

Why Have a Local Government Strategy Overview

This section of the Housing Kit explains the purpose of a Local Housing Strategy, looks at some of the factors that might determine your Strategy's scope, and examines how it might intersect with other Council activities.

In This Section

[The Role of a Local Housing Strategy](#)

[The Scope of a Local Housing Strategy](#)

The Role of a Local Housing Strategy

Sometimes a council will decide to prepare a housing strategy in response to a specific issue that has emerged within the community — such as a need for affordable housing, or an increasing need to accommodate special needs groups such as the aged.

Councils may decide to undertake a Local Housing Strategy to help them meet regional planning requirements. For instance, the Sydney Metropolitan Strategy requires local councils to undertake a housing market demand and supply analysis and to identify opportunities to increase housing supply in relation to these identified needs. Within the Metropolitan Strategy, the NSW Department of Planning will provide additional guidance to metropolitan councils on these and other requirements. A Local Housing Strategy can provide the structure within which to undertake such work.

However, a Local Housing Strategy will generally be directed at encouraging a range of housing that meets the existing and future housing needs identified by council. A strategy should seek to meet the demand for housing, as well as improving housing mix, affordability, and the availability of housing for those with special needs. A Local Housing Strategy will usually combine three key elements:

- analysis of local or regional housing needs and conditions
- an aim (or aims) and a more detailed set of objectives
- concrete measures to implement these objectives.

These elements of the strategy may be communicated through a stand-alone document or be embedded within other strategies or plans prepared by council. While local government is only one of the levels of government that can influence housing, it can nonetheless have a considerable impact on improving housing outcomes for local communities. Usually it is the level of government most in touch with the needs of those communities. Councils can achieve improvements by being mindful of housing impacts when exercising other functions and by adjusting their approach if required. They can also pursue more specific initiatives that may be incorporated in a Local Housing Strategy.

The Local Housing Strategy provides a cohesive framework for responding to the housing issues affecting the local community. These issues may relate to:

- population change
- housing market trends
- coordination of services
- protection of urban amenity

- environmental sustainability and efficient land use
- economic and community development.

As well as articulating a framework to help guide council action, the Local Housing Strategy communicates councils' housing-related objectives and responsibilities to the community. It provides clarity and certainty about future residential development trends and policies for councillors, staff, the community and developers.

Local Housing Strategies can help councils:

- identify potential sites for new residential development and redevelopment
- support local housing objectives more effectively by reviewing existing planning controls
- initiate or facilitate local housing projects in response to specific local needs — in partnership with the development industry, community housing providers and other levels of government
- support local housing providers
- improve council systems for monitoring and responding to local housing needs
- coordinate housing responsibilities in a strategic way across all relevant sectors of council.

The Scope of a Local Housing Strategy

[Overview](#)

[Corporate planning](#)

[Statutory and strategic planning](#)

[Infrastructure planning, pricing and provision](#)

[Supporting housing projects and providers](#)

[Community services](#)

[Housing management](#)

Overview

The scope of a Local Housing Strategy will depend on the extent and type of housing needs, the level of support for pursuing particular housing policies, and other local circumstances facing councils. Councils will need to determine the appropriate approach and directions for their areas under local conditions.

An explicit strategic framework for housing that cuts across all the relevant activities and functions of local government is most likely to achieve the greatest impact. For practical reasons though, some councils may prefer to start by targeting a few key areas and build on these in future. In this way, they can begin to promote awareness of housing issues and generate support for specific initiatives. If successful, further steps can be taken.

A useful starting point is to consider the impact of council's policies, plans and programs on local housing supply and assess how council can exercise its powers and functions to stimulate better housing outcomes. The land-use planning framework and infrastructure planning, pricing and provision are obvious areas where local government controls affect housing outcomes. Some less acknowledged areas include rates-setting policies, support for non-government organisations, and the targeting of community services. Where appropriate, Local Housing Strategies should also refer to plans for corporate leadership, statutory and strategic planning, infrastructure pricing, facilitation and incentives for housing projects that meet set

requirements, support for not-for-profit housing providers, community service delivery, and housing management.

Corporate planning

At a corporate level, council can give direction and priority to achieving housing objectives through its corporate plans, strategies and the general activities of council. Reflecting this direction in council's public documents, brochures and website will help build community awareness and support for initiatives to promote a better mix of housing that responds to community needs.

Involving the community in the development of local strategies and initiatives that relate to housing can also help in building community awareness of housing issues and support for those strategies.

Statutory and strategic planning

The statutory and strategic planning functions of council have widespread impacts on housing outcomes. The supply, type, size and even the cost of producing housing are all affected by the requirements and opportunities created by council's planning instruments and approval processes.

These instruments can be used actively to promote a mix of housing, create opportunities for affordable housing projects, or to require that a portion of housing is adaptable for people with physical disabilities.

Planning schemes that have not explicitly taken housing needs into account may inadvertently push up the size or standard of accommodation. For instance, excessive minimum standards (for car parking or site areas, for example) can reduce the viability of producing smaller or more affordable housing.

Strategic planning plays a vital role in housing outcomes, not only by providing opportunities for future supply, but also by ensuring housing has access to transport, jobs and services. A mix of land uses is critical for liveable, vibrant and sustainable communities.

Infrastructure planning, pricing and provision

As with development controls, infrastructure plans and pricing policies can contribute significantly to the cost of housing and may also favour one type of development, such as detached housing and medium density dwellings, over others. How costs are distributed between newly developing and established areas will also have a considerable impact on the cost of producing housing.

Supporting housing projects and providers

Council may decide to promote particular forms of housing, such as projects directed to low and moderate-income households, actively by offering incentives for those that meet set criteria. For example, a council could develop a framework for 'affordable housing projects' that offers a package of incentives (such as density bonuses, concessions for development standards, or rate relief) for eligible projects.

Support could be offered for housing projects being undertaken or managed by not-for-profit housing providers, to strengthen their capacity and facilitate their operations. Community housing providers are particularly well-equipped to manage affordable housing opportunities created through the use of planning strategies. For further information see the Kit's companion documents, *Addressing Affordable Housing* and [Using Planning and Planning Mechanisms for Affordable Housing](#).

Councils can facilitate specific housing projects in a number of ways. They are well placed to identify suitable sites, conduct feasibility assessments, negotiate with landowners, and bring together interested developers and managers. Some councils may wish to go a step further by contributing council land or funds towards affordable housing projects. While an individual council may not have sufficient funds to wholly finance a project, the availability of a contribution may provide a catalyst for a not-for-profit organisation to undertake a housing project in the area. Establishment of a housing trust fund could help to pool available resources within the local government area or region.

Community services

Community services provided by councils play an important part in enabling people to continue living in their existing premises. Delivery of existing services needs to be considered in the context of the housing strategy and the effective targeting of assistance. Council may, for example, provide day care centres for the children of single working parents, enabling them to pursue well paying employment opportunities further a field, but which may require longer commuting times. Similarly, councils might play a role in the coordination of emergency assistance for homeless people, in collaboration with specialised agencies.

Housing management

A Local Housing Strategy may generate funds or in-kind contributions for housing targeted to particular groups, such as low-income households, the aged, or people with disabilities. In considering the management of that housing, councils will need to consider whether it has appropriate skills and capacity for the task. Council may choose to be involved in the on-going management of that housing, or may prefer to contract out management or transfer title to a not-for-profit housing provider. For more information on options for the management of housing acquired by Council for a specific purpose see these [Centre for Affordable Housing](#) case studies.