housing is proposed, it must be offset by monetary contributions to be applied towards affordable housing.

Boarding houses

To encourage new affordable housing, the ARHSEPP provides a floor space bonus for boarding house development. In the period from 2009 to 2017, 73 boarding house rooms were approved, approx. 9 rooms per annum in the Waverley LGA. Research by City Futures demonstrates that boarding house developments generated under the bonus ARHSEPP provisions cater to a different market than traditional boarding houses. Of the 9,000 rooms provided by boarding house developments in the SSROC²³ region, around 50% were targeted student accommodation (typically clustered around university campuses). Of those boarding houses not specifically targeting student accommodation, the tenants are typically young, skilled and from a migrant background with a modest income. These boarding houses are low cost rentals but only marginally cheaper than one bedroom units. Therefore, new boarding houses are catering to a market for low cost housing, albeit not at the substantially discount rates of older style boarding houses. These new rooms will fill a gap in the market for low cost housing and it is expected that in the longer term will become relatively more affordable compared to existing stock.

Secondary dwellings

Secondary dwellings have long been part of Sydney's urban form. Secondary dwellings include laneway development in the form of converted garages or new studios above garages and are a relatively common development type in Waverley. The introduction of the ARHSEPP in combination with standardised planning controls made secondary dwellings a form of complying development, making it easier to develop this type of housing. The introduction of the ARHSEPP had an immediate impact on the number of approvals for secondary dwellings as they more than doubled between 2008 and 2013.

Due to the existing established form of the Waverley area, the built-up nature of existing sites and smaller lot sizes, it is difficult to get a secondary dwelling

²²Gurran N et al. New directions in planning for affordable housing: Australian and international evidence and implications, Australian Housing and Urban Research Institute (AHURI), June 2008

approved via complying development. This is because complying development has strict design requirements that must all be met. Therefore, the approval pathway is generally through development application to Council where assessment is more merit based and specific to the subject site. Between 2006 and 2016, 80 secondary dwellings have been approved in the Waverley LGA. This represents 6.5% of the total number of new dwellings in the same period.²⁴ Despite their popularity, these dwellings are said to create undesirable amenity issues, such as overlooking, with neighbours often objecting to development applications.

Issues with the ARHSEPP

The key intention of the ARHSEPP is to facilitate more affordable rental housing by encouraging smaller and by nature, less expensive, dwellings into the local housing market. However, the SEPP purely relies on the smaller nature of the housing to make it affordable, with no formal requirements to cap rent at an affordable rate. In the 2016/17 financial year 20% of secondary dwellings were rented out on the private market and were more expensive than comparable product in the market. Anecdotal evidence indicates that the remaining 80% of secondary dwellings are being utilised under private, likely informal arrangements for extended family or adult children to live in. This reflects a wider shift towards multi-generational households for social and cultural reasons but also increasing housing affordability pressures particularly for young adults trying to get their foot in the market. Moreover, it is out of Council's control to monitor the rents to ensure that they are addressing the demand for affordable housing.

There are several operating flaws with the ARHSEPP which prohibit it from achieving its main objectives. Developers can bypass the requirement to offset the loss of affordable housing with monetary contributions by not providing historical data on the low rental status of the building as at 28th January 2000. Even when contributions are collected, they are not reinvested back into the Waverley LGA. Furthermore, developments only need to be available

at a discounted affordable rate for 10 years, not in perpetuity.

State Environmental Planning Policy 70 - Affordable Housing (Revised Schemes) (SEPP 70)

Ahe DPIE announced in early 2019 that all Councils will be included in SEPP 70. The premise of the SEPP is that it allows Councils to levy new development in areas where significant upzoning has occurred for affordable housing contributions. This is subject to an affordable housing needs analysis and viable contributions scheme. These contributions are then hypothecated to increasing the provision of affordable rental dwellings.

Waverley raised concerns in its submission to the draft SEPP 70 Guidelines that affordable housing contribution scheme should apply to all new development and that it is possible the guidelines misrepresent the Act²⁵ by only focusing on the 'rezoning' and not the 'initial zoning'.

Waverley's Affordable Housing Program

Waverley Council has had a longstanding commitment to the provision of affordable housing. The majority of Council's portfolio was acquired through an affordable housing policy. Developers at the time made a request for additional floorspace under a SEPP 1 variation at the development application stage. In most cases the additional floorspace was delivered by a dedication of a dwelling in perpetuity to Council for the purposes of affordable housing. Units were generated through this process between 1996 & 2010. In order to provide greater flexibility the policy was amended to permit either the dedication and transfer of completed dwellings to Council as affordable housing in perpetuity, providing dwellings for a set lease term, or through monetary contribution. Through this process Council secured 44 units of affordable housing, 22 in perpetuity and 22 on leases of varying periods. All but one of the lease periods has now ended. The distribution of properties and their target demographic is summarised below.

²³Southern Sydney Region of Councils (SSROC) includes Canterbury-Bankstown, Burwood, Inner West, Sutherland Shire, Georges River, Bayside, Randwick, Woollahra, and Waverley Councils.

²⁴Troy, L., van den Nouwelant, R. and Randolph, B (2018) State Environmental Planning Policy (Affordable Rental Housing) 2009 and affordable housing in Central and Southern Sydney. City Futures Research Centre, Faculty of Built Environment, UNSW Sydney Australia.

Table 6 - Waverley Council Affordable Housing Portfolio

Program	Dwellings	Targets
Affordable Housing Program	25 units	Ordinary working people on low to moderate incomes who can demonstrate a connection to Waverley
Waverley Housing for Older People	47 units	People 55+ on very low incomes who can demonstrate a strong connection to Waverley
Waverley Housing for People with a Disability	3 units	Clients of Waverley Council's Community Living Program for people with an intellectual disability with very low to low incomes

The Policy could not be applied after the gazettal of Waverley LEP 2010 which required all FSR and HOB controls to be included in the LEP rather than the DCP. Variations to FSR were then required under Clause 4.6 which meant that the Waverley AH Program could no longer be applied. Consequently, a Voluntary Planning Agreement (VPA) Policy was prepared which proposed that any DAs exceeding the FSR be encouraged to enter into a VPA which shared the value of any additional floorspace 50/50 with Council and that this monetary dedication be used by Council for a public purpose. Generally, this would involve capital works improvements in the vicinity of the DA however 10% of the VPA monetary contribution continues to be allocated to Council's Affordable Housing Trust Fund which is used to develop or purchase additional affordable housing units. In 2016, Council invested a portion of its cash contributions in the joint purchase with Bridge Housing of a 4x2 bed unit block, for the purpose of provision of affordable housing.

7.2.3 Loss of affordable housing

An indicator of the loss of affordable housing is tracking boarding houses through Councils boarding house register. Councils records go back as far as 1996 and is updated every year. Since 1996, there has been a net loss of over 100 boarding house rooms in Waverley. This represents a decrease in the proportion of boarding house rooms from 2% to 1% of the total dwelling stock in a twenty year period.

The trends relating to boarding houses is at best a proxy for the broader picture relating to the loss of low cost housing. For example, using the data from

the boarding house register, in the period between 2010 and 2018 there was a net loss of 32 boarding rooms which equates to on average, the loss of 4 boarding rooms per annum. The Strategic Planning team completes referrals for the application of the ARHSEPP to new development applications. This allows Council to track where there is a loss of affordable housing. In addition to the demolition of a boarding house, the conversion of a company title block to strata title also results in a loss of affordable housing. In the 2017 / 2018 there were five applications that resulted in a loss of a total of 58 low cost, affordable rental dwellings. 58 low cost affordable rental dwellings are significantly higher than the average loss of 4 boarding house rooms per annum in the same year. Notwithstanding, there has been an overall loss of affordable housing and supply is not keeping up. The only provision of 'pure' affordable housing has been through Council's Waverley Affordable Housing Program where there has been 75 units delivered since 1996. During the same period there has been a loss of over 100 boarding house rooms, which is only an indicator of the broader loss across the LGA. The delivery of boarding houses and secondary dwellings in recent years do provide some form of low cost housing primarily because of their smaller nature which makes them a more affordable product on the housing market. Furthermore, where dwellings are affordable, it's only required to be for ten years.

7.3.4 Future affordable housing supply

As highlighted above, 80 secondary dwellings were approved between 2006 and 2016, which is

approximately 10 secondary dwellings per year. That means approximately 200 secondary dwellings could be delivered in the next 20 years (10 x 20 years). Since the introduction of the ARHSEPP, 73 boarding house rooms have been approved in the Waverley LGA; approximately 9 rooms per year. Extrapolating this forward means approximately 180 (9 x 20 years) boarding house rooms could be delivered in the next 20 years.

Affordable dwelling forms have not been factored into the table above but are important to meeting the overall housing target to 2036. Affordable dwelling forms did not form part of the capacity assessment which looked at net additional dwellings through dual occupancies in R2 and apartments in R3, B4 and R4. These would be subject to different requirements which was not completed in this discussion paper. Notwithstanding, these should be monitored alongside dwelling completions into the future as they fill a gap in the spectrum of housing options. Consideration should also be given to how much one affordable dwelling form compares to a typical dwelling in terms of meeting demand.

7.2.5 Affordable housing supply gap

On a yearly basis, below is a summary of known supply of affordable rental housing in Waverley:

- Dedicated Council units – 75 dwellings
- Low cost housing (approved through the ARHSEPP) – 19 dwellings (for a maximum of 10 years)

Based on what is currently on the market the following number of affordable (i.e. 30% of income) rental units were available to each income bracket:

- Very low income – 7 dwellings

Known supply of affordable rental housing is 94 dwellings pa.

Market supply of affordable rental housing = 1,789 dwellings pa.

Total supply of affordable rental housing = 1,883 dwellings pa.

- Low income – 239 dwellings
- Moderate income – 1,543 dwellings

As at 2016, 3,438 households needed affordable rental housing because they were either a very low, low or moderate income household spending 30% or more of their household income on rent. The current supply of affordable rental housing is only meeting 57% of demand. 43% of households in rental stress are not going to have their housing needs met in the current housing climate. This gap is also likely an underestimation of the actual gap between affordable rental housing supply and demand. It does not account for the fluctuations in available market supplied units, or that the affordability of units approved through the ARHSEPP is questionable given the latest research discussed above.

7.3 Affordable housing target

The District Plans indicate that Councils should aim to implement an affordable housing target of 5-10% of floor space for developments that experience uplift in the planning controls, subject to viability. The 5-10% would only apply to the additional floor space achieved through uplift. For example, if a development was rezoned to allow for 100sqm in addition to what was previously allowed on site, 10sqm of that would be dedicated to affordable housing, rather than across the whole development. This strategy does not recommend uplift in the planning controls due to the existing level of density and capacity to meet targets under the current controls.

A different approach to levying affordable housing contributions is proposed, including a lower contribution rate for all new residential floor space and a higher contribution rate on sites that experience uplift. Initial modelling and feasibility suggest that the following scheme could comprise the following elements:

- 1% phasing up to 3% over time on all new residential apartment development.
- 10-15% applying to sites that get uplift in the planning controls.

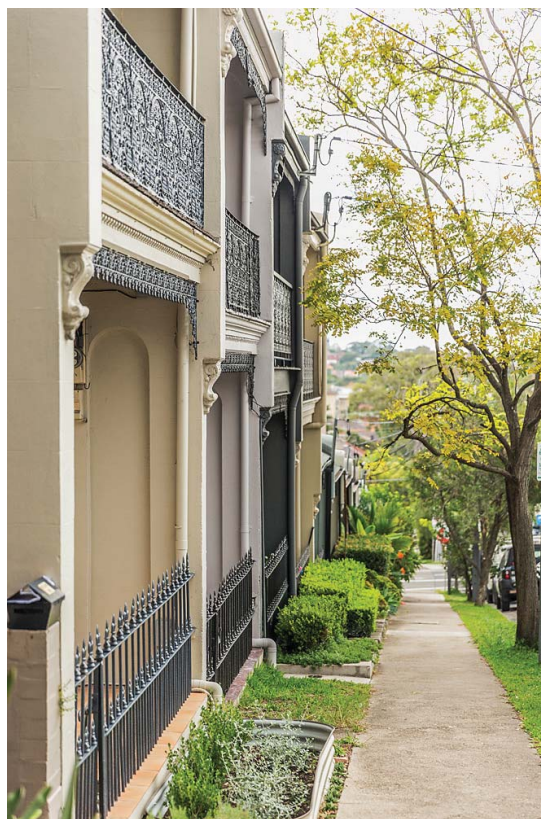
These targets alone will not close the affordable housing gap in Waverley but is a base level that could be achieved in collaboration with the State Government.

7.4 Summary

Affordable housing refers to a spectrum of housing options including social housing, affordable rental housing, and certain types of market housing. There are few opportunities in Waverley to access affordable housing. Unaffordability has been a growing issue over the last two decades as household income to house price ratio has increased from 4 in 1994 to 12 in 2016. At present, Waverley is severely unaffordable. Waverley's rent for all dwellings is 1.3 times higher than the Sydney average. As a result, 30% of all renting households are in rental stress and most strikingly 85% of low-income households are in rental stress.

The current forms of affordable housing supply are not going to meet the relevant demand. Waverley has the fifth lowest key worker population in Sydney. Where key workers are on a very low, low and moderate income, this is contributing to overall demand for affordable housing. To meet the base demand, 11% of total dwelling stock needs to be affordable. Projecting this to 2036, this equates to an additional 600 affordable rental dwellings, or approx. 30 affordable rental dwellings per annum. Proposed affordable housing targets of 1-3% on all new development and 10-15% on development receiving uplift, while not meeting all underlying demand, will provide a pathway to increasing affordable housing in the LGA. Furthermore, to retain the current proportion (2%) and ensure no further net loss of social housing, 90 social housing units should be delivered by 2036. Whilst Council can continue to advocate for this, the state government owns and manages social housing.

The current sources of affordable housing are from what is approved under the ARHSEPP, Waverley Council's Affordable Housing program and what's available in the market. The current supply of affordable rental housing is only meeting 57% of demand. 43% of households in rental stress are not going to have their housing needs met in the current housing climate.



REPORT
PD/5.5/23.04

Subject: Sub-Regional Affordable Housing Collaboration Project

TRIM No: A22/0532

Author: George Bramis, Executive Manager, Urban Planning

Director: Fletcher Rayner, Director, Planning, Sustainability and Compliance

RECOMMENDATION:

That Council:

1. Investigates a sub-regional approach to affordable housing delivery with Randwick and Woollahra Councils that combines funding, land allocations and State and Commonwealth grants.
2. Officers prepare a further report to Council, presenting a joint discussion paper to facilitate affordable housing on a sub-regional basis.

1. Executive Summary

The purpose of this report is to seek Council's support to collaborate with Randwick City Council and Woollahra Municipal Council to identify innovative solutions for the delivery of affordable housing on a sub-regional basis. Waverley's Local Housing Strategy, Local Strategic Planning Statement and the Social and Affordable Housing Review all include actions to pursue this approach.

In particular, taking a sub-regional approach provides an opportunity to pool monetary contributions, expertise and other resources.

Should this approach be supported, a joint discussion paper identifying opportunities to facilitate affordable housing would be prepared and reported back to Council. The paper would explore, in part, the role of partnerships with community housing providers (CHPs) who have the capacity to attract grant funding and finance, such as low-cost, long-term loans to projects. The discussion paper would also explore financial and resource implications for consideration.

2. Introduction/Background**Affordable Housing need**

Housing prices and rents have been rising over the last 20 years, and unaffordability has been a growing issue over the last two decades as household income to house price ratio has increased from 4 in 1994 to 12 in 2016 in Waverley local government area (LGA).

The Local Housing Strategy identifies that, at present, Waverley is severely unaffordable and that rent for all dwellings is 1.3 times higher than the Sydney average. In 2016, 3,438 households needed affordable rental housing in the Waverley LGA because they were either a very low, low or moderate income household spending 30% or more of their household income on rent. The current supply of affordable rental housing was only meeting 57% of demand. The existing planning mechanisms available under the

Environmental Planning and Assessment Act 1979 (EP&A Act) have been ineffective in delivering affordable housing in the Waverley LGA.

Currently, there is very little affordable or social housing stock in the Waverley LGA, and there are significant waiting lists and waiting times to access social housing in the wider Eastern suburbs area.

Buying or renting housing in the Waverley LGA is increasingly unaffordable for key workers, who are typically on moderate incomes. Key workers are people whose jobs are considered essential to supporting community life. This includes people in occupations such as health care, education, emergency and other services. Teachers, both primary and secondary, are generally the largest group of key workers in the LGA. If key workers are unable to afford and access housing in and around the Eastern Suburbs they may need to live much further away. This could limit the ability of businesses and critical services to access a suitable labour pool.

There is therefore a need to investigate mechanisms to increase the delivery of affordable housing.

Sub-regional approach

Both Randwick and Woollahra Council officers have received endorsement from their respective Councils/ Planning Committees to investigate a sub-regional approach to affordable housing delivery. At the Randwick Council meeting on 22 November 2022, a mayoral minute was adopted stating that officers: 'bring a report back to Council that investigates a regional approach to affordable housing delivery with Waverley and Woollahra councils, that combines funding, land allocations and state and Commonwealth grants.' Similarly, at the Woollahra Council Environmental Planning Committee on 7 November 2022, a resolution was adopted that: "Council writes to the Department of Planning and Environment to request that they: develop a policy framework and provide incentives to encourage councils to collaborate to address and deliver affordable housing through a sub-regional approach."

3. Relevant Council Resolutions

Nil.

4. Discussion

The current planning mechanisms available to facilitate affordable rental housing under the EP&A Act are not delivering anywhere near sufficient supply to keep up with demand.

The *State Environmental Planning Policy (Housing) 2021* (and the now repealed *State Environmental Planning Policy (Affordable Rental Housing) 2009*) (ARHSEPP) encourage the provision of new affordable housing developments and where low-cost housing is lost, requiring a monetary contribution to offset the impact. There are several concerns with the ARHSEPP, including the lack of formal requirement to cap rental prices for secondary dwellings and boarding house rooms and the requirement to only provide certain dedicated affordable housing at an affordable rate for 10 to 15 years.

Consistent with the Waverley Local Housing Strategy and Local Strategic Planning Statement, staff from Council's Strategic Town Planning and Community Programs held discussions with staff from Randwick and Woollahra Councils to consider a sub-regional approach to improve the delivery of affordable rental housing.

Matters discussed include the pooling of monetary contributions, sharing of expertise, the high cost of land, role of community housing providers and opportunity to pool resources for sites that still provide occupants with reasonable proximity to work in the Waverley LGA.

If supported, a joint discussion paper would be prepared to establish the sub-regional context, identify opportunities and options to facilitate affordable housing, including consideration of:

- Grants and funding opportunities – There are several State and Commonwealth programs to support the increase of affordable housing supply, these include the NSW Community Housing Innovation Fund managed by NSW Communities and Justice, and Commonwealth programs such as the Affordable Housing Bond Aggregator and the Housing Australia Future Fund.
- Council funding – Council collects monetary contributions from DAs approved under *State Environmental Planning Policy (Affordable Rental Housing) 2009* and from the Waverley Affordable Housing Program.
- Public land – Identifying Council or other Government-owned land that could potentially form part of an affordable housing development.
- Council and CHP partnership models – Exploring partnership models for delivery, ownership and management of affordable housing, and engaging with CHPs who have the capacity to bring financial investments and attract grant funding for projects.

Subject to consideration of the above matters, and Councillor feedback on the preferred delivery model, more detailed partnership and feasibility investigations would occur.

Policy implications

The specific priorities, objectives and recommendations of Waverley's Local Housing Strategy (LHS), Local Strategic Planning Statement (LSPS) and Social and Affordable Housing Review (SAHR) are summarised below:

- *Planning Priority 6: Facilitate a range of housing opportunities in the right places to support and retain a diverse community (LSPS)*
- *Housing Priority H3 Increase the amount of affordable rental housing and social housing: Waverley has had a longstanding commitment to the provision of housing for those on very low to moderate incomes and this will be pursued into the future. This will require a collaborative approach with neighbouring Woollahra, Randwick and City of Sydney Councils, as well as continuing stakeholder relationships with community housing providers. (LSPS)*
- *Recommendation to pursue additional opportunities outside of the community housing provider delivery contract to further increase housing stock, including regional partnerships or alternative models. (SAHR)*
- *Priority H3: Increase the amount of affordable rental housing and social housing: H3.4 Work with Randwick and Woollahra Council on a regional approach to addressing affordable housing. (LHS)*

Further investigation of a sub-regional approach would be consistent with Council's existing adopted policies.

Next steps

If supported, a letter inviting Woollahra and Randwick Councils would be prepared and issued under Mayoral letterhead, requesting that the Councils collaborate to investigate a sub-regional approach for the planning and delivery of affordable housing via the preparation of a joint discussion paper.

5. Financial impact statement/Time frame/Consultation

Financial impact statement

The discussion paper would be prepared using staff resources.

Consultation

Consultation would occur with relevant Council staff and applicable sub-committees.

6. Conclusion

The lack of affordable housing in the Waverley LGA is a growing concern. This report seeks support for officers to investigate and prepare a report to Council that investigates a sub-regional approach to affordable housing delivery with Randwick and Woollahra Councils that combines funding, land allocations and State and Commonwealth grants.

7. Attachments

Nil.

REPORT
PD/5.6/23.04

Subject: Planning Proposal - Bus Shelter and Communication Panel Advertising

TRIM No: A08/0325

Author: Nikolaos Zervos, Executive Manager, Infrastructure Services

Director: Sharon Cassidy, Director, Assets and Operations

RECOMMENDATION:

That Council:

1. Prepares a planning proposal to insert exempt provisions for advertising into the *Waverley Local Environmental Plan 2012*, provided that the advertising:
 - (a) Must either not extend beyond 10 m from the perimeter of a bus shelter or must be directly attached to freestanding communication panels.
 - (b) Must not contain flashing or neon signage.
 - (c) Must not be located on land that comprises a heritage item.
 - (d) Must not be located in a heritage conservation area (excluding Birrell Street, Blair Street, Bondi Road, Bronte Road, Campbell Parade, Macpherson Street and Oxford Street).
 - (e) Must be erected by, or on behalf of, Council.
2. Refers the planning proposal to the Waverley Local Planning Panel for advice, with officers to prepare a report to Council on the advice prior to lodging the proposal with the NSW Department of Planning and Environment.
3. Notes that Council will receive a further report with the proposed advertising locations for approval prior to inviting tenders on the open market.

1. Executive Summary

Bus shelter advertising currently provides benefit to Council in the form of revenue and fully maintained bus shelters. The current bus shelter advertising agreement has been recently extended by Council and is due to expire on 12 June 2024.

Future bus shelter and communications panel advertising arrangements provide an opportunity to significantly increase Council's annual revenue stream.

All neighbouring councils adjoining Waverley (Randwick and the City of Sydney) have advertising contracts in place or are currently undertaking tenders (Bayside and Woollahra). Given the location and transient demographics of Waverley, advertising in Waverley is an attractive proposition for the market.

To assist Council in examining the opportunity for advertising in the Waverley local government area, specialist consultants Nexusfactor has been engaged to provide specialist infrastructure advertising advice. Nexusfactor has experience in providing expert advertising, commercial modelling, planning and contract consultancy advice to various local and state government authorities and public transport organisations around Australia.

Nexusfactor has advised that existing planning permits have been issued on a site-by-site basis and as these do not currently provide for digital advertising, modification applications would be required. Further, there may opportunity for new advertising displays.

2. Introduction/Background

Council has a long history of bus shelter advertising with lengthy contracts, including the current arrangement with JCDecaux.

Council currently has 85 bus shelters. Of these, Council owns 44 non-advertising bus shelters of varied styles ranging from faux heritage style to brick and contemporary aluminium and glass.

In addition, there are 41 steel and glass bus shelters with advertising displays. These advertising bus shelters were constructed under the existing advertising rights contract with JCDecaux Australia.

On 17 May 2022, Council resolved to investigate these opportunities for bus shelter upgrades, including advertising installations, with the findings to be presented at a Councillor briefing session in preparation for a future tender and long-term contract. The Councillor briefing was undertaken on 28 February 2023.

Officers are seeking to prepare a planning proposal to insert exempt provisions in the LEP. This will allow Council to tender for and install contemporary bus shelters that will be compliant to standards, replace dilapidated assets and provide sympathetic and consolidated advertising panels and providing community communication boards at key strategic locations. Nexusfactor, the leading industry consultant in this field that has assisted councils including City of Sydney, City of Paramatta and Woollahra Council, will be assisting Council in drafting the planning proposal.

3. Relevant Council Resolutions

Meeting and date	Item No.	Resolution
Council 17 May 2022	CM/11.1/22.05	<p>That Council:</p> <ol style="list-style-type: none"> 1. Treats the report as confidential in accordance with section 11(3) of the <i>Local Government Act 1993</i>, as it relates to a matter specified in section 10A(2)(d)(i) of the <i>Local Government Act 1993</i>. The report contains commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it. 2. Notes that the COVID-19 pandemic and market volatility have resulted in extenuating circumstances that have prevented Council from tendering its bus shelter advertising and maintenance contract. 3. In accordance with section 55(3)(i) of the <i>Local Government Act 1993</i>, approves a short-term extension of its bus shelter advertising contract with JC Decaux until 12 June 2024.

		<p>4. Authorises the General Manager to complete negotiations and execute the necessary contractual arrangements.</p> <p>5. Investigates opportunities for bus shelter upgrades, including advertising installations, with the findings to be presented at a Councillor briefing session in preparation for a long-term contract.</p>
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4. Discussion

Planning considerations

To maximise the opportunity from bus shelter and communications panel advertising, changes must be made to Council's planning controls to permit this form of advertising as exempt development. The following summarises the key relevant matters for consideration.

As per clause 10 of the *State Environmental Planning Policy 64 – Advertising and Signage* (SEPP 64), the display of advertisements (other than business or building identification signs) is prohibited in the following land use zones or descriptions:

- Environmentally sensitive areas.
- Heritage area (excluding railway stations).
- Natural or other conservation area.
- Open space.
- Waterway.
- Residential (but not including a mixed residential and business zone, or similar zone).
- Scenic protection areas.
- National park.
- Nature reserve.

It is noted that under clause 6(2) of SEPP 64, the above provisions do not apply to signage that is identified as exempt development under any applicable environmental planning instrument (which in our case would be the *Waverley Local Environmental Plan 2012* (Waverley LEP 2012)).

Waverley Local Environmental Plan 2012

Under the Waverley LEP 2012, advertising on street furniture would either be defined as 'signage' or 'advertising structure' where advertising structures are a type of signage. The definitions are as follows:

signage means any sign, notice, device, representation or advertisement that advertises or promotes any goods, services or events and any structure or vessel that is principally designed for, or that is used for, the display of signage, and includes any of the following—

- a) an advertising structure,*
- b) a building identification sign,*
- c) a business identification sign,*

but does not include a traffic sign or traffic control facilities.

advertising structure has the same meaning as in the Act.

Note: The term is defined as a structure used or to be used principally for the display of an advertisement. Accordingly, advertising structures are a type of signage.

Having reviewed the Land Use Table of the Waverley LEP 2012, these two land uses, signage and advertising structure, are not currently permissible in any of the land use zones.

Making the land use permissible as exempt development would give Council greater flexibility by streamlining the application process. It would also overcome the limitations of SEPP 64 which prohibits signage in certain areas. Other councils that have taken this approach include Canada Bay, Penrith, Sutherland Shire and most recently Woollahra.

To facilitate advertising on bus shelters and communications panels, a planning proposal must be prepared to amend schedule 2 (exempt development) of the Waverley LEP 2012 to allow advertising as exempt development with clear limitations and conditions. Due to the number of steps involved, this expected take a minimum of nine months to implement.

Bus shelter infrastructure

It will be important that a full assessment of the bus shelter opportunities is undertaken to provide the best combination of options for a bus shelter advertising tender. This would include identifying scope for:

- Retrofitting of new advertising displays in existing advertising bus shelters.
- Retrofitting of new advertising displays in selected existing non-advertising bus shelters.
- New bus shelters with advertising at selected bus stops without bus shelters.

Freestanding communication panels

Nexusfactor has advised that there has been a recent enhancement to bus shelter advertising contract rights through the addition of double-sided freestanding communication panels. These can provide a combination of additional revenue to Council and community benefit.

Communication panels are being introduced by the City of Sydney, North Sydney Council and the City of Adelaide to provide fully maintained Council messaging in selected pedestrian areas.

While it is noted that the City of Sydney has had some recent issues with the roll-out of its communication panels, the concept design can be better refined for application for Council. Design specifications including size and footpath clearances and locations will need to be fully considered.

The primary side of the communication panel would be designed for Council's exclusive use and include features such as:

- Directory map of local area including 'you are here' and places of interest.
- Electronic bulletin boards for the promotion of local community services, special events and public posting of messages.
- Default display of alternating Council messages.
- Bus timetables or live transport messaging.

The secondary side would be dedicated to advertising activity consistent with the bus shelter advertising.

5. Financial impact statement/Time frame/Consultation

Council has already budgeted for the engagement of Nexusfactor to assist with developing the planning proposal.

The planning proposal is being proposed to assist Council with a clear planning pathway to run a competitive tender process for new bus shelters and communication panels across the Local Government Area. An inherent part of the process is advertising rights being granted. These advertising rights give Council the opportunity to generate considerable income to support infrastructure renewal and operational revenue.

Given the current contract Council has with JC Decaux is due to expire in June 2024, there is urgency in developing and lodging the planning proposal to ensure a new contract is in place prior to this date.

6. Conclusion

To continue to provide bus shelter infrastructure in a cost-effective manner, Council will need to form a planning pathway that allows advertising on bus shelters and freestanding communication panels. The planning proposal will be seeking to make the land use permissible as exempt development. This report seeks permission to compile the planning proposal that will then be presented to Council for endorsement prior to lodgement to the NSW Department of Planning and Environment.

7. Attachments

Nil.

CLOSED SESSION
PD/7/23.04

Subject: Moving into Closed Session

Author: Emily Scott, General Manager

**RECOMMENDATION:**

That:

1. Council moves into closed session to deal with the matters listed below, which are classified as confidential under section 10A(2) of the *Local Government Act* for the reasons specified:

PD/7.1/23.04 CONFIDENTIAL REPORT - 194-214 Oxford Street and 2 Nelson Street, Bondi Junction - Use of Council Land

This matter is considered to be confidential in accordance with section 10A(2)(c) of the *Local Government Act*, and the Committee is satisfied that discussion of the matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if disclosed, confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.

2. Pursuant to section 10A(1), 10(2) and 10A(3) of the *Local Government Act*, the media and public be excluded from the meeting on the basis that the business to be considered is classified as confidential under section 10A(2) of the *Local Government Act*.
3. The correspondence and reports relevant to the subject business be withheld from the media and public as provided by section 11(2) of the *Local Government Act*.

Introduction/Background

In accordance with section 10A(2) of the Act, Council may close part of its meeting to deal with business of the following kind:

- (a) Personnel matters concerning particular individuals (other than councillors).
- (b) Personal hardship of any resident or ratepayer.
- (c) Information that would, if disclosed, confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.
- (d) Commercial information of a confidential nature that would, if disclosed:
 - (i) Prejudice the commercial position of a person who supplied it: or
 - (ii) Confer a commercial advantage on a competitor of Council;
 - (iii) Reveal a trade secret.
- (e) Information that would, if disclosed, prejudice the maintenance of law.
- (f) Matters affecting the security of Council, Councillors, Council staff and Council property.
- (g) Advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the grounds of legal professional privilege.
- (h) Information concerning the nature and location of a place or an item of Aboriginal significance on community land.
- (i) Alleged contraventions of any Code of Conduct requirements applicable under section 440.

It is my opinion that the business listed in the recommendation is of a kind referred to in section 10A(2) of the *Local Government Act 1993* and, under the provisions of the Act and the *Local Government (General) Regulation 2021*, should be dealt with in a part of the meeting that is closed to members of the public and the media.

Pursuant to section 10A(4) of the Act and clauses 14.9–14.10 of the Waverley Code of Meeting Practice, members of the public may make representations to the meeting immediately after the motion to close part of the meeting is moved and seconded, as to whether that part of the meeting should be closed.

RESUMING IN OPEN SESSION PD/8/23.04

Subject: Resuming in Open Session
Author: Emily Scott, General Manager



RECOMMENDATION:

That Council resumes in open session.

Introduction/Background

In accordance with clause 14.21 of the Waverley Code of Meeting Practice, when the meeting resumes in open session the chair will announce the resolutions made by Council while the meeting was closed to members of the public and the media.