Housing for the ‘Modern’ Life Cycle:
An evaluation of housing diversity mechanisms in local government

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ABSTRACT

As a result of changing demographic trends, housing needs have transformed within Australian cities. An increase in single person households, the ageing of the population, and the rising cost of housing have all caused a shift in the traditional stages of the life cycle. Assumptions about the inner city apartment catering solely for young singles and the suburban detached dwelling just for growing families are no longer appropriate.

As housing needs have become more complex, local governments, encouraged by state governments, have begun introducing mechanisms to encourage greater housing diversity within planning instruments and other plans and policies. These mechanisms include bedroom mix restrictions, mandating adaptable housing dwellings, and introducing various dwelling types via master plans. This thesis identifies the characteristics of housing diversity, and evaluates mechanisms and approaches utilised by local governments within their planning instruments and policies.

Through a systematic review of planning documents as well as interviews with three planning professionals and three developer representatives in Sydney, the research indicates that there are several barriers to effective housing diversity approaches. In particular, there is a need to clearly define the role of local government in creating housing policy and a need for greater focus on creating harmony between the needs of local government and the development industry.
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INTRODUCTION

Australian cities are experiencing significant population growth. Latest demographic analysis shows that Sydney may need to accommodate an extra 3 million people by 2056 (The Australian, 2009). In the shorter time frame, it is expected that half a million extra households will be required over the next 20 years (Freestone et al. eds, 2006). In Sydney alone, the Department of Planning (DOP) have estimated for an increase of over 1 million people by 2031 (DOP 2005).

As Sydney is considered one of the most dynamic cities in Australia in terms of its population (Randolph et al. 2008), this will create demand for a range of needs, particularly in housing. There is no doubt that NSW is undergoing not only a demographic shift, but also changing social trends. As a result of an increase in population, the demand for new housing will have implications for the housing market. Traditionally, housing policy has catered towards few household types (Forster 2004). The most apparent forms of housing catered for the family in the form of a separate dwelling, and couples in the form of the inner city unit. This was largely based on policy dictated by the ‘life cycle’, where housing choices were made based on the stage that a person was in within their life cycle (Doling 1976).
However, as the life cycle has expanded and become more complex, housing choices have changed. Clearly, this is a concern for government and the development industry, and housing diversity is increasingly being considered as an area of policy interest in its own right. For example in 2005, a National Housing Conference was held in Perth where the theme was ‘Building on Diversity’. The housing conference covered topics including Australia’s household population, changing social trends and the impact on the existing housing market.

Responding to the need for greater diversity in housing, state and local governments have begun to refer to housing diversity in policies and plans. In an attempt to provide housing for persons at various stages of their life cycle, the emergence of housing diversity mechanisms in local government are becoming more evident. Development within New South Wales (NSW) will be affected by these planning mechanisms aimed at encouraging housing diversity. These mechanisms have been introduced into various planning policies and legislation from both state and local levels of government to provide a range of housing for different ages, incomes, needs and preferences. However, these mechanisms have seldom been assessed to determine whether they are having the impacts they were designed to achieve, and sectors of the development industry have expressed discontent with these mechanisms (K Morrison 2009, pers. comm., 17 Aug; J Rich 2009, pers. comm., 1 Sep).

As there are clear policy responses to housing diversity, this thesis also reviews academic literature relating to the topic. Literature on the subject of housing diversity is limited, and areas which inform the topic include the relationship between the life cycle and housing need (Doling 1976; Kendig 1984; Kendig 1985; Vulker 1986), which has led to the development of planning policy that has provided a clear distinction of housing form between suburbia and the city, explained by Forster (2004) and Randolph and Freestone (2008). The characteristics of housing diversity and the role of local government are discussed by Gurrnan (2003; 2009), with debate on other characteristics of housing diversity including the provision of housing tenure.
Beer 1999; Beer and Faulkner 2009), the importance of accessible housing (Bridge and Gopalan 2005), and affordable housing (Yates et. al 2008). The benefits of housing diversity have been found to include greater access to community services (Barton 2000), however criticism of the benefits of housing mix have added to the debate (Troy 1996; Andersson and Musterd 2005).

This thesis explores the three most prevalent housing diversity mechanisms in NSW, and presents recommendations to planning practitioners and the development industry that aim to assist in the development of more effective housing diversity mechanisms.

**RESEARCH AIMS**

As a result of changing demographic trends, Local Governments within NSW have implemented various mechanisms to encourage greater housing diversity. However, housing diversity mechanisms are not having the impacts that were intended. As a result, existing housing diversity mechanisms are creating conflict, and are not as effective as they could be.

The aim of this thesis is to contribute to, and promote discussion of, the use of housing diversity mechanisms within Local Government in NSW, providing a significant overview of housing diversity. This thesis aims to:

- Understand the reasons behind the emergence of housing diversity concerns;
- Define the characteristics of housing diversity;
- Provide a systematic review of housing diversity mechanisms that have been implemented within the NSW planning system;
• Assess the impacts of housing diversity mechanisms; and
• Provide recommendations for planning practice.

**THESIS STRUCTURE**

Chapter one provides the research aims, key theorists and themes examining current and early literature that provide the foundation for the thesis. Chapter two examines literature on housing needs and the relationship to the stage of the life cycle. The identification of the modern life cycle in chapter two provides the basis for the definition of diversity and the characteristics of housing diversity, which are identified in chapter three. Chapter four outlines the methodologies that were carried out for this thesis. Justification of research collection methods is provided, as well as an overview to key informants that participated and contribute to the research process. Chapter five summarises the role of state and local government in the creation of housing diversity mechanisms. An overview of the hierarchy of planning instruments and controls is provided, followed by an audit of Local Government Areas. Chapter six utilises three case studies which are Willoughby, Holroyd and Newcastle, to examine in detail the impacts and challenges of housing diversity mechanisms employed by local government. Chapter seven provides recommendations based on the findings from these three case studies.
Chapter Two: The transformation of the traditional life cycle outlines Australia’s generational shift, the reasons for this shift and the implications for Australian cities. The traditional ‘life cycle’ approach to housing is discussed, in comparison to the modern life cycle - a result of the generational shift. This chapter references NSW, with a particular focus on current demographic trends of the Greater Metropolitan Region of Sydney, Australia’s largest city and shows the need for a diverse range of housing.

THE ‘TRADITIONAL’ LIFE CYCLE

In the 1970s and 1980s, the literature on previous approaches to housing growing populations in our cities has often been guided by the ‘life cycle’ (Kendig 1984 & 1985; Doling 1976; Vulker 1986). Stages in the family life cycle have traditionally been linked with the housing variable (Doling 1976). The life cycle approach to housing refers to the stages that individuals and families enter in their lifetime and the appropriate style of housing that suits the particular stage in their life cycle (Kendig 1985). Doling’s (1976) work ‘The Family Lifecycle and Housing Choice’ initiated further study into housing
choices based on the life cycle (Adams 1987; Young 1977) which has also been interpreted for the Australian landscape (Vulker 1986). There is little difference between academics on the stages of the traditional life cycle as presented by Vulker (1986) and supported by other academic studies (Clark and Dieleman 1996; Kendig 1984).

Universally, the commencement of the life cycle begins by the first move from the parental home (Clark and Dieleman 1996; Beer & Faulkner 2009), a response which corresponds with Vulker’s stage one. The initial move from the family home has been considered as a time when two partners in a relationship decide to move into a (often rented) dwelling (Kendig 1984). This dwelling is often a small self contained flat, and the occupants are saving to purchase a home (Vulker 1986). Renting the dwelling is often thought of a transitory period, with ownership as the long term goal (Kendig 1984).

Stage two consists of the arrival of children which corresponds with the need for larger living and sleeping areas, in the form of a separate dwelling (Vulker 1986). It is within this stage that the typical nuclear family would emerge and demand for separate housing began (Forster 2004). The family dwelling is often purchased with a mortgage, with the intention to become an owner-occupier (Clark and Dieleman 1996).

As the family grows, more space is required. During this third stage, alterations to the family home are made, and upgrading or relocation is the next housing choice (Vulker 1986). Children are now teenagers or young adults, and may be seeking a place of their own.

The fourth stage is characterised by the departure of children who will begin their housing life cycle, at stage one. Parents will downsize their housing choice, seeking a smaller dwelling (Vulker 1986).

In summary, the traditional housing life cycle can be considered as renting a small flat as a couple household, to owning and upgrading living premises, then back to flats in old age (Kendig 1984).
Housing for the family life cycle in the stages mentioned above refer to two distinct housing types – a small flat or apartment for couples, and separate detached dwelling for the family. The demand for both forms of housing led to the suburbanisation of Australian cities, a response to significant increases in population growth. Despite limited forms of medium density housing being constructed including townhouses and villas, housing choices were limited.

**AUSTRALIA’S POPULATION GROWTH – THE HOUSING RESPONSE**

At a time when Australia’s population experienced a substantial population increase, the need for housing was in high demand. The history of Australia’s housing growth shows that development of both forms of housing required ‘for the life cycle’ was influenced by two distinct periods - the post war boom of the 50’s and 60’s, and the 70’s and 80’s with population growth and increased financial opportunities (Forster 2004). The influence of the life cycle on housing choice is evident through the growth of Sydney’s suburbs, where the bulk of housing is catered towards the traditional nuclear family (Forster 2004).

**1950s and 1960s**

The period between 1950 and 1960 made the greatest impact on Australian cities (Forster 2004). During this time, the number of dwellings in capital cities doubled, and as a result, entry into home ownership increased. The detached suburban house was characterised by Fibrolite-cladding and was timber framed (Stapleton and Stapleton 1997). The detached suburban house is still the most dominant form of housing and “the Australian housing system as we know it today took shape during this period” (Forster 2004, p79). Commonwealth policies dictated that housing production was to provide for the owner occupier in order to stimulate the Australian economy (Troy 1996).
It is during this time that state rental housing became available, making housing available for those who could not afford to purchase. In 1947, private rental was the largest tenure in the country, however became more of a transition type of housing by the 1960's (Beer 1999). In Sydney in 1961, 83% of houses were in the form of separate dwellings (Forster 2004). This number is still high with 74.8 percent of separate dwellings at the time of the 2006 Census (ABS 2007a).

Development during this housing boom did not entirely consist of detached dwellings. Flat buildings, in the form of ‘three storey walk ups’ were developed, predominantly in the inner suburbs and town centres of outer suburbs. However, it was not until Strata legislation was introduced in the 1960s that the option to live within a flat or apartment was seriously considered by many people (Randolph 2006a).

**The 1970s and 1980s**

During the 1970’s and 1980’s, housing development entered a new phase. Rapid growth in dwelling numbers occurred, however the financial market also played a role in purchase decisions. The cost to purchase a house increased, coinciding with slowing economic growth leading to rising land costs (Forster 2004).

The life cycle influence can be seen in current housing patterns still evident today. Most of suburban Sydney consists of detached dwellings, with up to 75 percent of Australia’s population living in this type of housing (Freestone & Randolph 2008). It can still be said that Australia’s most common housing type is a detached dwelling, with an owner-occupier (Batten 1999).
1990s and 2000s

During this period, housing was dominated by the emergence of the McMansion, a term used to describe the type of housing representing “the biggest house on the smallest block” (Sydney Morning Herald, 26 August 2003).

As land became available in areas on the fringe of Sydney to provide for the increasing population of Sydney, state planning policy acknowledged the limited land that was left for residential development and placed a requirement of 15 dwellings per hectare for newly released land (Sydney Morning Herald, 26 August 2003). With new dwellings in NSW 22 percent larger than the national average (Daily Telegraph, 10 October 2009), this led to smaller block sizes in comparison to what were developed in the 1960s and 1970s, but larger dwellings. Sydney’s planning policies also responded to the need for different dwelling types, and encouraged higher densities in the form of apartments, with the Sydney Metropolitan Strategy promoting urban consolidation within locations close to transport and services.

EMERGING TRENDS

It cannot be debated that the life cycle is a major element of housing choice (Clark and Dieleman 1996). However, new trends and traditions have emerged, that conflict with the traditional life cycle approach as mentioned by Vulker (1986) and Doling (1976). Several factors now influence housing preferences that are much more complex than traditionally thought. Not only is household type and stage of the life cycle a main consideration for housing choices, other alternative options to consider include employment and education; income; lifestyle; and location preferences (Gurran 2009).

Changes in demographic trends are having significant impacts upon housing choices within society (Howe 1997; Beer 1999). In the study of housing, it is
considered that demographic analysis is one of the most significant elements (Paris 1995). There are a number of trends that are showing population shift including ageing; generational shift; international migration; internal migration; and a reduction in fertility (Freestone, ed. 2006). These changes have direct consequences on the demand for housing types, and are shared by Beer (1999) who adds changes in household formation and a shift in government policy to the list of emerging trends.

Some of the most significant trends to emerge are directly in opposition to the traditional life cycle as referred to by Vulker (1986) and Doling (1976). Where the nuclear family – two parents and children - was the most dominant family structure, new household formations are emerging. Figure 2.1 shows the change in family types from the traditional nuclear family.

**Figure 2.1 Changing Structure of Family Types within Australia**

![Family Types 1986-2006](chart)

Source: Author 2009, adapted from Australian Bureau of Statistics (1986; 1997; 2007a)

In 1976, 27 percent of households were in the form of couples with children, and in the late 1990’s had declined to just under 19 percent (Salt 2003). Salt (2003) further explains that experiencing the biggest growth in household types in the twenty first century are singles; couples; and single parents. In fact, all household types are increasing, with the exception of couples with children.
Ageing Population

Much has been said about Australia’s ageing population. It is predicted that the number of people aged 55 and over will grow faster than the number of people aged under 55 over the next few decades (Knapp 2005). Older people will experience longer life expectancy and will form a dominant segment of society. As a result, the increase in older persons will create demand for suitable housing types (FaCS 2005). Acknowledging this is an issue, a collaborative program between Federal and State government has created the Home and Community Care Program (HACC). HACC is a funding program that provides assistance to housing for elderly, frail persons and people with a disability to make their homes suitable to live in. The very existence of such a program lends itself to the fact that existing housing is not suitable for the needs of specific groups, and costly retrofitting is required (Bridge and Gopalan 2005). It is important that individual houses and suburbs will need to be designed to be friendlier to the aged (Neilson 2004).

In Sydney, the ageing population has increased from 5.5 percent in 2001 to 5.9 percent in 2006 (ABS 2009a). The outer suburbs of Sydney have less aged persons than the inner city suburbs, with Camden and Blacktown having less than 5 percent of the population aged over 65 years, in comparison to Ku-ring-gai (17 percent) at the time of the 2006 Census.

Young People

The role of young people in society’s demographic shift has been covered comprehensively in the existing literature (Salt 2003; Beer 1999; Forrest & Lee, eds. 2003). As the traditional life cycle accepted young people moving out of the family home straight into accommodation with a partner (Vulker 1986), several trends involving young people show that many young people are moving away from this pattern.
Living in the family home longer

One of the most dramatic changes in the life cycle of young people has been the delay of young people moving into their own living situations. Young people are staying in the family home for longer due to a number of factors. The main reason for this change is financial pressures and the convenience of living with parents (ABS 2009a). Decreased housing affordability, unemployment and a growing shortage of affordable rental accommodation are several other trends influencing this generational shift (Howe 1997). Data shows that in 1986, 19 percent of people aged 20-34 lived in their parental home. This is in comparison to 2006, where 23 percent of 20-34 year olds still live with their parents (ABS 2009a).

Participating in Higher Education

Young people aged between 20 and 34 years of age were more likely to be studying at a higher education institution if they were living at home (ABS 2009a; Howe 1997). Statistics show that more women are participating in tertiary education (Forrest & Lee, eds. 2003). This shift in tradition has flow on effects including the impact on occupancy rates and child birth.

Women and Fertility

As outlined above, women are participating in higher education at a greater rate than previously years. Not only does this have an effect on the delay of moving out of the parental household, but also impacts upon their decision to have children. Fertility rates have declined drastically, with rates in 2003 (1.73 children by the end of a woman’s birth period) at half the rate they were in the 1960s (Freestone, ed. 2006).

Declining Occupancy Rates

Salt (2003) highlights that the Australian population is leaning towards smaller households, which will predominately be in the form of couple households and
lone households. Figure 2.2 shows the declining number of larger households, and the increase in smaller households over time. In 1971, the number of persons per household was 3.3, which had reduced to 2.7 persons in 1991 (Beer 1999; Forster 2004). In 2006, the occupancy rate stood at 2.6 persons per household, showing the decline in larger households since 2001. Within the Greater Metropolitan Region of Sydney, the current (2006) occupancy rate is 2.7 persons per household (ABS 2007b).

Figure 2.2 The changing nature of Australian Household Sizes 1986-2006

These smaller households are often a result of our ageing population, increasing divorce and separation and changes in choices from young people relating to partnerships and marriage (Freestone et al. eds. 2006). Reduced occupancy rates can also be contributed to the decision to have children at a later stage in life and the growth in one and two bedroom properties (Beer 1999).

Marriage, Divorce and Separation

New trends in marriage are emerging that do not correspond with the traditional life cycle. An increasing number of people are not marrying, or entering marriage at a later period of their lives. In 1986, 62 percent of the adult population were married. This is in contrast to 2006 statistics which show that only 52 percent of the adult population are married (ABS 2009b).
This trend is also followed by the postponement of marriage until later on in life. In 1987, the average age of a first marriage for a male was 25.9, with women 23.8. In 2007, the age has increased to 29.6 for males, and 27.6 for females (ABS 2009b).

The breakdown of marriage and relationships has had an impact on the housing choices that are made post-break up. Beer and Faulkner (2009) found that divorce or separation is the main reason to the return to rental housing from owner occupation. Persons who have never married aged between 30 and 44 years of age are the largest group who are in the long term private rental market (Beer 1999).

*Lone households*

Forster (2004) points out that there are more single person households, and unrelated persons living together. This is due to a variety of factors, including the abovementioned increased rates of divorce, but also due our ageing population (Beer & Faulkner 2009).

It is predicted that lone person households will increase by 844,000 to 962,000 by 2026 (Beer & Faulkner 2009). This will evidently create increased demand for more households, as Freestone et al. (2006) found, the number of households is increasing more than Sydney's population.

The increasing demand for single person households is evident in areas that are generally considered to be suburbs catering for the nuclear family, with suburbs such as Baulkham Hills experiencing the biggest growth in lone person households, jumping 27 percent between the 2001 and 2006 Census (Randolph et al. 2008). Other LGAs experiencing growth in smaller households include Camden (with an increase of 18 percent); Auburn (17 percent; and Blacktown (17 percent). These LGAs have a majority of detached dwellings, with almost all outer suburbs in NSW having over 85 percent of housing stock consisting of separate houses (Forster 2004),
making it difficult to find smaller size dwellings in other forms of development besides the separate dwelling.

**Housing Affordability**

A number of factors have contributed to the nature of diversifying household types, including ageing of the population, young people living within the family home longer and increased rates of divorce and smaller households. These factors point to a need for more diverse housing stock, however there is also concern about the affordability of housing.

Several factors impact on the affordability of housing within Australia, and NSW. During the 1990s, interest rates experienced a rapid decline. A key issue in the affordability argument is that while average house prices have risen dramatically and continued to rise, the average earnings of workers have not risen in comparison to the level of house price rises (Forster 2004). Records show that house prices tripled between 1987 and 1999 (O’Neill & McGuirk 2002), and that lack of affordable purchase housing is often linked to the need for private rental tenure (Beer & Faulkner 2009).

Many of Australia’s cities are experiencing affordability concerns, with Sydney being the most unaffordable Australian city (Sydney Metropolitan Strategy 2005). A lack of affordable housing is often seen to contribute to young people staying in the family home longer due to the need to save for a deposit, and the increase in rental tenure due to housing constraint.

**Tenure Choice and Location**

Australia’s demographic changes have contributed to changes to our housing system leading to the growth in the private rental sector (Beer 1999). However, home ownership is still the tenure of choice, which is traditionally considered by the mature market (Bunker et al. 2005b).
Previously, rental has been considered a ‘transition’ phase of housing (Randolph 2006a). However, the rental option is becoming more significant to society as evidenced by the use of the private rental as a longer term option (Beer 1999). This shift is can be contributed to decreasing affordability and increasing incidences of relationship breakdown (Forster 2004; Beer and Faulkner 2009). It has been said that private rental is “becoming a tenure of constraint, rather than choice” (Freestone, ed. 2006, p 54). This is evident in Beer & Faulkner’s (2009) study, that shows the various reasons from people entering a rental tenure from an owner occupier position (see Figure 2.3).

**Figure 2.3 Reasons for leaving owner occupation and shifting to rental housing**

![Figure 2.3 Reasons for leaving owner occupation and shifting to rental housing](image)

Source: Beer & Faulkner 2009

An issue concerning tenure choice is that the private rental sector is characterised by medium density dwellings and flats (Bunker *et al.* 2005a). In Sydney, 18 percent of separate houses, 42 percent of medium density dwellings, and 61 percent of flats and apartments are rental tenures (ABS 2007a). This restricts the type of housing choices, in terms of type and location – with the majority of Sydney’s suburbs consisting of detached owner occupied dwellings (Bunker 2005a).
THE ‘MODERN’ LIFE CYCLE

As evident through new trends in demographics, lifestyles and living arrangements, the traditional life cycle approach to housing is no longer relevant for the housing needs of today (Beer & Faulkner 2009). As Forster states, our housing needs and choices based on our lifestyles “…do not fit into the conventional life cycle at all” (2004, p 91). Reasons for leaving the family home are much more complex and are rarely based on partnership (Beer & Faulkner 2009).

Walter Burley Griffin, famous for creating the city and suburbs of Canberra, designed communities based on two parent households with children. This led to the homogenous housing type of a detached dwelling as the main housing type within Australia’s population (Neilson 2005). Figure 2.4 can be considered the ‘modern’ life cycle, showing the extension from the ‘traditional’ four stage life cycle, with the introduction of lone person households, one parent families and a separation of life cycles into a parental path and a child path.
Where there were traditionally few stages in terms of housing choices and needs, the changing nature of Australia’s, and Sydney’s, demographics are causing impacts on ‘housing careers’ – movement through different housing types due to incomes, life cycle and external factors – showing it is far more complex (Beer and Faulkner 2009). As a result, more housing choices and options need to be made available (Batten 1999), as housing needs have become more differentiated (Heijs et al. 2009).

CHAPTER SUMMARY
Kendig (1984) and Vulker’s (1986) assumption that housing life cycles can be summarised into several distinct stages may have been appropriate for the period where Sydney was undergoing rapid suburban growth, but with a diverse population undergoing a demographic shift, the traditional housing for life cycle argument is no longer appropriate. Changing trends have led to a more diverse range of housing needs and choices, creating implications for the housing market. In order to provide a range of diverse housing types, an understanding of the characteristics of diversity is needed, which will be outlined in Chapter three.
Chapter Three: Defining diversity explores the term ‘diversity’ and outlines the key characteristics that form a diverse range of housing. This chapter argues that more diversity is required in housing provision in Australian cities, particularly Sydney. The chapter concludes with the causes of a lack of diversity in housing provision and an overview of the motivations of local governments in implementing housing diversity mechanisms.

CHARACTERISTICS OF HOUSING DIVERSITY

The theme of housing diversity is evident in several of NSW planning policies and documents. However it is not a new concept. Housing diversity is mentioned in several contexts, including both state government and local government policies (which will be analysed further in Chapter five). The Sydney Metropolitan Strategy, produced by the State’s planning department refers to “providing a range of dwellings suited to the changing population” (DOP 2005). Baulkham Hills Local Government refers to providing “housing choice for residents” (*Baulkham Hills LEP 2005*), whereas the Department of Planning’s Subregional Strategies refer to “housing mix” (DOP 2007). These
terms are referred to in planning policies with limited descriptions as to what constitutes 'range, choice and mix'. This chapter explores the characteristics of housing diversity and attempts to define the factors which encompass the term.

A review of the literature presents a variety of factors that contribute towards providing a diverse range of housing. Gurran (2009) provides the most thorough definition of diversity, stating that housing needs and preferences relate to four key characteristics. These are dwelling size; density and scale; location; and tenure.

Many academics refer to these characteristics in the context of diversity, including early literature on the subject of choice in housing (Doling 1976; Kendig 1984, 1985), as well as current literature on the subject of providing housing diversity (Forster 2004; Barton et al. 2003). Boehm (1982) in his article titled “A Hierarchal Model of Housing Choice” referred to housing choice as choice over tenure, size, quality and age. Since Boehm, other academics have added in the discussion of housing choice and these factors can be translated to the current context to include public rental housing (Gurran 2009; Kendig 1984), bedroom numbers (Troy 1996), affordability (Beer 1999), and scale (Beer 1999; Gurran 2009).

Barton (2000) refers to diversity as catering for a range in age of people, housing tenure, dwelling types and providing for different income levels. Dwelling size must also be considered to provide for a range of household needs (Barton et al. 2003).

Adapted from literature that refers to diversity, six key categories have emerged that summarise the definition of housing diversity, as shown in Figure 3.1.
Dwelling Type

Perhaps the most obvious and common characteristic of housing diversity is diversity of dwelling types. Chapter two referred to the growth in separate dwellings and residential flat buildings during Sydney’s major growth periods. The emergence and demand for medium density housing in the form of townhouses and villas is also important. These types of dwellings are being introduced as forms of medium density housing in traditional low density locations, which can be seen throughout many locations close to train stations and shopping centres within Sydney (See Figures 3.2; 3.3; 3.4; and 3.5).

The Landcom Housing Diversity guidelines were introduced in August 2009 and encourage diverse dwelling types to “provide a mix of dwellings that meet the needs of a wide range of people in society… and provides for different
lifestyle choices and life stages including young families, single people and retirees” (Landcom 2009, p6).

Several recent residential developments in Campbelltown, in the south western suburbs of Sydney, provide examples of new forms of medium density development, where surrounding separate detached dwellings are common. Modern terrace style development has emerged, as well as the use of studio dwellings, in the form of granny flats and garage top housing. The figures below show the various forms of housing types that provide for different housing needs in locations within the Sydney GMR.

Figure 3.2 Garage studio in Campbelltown LGA

Source: Author 2009

Figure 3.3 Medium density in Liverpool LGA

Source: Author 2009

Figure 3.4 Apartments in Wollongong LGA

Source: Author 2009

Figure 3.5 Townhouses in Gosford LGA

Source: Author 2009
Accessibility and Adaptability

With an ageing population – and 99 percent of persons aged 75 and over experiencing some form of long term physical impairment (ABS 2002) - the need, and demand, for more adaptable, accessible and universal housing can be expected to increase.

Australian Standard AS 1428.1 was created to set standards for Access and Mobility designs within the Building Code of Australia. Although AS 1428.1 is in place, provisions are not mandatory. Older people and people with a disability have specific housing needs relating to rooms and spaces, and building structures, finishes and fixtures (Hunter 1992).

As mentioned in chapter two, residential flat buildings built before the 1970s were often built without lifts. As our population continues to age, these dwellings will be unsuitable for people with mobility problems or disabilities. By 2030 it is expected that NSW will have approximately 22 percent of the population aged 65 or over (Department of Ageing, Disability and Home Care 2008). It is important that due to the sheer amount of Australia’s population that will require appropriate housing, new residential development caters for these needs in the form of universal design (Bridge and Gopalan 2005). Jane Bringolf in a presentation at the Housing Researchers Conference 2009 stated that our nation should plan adaptable housing in every home from this point onwards (2009, p.11).

Within the Sydney GMR, there are areas that have higher proportions of older persons. These are predominantly within LGAs north of Sydney and within a 5-20 km radius of the city centre. LGAs such as Waverley, Mosman, as well as Penrith and Camden having significant older persons as a percentage of their overall populations (2008b).
Bedroom Mix

Greater bedroom mix, particularly in one and two bedroom dwellings, can cater to a variety of needs. As housing affordability declines, one and two bedroom dwellings built with basic finishes can reduce the cost of housing (Landcom, 2009). Studio apartments can provide adequate accommodation for students (Housing NSW 2009b).

Within Sydney, several outer suburbs have significant proportions of three bedroom stock including Blacktown LGA with approximately 77 percent of dwellings with three bedrooms, and Penrith with approximately 74 percent (Housing NSW 2009c). Hunters Hill LGA within the middle ring of Sydney also has larger proportions of three bedroom dwellings with approximately 50 percent three bedroom dwellings. In comparison, Sydney LGA has approximately 42 percent one bedroom dwellings (Housing NSW 2009c).

One of the most talked about trends and subsequent implications for housing is the reduction in household size, where it can be assumed that this translates into the demand for smaller dwellings. However, there are several authors who debate the need for an increase in one and two bedroom dwellings (Maher 1995, Troy 1996; Wulff et al. 2004) and where there is a demand for them (Wulff et al. 2004). However, declining household size is not necessarily the most significant, and certainly not the only, contributor to the need for housing diversity.

Size

The importance of lot size and dwelling size as characteristics of diversity means that people have the option of choosing land that suits their needs. Smaller lot sizes may be chosen for low maintenance reasons, or in the context of affordable housing. As the Landcom Housing Diversity Guidelines
document identifies, smaller lot sizes reduce the overall cost of land, which makes it easier for people to enter the housing market as an owner occupier.

**Tenure**

A range of tenures, including private rental, owner occupied housing and public rental provides for a range of housing needs at various stages of the life cycle and housing careers (Beer 1999). As the ‘modern’ life cycle outlined in chapter two showed, stages of the life cycle are much more complex, with rental increasingly becoming a tenure option for many Australians (Freestone, ed. 2006).

Vacancy rates for rental properties are currently at very low rates. In February 2008, vacancy rates for LGA’s within inner and middle Sydney were 0.9 percent. As a result, rents have risen by an average of 13 percent, which is more than any time since the 1990s (Housing NSW 2009c).

Tenure mix has several positive social benefits which will be discussed in depth within the next section of this chapter. Tenure mix can also enable members of the community to remain within that community as housing needs change (Barton 2000).

**Affordability**

The issue of housing affordability is a concern for many people. Considering that “…over the passage of just one generation, housing access and affordability have deteriorated significantly” (Yates et. al. 2008, p. 25), greater responsibility has been placed on the private development industry. Affordable purchase and rental housing can ensure all members of a community have the choice to remain within their existing community, and not be excluded as a result of a downward shift in ones housing career (Beer and Faulkner 2009).
A key indicator of the need for more affordable housing is the proportion of people experiencing housing stress. One definition of housing stress is considered when a person pays greater than 30 percent of their weekly income on housing costs (Housing NSW 2009c; Yates et. al 2008). This is clearly an issue, with predictions that the number of households in housing stress will increase by 77 percent in 2045 (Yates et. al. 2008). Currently, there are 1.1 million households that are experiencing housing stress (Sydney Morning Herald 2008).

There are several LGA’s within Sydney that have extremely low levels of affordable housing dwellings for purchase and these areas are mostly within the inner ring of Sydney including Mosman LGA and Woollahra LGA who have less than one percent affordable housing. This is in comparison to areas located in outer Sydney such as Fairfield LGA with 12.9 percent and Canterbury LGA with 12.8 percent affordable housing (Housing NSW 2009c).

**BENEFITS OF DIVERSITY**

**The Community Connection**

As highlighted in Chapter two, the traditional life cycle approach to explaining housing careers is no longer suitable for today’s context, and there are a range of needs and preferences for people making their housing choices, where traditional detached dwellings may no longer appeal. A major benefit of housing diversity is the ability for people to remain in their community or locality throughout their extensive life stages (Gurran 2009). Sydney’s suburbs are known for their social heterogeneity (Randolph & Freestone 2008), not their housing diversity. Some areas of Sydney have a very high rate of separate dwellings, and this may not be suitable for all demographics due to factors such as affordability, size and accessibility. Housing choices because
of a connection to a community are not only based on location, but also in relation to family and relatives (Jones 1979).

A serious consequence of not providing a range of housing for various age groups and demographics in communities, is the migration of people as a result of unsuitable housing for their needs (Freestone et al. eds. 2008). Affordability is considered as a major contributor of migrating to another location for more affordable housing needs for those on low incomes (Marshall et al. 2003). More recently, 19 percent of people within Australia who had moved in the last three years did so due to the cost of housing (ABS 2008a).

**Sustainable Communities and Social Mix**

Housing diversity is encouraged to provide various housing markets, so that accommodation is provided for everyone (Barton 2000). Academics support the concept of housing diversity as a way to improve the sustainability of a community (Barton 2000; Gurran 2009).

Communities with a wide range of residents from various backgrounds can create significant benefits. Barton (2000) suggests a community that is mixed, creates balance which therefore promotes positive social outcomes. Not only does this enhance a sense of community, but a sustainable community provides residents with access to a range of services, such as schools, health services and education (Beer 1999). This demand is evened out as people of different ages, cultures and incomes are encouraged, and this diversity promotes the establishment of other services that cater to the full range of community needs (Freestone et al. eds. 2008).

Barton (2000) further suggests that access to an increased choice of services and facilities meet a full range of individual’s requirements, and avoids the demand for specific services such as childcare or schools (Barton 2000). However, it has been argued that the benefits of increased access to services via encouraging greater housing diversity does not always extend to the entire
community. Musterd and Andersson (2005) argue that housing mix does not necessarily encourage social mix.

Not only are diverse communities more socially inclusive (Randolph 2006b), disadvantaged residents experience less discrimination due to a more balanced social mix (Beer 1999). However, there are critics who argue that mixed communities - socially and physically – are not sustainable and offer limited benefits for those from a lower socio-economic background (Musterd and Andersson 2005).

THE HOUSING MARKET

Housing policies within Australia have historically focused on increasing housing consumption per household, initially over concerns for public health and overcrowding (Batten 1999). Government policies have been directed towards home ownership for owner occupiers (Forster 2004), a move that is now less achievable in the context of the lack of affordable housing. It has also been said that:

“Until recently, the simplistic divide of dense, mixed inner city versus a hegemonic suburban residential zone of more affordable housing has predominated and pervaded cultural critiques, planning theories and urban policy” (Randolph & Freestone 2008, p5).

The above quote outlines the problems that have been made regarding housing provision in the past, as outlined in chapter two. The dense inner city of Sydney compared to the suburban separate dwelling stock means that governments have now had to address the lack of diversity and have begun to think more comprehensively about housing stock and housing needs.

The response of local and state governments referring to diversity within strategies and plans has identified the need to change policy and increase the
diversity of housing within Australia’s cities and suburbs. It is likely that there will always be a mismatch between supply and demand, as housing stock responds slowly to changes in both housing policy, and housing demand (Doling and Stafford 1989). However, people need housing choice, and the housing market and relevant stakeholders have been criticised for not delivering on diversity. In particular, the private sector has been criticised for not providing a significant amount of housing to cater for various groups such as low income earners (Troy 1996).

IMPLEMENTING DIVERSITY

The influence of developers, who provide our housing forms, and planners who create policies on housing, must both be considered in the context of the housing structure of Australia’s cities and suburbs. The supply of dwellings from developers “largely determine the provision of housing stock, rather than the preference of households” (Bunker et al. 2005, p 17). It should be considered that some of the responsibility for the dwelling make up of cities and towns must be laid upon developers who supply housing, who have not responded to the need for housing choice (Neilson 2005).

However, diversity “is not delivered by the market unassisted” (Barton 2000, p 93) and faults in the housing market have led to governments intervening in providing housing (Clark and Dieleman 1996). There are questions asked as to how governments should intervene and at what level. Barton (2003) provides a perspective based on three segments of a town and their potential to accommodate forms of diversity. First is the street level, where diversity is possible but not necessarily essential to provide benefit to the community. Neighbourhood level is the second segment. Although this level within the town structure is much more important than the street level, diversity is dependent on location and the amenities that are provided for residents. Ideally, diversity should be provided at the township level, where a full range of options can be provided (Barton 2003). Jones’ study (1979) supported
street level mixing, due to increased rates of community interaction at this level. However, Dansereau (in Jones, 1979) supports neighbourhood mixing rather than by cluster approach within the street. The debate over how to implement mix to result in the most positive social outcomes is apparent and provides unclear results, yet location is considered to be a significant characteristic.

For diversity to be integrated successfully, there must be a clear policy, which is implemented accordingly and in the right places (Barton 2000; Barton 2003). Towns which do not offer a full range of diverse housing types should identify targets regarding different housing types to be successful (Barton 2003). This would prevent a polarisation of metropolitan Sydney and its suburbs so that new housing choices do not limit “singles and couples to high density centres and transit corridors, leaving the low density suburbs for the elderly and families (Bunker et al. 2005, p792).

CHAPTER SUMMARY

The term ‘Housing Diversity’ has been mentioned in various contexts. This chapter has outlined the characteristics of housing diversity, which will assist in reviewing approaches by local government areas to encourage greater housing diversity in chapter four. The benefits of housing diversity have been outlined, along with difficulties and problems which have added to the emergence of planning policies and mechanisms that refer to housing diversity.
METHODOLOGY

Chapter Four: Methodology outlines the methods undertaken for this thesis, including a literature review, review of planning documents and qualitative interviews with planning professionals and developer representatives, and justifies why the research methods were chosen and undertaken.

RESEARCH METHODS

An overview outlining the links between the types of data collection and research methods undertaken for this thesis are presented in diagrammatic form in Figure 4.1. Ethics approval was granted for this research (refer to the Appendix for ethics approval letter).
LITERATURE REVIEW

A literature review has been carried out as part of this thesis to provide an introduction to the subject of housing diversity. Chapter two and Chapter three introduced the concepts relating to housing diversity in the form of a literature review.
The process of gathering literature consisted of several internet searches from the University of New South Wales library database. Key words including ‘housing’ and ‘mix’, ‘choice’ and ‘diversity’ were used, from journals including *Urban Studies*, *Urban Affairs Review* and *Urban Policy and Research*. Several reports from the Australian Housing and Research Institute (AHURI) were reviewed, as well as media articles regarding housing affordability and population.

Chapter two referred to the stages of the traditional life cycle and its relation to housing as presented by academics Doling (1976) and Vulker (1986). This subject matter was selected to introduce the logic behind the development of Sydney and other cities, which has led to a lack of diversity and the need for local government to encourage the creation of greater housing diversity. This concept was considered to be inappropriate in the current context of Australian cities as shown by the use of demographic statistics from the Australian Bureau of Statistics.

Chapter three summarised the characteristics of diversity based on contemporary critics including Gurran (2009), Beer and Faulkner (2009) and Bridge and Gopolan (2005), and outlined the benefits of housing diversity and criticisms of housing and social mix (Andersson and Musterd 2005). This approach was taken to piece together various literature relating to housing and social needs as existing literature is segmented into categories. Chapter three brought together the literature, and formed an overview of the term ‘housing diversity’. This assisted in the application of the housing diversity audit, which enabled criteria to be set and assessed.

**REVIEW OF PLANNING DOCUMENTS**

A systematic review of NSW planning documents was carried out during August and September as a means of identifying the types of housing
diversity approaches and mechanisms that are currently implemented by local government. To ensure that the review of planning documents is comprehensive and thorough, criteria were set to outline the boundaries in a complex planning system. The criteria identified several levels of planning controls and policies that influence housing and land use. Environmental Planning Instruments (EPIs) and Development Control Plans were the two levels of planning documents to be included in the criteria.

The EPIs reviewed for the purposes of this thesis included State Environmental Planning Policies (SEPPs), Regional Environmental Planning Policies (REPs) and Local Environmental Plans (LEPs). SEPPs were only reviewed if referred to in the LEP, due to time constraints. In the case where there was no LEP, the Planning Scheme was consulted. This was only applicable for Burwood LGA.

In some cases, the number of LEP’s and DCP’s within an LGA were extensive and needed another level of criteria to ensure accuracy within the audit. To do this, the LEP acting as the core document guiding land use within the LGA was reviewed. DCP’s relating to accessibility, single dwelling houses, dual occupancy, medium density development and residential flat development were considered for review. No planning instruments or DCP’s that were on public exhibition were considered for this thesis.

To narrow the extensive research area in an attempt to focus on areas with significant and growing populations, the review of planning documents focused on LGA’s within the Sydney GMR. To classify the LGA’s considered as part of the Sydney GMR, the review of planning documents is based on Housing NSW’s housing market analysis which categorises LGA’s into housing markets within the state. The housing diversity audit provided examples of the types of housing diversity mechanisms that are being implemented by LGA’s within the Sydney GMR. As this thesis analyses the impacts of housing diversity mechanisms, the audit and preceding literature review regarding housing diversity, provided the use of case studies to be selected for further in-depth research.
As the review of planning documents was carried out for LGA’s within the Sydney GMR, Council planning staff were contacted via telephone to offer insight and queried in regard to the need for housing diversity, and the use or lack of reference to housing diversity within their planning documents.

The audit of planning documents regarding housing diversity was based on the six characteristics of housing diversity presented in chapter three. These are tenure, affordability, bedroom mix, size, accessibility and adaptability and dwelling type. Criteria for the audit tables presented in chapter five were also applied. LGA’s that referred to either of the six characteristics within the LEP’s overall and zone objectives were noted. DCPs that had reference to any of the six characteristics, with specific mechanisms that Council had designed themselves, were noted. This approach was taken because of the legally binding status of the LEP and position of planning instruments and controls in comparison to DCPs. Although the DCP does not have the same legal status as the LEP, DCPs contain specific development controls in the form of numerical and descriptive measures that all development proposals must address.

IN-DEPTH INTERVIEWS

In-depth interviews were carried out with planning professionals and representatives within the development industry as the primary source of data. Interviews were used as this method is considered appropriate to measure experiences and observations (Shurmer Smith, ed. 2009). Ethics approval was granted for these in-depth interviews.

In total, six in-depth interviews were carried out, three with Local government planning professionals and three with development industry representatives. A significant part of this thesis is focused on understanding the impacts of local housing policy on housing diversity and it is appropriate that both viewpoints are considered for this research. As initial assumptions indicated that there
would be conflict between the local planning professionals’ viewpoints and those of the development representatives, interviews were integral to this research due to the purpose of interviews highlighting the issues which are “sensitive to differences and contradictions” (Shurmer Smith ed. 2009, p155).

A list of semi structured questions was prepared for each interviewee. These questions asked for general opinions on the need for diversity within cities, and specific questions relating to each case study. However, all interviews did not follow the questions as set out by the author and a more ad-lib approach was taken to maintain the flow of the interview.

Key informant interviews were held within three case study areas – Willoughby, Holroyd and Newcastle. One Council planning professional and one development industry representative were interviewed about the impact of the housing diversity mechanism that is currently in place in each of the three areas. An overview of each interviewee is provided below.

Case Study 1: Willoughby

Willoughby Council – Lara Nguyen

Lara Nguyen is Willoughby Council’s Housing Officer. Her role is to provide strategic and statutory advice and implement policies relating to the needs of the Willoughby community. Mrs Nguyen has also completed an undergraduate thesis on affordable housing strategies in local government.

Property Council of Australia - Ken Morrison

Ken Morrison is the Chief Executive Officer of the NSW arm of the Property Council of Australia, which represents the development industry. Mr Morrison acts on behalf of the development industry lobbying government and provides a development perspective relating to the use of housing diversity mechanisms and other planning controls.
Case Study 2: Newcastle

City of Newcastle Council – Anonymous

A representative from Newcastle City Council’s planning department was interviewed who was involved with the creation of Newcastle City Council’s Urban Strategy.

Hunter Development Corporation – Julie Rich

Julie Rich’s role within the Hunter Development Corporation is Operations Manager. Mrs Rich has several responsibilities within the development process and oversees the functions of the Hunter Development Corporation.

Case Study 3: Holroyd

Holroyd Council – Natalie Stanowski

Natalie Stanowski is a senior strategic planner with Holroyd Council. Her role involves overseeing planning strategies for land use within Holroyd LGA.

Delfin Lend Lease – Lorraine Sarayeldin

Lorraine Sarayeldin is a project officer with Delfin Lend Lease, the project managers of the development at Nelsons Ridge, Holroyd. Lorraine is part of the team that represent the land owners of the site, and negotiate with Council on planning issues representing the development industry.

Identification of interviewees

Participants selected for interviews for this thesis were notified of the ethics process for participating in the research project. All interviewees have given consent to be quoted, with one planning officer consenting to being quoted
but not identified. This person will remain anonymous. All other interviewees will be referred to with their full name, title and organisation.

**Analysis of interviews**

Once interviews were completed, an immediate short summary was prepared listing the main themes of the interview. A thematic analysis was carried out to identify key themes to assist the research. A thematic analysis is the process for encoding qualitative information (Crang 1997; Boyatziz 1998). This approach was taken as a thematic analysis is an ideal way to process the qualitative method of research by translating observations into valid themes and codes (Boyatziz 1998). These themes have identified the key issues relating to housing diversity that will assist in the identification of recommendations for the creation of greater housing diversity in chapter seven.

**CHAPTER SUMMARY**

This chapter outlined the methods undertaken for this thesis. A literature review has been carried out in chapter two and chapter three, with a systematic review of planning documents for an audit of housing diversity mechanisms in chapter five. Qualitative methods in the form of in-depth interviews have been held with planning staff and key players in the development industry for selected case studies, which will be presented in Chapter six.
Chapter Five: The housing diversity approach summarises both State and Local Government policies and responses to housing diversity concerns, which have lead to the creation of housing diversity mechanisms. A review of LGA’s within the greater metropolitan region of Sydney presents existing housing diversity mechanisms that have been implemented by Local Government through tabulated data. A selection of these mechanisms has been reviewed, according to the six characteristics of housing diversity as outlined in chapter three.

HISTORY OF HOUSING DIVERSITY MECHANISMS IN NSW

Within Australia, housing policy has not traditionally been considered a Local government responsibility (Gurran 2003). Historically, this has often been left to State government, as there is little history of the nation’s federal government in urban issues or policy. Due to increasing uncertainty over the role of government in the provision of housing, and pressure from the NSW State government, Local government has begun to play a much greater role in the development of housing policy (Dominish 2001). This section outlines the influence of State government on local housing issues and the local
government response. Figure 5.1 outlines the hierarchal structure and responsibilities of the two levels of government, and the various instruments used in creating housing policy, and finally, housing diversity policies.

Figure 5.1 – Levels of Government in NSW and the hierarchy of planning policies relating to housing diversity

Source: Author 2009
State Government

Sydney Metropolitan Strategy

The Sydney Metropolitan Strategy (DOP 2005) is a strategic planning document implemented by the DOP that guides development for the next 50 years within Metropolitan Sydney. The Sydney Metropolitan Strategy has several key objectives, and LGAs must implement these objectives and actions. It sets out housing and employment targets, and a key component of the strategy is the identification of a hierarchy of centres where greater housing is to be provided according to the DOP’s housing targets for the LGA.

Within the Sydney Metropolitan Strategy, key action ‘C2’ is to plan for housing mix near jobs, transport and centres. Subsequent levels of action ‘C2’ include the need for Councils to “Undertake a housing market demand and supply analysis to guide Local Environmental Plans (LEPs)” (DOP 2005). This action of the Sydney Metropolitan Strategy requires Councils to “review their planning controls in terms of their effect on housing supply and mix” (DOP 2005).

Subregional Plans

The next level of State Government strategic planning addresses the aims and action set out in the Sydney Metropolitan Strategy via the use of Subregional Plans. These plans are categorised into 10 regions including Sydney City, East, South, Inner West, Inner North, North, North East, West Central, North West and South West. A Subregional Plan has also been completed for the Central Coast region. Like the Sydney Metropolitan Strategy, LGAs must implement the objectives and actions that the corresponding Subregional Plan outlines.

The subregional plan has actions of the same hierarchy of the Sydney Metropolitan Strategy, referring to action ‘C2 – Plan for a housing mix near jobs, transport and centres’. Each subregional plan has different actions,
however themes are similar. All subregional plans identify the need for Councils to encourage zoning provisions within the LEP to provide for a greater housing mix.

*Regional Plans*

The Department of Planning have implemented two land use strategies applicable to the Greater Metropolitan Regions of Sydney – the Lower Hunter Regional Strategy and the Illawarra Regional Strategy.

The Lower Hunter Regional Strategy guides land use planning for five areas within the Hunter Region. It covers Newcastle LGA, Lake Macquarie LGA, Port Stephens LGA, Maitland LGA and Cessnock LGA. The Illawarra Regional Strategy covers Wollongong LGA, Shellharbour LGA and Kiama LGA.

Similar to the Sydney Subregional plans, the Lower Hunter Regional Strategy and Illawarra Strategy encourages Councils to promote greater housing diversity and housing mix.

*State Environmental Planning Policies (SEPPs)*

State Environmental Planning Policies affect all states in NSW, unless otherwise specified. They are created by the Minister for Planning

**SEPP 53 - Metropolitan Residential Development** was introduced in 1997 as the State Government’s response to urban consolidation and the growing population of Metropolitan Sydney. SEPP 53 encouraged local government within the GMR to prepare residential strategies aimed at providing greater densities in response to the growth of Sydney and the GMR population. LGA’s who did not prepare a strategy are subject to the provisions in this SEPP, which overrides Council controls in relation to mandated minimum lot sizes, dual occupancy controls, and design requirements. The introduction of **SEPP**
53 encouraged local governments to analyse their housing markets and to promote housing choice.

As a result of the introduction of SEPP 53, many LGAs within the Sydney GMR began preparing housing and residential strategies. These strategies referred to greater housing choice, providing for a mix of dwelling types and references to a range of housing.

**Local Government and Housing Policy**

As highlighted above, the role of Local government in housing policy and provision has increased due to the role of the state government and implementation of planning instruments and policies. Under the Environmental Planning and Assessment Act 1979, the two planning documents that contain the guiding principles for development and planning legislation that are the responsibility of local government, are the Local Environmental Plan and the Development Control Plan.

*The Local Environmental Plan (LEP)*

The Local Environmental Plan is at the top of the hierarchy of planning instruments in local government land use planning. Under the Environmental Planning & Assessment Act 1979, LEPs are signed off by the Minister for Planning, but primarily remain the domain of local government (Farrier and Stein eds. 2006).

The LEP is a legally binding document. It contains objectives, which guide development within the LGA, and any development application is to be assessed against these objectives. The LEP also contains development standards, which outline specific rules regarding lot sizes, densities and building heights. These development standards cannot be varied, unless a SEPP 1 Objection is awarded.
The Development Control Plan (DCP)

Development Control Plans are documents that outline specific guidelines for development. DCPs contain references to building character and design, building setbacks, solar access, and stormwater and waste management.

A development can only progress if it has been approved according to the objectives of the LEP and DCP, with both documents to be addressed collectively.

DCPs only act as a guide for development, and are not considered to be legally binding, unlike LEPs. However, if a proposed development does not meet the guidelines of the DCP, the reasons must be justified. DCPs must conform to the objectives of the LEP, otherwise they are considered invalid (Farrier and Stein eds. 2006).

HOUSING DIVERSITY MECHANISMS IN LOCAL GOVERNMENT

An audit of LGAs within the Sydney Greater Metropolitan Region, from Kiama LGA to the South to Port Stephens LGA to the North has been undertaken in order to establish the types of housing diversity mechanisms that have been implemented within local government. The Greater Metropolitan Region has been selected as all the LGAs have been encouraged to implement housing diversity strategies through strategic subregional planning policies by the State government. The audit has been carried out to establish the types of housing diversity mechanisms that are implemented within Local Government.

Chapter three summarised six key characteristics of ‘housing diversity’, which are tenure, affordability, size, bedroom mix, accessibility, and dwelling type. These six characteristics have been applied to the Sydney GMR audit to categorise the types of housing diversity mechanisms. Planning instruments and residential planning policies have been evaluated for the audit and
references to the characteristics of housing diversity have been noted in two ways – reference within the Local Environmental Plan, or within the Development Control Plan. However, it must be acknowledged that some LEPs are influenced by SEPPs. Where this is the case, an asterisk has been included next to the LGA where these other EPIs are in place.

Housing NSW divide New South Wales Local Government Areas into several regions in their Rent and Sales Reports, including Inner Ring of Sydney, Middle Ring of Sydney, Outer Ring of Sydney, Greater Metropolitan Region and Rest of NSW (Housing NSW 2009d). These categories have been applied to the housing diversity audit. ‘Rest of NSW’ LGAs have not been included as part of the audit, due to time constraints and lower population levels.
Housing diversity mechanisms in the Greater Metropolitan Region

The Greater Metropolitan Region extends from Kiama to the south of Sydney, to Port Stephens to the north, based on Housing NSW’s housing markets.

Table 5.1  Housing diversity mechanisms in the Greater Metropolitan Region

<table>
<thead>
<tr>
<th>Council</th>
<th>Tenure</th>
<th>Dwelling Type</th>
<th>Affordability</th>
<th>Size</th>
<th>Bedroom Mix</th>
<th>Accessibility or Adaptability</th>
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</tbody>
</table>

Source: Author 2009

- ≈ Indicates Housing Diversity Characteristic in LEP
- ● Indicates Housing Diversity Characteristic in DCPs

Dwelling Type

An analysis of LGAs within the GMR of Sydney (refer to Table 5.1) indicates that eight out of nine LGAs include a planning mechanism for a diverse range of housing types. These LGAs refer to diversity in dwelling type by including an objective within the LEP, or within a specified residential zone objective. Within the Residential 2(c) zone of the Port Stephens LEP 2000, an objective is to provide for a “wide choice in housing”.

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Other LGAs within the GMR refer to dwelling type as an objective of the LEP, such as Kiama LGA who refer to “a range of housing styles and lot sizes” within the Kiama LEP 1996.

Newcastle City Council refer to not only dwelling types, but the importance of different household types aiming to ‘ensure that urban housing is constructed in a manner that can accommodate or be adapted to the needs of a variety of household types’ (Newcastle LEP 2003).

Cessnock Council is the only LGA within the GMR not to have referred to diversity of dwelling type within their LEP or DCP.

**Bedroom Mix**

Wollongong is one of two LGA’s within the GMR to implement housing diversity mechanisms addressing the need for greater bedroom mix. The *Wollongong Residential Development Control Plan* states that in residential flat building developments, a minimum of 10 percent must be studio or one bedroom units. This has been implemented within the *Residential DCP* to encourage housing choice as medium and high rise development in Wollongong was providing many two and three bedroom dwellings.

On the other hand, Newcastle Council has implemented a complex table that indicates the proportion of one, two and three bedroom dwellings in relation to density. An in-depth analysis of this mechanism will be provided in Chapter six.

**Adaptable and Accessible Housing**

Wollongong is one of two LGAs to have implemented housing diversity mechanisms relating to the need for more adaptable housing. The *Wollongong Residential DCP* includes provisions that 10 percent of dwellings within a residential flat building of six dwellings or more must be adaptable.
Tenure, Affordability and Size

Analysis of planning documents of LGAs within the GMR showed that there were no mechanisms relating to tenure, housing affordability or size. The implications of this absence will be discussed later in this chapter.

Housing diversity mechanisms in the outer ring of Sydney

The outer ring of Sydney includes Baulkham Hills and Penrith located west of Sydney, Pittwater to the north, as far east as Holroyd, and as south as Wollondilly based on the definitions used by Housing NSW (Housing NSW 2009d). A review of housing diversity mechanisms is provided in table 5.2.
Table 5.2 Housing diversity mechanisms in the outer ring of Sydney

<table>
<thead>
<tr>
<th>Council</th>
<th>Tenure</th>
<th>Dwelling Type</th>
<th>Affordability</th>
<th>Size</th>
<th>Bedroom Mix</th>
<th>Accessibility or Adaptability</th>
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<td>Baulkham Hills</td>
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<td>Pittwater</td>
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<td>Warringah</td>
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<td>Wollondilly</td>
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<td>Wyong</td>
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<td>Total (16)</td>
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<td>14</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Author 2009

- ≈ Indicates Housing Diversity Characteristic in LEP
- • Indicates Housing Diversity Characteristic in DCPs

**Dwelling Type**

Thirteen LGAs within the outer ring of Sydney referred to diversity in dwelling types within the LEP. The majority of LGAs referred to dwelling type diversity as an objective of the LEP.

Significantly, Wyong LGA refers to the housing need variable within the Wyong LEP 1991, which aims to provide for ‘a wide range of housing stock commensurate with the changing characteristics of the Shire’s population’.
Blue Mountains Council within the *Blue Mountains LEP 2005* aims to ‘promote the provision of accessible, diverse and affordable housing options to cater for the changing housing needs of the community’.

*Bedroom Mix*

Campbelltown is the only LGA within the outer ring of Sydney to implement housing diversity mechanisms in relation to bedroom mix. The *Campbelltown (Sustainable City) DCP 2009* includes provisions that state for multi unit residential dwellings, 5 percent of dwellings should be one bedroom.

*Adaptable and Accessible Housing*

Campbelltown LGA also has adaptable housing provisions within the DCP. The *Campbelltown (Sustainable City) DCP 2009* includes a mechanism that supports 10 percent of adaptable dwellings within residential flat buildings and multi dwelling housing.

Wollondilly LGA has the largest provision for adaptable dwellings, with the *Wollondilly DCP No. 50 - Residential facilitating 25 percent of adaptable dwellings in the form of villas, townhouses or terraces.*

Sutherland LGA and Blue Mountains LGA also enable significant provisions for adaptable and accessible dwellings. *Sutherland DCP* states that 20 percent of dwellings must be adaptable for all new residential development types excluding dual occupancies. The *Blue Mountains Better Living DCP* and the *Blue Mountains LEP 2005* includes provisions that for every residential flat building over 5 dwellings, 20 percent must be accessible, and that for each dual occupancy at a minimum one dwelling is to be adaptable.

*Affordability*

Three LGAs refer to affordable housing within the outer ring of Sydney. Fairfield LGA and Camden LGA have implemented references to affordable
housing within their LEP. The Fairfield LEP 1994 aims to provide “a wide range of affordable quality housing”, and an aim of Camden LEP No. 46 is “promoting more affordable housing”.

Blue Mountains Council aims “To promote the provision of accessible, diverse and affordable housing options to cater for the changing housing needs of the community” (Blue Mountains LEP 2005).

**Tenure and Size**

There are no planning provisions within LGA’s in the outer ring of Sydney that encourage housing diversity in tenure and size.

However, Campbelltown Council do have minimum dwelling size controls. The minimum dwelling sizes include 40m² for a studio apartment, 50m² for a one bedroom apartment, 70m² for a two bedroom apartment, 95m² for a three bedroom apartment and 110m² for a four bedroom apartment.

**Housing diversity mechanisms in the middle ring of Sydney**

The middle ring of Sydney includes LGAs such as Parramatta, Rockdale, Bankstown and Willoughby, based on Housing NSW’s housing markets. Table 5.3 provides an overview of housing diversity mechanisms for LGA’s within the middle ring of Sydney.
### Table 5.3 Housing diversity mechanisms in the middle ring of Sydney

<table>
<thead>
<tr>
<th>Council</th>
<th>Tenure</th>
<th>Dwelling Type</th>
<th>Affordability</th>
<th>Size</th>
<th>Bedroom Mix</th>
<th>Accessibility or Adaptability</th>
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<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>2</strong></td>
<td><strong>5</strong></td>
</tr>
</tbody>
</table>

Source: Author 2009

- ≈ Indicates Housing Diversity Characteristic in LEP
- ⬤ Indicates Housing Diversity Characteristic in DCPs

**Dwelling type**

Just over half of all LGAs within the middle ring of Sydney refer to diversity in dwelling types. The LGAs that do mention dwelling type, have implemented this as an objective within the LEP.

LGAs have taken a similar approach to encouraging greater diversity in dwelling types. Kogarah Council, through the *Kogarah LEP 1998* aims to ‘allow for a variety of residential lifestyles'.
Parramatta Council, aims to encourage greater dwelling types within the Parramatta LEP 2001 by including an aim that promotes ‘opportunities for a range of housing types to accommodate the needs of the community’.

**Bedroom Mix**

Parramatta LGA has implemented housing diversity mechanisms to encourage greater bedroom mix. These controls are specific and outline that the bedroom mix for new residential flat development 10-20 percent of dwellings are to be one bedroom, 60-75 percent of dwellings to have two bedroom, and 10-20 percent of dwellings to have three bedrooms.

Ryde LGA has also implemented bedroom mix provisions. The Ryde DCP 2006 states that no more than 75 percent of dwellings within a development can have the same number of bedrooms.

**Adaptable and Accessible Housing**

Strathfield Council's DCP 2005 includes a 15 percent adaptable housing provision for multi unit residential dwellings, whereas Manly Council, within the Manly DCP Residential 2007 have taken a numerical approach, stating that one in four dwellings must be adaptable within multiple-unit housing.

Kogarah Council in the Residential Design Guide 2005 consists of an incremental system where for every ten dwellings in new developments in the form of terraces, villas, townhouses and residential flat buildings, one adaptable dwelling must be provided.

**Tenure, Affordability and Size**

There is no reference to diversity of tenure, affordability or sizes within planning documents within the middle ring of Sydney.
However, Strathfield Council lists minimum dwelling sizes within the *Strathfield DCP 2005*, similar to Campbelltown Council’s approach.

**Housing diversity mechanisms in the inner ring of Sydney**

The inner ring of Sydney refers to LGAs including Marrickville, as well as Ashfield and Waverley, based on Housing NSW’s housing markets. An overview of housing diversity mechanisms from LGAs within the inner ring of Sydney are provided in table 5.4.

**Table 5.4 Housing diversity mechanisms in the inner ring of Sydney**

<table>
<thead>
<tr>
<th>Council</th>
<th>Tenure</th>
<th>Dwelling Type</th>
<th>Affordability</th>
<th>Size</th>
<th>Bedroom Mix</th>
<th>Accessibility or Adaptability</th>
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<tr>
<td>Ashfield</td>
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<td>Botany Bay</td>
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<td>Lane Cove</td>
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<td>Leichhardt *</td>
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<tr>
<td>Marrickville</td>
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<td>Mosman</td>
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<td>North</td>
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<td>Sydney</td>
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<td>Randwick</td>
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<td>Sydney *</td>
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<td>Woollahra</td>
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<td>Total (11)</td>
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<td>5</td>
<td>0</td>
<td>4</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Author 2009

- ≈ Indicates Housing Diversity Characteristic in LEP
- • Indicates Housing Diversity Characteristic in DCPs

**Dwelling Type**

Six out of a possible eleven LGA’s within the inner ring of Sydney refer to greater diversity in dwelling type within their LEP’s.
Botany Bay Council within the *Botany LEP 2005* encourages ‘a range of housing types to cater for all socio-economic groups without adverse effects on the character and amenity of the local government area of Botany Bay City’.

Other LGA’s that refer to diversity in dwelling type have done so and integrated this with other characteristics by referring to tenure and affordability as well as dwelling types in the one objective. For example, Waverley Council have an objective that covers dwelling type, rental tenure and affordable housing ‘to encourage the development of new affordable housing in a variety of types and tenures for all income groups’ (Waverley LEP 1996).

*Bedroom Mix*

Four out of eleven LGA’s within the inner ring of Sydney have implemented mechanisms relating to bedroom mix.

Three LGA’s have implemented numerical provisions including Botany Bay Council, the City of Sydney and Waverley Council.

Within Botany Bay Council, the *Botany Bay DCP No. 35* states that for all multi unit housing developments and residential flat buildings, the combined total number of studio units and one-bedroom apartments shall not exceed 20 percent.

Taking this approach further are Sydney and Waverley, who specify a percentage for each number of bedrooms in new developments. For a residential developments resulting in 20 dwellings or more, the *Central Sydney DCP 1996* states that there are to be a maximum of 15 percent studio dwellings, 30 percent one bedroom dwellings, 40 percent two bedroom dwellings, and 15 percent three bedroom dwellings.
**Waverley DCP 2006** limits development for multi unit residential dwellings to 35 percent studio and one bedroom dwellings, 50 percent two bedroom dwellings, and 15 percent three bedroom dwellings.

Alternatively, North Sydney Council have left the obligation to the developer to determine the bedroom mix. The **North Sydney DCP 2002** states that all multi unit developments must have two out of the four bedroom types – including studios, one bedroom, two bedrooms and three bedrooms.

**Adaptable and Accessible Housing**

Mosman Municipal Council and Woollahra Council are the only LGAs to refer to adaptable dwellings within their LEP. One of the objectives of the **Mosman LEP 1998** is to ensure that the ‘housing needs of senior residents and residents with disabilities are met with appropriate housing options’. However, Council does not implement any mechanisms encouraging the creation of adaptable or accessible housing within their DCPs. Woollahra LGA refer to ‘increasing the number of fully accessible and adaptable houses in the area of Woollahra’ within the **Woollahra LEP 2005**, although does not implement any mechanism within a DCP.

However several other LGAs within the inner ring of Sydney have adaptable housing mechanisms within their DCPs. The City of Sydney have a complex system where the **Access DCP** states that multiple unit dwellings without lifts are required to have no adaptable dwellings for a development creating between zero and nine dwellings, one adaptable dwelling for development creating between 10 and 15 dwellings, two adaptable dwellings for developments creating between 16 and 24 dwellings, three adaptable dwellings for developments creating between 25 and 39 dwellings and for developments creating 40 or more dwellings, a flat rate of 10 percent must be adaptable. For multi unit dwellings with a lift, there is a slight increase in the number of adaptable dwellings to be provided, and a flat rate of 15 percent for a development creating 40 or more new dwellings.
Waverley DCP 2006 has similar provisions to the City of Sydney in terms of an interval scale for the number of adaptable dwellings, whereas North Sydney Council states that 10 percent of dwellings in multi unit housing developments should be adaptable dwellings.

Tenure

Woollahra Municipal Council is one of three LGAs within the inner ring to explicitly refer to housing tenure within their planning instruments and documents, stating that one of the aims of the Woollahra LEP 1995 is to ‘to encourage and facilitate opportunities for diversity in dwelling density, type and tenure in suitable locations throughout the area of Woollahra’.

Within the Waverley LEP 1996, affordable housing objectives encourage the ‘retention of existing affordable housing, including boarding houses and rental tenures’, as well as ‘new affordable housing in a variety of types and tenures’.

Randwick Council also includes an objective encouraging tenure choice with an aim of the Randwick LEP 1998 ‘to encourage the provision of housing mix and tenure choice’.

Affordability

Marrickville Council, Botany Bay Council, Randwick Council, City of Sydney and Waverley Council refer to affordable housing as an objective within their LEPs.

Within the Marrickville LEP 2001, an objective of the LEP is to ‘to encourage housing affordability, diversity and choice’. This is similar to the Randwick LEP 1998 where one of the aims is to ‘encourage the retention of affordable housing’.
The Sydney LEP 2005, applicable to land within the City of Sydney LGA, includes a key strategy of ‘the provision of a full range of housing including affordable housing’ to assist in achieving the aims of the LEP.

Size

No LGAs within the inner ring of Sydney have implemented size related housing diversity mechanisms. However, Botany Bay DCP No. 35 refers to minimum dwelling sizes.

OBSERVATIONS FROM THE LOCAL GOVERNMENT AUDIT

Several observations have been made from the audit of housing diversity mechanisms within LGAs within the Sydney and Greater Metropolitan Region.

The Local Environmental Plan and dwelling type

Clearly, the majority of LGAs within the Sydney GMR have taken steps to encourage diversity in dwelling type. Out of the 51 LGAs that were included in the housing diversity audit, 37 have reference to increasing the range of dwelling types within their LGAs, with most of these LGAs implementing this as an objective of the LEP. There is a clear link between the LEP playing a role in the creation of greater dwelling types.

Significantly, several LGAs referred to the link between housing and stage of the life cycle. Blue Mountains City Council has specifically referred to the need for greater diversity in dwelling types to cater for the demographic changes associated with the stages of the life cycle, with reference to ‘changing housing needs’, as well as Wyong and Newcastle acknowledging the increasing range of household types.
As mentioned in an earlier section of this chapter, the importance of including references to housing diversity in the LEP is due to the legally binding nature of the LEP.

The Development Control Plan and mechanisms by design

The housing diversity audit showed that the DCP enabled Councils to implement planning controls according to their own requirements. Bedroom mix provisions and adaptable housing provisions were overwhelmingly referred to within relevant DCPs for the LGA applying them.

All LGAs that have implemented bedroom mix provisions have placed these in the DCP, with all but two Councils with adaptable provisions implementing these in either a residential based DCP, or within a specific adaptable or accessible DCP.

Variance of housing diversity mechanisms

LGAs have taken similar approaches to their housing diversity mechanisms for dwelling types, via implementation of an aim or objective of their LEPs. However, for DCP based controls for adaptable housing and bedroom mix provisions, Councils have created varied approaches.

For adaptable housing mechanisms, LGAs either set a flat rate such as 10 percent for all multi unit dwellings like Wollondilly and Waverley Council, or set a guide like Manly Council who outline 1 in every 4 dwellings must be adaptable. Alternatively, the City of Sydney LGA have created a complex incremental approach according to the number of dwellings and whether the development includes a lift.

Councils that implemented bedroom mix mechanisms all referred to bedroom numbers at varying levels. Parramatta Council have set percentages for the number of one, two and three bedroom dwellings, whereas Newcastle Council have implemented bedroom mix along with density restrictions.
The variance of housing diversity mechanisms within the DCP highlights the ability of the DCP to allow Councils to have flexibility in their planning controls according to their own requirements.

**Location specific housing diversity mechanisms**

The audit highlighted that there appear to be similarities and differences in the approach of Councils according to the region they are located. Although there is some flexibility between LGAs, there is evidence of trends amongst LGAs within the same region.

*Inner ring of Sydney LGAs and tenure choice*

The encouragement of a greater range of housing tenures was only implemented by LGAs within the inner ring of Sydney. The three LGAs to refer to this (Randwick, Waverly, and Woollahra) did so in their LEP.

This may be due to the central location close to services and employment, where Councils are eager to maintain ‘key workers’ who form an integral part of the community but are often forced out through unavailability of affordable housing and seek rental tenures, as identified by the *BankWest Key Worker Housing Affordability Report* (2009).

*Outer ring of Sydney and GMR LGAs and dwelling type and affordability*

Eight out of nine LGAs within the GMR and 14 out of 16 LGAs from the outer ring of Sydney have implemented dwelling type mechanisms. Clearly, Councils located on the fringe of Sydney and in regional areas are concerned about the need for a greater range of dwelling types.

Subsequently, these LGAs had very little reference to affordable housing mechanisms. The only two LGAs to do so are Camden and Fairfield.
In comparison, inner LGAs have shown that they are encouraging affordable housing with five out of 11 LGAs referring to the need for greater affordable housing within their LEPs. No middle ring LGAs had an affordable housing mechanism.

**Limited encouragement of a range of sizes**

No LGAs within the Sydney GMR have specifically referred to the need for a range of dwelling sizes. However, some LGAs may anticipate bedroom mix provisions or a range of dwelling types will create different dwelling or lot sizes.

Surprisingly, some LGAs have implemented minimum dwelling sizes for multi unit dwellings, including Campbelltown, Kogarah and Botany Bay. However, this may essentially discourage greater diversity in dwelling sizes.

**CHAPTER SUMMARY**

This chapter outlined the hierarchy of policies between state and local government to assist in the creation of greater housing diversity, where the introduction of *SEPP 53* caused local government to prepare housing strategies.

Through an audit of housing diversity mechanisms implemented by local government within the Sydney greater metropolitan region, several observations were made. The most common housing diversity mechanisms were related to encouraging dwelling type and affordable housing, which were located within the LEP. The audit also identified that the DCP provides flexibility, enabling LGAs to create housing diversity mechanisms according to their local needs. Several trends were also highlighted from the audit, showing that although each location varies in the types of housing diversity
mechanisms that are implemented, the theme of the mechanisms were commonly associated according to the region.

Chapter six will analyse in depth three of these housing diversity mechanisms to gather greater understanding of the impact and effectiveness of the mechanism.
Chapter Six: Learning from local government

Chapter Six: The previous chapter highlighted the types of housing diversity mechanisms that are implemented by LGAs across Sydney and the Greater Metropolitan Region. This chapter will provide an in-depth analysis of the impact of these housing diversity mechanisms, via three case studies: Willoughby, Newcastle and Holroyd. Interviews held with planning staff from each LGA and a development representative with experience with the housing diversity mechanism have provided valuable input to assist with this analysis.

SELECTION OF CASE STUDIES

The three case studies were chosen based on four criteria. Firstly, case studies were selected that specifically addressed one or more of the six characteristics of housing diversity as identified in chapter three.

Secondly, case studies were selected based on the type of planning instrument used. After reviewing the observations from the housing diversity audit in chapter five, it became evident that there were two types of planning
instruments and controls utilised within local government which are LEPs and DCPs.

Thirdly, the case studies were selected on their date of implementation and current status. All three case studies have had the housing diversity mechanism implemented for a medium term period (approximately 3-5 years).

Finally, case studies were selected from various regions in Sydney to highlight the diversity in approaches from inner Sydney, to regional centres within the Greater Metropolitan Region. Willoughby is in the inner ring of Sydney, Holroyd is in the outer ring of Sydney, and Newcastle is in the GMR.

**Figure 6.1 Locations of Case Studies Map**

Source: Author 2009, adapted from Department of Transport and Infrastructure 2009
CASE STUDY 1: WILLOUGHBY LGA

AFFORDABLE HOUSING (RENTAL TENURE)
ADAPTABLE HOUSING

Willoughby is located north of Sydney Harbour (refer to Figure 6.1). Willoughby’s current population stands at 63,605 persons, which has increased 7.2 percent from the 2001 Census (Housing NSW 2009c).

An in-depth interview was held with Willoughby Council’s Housing Officer, Lara Nguyen1 to gauge Council’s perspective in terms of success, challenges and impact of the affordable housing mechanism and the adaptable housing mechanism. Ken Morrison2, NSW Chief Executive Officer of the Property Council of Australia was interviewed to provide a development industry perspective.

OVERVIEW OF HOUSING DIVERSITY MECHANISM – AFFORDABLE HOUSING

The Willoughby LGA Housing Market Analysis completed by Housing NSW (2009c) identifies the extent of Willoughby’s housing affordability issues. Within the Willoughby LGA, 66.3 percent of residents in receipt of Commonwealth Rent Assistance are in housing stress. The term housing stress is outlined as a person paying more than 30 percent of their weekly

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1 Lara Nguyen has given permission to be identified
2 Ken Morrison has given permission to be identified
income on housing costs. The Housing Market Analysis states that “Willoughby is not adequately catering to the needs of lower income households in the private rental market” (Housing NSW 2009c, p.2).

The mechanism

In 1999, Willoughby Council identified a need for affordable housing and amendments were made to the Willoughby LEP 1995 seeking to impose a four percent affordable housing contribution for new development within the Willoughby LGA (Dominish 2001). Council implemented this mechanism due to the unwillingness of developers to voluntarily take responsibility for affordable housing (L Nguyen 2009, pers. comm., 17 Aug.).

In another instance, developers Meriton were sought to provide affordable housing in Green Square, Sydney due to provisions within the Green Square DCP. However, Meriton debated the legality of affordable housing provisions and a battle between Meriton and the then Minister of Urban Affairs and Planning took place within the Land and Environmental Court (NSWLEC No 401149). Meriton argued that requiring and imposing affordable housing provisions was not compliant with the objectives of the governing Environmental Planning and Assessment Act 1979 (EP & A Act), which allows Councils to prepare environmental planning instruments and development control plans. As a result, the Green Square DCP was ruled invalid – and affordable housing provisions within Council planning instruments and other plans were also invalid.

Resulting from the Meriton case, the Department of Urban Affairs and Planning (now ‘Department of Planning’) created State Environmental Planning Policy No 70 (Affordable Housing Revised Schemes). This SEPP allows Councils with affordable housing provisions within their environmental planning instruments and plans to continue affordable housing provisions.

As a result, Clause 25B of the Willoughby Local Environmental Plan 1995 includes provision for Local Housing Precincts where affordable housing is to
be provided. Clause 25B applies to precincts selected by Council. The mechanism states that a four percent contribution to affordable housing out of the entire development must be made by the applicant carrying out development within one of the precincts. The applicant can contribute in two ways – a monetary contribution equalling a four percent levy on the total cost of development, or via dwelling contribution equalling four percent of the total number of dwellings the development creates. These dwellings are rented at a cap rate for 10 years at 30 percent of the tenant’s weekly income.

**Findings**

Through interviews with a Council planning officer and a representative from the development industry, there are several key issues that have been identified in relation to the impact and effectiveness of the affordable housing diversity mechanism.

*Precinct based approach*

The affordable housing provisions within the LEP are contained to precincts identified by Council planning officers. These precincts are selected on areas that are close to transport and where there are opportunities for redevelopment and increased densities (L Nguyen 2009, pers. comm., 17 Aug).

However, affordable housing provisions within the LEP (as a result of SEPP 70) have only created 10 affordable housing dwellings within Willoughby LGA (L Nguyen 2009, pers. comm., 17 Aug). These are located at 7-11 Herbert Street, St Leonards and were a contribution from developers Meriton. One other monetary contribution was made by another developer of approximately $200,000. This contribution is being held by Council until more funds are available to purchase a dwelling.

It appears that the precinct based approach may be restricting affordable housing contributions in other areas because of the provision applying only to
the precincts. Council are seeking to increase the provisions due to the limited effectiveness of the precinct based approach (L Nguyen 2009, pers. comm., 17 Aug).

Role of the Department of Planning

Clearly, affordable housing created under the SEPP and LEP provisions are low. Lara Nguyen indicated that Council would like to extend the four percent affordable housing contribution to the LGA. However, they have been advised that they cannot do this because the Department of Planning will not allow Council to implement mechanisms within their LEP, because the Standard Template does not allow for this (L Nguyen 2009, pers. comm., 17 Aug). It appears that although Willoughby are seeking to include provisions in the form of affordable housing contributions within their LEP, it is the state government who are refusing to allow any further use of housing diversity mechanisms – as the Department of Planning provide authorisation of a LEP.

Developer resistance to mechanism

Ken Morrison, Chief Executive Officer of the NSW division of the Property Council of Australia indicated that developers strongly oppose provisions that force applicants to provide dwellings or monetary contributions towards affordable housing (2009, pers. comm., 17 Aug). Not only does Ken Morrison think that within NSW, developers are faced with many taxes and taxing for affordable housing contributions can be classified as another tax, but that the mechanism which aims to increase affordable housing actually has the opposite effect. Ken Morrison explains that the costs associated with providing a monetary contribution or dwelling affects the feasibility of a development project, and results in added costs. These added costs means that dwellings that could be provided with basic finishes to lower the construction cost and therefore sale price, are actually supplied at a lower rate or not at all (K Morrison 2009, pers. comm., 17 Aug).
Evaluation of mechanism

Findings from the Willoughby case study regarding affordable housing mechanisms show that the effectiveness of the provisions within the LEP have not had the impact that Council intended. With only two developments resulting in 10 affordable housing units and one monetary contribution that is insufficient for Council to purchase a dwelling for affordable housing purposes, it is evident that the mechanism has limited impact.

OVERVIEW OF HOUSING DIVERSITY MECHANISM – ADAPTABLE HOUSING

Currently, the proportion of persons aged over 65 stands at 22 percent for the Willoughby LGA. This is expected to increase to 28 percent by 2021 (Willoughby Community Profile 2009). Significant increases are also expected for the number of households including lone person and couple households.

The mechanism

Willoughby Council have adaptable housing mechanisms within the Willoughby Development Control Plan. The mechanism sets percentage requirements for dwellings that must be adaptable, and meet the requirements of AS 4299 Class C, which has all essential features incorporated.

Figure 6.2 Willoughby Council’s adaptable housing mechanism

<table>
<thead>
<tr>
<th>Development type</th>
<th>Minimum Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-unit residential development- single storey</td>
<td>10% of units to be adaptable.</td>
</tr>
<tr>
<td>(eg. Attached or detached villas)</td>
<td></td>
</tr>
<tr>
<td>Multi-unit residential development- Two storey</td>
<td>25% of all dwellings to be adaptable.</td>
</tr>
<tr>
<td>(eg. Residential flat buildings, townhouses)</td>
<td></td>
</tr>
<tr>
<td>Multi-unit residential development- Three storey</td>
<td>33% of all dwellings to be adaptable.</td>
</tr>
<tr>
<td>Multi-unit residential development- greater than 3</td>
<td>50% of dwellings to be adaptable.</td>
</tr>
<tr>
<td>storeys</td>
<td></td>
</tr>
<tr>
<td>Residential development in Business Zones</td>
<td>If lift access is to be provided, 50% of all dwellings</td>
</tr>
<tr>
<td></td>
<td>to be adaptable.</td>
</tr>
</tbody>
</table>

Figure 6.2 outlines the percentages, including 10 percent for single storey multi unit residential; 25 percent for two storey multi unit residential; 33 percent for three storey multi unit residential; and 50 percent for multi unit residential dwellings greater than three storeys. For residential development in business zones that includes a lift, 50 percent of dwellings are to be adaptable. Council implemented these provisions to enable residents of Willoughby to age in place (L Nguyen 2009, pers. comm., 17 Aug.).

Findings

Monitoring of the adaptable mechanism

Housing NSW’s Housing Market Analysis on Willoughby LGA concluded that is important for Willoughby to “ensure a reasonable proportion of new dwelling stock is adaptable, to allow residents to age in place” (2009c, p. 6). However, Council does not adopt a monitoring process to identify dwellings built that are adaptable, and could not provide the number of adaptable dwellings within the Willoughby LGA. This is because Council does not have the financial capacity to do so, and do not want to publicly identify dwellings and therefore persons who reside within the adaptable dwelling (Nguyen 2009, pers. comm., 17 Aug).

Developer Co-operation

It should be noted that unlike developer resistance to affordable housing provisions, the same problem is not evident in regards to adaptable housing. This may be credited to the use of an incentive based approach from Council, who allow the adaptable dwellings on the ground floor, which reduces the need for a lift which can add extra costs to the development (L Nguyen 2009, pers. comm., 17 Aug).

Importantly, Willoughby do not set adaptable housing provisions on developments that have a ‘minimum’ number of dwellings, as is the practice of...
several other LGAs, as identified within the housing diversity audit in chapter five. Instead, Willoughby applies the provisions to all development regardless of the number of dwellings the development will produce, ensuring that the range to which the mechanism applies is broad, and does not provide loopholes to prevent the mechanism applying to a development. It is because of this that Council consider the adaptable housing provisions successful (L Nguyen 2009, pers. comm., 17 Aug).

**Evaluation of mechanism**

A key to the success of the adaptable housing mechanism is the consistency and extensive nature of the provisions. However, since adaptable housing provisions are not monitored, it is difficult to determine if the mechanism is as effective as Council considers it to be.
Holroyd is located in outer Sydney (refer to Figure 6.1). Holroyd's current population stands at 89,766 persons, which has increased 4.7 percent from the 2001 Census (Housing NSW 2009a).

Natalie Stanowski, senior strategic planner from Holroyd Council was interviewed to gather her opinions on the role of the SEPP and DCP, and how the relationship between Council and the developer of Nelsons Ridge came to agree on the amount of housing diversity. Lorraine Sarayeldin, project officer with Delfin Lend Lease was interviewed to understand the developer perspective and to highlight the challenges of developing in accordance with the mechanism.

OVERVIEW OF HOUSING DIVERSITY MECHANISM

The private rental market represents approximately 26 percent of housing tenures within Holroyd LGA (Housing NSW 2009a). Over 60 percent of dwellings within the LGA are in the form of separate dwellings, with under 20 percent medium density at the time of the 2006 census (Holroyd Council 2009). However, the number of medium density dwellings has increased from
the 2001 census, and the number of separate dwellings declining by approximately 2 percent as overall dwellings within Holroyd LGA.

Holroyd uses an all inclusive approach to housing diversity. Nelsons Ridge at Pemulwuy is a new residential development joint venture between Boral, the owner of the land, and Delfin Lend Lease, the project managers. Nelsons Ridge was created by a master plan. As other case studies within this chapter refer to infill development, Holroyd was selected in part to demonstrate the ability of LGAs to encourage large scale development characterised by greater housing diversity, as well as the use of a DCP in creating greater dwelling types and sizes.

The mechanism

There are several hierarchies of planning documents applicable to Nelsons Ridge. SEPP 59 is the initial policy generating housing mix referring to a ‘wide range of housing types and lot sizes’. SEPP 59 also sets a density of 15 dwelling per hectare for the site at Nelsons Ridge.

The Greystanes Precinct Residential Plan is a DCP document that refers to housing choice (see text box below).

<table>
<thead>
<tr>
<th>Section 2.1.2 Housing Choice and Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>The physical features of the site and its context adjacent to an existing residential community will allow a diverse range of housing styles to be developed to cater for a new population. High quality housing ranging from single lots to townhouses, villas and multi-unit housing developments will provide housing choice for a variety of different social groups whilst offering residents a range of accessible community services.</td>
</tr>
</tbody>
</table>

The DCP sets out the need for various forms of housing types, and also provides guidelines including setbacks and open space for the various types of dwellings. These controls are specific to the dwelling type, and the lot size that the dwelling is to be constructed on.
Findings

Role of SEPP

SEPP 59 is used as a guide for the Greystanes Residential Precinct Plan, outlining a density of 15 dwellings per hectare for Nelsons Ridge. Both Lorraine Sarayeldin\(^3\) from Delfin Lend Lease, and Natalie Stanowski\(^4\) from Holroyd Council indicated that the role SEPP 59 has within the development of Nelsons Ridge is not restrictive and allows the precinct plan to “do all the work” (N Stanowski 2009, pers. comm., 14 Oct).

However, there are suggestions that SEPP 59 could have played a greater role, taking into consideration public transport and how the precinct plan sets out housing mix within the development (N Stanowski 2009, pers. comm., 14 Oct).

Flexibility of mechanism

Lorraine Sarayeldin indicated that Council and Delfin Lend Lease negotiated a figure of 1,520 dwellings, which is the total number of dwellings to be constructed on the site at Nelsons Ridge (L Sarayeldin 2009, pers. comm., 1 Oct).

With a figure of 1,520 dwellings for Nelsons Ridge, and the DCP setting out a variety of housing types consisting of villas, townhouses, units, and different lot sizes, the key consideration is the dwelling density of 15 dwellings per hectare as outlined in SEPP 59. The flexibility of this housing mechanism allows Delfin Lend Lease to create a masterplan according to the needs of households and specific dwelling demand to cater for “the life cycle” as indicated by their market research (L Sarayeldin 2009, pers. comm., 1 Oct).

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\(^3\) Lorraine Sarayeldin has given permission to be identified

\(^4\) Natalie Stanowski has given permission to be identified
This process included ongoing negotiations between Council and Delfin Lend Lease, who agreed on the figure of 1,520. Council also negotiated that there should be adaptable housing, with approximately 20 percent provided within Nelsons Ridge (N Stanowski 2009, pers. comm., 11 Sep). Lorraine indicated that Delfin were about to undergo more negotiations with Council to review this figure (L Sarayeldin 2009, pers. comm., 1 Oct), indicating that the mechanism is constantly monitored for further improvement.

**Evaluation of mechanism**

The role of SEPP 59 has been successful, and does not greatly influence the Greystanes Precinct Plan. It appears that the ongoing consultation between the developer and Council is a positive move by both parties. This has enabled both Council and the developer to negotiate provisions according to their needs.
CASE STUDY 3: NEWCASTLE LGA

Newcastle is located at the northern tip of the Greater Metropolitan Region (refer to Figure 6.1), and is the second largest city within NSW. Newcastle’s current population, stands at 141,753 persons, which has increased 3.2 percent from the 2001 Census (Housing NSW 2009b).

A planner from Newcastle Council who was involved in the creation of the bedroom mix mechanism was interviewed, and was asked questions relating to the background and success of the mechanism. Julie Rich, operations manager from the Hunter Development Corporation, was questioned on her experience with housing diversity mechanisms and the relationship between the Hunter Development Corporation and council during the development process.

OVERVIEW OF HOUSING DIVERSITY MECHANISM – BEDROOM MIX

The average occupancy rate for Newcastle is 2.41 persons per dwelling, and is well below the average for the GMR which stands at 2.69 persons per dwelling.

The proportion of rental stock in Newcastle is relatively diverse with 14.1 percent one bedroom dwellings, 42.8 percent two bedroom dwellings and 43.1
percent three bedroom dwellings. However, Housing NSW have found that there is still a need for more diversity, particularly in one bedroom dwellings to reflect the declining occupancy rate (Housing NSW 2009b).

The mechanism

The *Newcastle Urban Strategy 2005*, includes a residential density table that outlines preferred dwelling types according to different centre types and the maximum site density allowable in precincts selected by Council (Newcastle Council 2005). These precincts then have a selected bedroom configuration mix. Figure 6.3 refers to the residential density table that provides bedroom mix categories per site hectare. The table further categorises bedroom mix provisions according to three centre types – district centre, neighbourhood centre, and standard residential areas.

Figure 6.3 Newcastle Councils bedroom mix mechanism

<table>
<thead>
<tr>
<th>Preferred Dwelling Type</th>
<th>Maximum Allowable Site Density</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>District Centres</strong></td>
<td></td>
</tr>
<tr>
<td>Semi-detached dwellings, Row or Terrace Houses, low-rise residential flat buildings (i.e. up to 3-storeys)</td>
<td>100 x 1-bedroom dwellings per Ha - (100m² per dwelling)</td>
</tr>
<tr>
<td></td>
<td>70 x 2-bedroom dwellings per Ha - (140m² per dwelling)</td>
</tr>
<tr>
<td></td>
<td>50 x 3-bedroom dwellings per Ha - (200m² per dwelling)</td>
</tr>
<tr>
<td><strong>Neighbourhood Centres</strong></td>
<td></td>
</tr>
<tr>
<td>Semi-detached dwellings, Row or Terrace Houses, Group or Cluster housing (including villas)</td>
<td>70 x 1-bedroom dwellings per Ha - (140m² per dwelling)</td>
</tr>
<tr>
<td></td>
<td>50 x 2-bedroom dwellings per Ha - (200m² per dwelling)</td>
</tr>
<tr>
<td></td>
<td>35 x 3+ -bedroom dwellings per Ha - (285m² per dwelling)</td>
</tr>
<tr>
<td><strong>Standard Residential Areas</strong></td>
<td></td>
</tr>
<tr>
<td>Detached dwellings, Semi-detached dwellings, Group or Cluster housing (including villas)</td>
<td>40 x 1-bedroom dwellings per Ha - (250m² per dwelling)</td>
</tr>
<tr>
<td></td>
<td>30 x 2-bedroom dwellings per Ha - (330m² per dwelling)</td>
</tr>
<tr>
<td></td>
<td>22 x 3+ -bedroom dwellings per Ha - (450m² per dwelling)</td>
</tr>
</tbody>
</table>

* (see Note below)

Source: Newcastle City Council 2005, p.25
The Newcastle Development Control Plan 2005 includes element 5.2 – Urban Housing where provisions in relation to densities state that “Guidelines in relation to residential density are contained in the Newcastle Urban Strategy, which should be consulted prior to preparation of any urban housing development proposal” (Newcastle Council 2005). The Newcastle Council planner advised that this approach was taken as areas within Newcastle were undergoing renewal and Council wanted to ensure that there was a mix of bedroom categories to meet the needs of the community (Anonymous 2009, pers. comm.)⁵.

The mechanism encourages a greater number of one and two bedroom dwellings within district centres which have greater access to public transport and other amenities. Dwellings within standard residential areas allow larger dwelling sizes in relation to bedroom mix.

**Findings**

*Density and bedroom based approach*

Council decided to take a density based approach to control the amount of medium to higher density development occurring throughout the LGA, as indicated by the Newcastle planning officer (Anonymous 2009, pers. comm.).

The bedroom mix provisions apply to precincts, as well as the density variable creating a complex housing diversity mechanism. However, the Newcastle Urban Strategy Background Report 2005 indicates that Council take this approach to add incentives to develop smaller dwellings, instead of restricting development to specific sites. This is supported by developers, with Ken Morrison indicating that incentive based approaches are favoured by developers instead of mandated provisions (K Morrison 2009, pers. comm., 17 Aug).

⁵ Date of interview not provided for confidential purposes
Precinct based approach

The Newcastle planning officer indicates that the precinct based approach is favoured to contain urban density increases to areas and to lessen the spread of consolidation (Anonymous 2009, pers. comm.).

However, a consequence of the precinct based approach is missing opportunities for developments that fall outside selected precincts. Honeysuckle, a new urban renewal development within Newcastle covering 50 hectares, is a large redevelopment project characterised by medium and high rise dwellings. Although the opportunity to create greater bedroom mix within this redevelopment would have been beneficial, Council’s involvement within the planning process was limited (J Rich 2009, pers. comm., 1 Sep).

Placement within the DCP

The residential density table is within the Newcastle Urban Strategy, which is identified as a key consideration and objective of the Newcastle DCP 2005. Chapter five outlined the hierarchy of environmental planning instruments and controls, highlighting the legally binding nature of the LEP, and the role of the DCP as a guide, although significant.

It is apparent that developers are favourable to housing diversity mechanisms being located within the DCP due to its lower status within the planning hierarchy, evident by Julie Rich’s comment, “Councils cannot legally impose these provisions on anyone” (2009, pers. comm., 1 Sep).

The above statement clearly shows developers’ contempt with housing diversity mechanisms. However, their place within DCPs, highlights the issues and ambiguity of DCP and their role and effectiveness.
Evaluation of mechanism

A Council planning officer indicated that Council did not select these precincts with knowledge of occupancy rates or other demographic statistics within the precincts (Anonymous 2009, pers. comm.).

However it appears this is the favoured approach by other local governments, with the precinct approach also being implemented by a Victorian LGA in the City of Greater Geelong, who have adapted the precinct based approach for housing diversity, outlining specific areas where increased densities and specific housing types are encouraged. These areas are located within centres similar to Newcastle’s, and encourage medium density dwellings within areas that are close to transport and services, which indicates that this is an approach that other locations outside of NSW are implementing.

CHAPTER SUMMARY

It is clear that planning and development representatives have identified the changing nature of the life cycle and are attempting to address the need for greater housing diversity by implementing housing diversity mechanisms. However, developers are unsatisfied with the implementation of these mechanisms, particularly in regards to the ambiguity of the DCP and affordable housing. There is also resistance from the Department of Planning when Councils attempt to employ housing diversity mechanisms, which appears to be frustrating Councils, as evident within the Willoughby LGA.
Chapter Seven: Recommendations and conclusion draws upon the findings in chapter six to outline some of the potential barriers to successful housing diversity mechanisms. Recommendations are provided to assist in the creation of greater housing diversity. The chapter concludes with suggestions for further research and final remarks.

BARRIERS TO SUCCESSFUL HOUSING DIVERSITY MECHANISMS

Three case studies have been used to provide an in-depth analysis of the most prevalent housing diversity mechanisms used by local government, in the context of a systematic review of housing diversity mechanisms within the Sydney GMR.

This research has indicated that there are several barriers to successful housing diversity mechanisms, as outlined below.
a) Lack of harmony between local government and the development industry

This thesis identified a strained relationship between local government and the development industry in regard to the use of mandated housing diversity mechanisms. Developers consider housing diversity mechanisms an “overreaction” (K Morrison 2009, pers. comm., 17 Aug), and as Aaron Gadiel from the NSW Urban Taskforce stated in a letter to the previous Minister of Planning, Frank Sartor, “ridiculous” (NSW Urban Taskforce 2007). However, Councils are seeking to extend the areas and development to which these provisions apply, highlighting conflicting viewpoints which are unlikely to be resolved in a straightforward manner.

With representatives of the development industry expressing concern that bedroom mix and affordable housing mechanisms, amongst other restrictions, affect the feasibility of a development, this should cause serious concern for LGAs if their planning controls are not appealing to developers, as they may abandon development within that LGA.

b) Limits to the scope of the mechanism

Limiting the scope of provisions within a Council planning policy or plan can provide opportunities for developers to carry out development that avoids the application of the specific mechanism.

As the Willoughby and Newcastle case studies show, precinct based mechanisms have had limited success. This is highlighted by Council planning officers indicating their support for LGA-wide mechanisms and controls.

Willoughby’s precinct approach could be discouraging development, with applicants knowing they will have to provide a 4 percent contribution choosing to develop elsewhere – which ultimately reduces the impact of the mechanism. Although precinct based approaches can assist in concentrating
the product of the mechanism, Councils may have to compromise for the mechanism to have the desired effect.

c) The hierarchy of planning instruments and controls

Although the implementation of housing diversity mechanisms was commonly found within the DCPs, it is clear that the DCP is the least effective planning strategy to provide results. This is a concern because the DCP is not a legally binding document and developers are aware of its legal standing.

The use of the LEP to generate greater housing diversity was considered more practical as this cannot be challenged. For this reason, the LEP appeared to be the favoured approach by Council planning officers for housing diversity mechanisms. However, an important finding was that Holroyd did not refer to housing diversity within their LEP, but were assisted in the creation of greater dwelling types by the use of SEPP 59 and the fact that the housing diversity provisions within the Greystanes Precinct Residential Plan was made in conjunction with the developer.

The use of SEPPs proved to be beneficial, particularly in the case of Holroyd where the SEPP acted as a guide and reinforced the LEP and subsequent DCP, but added another level of validation within the planning system. However, in other cases it must be considered that application of a SEPP may add another element of control by the state government, and this is likely to be looked upon unfavourably by developers and councils.

d) Ambiguity from the Department of Planning

The Sydney Metropolitan Strategy and subregional strategies, referred to in Chapter five, state that Councils need to review their planning controls in terms of their impact on housing diversity. However, when Councils wish to implement mechanisms, these are refused by the Department of Planning because of the introduction of the Standard Template Local Environmental Plan – a one size fits all approach where all LGAs will have the same LEP
structure. The Department of Planning have expressed the view that the Standard LEP does not allow for the use of housing diversity mechanisms or provisions to Councils wishing to have mechanisms within the LEP (L Nguyen 2009, pers. comm., 17 Aug).

It is clear that local government are attempting to increase housing diversity within their planning instruments and plans beyond what the Standard Template LEP provides, however the state government appears to be a major barrier towards the implementation of housing diversity mechanisms within the LEP. This is frustrating local government because the state government’s own strategic planning documents encourage LGAs to provide for housing mix and choice. The state government’s lack of clarity and contradiction within their strategic plans appears to be an obstacle for local governments attempting to respond to the need for greater housing diversity.

e) Inflexible mechanisms

Although a compulsory four percent contribution to affordable housing is required for development within housing precincts identified by Willoughby Council, it is clear that the mechanism has not produced many opportunities to generate affordable housing. As a result of the rigidity of the housing diversity mechanism, developers have indicated that they may choose to find loopholes that result in a development being processed through Council to avoid the operation of the housing diversity mechanism.

Clearly proving the ineffectiveness of the housing diversity mechanism, the inflexible nature not only causes tension between developer and Council, but also presents the opportunity to escape a development from the application of any provisions, by specifically building development where the clause does not apply, or having a total number of dwellings that comes in just under the number nominated for the mechanism to be in place.
RECOMMENDATIONS

From the identification of key barriers to the success of housing diversity mechanisms, this thesis suggests recommendations that may assist in the better implementation of housing diversity mechanisms. An overview is provided in figure 7.1.

Figure 7.1 Barriers and recommendations to the success of housing diversity mechanisms

<table>
<thead>
<tr>
<th>BARRIERS</th>
<th>RECOMMENDATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of harmony between local government and the development industry</td>
<td>Implement incentive based housing diversity mechanisms</td>
</tr>
<tr>
<td>Limits to the scope of the mechanism</td>
<td>Ensure the impact of mechanisms and provisions are monitored</td>
</tr>
<tr>
<td>Hierarchy of planning instruments and controls</td>
<td>Implement a diversity-specific objective within the LEP</td>
</tr>
<tr>
<td>Ambiguity from the state government</td>
<td>Clarify the role of local government in housing policy</td>
</tr>
<tr>
<td>Inflexible mechanisms</td>
<td>Provide flexibility in the delivery of the mechanism</td>
</tr>
</tbody>
</table>

Source: Author 2009
a) Implement incentive based housing diversity mechanisms

Clearly developers are showing discontentment with the use of mandated provisions in relation to affordable housing and bedroom mix provisions. To address this issue, Councils may wish to consider implementing incentive based provisions. Already in place via voluntary planning agreements for some infill developments, developers are offered extra floor space if they provide a number of dwellings for affordable housing.

This approach could apply for bedroom mix provisions, with Councils offering extra floor space where they can develop an extra dwelling or two in return for the specified bedroom mix that Council requires. This would enable developers to recover any reduced financial gain from meeting the provisions.

b) Ensure the impact of mechanisms and provisions are monitored

The precinct approach by Willoughby and Newcastle highlighted Councils’ lack of awareness of the scope of the mechanism. Although both Councils selected precincts to encourage greater housing diversity and contain this within areas close to transport and where higher densities can be provided, findings indicate that the precinct approach is in fact restricting the scope of the mechanism, which limits the effectiveness and impact that it can have. It is important that any housing diversity mechanism be monitored by Council to identify the positives, negatives and benefits of the mechanism and its implementation.

Furthermore, in the case of Willoughby LGA’s adaptable housing provisions, monitoring of their adaptable housing provisions would enable planning officers an idea of the number of dwellings that are within the LGA and also highlight where these dwellings are located.
c) Implement a diversity-specific objective within the LEP

It was evident through interviewing developers that the use of housing diversity mechanisms within the DCP are not taken seriously and would be challenged by developers. This relates to the fact that the LEP is a legally binding document and the DCP - although important and its requirements must be met – has no legal standing (as discussed in Chapter five).

To enhance the use of housing diversity mechanisms within the DCP, it is recommended that Councils ensure they refer to housing diversity, and specifically the theme of the mechanism as an objective of the LEP. This adds extra weight to the mechanisms within the DCP and may assist Council in sustaining the housing diversity provisions.

d) Clarify the role of local government in housing policy

Willoughby Council’s planning officer displayed clear dissatisfaction with the Department of Planning in terms of their unwillingness to enable local government to implement housing diversity mechanisms within their LEPs.

To assist in the relationship between Council and the Department of Planning, the role of governments in the creation of housing policy should be adequately addressed and clarified. The ability for Council to create policies that enhance their local housing needs should be provided, without needing the Department of Planning’s approval. If the Department of Planning can assist in the creation of housing policy, then their role should be clearly defined.

e) Provide flexibility in the delivery of the mechanism

From the Holroyd case study it is clear that the success of the mechanism is due to its flexible nature. With Council and the developers ensuring negotiation on the key objective (setting 1,520 dwellings for the site), this allows the developer to create a feasible development as well as satisfying the
needs of the Council. This approach is also taken by Newcastle Council, who allow some degree of flexibility in order to achieve desired outcomes.

It is clear that by allowing the developer to determine some aspect of the mechanism, yet still keeping within the boundaries of a general principle, there is greater success from both stakeholders in the development process.

CONCLUSION

This thesis had several aims. These were: understanding the reasons behind the emergence of housing diversity concerns, as outlined in chapter two; defining the characteristics of diversity, provided in chapter three; identifying the range of housing diversity mechanisms that have been implemented within the planning system, which were shown to be varied with several trends as identified in chapter five; assessing the impacts of housing diversity mechanisms which showed several barriers to the success of housing diversity mechanisms in chapter six and seven; and to provide recommendations for planning practice, which were provided in chapter seven.

Although this thesis has met the aims of the research, it is important to acknowledge that the research undertaken has identified areas for future study, which cannot be discussed without understanding the limitations of the research. Several factors must be taken into consideration for this thesis in terms of limitations and constraints.

There appears to be a gap in the literature that specifically addresses housing diversity and the measures of the term. Further research may assist in creating a theoretical platform to initiate further studies into housing diversity.
Statistically, the scope of this thesis is focused on the Greater Metropolitan Region (GMR) and specifically Sydney’s suburban areas, due to the sheer size of Sydney’s population and predicted growth over the next few decades. As not to limit the need and emergence of housing diversity to capital cities and suburbs within a capital city, a coastal city has been selected as one of three case studies to analyse the impact of a growing population amongst other factors at a smaller scale. This thesis is focused on NSW to ensure consistency in the array of planning instruments to be reviewed. However the implementation of other mechanisms within LGA’s outside of the scope of this research may be considered for further study.

A range of housing diversity mechanisms were identified by the housing diversity audit, however further research may find other approaches by local governments. There may be other processes and mechanisms addressing housing diversity, particularly for affordable housing, however this thesis focused on the local environmental plan and development control plans only.

This thesis is also limited due to time constraints, and therefore selection of the case studies are not based on the need for housing diversity in terms of community profile, but their use of housing diversity mechanisms. This thesis assesses the impact of existing housing diversity mechanisms, but does not debate in-depth the demand or need for housing diversity and future research in this area may be beneficial.

Final Remarks

As people enter different stages of their life cycle and age, one thing should remain constant – the ability to settle within a community that they know and have a connection to. Having a diverse range of housing within a community is an important way to ensure this. It means not only providing for the growing family, the couples, and the elderly, but providing for those who need low cost housing, housing for people in a wheelchair or vision impaired, and housing that is available to rent, short or long term.
Local Governments within NSW should be congratulated for their concerns and implementation of approaches to housing diversity. With greater support from the state government, and balancing their needs with the requests of developers, every person should be able to find a home that meets their needs.
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APPENDIX
Ethics Forms

30 July 2000
Application No: 65045
Project Title: Housing Diversity
Attention: Hazel Easthope

Dear Nicole Duckfield,

Thank you for your application requesting approval to conduct research involving humans. The Panel has evaluated your application and upon their recommendation, has attached the decision below.

Please be aware that approval is for a period of twelve months from the date of this letter, unless otherwise stated below.

All further information/documentation (if any) is to be submitted to FBE HREAP via Student Centre. Please submit originals plus four copies. Email submission will not be recognised.

Decision
Approved with conditions

Advisory comments:

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<tr>
<th>Item</th>
<th>Should you or your participants be making photographic, video or audio recordings that include people, please be aware that:</th>
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<tr>
<td>1</td>
<td>• Recordings in public places do not generally require the permission of the people who are in those public places. However, this will depend upon the sensitivity of the subject matter and the situation.</td>
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<td></td>
<td>• If you will be specifically identifying any person in photos or videos which you intend to publish, you will require their consent to do so.</td>
</tr>
<tr>
<td></td>
<td>Photographs or videos of identifiable people on private property should not be made without their consent, even when taken from public property.</td>
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| 2    | Your application indicates that you may need to obtain one or more Letters of Support before you conduct your research. Letters of Support are required whenever you involve any organisation (other than UNSW) or any individual (other than an employee of UNSW) in your research, whereby: (a) you intend to interview, survey or include employees in a focus group; or (b) your research is wholly or partly funded by any organisation (other than UNSW) or individual (other than an employee of UNSW). Please contact your Supervisor for further direction (if applicable). A Letter of Support must conform to one of the formats indicated in Form 6. Please forward all Letters of |
We do not recommend that you use your own personal address or telephone numbers on any documents issued to participants. If possible, you should supply UNSW contact details.

Approval is granted to the applicant for a twelve month period from the date of this letter. Any approval to conduct research given to the applicant is done so on the condition that the applicant is at the date of approval: (a) a Student undertaking an approved course of study in the FBE; or (b) a member of Academic Staff in the FBE. If, at any time subsequent to the date of approval and prior to completion of the research project the applicant ceases to be either of (a) and (b) above, then any prior approval given to the applicant to conduct will be deemed to be revoked forthwith. The applicant must inform the FBE HREA Panel immediately upon any change, or possible change, to the applicant's status that may affect any prior approval given by the Panel to the applicant to conduct research.

Evaluation Authority:

Michael Brand (Convener)
FBE HREA Panel

Approving Authority:

Jim Plume
Head of School
Faculty of the Built Environment