



Planning Proposal

Affordable Rental Housing Contributions Scheme

November 2022

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Appendices

1	Draft Affordable Rental Housing Contributions Scheme
2	Local Planning Panel Advice 22 June 2022
3	Ordinary Council Meeting Report and Confirmed Minutes 25 July 2022

Introduction

1. Purpose of Planning Proposal

An amendment to the *Penrith Local Environmental Plan 2010* (LEP 2010) is proposed to establish an affordable rental housing scheme by introducing a new local provision to collect affordable rental housing development contributions for the delivery of affordable rental housing in the Penrith Local Government Area (LGA). This scheme applies to the nominated urban release areas of Glenmore Park Stage 3 and Orchard Hills North initially, with potential to expand across other residential growth areas of Penrith LGA.

The Department of Planning and Environment's (DPE) Gateway Process is the current process for making or amending Local Environmental Plans (LEPs). The process has several steps which are outlined in Table 1. The preparation of a Planning Proposal is the first step in the DPE's Gateway Process for amending LEP 2010.

Table 1: Gateway Process

No.	Step	Explanation
1	Planning Proposal	Council prepares a Planning Proposal explaining the intended effect of a proposed LEP and sets out the justification for making the LEP.
2	Gateway Determination	The Department of Planning and Environment, as a delegate of the Minister for Planning and Public Spaces, determines whether a Planning Proposal can proceed.
3	Community Consultation	The Planning Proposal is placed on public exhibition for the period identified in the Gateway Determination.
4	Assessment	Council considers the submissions received in response to the public exhibition and varies the Planning Proposal if required.
5	Drafting	Parliamentary Counsel prepares a draft local environmental plan.
6	Decision	The relevant planning authority approves the local environmental plan and it is published on the NSW legislation website making it law.

2. Background

Housing affordability has risen as a central issue across much of Australia's east coast over the past two decades. Significant and sustained price growth in property values has outpaced wage rises, resulting in declining housing affordability and growing public debate around the need to improve accessibility to the housing market.

Affordable Housing is housing for very low, low and moderate income households as defined by the *State Environmental Planning Policy (Housing) 2021*, Chapter 2 – Affordable Housing (the Housing SEPP) and the *Environmental Planning and Assessment Act 1979* (the Act). The social costs associated with deteriorating housing affordability are significant. Households on very low, low and moderate incomes can be displaced from local areas, resulting in poor community diversity and social cohesion. Furthermore, displacement of 'key

workers' can result in a reduced labour force of those workers who are essential to local economies.

The median dwelling price in Greater Sydney was some 10.1 times greater than the median household income in June 2021, compared to 6.6 times in June 2009. The number of years required for a typical household to save a 20% deposit on a median dwelling in Greater Sydney was recorded at 13.5 years in June 2021, up from 8.8 years in June 2009 (ANZ/CoreLogic, 2021¹). For households earning *below* the median annual income, there is increasingly no alternative other than renting on a permanent basis.

The need for affordable rental housing in the Penrith LGA is based on evidence in both the draft *Western Sydney Affordable Housing Strategy* (WSAHS) and the draft *Penrith Local Housing Strategy*.

In 2016, there were some 2,411 low and 5,726 moderate income households experiencing mortgage and rental stress respectively. In addition to these households, demand for affordable rental housing is driven by Penrith's other specialised groups who could equally require affordable rental housing, including:

- 2,343 households across the Penrith LGA renting in social housing accommodation and the 1,973 households currently on the waiting list.
- 10,150 residents who require assistance with core activities due to a disability.
- 2,218 individuals who required some form of homelessness service in the Penrith area (2021).
- 12,250 higher education students residing in the Penrith LGA, including 6,900 university students.

The capacity of these various groups to enter the private housing market without experiencing high levels of housing stress are limited. Analysis suggests that very low and low income households would be unable to afford to rent most forms of private housing accommodation without entering housing stress.

Analysis (SGS, 2021²) suggests that approximately 17.4% of Penrith residents were in housing stress in 2016, with 18.3% projected to be in housing stress by 2041.

This Planning Proposal has largely been informed by the following documents:

- *Draft Western Sydney Affordable Housing Strategy (WSAHS) 2021* – The draft Western Sydney Affordable Housing Strategy establishes a strategic direction for the provision of affordable rental housing within the Western City District, providing a broader policy vision and set of policy objectives relating to affordable rental housing. This includes the Penrith LGA.
- *Draft Penrith Local Housing Strategy* – This document identifies a need for additional affordable rental housing supply across the Penrith LGA.

¹ Australia and New Zealand Banking Group (2021); CoreLogic RP Data (2021). *Housing Affordability Report 2021*. Accessible from: https://news.anz.com/content/dam/news/articles/2021/November/ANZ_CoreLogic_Housing_Affordability_Report_2021_Final_ltr.pdf

² SGS (2021). *Western Sydney Draft Affordable Housing Contributions Scheme*. SGS, Sydney.

- *Penrith Local Strategic Planning Statement 2040* - Increasing the supply of affordable rental housing is a key objective under Planning Priority 4 (Improve the affordability of housing). A key action under Planning Priority 4 is to develop an Affordable Housing Policy in the immediate term.
- *Sustainability Blue Print for Urban Release Areas 2005* - Under Principle 3 of the Blueprint, social infrastructure requirements for new development are identified. Affordable housing is specifically identified as an item of social infrastructure which should be incorporated into the development of new residential release areas.

Council currently seeks the provision of 3% affordable rental housing for all its release areas under its *Sustainability Blueprint for Urban Release Areas*. The only mechanism currently available to ensure the delivery of affordable rental housing is by negotiating this through a Voluntary Planning Agreement (VPA), which can be challenging when release areas have fragmented land ownership.

The Proposal

The proposed framework seeks to apply affordable rental housing contributions to areas seeking to be rezoned for residential development. This LEP clause will allow a condition of consent to be included on future development applications to collect contributions within the nominated urban release areas of Glenmore Park Stage 3 and Orchard Hills North as identified in Figures 1 and 2. These residential release areas are currently subject to two separate Planning Proposals.

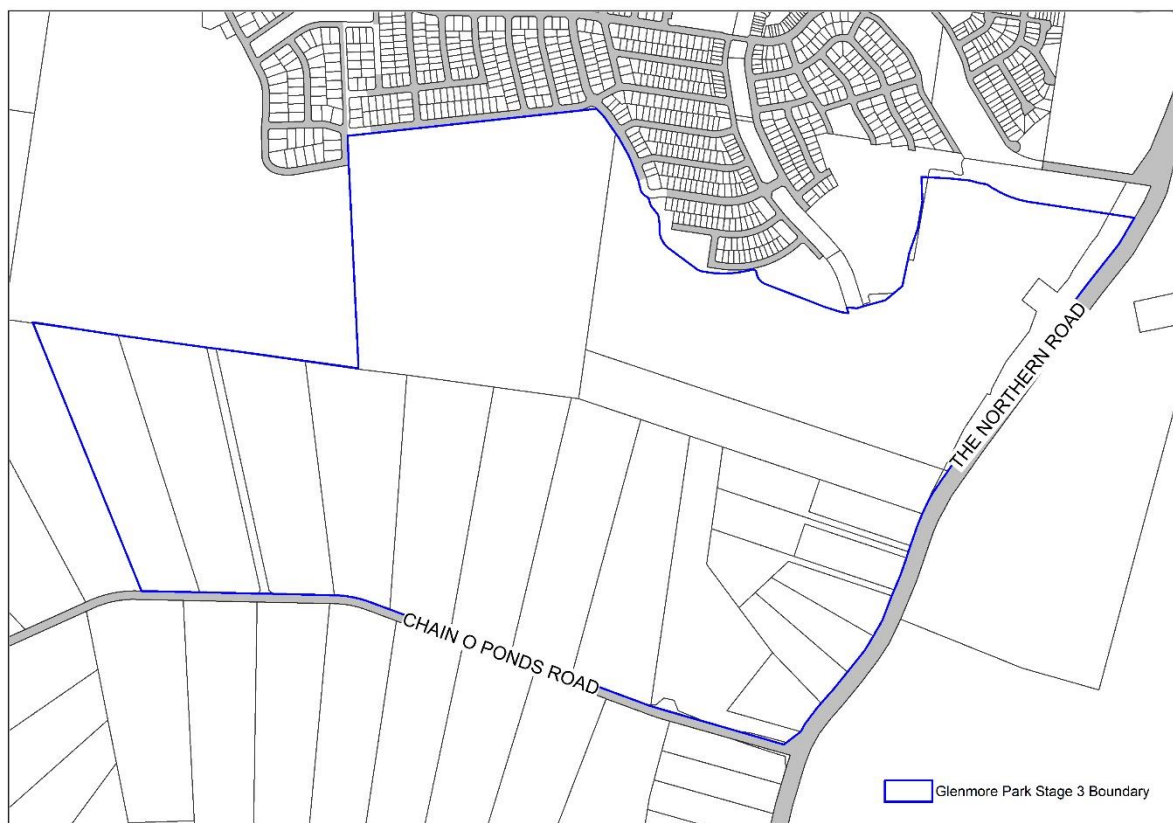


Figure 1 – Glenmore Park Stage 3 Boundary Map

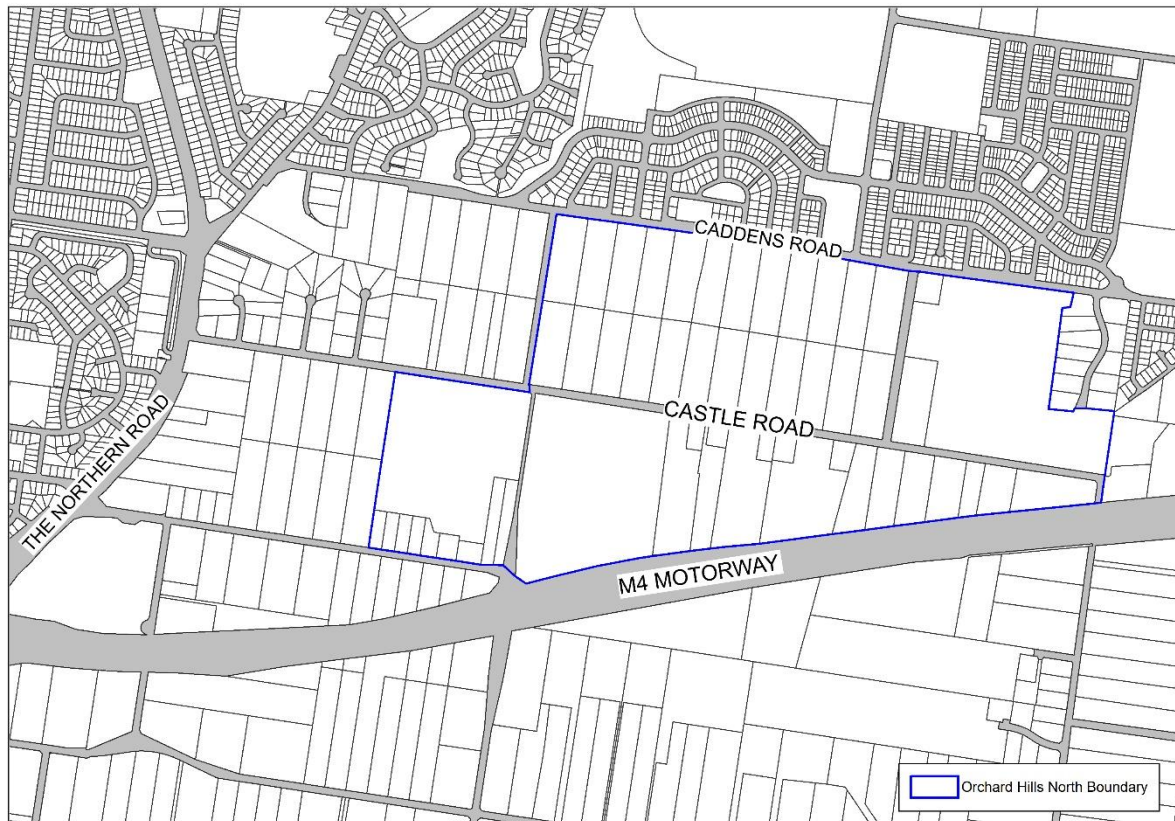


Figure 2 – Orchard Hills North Boundary Map

Glenmore Park Stage 3 Planning Proposal

The Glenmore Park Stage 3 Planning Proposal seeks to amend the LEP 2010 for a 206-hectare site located south of the established residential suburb of Glenmore Park, known as “Glenmore Park Stage 3”.

The Planning Proposal seeks to amend the current rural and environmental management planning controls for the rezoning area to facilitate urban development. The rezoning area will provide approximately 2,300 dwellings on varying lot sizes, plus provision for some shop top housing, a network of public open space and environmental corridors, a new neighbourhood precinct, a primary school, retail shops and sporting fields.

The masterplan proposes the following:

- 2,300 dwellings in the residential (R2 and R3) and environmental living (C4) zones.
- Housing diversity through a combination of dwelling caps, minimum lot sizes and residential development controls,
- A neighbourhood precinct comprising a retail centre, school and sports fields and new pedestrian connections. The retail shops will have provision for up to 100 shop-top dwellings. Open space has been designed to maintain the primary view line from The Northern Road,
- A green spine of environmental corridors (zoned C2) that loop through the site and connect the Mulgoa Nature Reserve, existing suburb of Glenmore Park, Chain-O-Ponds Road, the school, sports fields and shops. These corridors will provide a dual purpose of environmental conservation and passive recreation. Key dams will be retained for aesthetics and stormwater management.
- Five playing fields and local parks within 400m walking distance of the majority of all residents.

- A 10m wide landscape buffer in a widened perimeter road reserve adjacent to The Northern Road. This will remove existing driveway access points with The Northern Road and visually separate the rezoning area and The Northern Road.
- Collector road connections to the north, The Northern Road and Chain-O-Ponds Road.
- Allocate low impact residential development (in an environmental living zone) on the periphery of the site where there is special aesthetic and environmental values and to provide appropriate land use transitions to adjoining non-residential interfaces.

The Planning Proposal received a Gateway determination in September 2021. The Planning Proposal was placed on public exhibition from 19 August 2022 to 16 September 2022. All submissions are currently being reviewed and will be reported to a future Council meeting.

Orchard Hills North Planning Proposal

The Orchard Hills North Planning Proposal seeks to amend Penrith LEP 2010 for a 146.1ha site located at Caddens Road, Kingswood Road, Frogmore Road and Castle Road in Orchard Hills. The subject area is currently zoned RU4 Primary Production Small Lots under LEP 2010 and is utilised predominantly for rural residential lifestyle properties.

The rezoning area is proposed to be rezoned from RU4 Primary Production Small Lots to R1 General Residential (for the new housing areas), B2 Local Centre (for the neighborhood centre/village centre), RE1 Public Recreation (for parks and sportsfields), C2 Environmental Conservation (for the Claremont Creek corridor), and C3 Environmental Management (for the large lot housing area).

A maximum building height control of 8.5m is proposed for most of the rezoning area, except for the neighborhood centre (16m) and medium density housing areas (9m).

The new minimum lot size for small lot housing will be 220m². A minimum lot size of 300m² will be retained for the remaining general residential areas. However, to ensure that the impacts of small lot housing are managed appropriately, a LEP clause will be inserted requiring an integrated development application for all lots smaller than 300m². An integrated development application includes assessing the subdivision of the land and the proposed dwelling at the same time and assessing suitability of the lot size to enable suitable amenity and landscaping (including tree planting). Lot sizes for blocks with greater than 10% slope will need to be a minimum of 450sqm.

It is envisaged that the development of the rezoning area would deliver approximately 1,729 dwellings in a broad mix of housing types, and a population of around 5,187 people. A neighborhood centre/village centre is proposed in the rezoning area to contain around 6-8,000sqm of retail floorspace, and a community facility. New parks, sportsfields, stormwater facilities and roads are planned to support the additional population.

The rezoning area is anticipated to potentially deliver a total of 1,729 lots. Of these, 177 lots (10%) would be small lot integrated housing (having a minimum lot size of 220sqm). Approximately 74 lots (4%) are anticipated to have a minimum size above 450sqm due to having a slope greater than 10%.

The Planning Proposal received an alteration to Gateway Determination on 24 February 2022. The Planning Proposal was placed on public exhibition from 25 July 2022 to 22 August 2022. All submissions are currently being reviewed and will be reported to a future Council meeting.

Part 1 – Objectives or Intended Outcomes

The objective of this Planning Proposal is to amend the Penrith LEP 2010 to collect affordable rental housing development contributions for the delivery of affordable rental housing in the Penrith LGA.

The intended outcomes of this Planning Proposal are to:

- Provide for the delivery of affordable rental housing through the planning system, recognising its role as a vital economic and social infrastructure.
- Ensure Penrith LGA provides affordability advantages and remains an attractive and inclusive location for a range of residents.
- Provide a transparent framework for development to make equitable affordable rental housing contributions.
- Provide certainty and clarity for landowners and developers seeking to develop land in the Penrith LGA.
- Achieve the actions within Penrith LSPS and Local Housing Strategy to collect affordable rental housing contributions on land with significant residential uplift and provide affordable rental housing where required and development viability can be maintained.

Part 2 – Explanation of Provisions

The objective and intended outcomes of the Planning Proposal will be achieved by amending LEP 2010. The proposed changes are presented in this Part of the Planning Proposal.

It is proposed to introduce a new local provision in the Penrith LEP 2010 to collect affordable rental housing development contributions for the delivery of affordable rental housing in the Penrith LGA. This scheme is proposed to apply to the residential release areas of Glenmore Park Stage 3 and Orchard Hills North.

The objective of this planning proposal is to increase the amount of affordable rental housing within Penrith. It provides a comprehensive and transparent framework which gives local communities greater clarity about the affordable rental housing planned for in their areas, and affordable rental housing contribution schemes provide developers certainty and transparency about how affordable rental housing contributions will be determined and the contribution rate that will be applied in a condition of consent.

This scheme applies to all residential development except:

- Developments which do not result in at least one additional dwelling being created,
- Exempt development,
- Secondary dwellings,
- Development solely for the purpose of social and/or affordable rental housing,
- Boarding housing,
- All non-residential development is exempt from the Scheme.

Affordable rental housing contribution rates are in addition to other contributions across the LGA, including local infrastructure contributions (s7.11 or s7.12), state and regional infrastructure contributions. As a condition of development consent at the subdivision stage, all eligible development in the nominated urban release areas must contribute to affordable rental housing according to the rates as provided below. The Scheme will replace the need to negotiate separate Voluntary Planning Agreements (VPA) for affordable rental housing in these areas, unless where proponents seek to deliver over and above the Scheme.

Development, where affordable rental housing contributions are imposed as a condition of consent, is levied on the basis that:

- Redevelopment and renewal of areas where additional development capacity is provided will reduce the availability of affordable private rental stock in these locations. As these locations are typically endowed with good access to infrastructure, employment and amenities, there is a strong case for the provision of affordable rental housing alongside private market development.
- As growth and renewal occur across the Penrith LGA, the proportion of dwellings available at affordable rates, either via social/affordable housing or private market rental, will reduce if intervention does not occur. Therefore, the proportion of households living in housing stress is also highly likely to increase. This provides justification for the imposition of affordable rental housing contributions as an inclusionary development standard across the Penrith LGA.

The benefits of the proposed approach are:

- Facilitate the practical implementation of the district local plan into the planning framework.
- Contribution rates have been tested with reference to the various housing sub-markets in the LGA to ensure development viability is not adversely affected.
- It will provide a clear and consistent approach to securing contributions for affordable rental housing where there is an increase in development capacity. This increases certainty for land owners and developers and ensures equity in the application of contribution requirements.

As a condition of development consent at the subdivision stage, all land to which the draft Scheme applies is required to provide contributions for affordable rental housing according to the rates provided. A monetary contribution required to be made under the Scheme is to be paid at the time specified in the condition. The contribution rate is derived from the draft WSHAS, which recommends that an affordable rental housing contribution rate be based on a percentage of the Gross Realisation Value (GRV) of development. The GRV is proposed to be set at **\$7,600,000 per/ha NDA**. Feasibility testing has determined that this approach is viable. The viability assessment is included in Appendix 1.

Different contribution rates are to apply in the contribution areas of Glenmore Park Stage 3 and Orchard Hills North:

1. Glenmore Park Stage 3

Year of commencement	Contribution per ha NDA	Contribution Rate (% GRV)
2024	\$152,000	2%
2027	\$304,000	4%

2. Orchard Hills North

Year of commencement	Contribution per ha NDA	Contribution Rate (% GRV)
2024	\$76,000	1%
2027	\$152,000	2%

Contributions can be made as a monetary contribution or in-kind as land or dwellings for the purpose of affordable rental housing. A monetary contribution is required as part of this scheme within urban release areas as it is not practical to provide affordable rental housing within these areas. Community Housing Providers have advised affordable rental housing that is near railway stations and city centres closer to services and facilities is preferred.

Collected contributions will be pooled and affordable rental housing can then be provided in areas close to transport and access to services. A policy framework on how Council will collect and use affordable rental housing contributions will be prepared, with input from Council's Property and City Activation Community and Place teams.

Part 3 – Justification

This part of the Planning Proposal provides details on the need for the proposed amendment to the Penrith LEP 2010, the relationship with the strategic planning framework, the impacts of the proposed amendment, and State and Commonwealth interests.

Section A – Need for the Planning Proposal

Q1. Is the Planning Proposal a result of an endorsed local strategic planning statement, strategic study or report?

The *Penrith Local Strategic Planning Statement* (LSPS), adopted by Council on 23 March 2020, sets out the 20-year vision for land use in the Penrith LGA taking into consideration the economic, social and environmental needs of the community. It recognises the special characteristics that contribute to Penrith's local identity and outlines how growth and change will be managed into the future.

The LSPS highlights the need to address housing affordability in Penrith and includes Planning *Priority 4: Improve the affordability of housing* and *Action 4.1 Develop an Affordable Housing Policy*. This Planning Proposal achieves both the planning priority and action.

The LSPS also acknowledges, under *Planning Priority 3: Provide new homes to meet the diverse needs of our growing community*, that a sufficient supply of well-located and serviced land for new homes will deliver a range of benefits. This includes providing homes close to jobs, shops and services. The Planning Proposal responds to this planning priority by proposing a new provision to collect affordable rental housing development contributions for the delivery of affordable rental housing that is near railways stations and city centres, closer to services and facilities.

The Planning Proposal is also the result of a number of outcomes from the following documents:

- *Draft Penrith Local Housing Strategy* has been established to guide housing change and manage population growth in Penrith City over a period of 20 years, from 2016 to 2036. One of the key themes of this strategy is housing affordability. This document identifies a need for additional affordable housing supply across the Penrith LGA.
- *Sustainability Blue Print for Urban Release Areas 2005* - Under Principle 3 of the Blueprint, social infrastructure requirements for new development are identified. This document specifically identifies affordable rental housing as an item of social infrastructure which should be incorporated into the development of new residential release areas.
- *Western Sydney Affordable Housing Strategy 2021* establishes a strategic direction for the provision of affordable rental housing within the Western City District, providing a broader policy vision and set of policy objectives relating to affordable rental housing.

To inform the preparation of this Planning Proposal a *Draft Affordable Rental Housing Contributions Scheme* was prepared which includes a feasibility assessment that examined the capacity of development to tolerate affordable rental housing contributions within the residential release areas of Glenmore Park Stage 3 and Orchard Hills North. This is provided as Appendix 1. These sites are included in the nominated area as two developments where land is proposed to be rezoned for residential development resulting in significant uplift and increase in land value.

It is through this value increase that development can contribute to affordable rental housing contributions.

The Scheme has been prepared in accordance and is consistent with Section 7.32 of the Act, Chapter 2 of the Housing SEPP and DPE's Guideline for *Developing an Affordable Housing Contribution Scheme*.

Q2. Is the Planning Proposal the best means of achieving the objectives or intended outcomes, or is there a better way?

This Planning Proposal provides a transparent framework for development to make equitable affordable rental housing contributions and provides certainty and clarity for landowners and developers seeking to develop land in the Penrith LGA.

Section 7.32 of the *Environmental Planning and Assessment Act 1979* allows for the collection of development contributions for the purpose of affordable housing provision by NSW councils. This can occur where a need is identified within a planning instrument and where:

- The consent authority is satisfied that the proposed development will or is likely to reduce the availability of affordable housing within the area, or
- The consent authority is satisfied that the proposed development will create a need for affordable housing within the area, or
- The proposed development is allowed only because of the initial zoning of a site, or the rezoning of a site, or
- The regulations provide for this section to apply to the application.

The Housing SEPP identifies that there is a need for affordable rental housing in Penrith. The Housing SEPP is the mechanism through which Council can mandate a contribution to affordable rental housing from new development. This provision will provide Council with a sound framework to collect contributions for affordable rental housing for greenfield areas. For other areas contributions towards affordable rental housing where residential uplift is proposed would still be subject to negotiation through VPAs, however Council would have a sound basis to enter into those negotiations.

The Planning Proposal is to facilitate a new affordable rental housing contribution scheme within Penrith. This Planning Proposal is the only way to achieve this.

Section B – Relationship to Strategic Planning Framework

Q3. Will the planning proposal give effect to the objectives and actions of the applicable regional, or district plan or strategy (including any exhibited draft plans or strategies)?

Greater Sydney Region Plan – Metropolis of Three Cities

In March 2018, the Greater Sydney Commission published the *Greater Sydney Region Plan – A Metropolis of Three Cities*. The Plan sets a 40-year vision (to 2056) of three cities where most residents live within 30 minutes of their jobs, education and health facilities, services and great places. The Plan also establishes a 20-year plan to manage growth and change for Greater Sydney in the context of social, economic and environmental matters, and guide the delivery of infrastructure. It also informs district and local plans and the assessment of planning proposals.

The Plan includes two key objectives in response to housing affordability:

- Objective 10: Greater Housing Supply, supported by Action 3: updated local environmental plans that respond to housing strategies; and
- Objective 11: Housing is more diverse and affordable, supported by Strategy 11.1: Prepare Affordable Rental Housing Target Scheme.

This Planning Proposal is consistent with several relevant directions, objectives and strategies of the plan. Specifically, the Planning Proposal will increase the supply of affordable rental housing in Penrith LGA.

Western City District Plan

In March 2018, the Greater Sydney Commission published the *Western City District Plan*. This is a 20-year plan to manage growth in the context of economic, social and environmental matters to achieve the 40-year vision for Greater Sydney. It guides the implementation of the Greater Sydney Region Plan at a district level and provides the link between regional and local planning. The District Plan informs local strategic planning statements, like the Penrith LSPS, and local environmental plans, like Penrith LEP 2010. It also informs the assessment of planning proposals.

The district plan encourages councils to develop local housing strategies and actions to address the range of housing needs in their LGAs, including affordable rental housing. The District Plan includes one key planning priority in response to housing affordability, being Planning Priority W5: Providing housing supply, choice and affordability, with access to jobs, services and public transport.

The Planning Proposal supports the district plan's priority of 'Housing Diversity and Affordability' by facilitating the delivery of affordable rental housing in Penrith through the planning framework.

Q4. Will the planning proposal give effect to a council's endorsed local strategic planning statement, or another endorsed local strategy or strategic plan?

The Planning Proposal will give effect to the Penrith LSPS and specifically Planning Priority 4: Improve the affordability of housing and Action 4.1 Develop an Affordable Housing Policy. The Planning Proposal will also help give effect to Planning Priority 3: Provide new homes to meet the diverse needs of our growing community.

As discussed under Q1 above, the Planning Proposal will also give effect to:

- *Draft Penrith Local Housing Strategy* which identifies the need for additional affordable rental housing supply across the Penrith LGA.
- *Sustainability Blue Print for Urban Release Areas 2005* which specifically identifies affordable rental housing as an item of social infrastructure which should be incorporated into the development of new residential release areas.
- *Western Sydney Affordable Housing Strategy 2021* which identifies the need for affordable rental housing in the Penrith LGA.

The *Penrith Community Plan* was adopted by Council on 26 June 2017 and represents the community's vision for the City as it grows over the next 20 years. That vision is one of a sustainable and prosperous Regional City with a harmony of urban and rural qualities and a strong commitment to environmental protection and enhancement.

The Penrith Community Plan identifies seven community outcomes:

1. We can work close to home

2. We plan for our future growth
3. We can get around our City
4. We have safe, vibrant places
5. We care for our environment
6. We are healthy and share a strong community spirit
7. We have confidence in our Council.

Under outcome 2, the Plan acknowledges the desire to provide housing that meets community needs without compromising the character and amenity of the neighbourhoods. Particularly Strategy 2.1: Facilitate development in the City that considers the current and future needs of our community. It indicates that Council will ensure different housing types to suit different types of households and work with developers to ensure they make a fair contribution and make sure homes keep up with changing needs. The Planning Proposal is consistent with the Community Plan.

Q5. Is the planning proposal consistent with applicable State Environmental Planning Policies?

The NSW Government publishes State Environmental Planning Policies (SEPPs) and Sydney Regional Environmental Plans (deemed SEPPs). These documents deal with matters of State or regional planning significance. The Planning Proposal is consistent with applicable SEPPs, as demonstrated in Table 2.

Table 2: State Environmental Planning Policies

SEPP Title	Applicable	Consistent
State Environmental Planning Policy (Primary Production) 2021	Yes	Consistent – Nothing in the Planning Proposal will prevent the application of this SEPP.
State Environmental Planning Policy (Resources and Energy) 2021	Yes	Consistent – Nothing in the Planning Proposal will prevent the application of this SEPP.
State Environmental Planning Policy (Resilience and Hazards) 2021	Yes	Consistent – Nothing in the Planning Proposal will prevent the application of this SEPP.
State Environmental Planning Policy (Industry and Employment) 2021	Yes	Consistent – Nothing in the Planning Proposal will prevent the application of this SEPP.
State Environmental Planning Policy (Transport and Infrastructure) 2021	Yes	Consistent – Nothing in the Planning Proposal will prevent the application of this SEPP.
State Environmental Planning Policy (Biodiversity and Conservation) 2021	Yes	Consistent – Nothing in the Planning Proposal will prevent the application of this SEPP.
State Environmental Planning Policy (Planning Systems) 2021	Yes	Consistent – Nothing in the Planning Proposal will prevent the application of this SEPP.

SEPP Title	Applicable	Consistent
State Environmental Planning Policy (Precincts – Eastern Harbour City) 2021	No	Not applicable
State Environmental Planning Policy (Precincts – Central River City) 2021	No	Not applicable
State Environmental Planning Policy (Precincts – Western Parkland City) 2021	No	Not applicable
State Environmental Planning Policy (Precincts – Regional) 2021	No	Not applicable
State Environmental Planning Policy (Housing) 2021	Yes	Consistent – The framework to develop an affordable housing scheme is through Chapter 2 – Affordable Housing. This SEPP identifies that there is a need for affordable rental housing across NSW and is the mechanism through which Council can mandate a contribution to affordable rental housing from new development.
State Environmental Planning Policy (Building Sustainability Index: BASIX) 2004	Yes	Consistent – Nothing in the Planning Proposal will prevent the application of this SEPP.
State Environmental Planning Policy (Exempt and Complying Development Codes) 2008	Yes	Consistent – Nothing in the Planning Proposal will prevent the application of this SEPP.
State Environmental Planning Policy No 65—Design Quality of Residential Apartment Development	Yes	Consistent – Nothing in the Planning Proposal will prevent the application of this SEPP.

Q6. Is the planning proposal consistent with applicable Ministerial Directions (s.9.1 directions)?

The Minister for Planning and Public Spaces issues Local Planning Directions that councils must follow when preparing planning proposals. The directions cover the following broad categories:

- Planning Systems
- Biodiversity and Conservation
- Resilience and Hazards
- Transport and Infrastructure
- Housing
- Industry and Employment
- Resources and Energy
- Primary Production

The Planning Proposal is considered to be consistent with all applicable Section 9.1 Local Planning Directions, as demonstrated in Table 3.

Table 3: Section 9.1 Ministerial Directions - Local Planning Directions

Direction	Applicable	Consistent	Comment
1 Planning Systems			
1.1 Implementation of Regional Plans	Yes	Yes	The Planning Proposal applies to land within the Greater Sydney Region Plan and Western City District Plan. The Planning Proposal will give effect to these Plans as discussed under Q3 above.
1.2 Development of Aboriginal Land Council land	No	N/A	
1.3 Approval and Referral Requirements	Yes	Consistent	The Planning Proposal will not include any provisions requiring concurrence, consultation or referral of development applications to a Minister or public authority or identify development as designated development.
1.4 Site Specific Provisions	Yes	Consistent	The Planning Proposal does not propose a provision allowing a particular development to be carried out.
1 Planning Systems – Place-based			
1.5 Parramatta Road Corridor Urban Transformation Strategy	No	N/A	
1.6 Implementation of North West Priority Growth Area Land Use and Infrastructure Implementation Plan	No	N/A	
1.7 Implementation of Greater Parramatta Priority Growth Area Interim Land Use and Infrastructure Implementation Plan	No	N/A	
1.8 Implementation of Wilton Priority Growth Area Interim Land Use and Infrastructure Implementation Plan	No	N/A	
1.9 Implementation of Glenfield to Macarthur Urban Renewal Corridor	No	N/A	
1.10 Implementation of the Western Sydney Aerotropolis Plan	Yes	Consistent	The Planning Proposal does not apply to land shown on the Aerotropolis SEPP's Land Application Map. It also does not apply to the additional land shown on the Aerotropolis Boundary Map, as that land is zoned for rural purposes.

Direction	Applicable	Consistent	Comment
			The Planning Proposal is consistent with the Western Sydney Aerotropolis Plan as it will not prevent the application of the airport safeguards provisions in the SEPP.
1.11 Implementation of Bayside West Precincts 2036 Plan	No	N/A	
1.12 Implementation of Planning Principles for the Cooks Cover Precinct	No	N/A	
1.13 Implementation of St Leonards and Crows Nest 2036 Plan	No	N/A	
1.14 Implementation of Greater Macarthur 2040	No	N/A	
1.15 Implementation of the Pymont Peninsula Place Strategy	No	N/A	
1.16 North West Rail Link Corridor Strategy	No	N/A	
1.17 Implementation of the Bays West Place Strategy	No	N/A	
2 Design and Place			
3 Biodiversity and Conservation			
3.1 Conservation Zones	Yes	Consistent	The Planning Proposal does not apply to land within a conservation zone or land otherwise identified for environment conservation/ protection purposes in the Penrith LEP 2010.
3.2 Heritage Conservation	Yes	Consistent	The Planning Proposal will not affect existing heritage conservation provisions in LEP 2010.
3.3 Sydney Drinking Water Catchments	No	N/A	
3.4 Application of C2 and C3 Zones and Environmental Overlays in Far North Coast LEPS 26	No	N/A	
3.5 Recreation Vehicle Areas	Yes	Consistent	The Planning Proposal does not propose a provision allowing land to be developed for the purpose of a recreation vehicle area.
4 Resilience and Hazards			
4.1 Flooding	No	N/A	The Planning Proposal will not affect existing provisions in LEP 2010 relating to flood planning and the flood planning area.

Direction	Applicable	Consistent	Comment
4.2 Coastal Management	No	N/A	
4.3 Planning for Bushfire Protection	Yes	Consistent	The Planning Proposal applies to some land that is mapped as bushfire prone land or in proximity to land mapped as bushfire prone land. The Planning Proposal does not propose to rezone any land or increase development densities. In accordance with this direction, consultation with the NSW Rural Fire Service will be undertaken, following receipt of a Gateway Determination and prior to community consultation, and any comments made considered.
4.4 Remediation of Contaminated Land	Yes	Consistent	The Planning Proposal does not propose a change of use of land.
4.5 Acid Sulfate Soils	No	N/A	
4.6 Mine Subsidence and Unstable Land	No	N/A	
5. Transport and Infrastructure			
5.1 Integrating Land Use and Transport	Yes	Consistent	The Planning Proposal proposes a provision to collect affordable rental housing development contributions for the delivery of affordable rental housing that is near railways stations and city centres, closer to services and facilities. This achieves the objective of this direction to improve access to housing by walking, cycling and public transport.
5.2 Reserving Land for Public Purposes	Yes	Consistent	This Planning Proposal does not create, alter, reduce, rezone existing zonings or reservations of land for public purposes.
5.3 Development Near Regulated Airports and Defence Airfields	Yes	Consistent	The Planning Proposal will not affect any provisions relating to residential development within the 20 ANEC/ANEF contour for Western Sydney Airport.
5.4 Shooting Ranges	No	N/A	
6. Housing			
6.1 Residential Zones	Yes	Consistent	The Planning Proposal applies to the Glenmore Park Stage 3 and Orchard Hills North residential release areas currently subject to

Direction	Applicable	Consistent	Comment
			two separate Planning Proposal that propose residential development. This Planning Proposal proposes to introduce a clause that will collect development contributions for the delivery of affordable rental housing within the Penrith LGA. As such, it will support the objectives of this direction to encourage a variety and choice of housing types to provide for existing and future housing needs.
6.2 Caravan Parks and Manufactured Home Estates	No	N/A	
7. Industry and Employment			
7.1 Business and Industrial Zones	No	N/A	
7.2 Reduction in non-hosted short-term rental accommodation period	No	N/A	
7.3 Commercial and Retail Development along the Pacific Highway, North Coast	No	N/A	
8. Resources and Energy			
8.1 Mining, Petroleum Production and Extractive Industries	No	N/A	
9. Primary Production			
9.1 Rural Zones	Yes	Consistent	This Planning Proposal does not rezone land or increase the density of development.
9.2 Rural Lands	No	N/A	
9.3 Oyster Aquaculture	No	N/A	
9.4 Farmland of State and Regional Significance on the NSW Far North Coast	No	N/A	

Section C – Environmental, Social and Economic Impacts

Q7. Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

The Planning Proposal will not adversely affect the critical habitat or threatened species, populations or ecological communities or their habitats.

Q8. Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

It is unlikely that this Planning Proposal would have any adverse environmental effects.

Q9. Has the planning proposal adequately addressed any social and economic effects?

The socio-economic profile of Penrith indicates a clear and critical need to provide affordable rental housing for very low to moderate income households in the Penrith LGA. Significant and sustained price growth in property values has outpaced wage rises, resulting in declining housing affordability and growing debate around the need to improve accessibility to the housing market.

Housing is a fundamental human right and one of the universal determinants of health and wellbeing. The social cost associated with deteriorating housing affordability are significant. Households on very low, low and moderate incomes can be displaced from local areas, resulting in poor community diversity and social cohesion. Furthermore, displacement of 'key workers' can result in a reduced labour force of those workers who are essential to local economies.

Increasing the supply of affordable rental housing across Greater Sydney is a priority for all levels of government across. Ensuring that affordable rental housing and social housing is delivered to meet the needs of very low, low, and moderate-income households is essential to enhancing the social sustainability of the Penrith community as it grows.

Less affordable rental housing negatively impacts individuals, the community and the local economy. Approximately 17.4% of Penrith residents were in housing stress in 2016, with 18.3% projected to be in housing stress by 2041. In 2016, there were some 2,411 and 5,726 low to moderate income households experiencing mortgage and rental stress respectively.

A critical consideration in introducing new contribution requirements in the Penrith LEP 2010 is the impact on development viability. To understand the economic impacts of the proposed affordable rental housing contribution rates, independent work was undertaken to test the local housing needs of Penrith and assessed the feasibility that examined the capacity of development to tolerate affordable rental housing contributions within the urban release areas of Glenmore Park Stage 3 and Orchard Hills North.

The Planning Proposal addresses these social and economic effects by proposing a local provision to collect affordable rental housing development contributions for the delivery of affordable rental housing in the Penrith LGA and the proposed contribution rates have been tested to ensure development viability.

There will be a further opportunity to identify and assess any additional social and economic effects of the Planning Proposal when it is exhibited for community and stakeholder feedback.

Section D – State and Commonwealth Interests

Q10. Is there adequate public infrastructure for the planning proposal?

While this Planning Proposal will facilitate additional affordable rental housing, it will not result in an increase in density greater than that already anticipated for the two residential release areas and is not expected to result in any additional burden on existing public infrastructure.

This Planning Proposal proposes a new local provision to collect affordable rental housing development contributions for the delivery of affordable rental housing in the Penrith LGA.

Q11. What are the views of State and Commonwealth public authorities consulted in accordance with the Gateway determination?

The Gateway Determination will provide details on the consultation to be undertaken with State and Commonwealth public authorities.

Part 4 – Mapping

There are no amendments proposed to the LEP 2010 map tiles.

Part 5 – Community Consultation

The Planning Proposal will be publicly exhibited in accordance with the requirements of Schedule 1, Clause 4 of the *Environmental Planning and Assessment Act 1979* and the Department of Planning and Environment's 'Guide to Preparing Local Environmental Plans'. The Gateway Determination will outline the community consultation to be undertaken.

The Planning Proposal and all exhibition material will be available to view on Council's website and the NSW Planning Portal.

Notice of the public exhibition will be given in the local newspaper and on Council's website. Consultation with public authorities will be undertaken in accordance with the requirements of the Gateway Determination.

Part 6 - Project Timeline

Milestone	Timeframe
Local Planning Panel's advice on the Planning Proposal	22 June 2022
Council's endorsement to send the Planning Proposal to the Department of Planning and Environment	25 July 2022
Submission to the Department of Planning and Environment	29 July 2022
Gateway Determination issued	22 October 2022
Public exhibition and public authority consultation	November - December 2022
Consideration of submissions	January 2023
Reporting of the Planning Proposal to Council	February 2023
Submission to the Department of Planning and Environment	March 2023
Publication of LEP amendment	April 2023

These timeframes are estimates only and subject to change due, in part, to factors beyond Council's control.

Appendices

APPENDIX 1

Draft Affordable Rental Housing Contributions Scheme

APPENDIX 2

Local Planning Panel Advice 22 June 2022

APPENDIX 3

Ordinary Council Meeting Report and Confirmed Minutes 25 July 2022