

Comments on Housing Affordability for the Select Committee on Social, Public and Affordable Housing

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Southern Sydney Regional Organisation of Councils

The Director
Select Committee on Social, Public and Affordable Housing
Parliament House
Macquarie St
Sydney NSW 2000

To whom it may concern

Thank you for the opportunity to provide comments to the Select Committee on Social, Public and Affordable Housing. The Southern Sydney Regional Organisation of Sydney (SSROC) is an association of sixteen local government Councils formed for mutual benefit through collaboration and cooperation.

SSROC member Councils deliver and maintain in excess of \$20 billion in local infrastructure and other assets across an area covering more than 600 square kilometres, with a population approximately one quarter of the population of Greater Metropolitan Sydney.

Following Vancouver and Hong Kong, Sydney is the 3rd most expensive housing market in the world owing to high levels of employment, accessibility and amenity.¹ While there is ever-increasing capacity to work and play in Sydney, the reality is that there is much less capacity to live here. This is due to a range of factors including population growth and associated housing demand pushing up the costs of available housing and long-term lack of investment by governments and markets in new and diverse housing supply.

The NSW Centre for Affordable Housing notes that SSROC region ranges between very high or high demand for cheaper housing options.² Forecast population growth across the Greater Sydney area will continue this upward pressure of demand on both price of housing and availability of housing well into the future. High income earners and increasingly, overseas investors, will continue to dominate both rental and private property markets, further excluding moderate and low income earners from living near to where they work. This results in poorer environmental, economic and community health outcomes through reduced productivity and quality of life.

For those that do live in the inner and middle rings of Sydney, relatively few people own their home outright. Only about one-fifth of Inner Sydney residents own their own homes, and approximately half the residents of Inner Sydney and the Eastern Suburbs rent. The inner City and Eastern Suburbs are also characterised by having the lowest percentage of properties for purchase across Sydney.³

There is a direct relationship between lack of opportunity for home ownership and upward pressure on rents leading to increased demand among low to moderate income earners for financial housing assistance.⁴

¹ 9th Demographia Housing Affordability Study, 2013

² Centre for Affordable Housing, <http://www.housing.nsw.gov.au> 16.1.14

³ Atlas of NSW - Housing, NSW Land & Property information, 10/1/2014

⁴ Housing Affordability and Accessibility - A Synopsis of Solutions <http://HousingAffordability> 31.10.13

Policies aimed at supporting home ownership have a beneficial effect on the overall housing market and reduce demand for rental housing – which in turn reduces the costs of rental housing for those that want or need to rent.

Through the NSW Metropolitan Strategy, the NSW Government seeks to boost housing supply in the south-west and north-west growth centres and link these to more central employment centres, including Parramatta, Chatswood and the Sydney CBD by heavy rail and road network extensions. There are also attempts underway to consolidate inner-city urban areas by increasing residential densities in highly commercial areas, supplementing transport networks with localised cycling and light rail initiatives.

While the push to pump out housing is undoubtedly necessary, there is concern that the Government's focus on meeting quantitative demand targets without heeding demand for quality, diversity and affordability may result in an oversupply of unwanted properties and continued chronic undersupply of suitable affordable housing.

It is important to note that affordable housing is not public housing, poor quality housing or shared accommodation. It is not developed in lots creating disadvantaged neighbourhoods, but is 'salt and peppered' throughout the community, and managed by community housing providers and rented out at below-market values to eligible applicants in low and moderate income jobs including teachers, childcare workers, community and health services staff, tradespeople, technicians, council workers and retail sector employees.

Several SSROC member Councils are actively seeking ways in which to provide affordable housing options for local workers. Waverley Council, for one, have acquired a number of units and established a scheme for provision of affordable housing to eligible residents. As succinctly noted by the Inner City Mayor's Forum in 2009:

*"People on very low, low and moderate incomes can no longer afford to live in the Inner City. These people are vital to the functioning of the Inner City and include people employed in occupations such as: nursing; teaching; clerical work; hospitality; child care; real estate; security; artists; trades people; and shop assistants. These are the people who care for the sick, elderly and disabled in hospitals; transport people around the City in taxis, buses and ferries; look after our children; cook, clean and serve food in restaurants, cafés and hotels; and fix broken water mains or reconnect electricity supply when the power goes down."*⁵

It is SSROCs view that all levels of government can do more to provide sustainable housing affordability that is designed to suit a range of price points in the market and can also be sequestered from the mainstream market so that affordable housing is held in perpetuity by communities specifically for the essential services workers they rely on.

The following pages outline SSROCs understanding of the issues of housing affordability as they impact on our region and suggestions for improved outcomes.

⁵ Inner City Mayor's Forum, *Affordable Housing and the Inner City – opportunities for collective action*, 2009

1. Housing Affordability in the SSROC Region

Despite the low interest rate environment, there has been a record plunge in first-home buyer activity and competition for scarce rental accommodation continues to inflate prices. The overall cost of rental housing in some parts of Sydney has risen by well over 50% over the past decade, well above the combined rate of inflation for the same period.⁶

In the past year, property prices in Sydney have soared by 13.2% and the median weekly rent for a two-bedroom unit has increased to \$600 in inner ring suburbs and \$450 in middle ring suburbs.⁷

It is generally accepted that housing expenditure exceeding 30% of a low-to-moderate income can result in 'housing stress'.⁸ Using today's interest rates, a household would require a minimum net income of \$110,000 a year to service a \$500,000 loan without exceeding 30%,⁹ yet ABS data indicates that the mean annual household income across NSW is \$99,000.¹⁰

Studies estimate that approximately 300,000 households across NSW experience housing stress, with near to one-fifth of first-home buyers at risk of losing their homes within months of purchase.¹¹ Other recent research has identified that more than half of first homeowners who purchased within the last two years are experiencing housing stress.¹²

The rental property market in the inner and middle rings of Sydney is considerably squeezed. There is also concern that policies in NSW to bring about greater housing development may not provide the right mix of housing to match the diversity of contemporary households (see section on NSW housing policy at pages 6-7). In 2012 Anglicare Australia released a *Rental Affordability Snapshot (Greater Sydney & Illawarra)* that assessed the market for suitable rental accommodation for those on low-to-moderate incomes. They state that:

*"Rental affordability was also examined for those people earning the minimum wage, including couple families, single parents and single people. If 2-bedroom properties were excluded for families with more than one child, there were only 241 unique properties in Greater Sydney and 231 in the Illawarra that were affordable and appropriate without placing them into rental stress. If the criteria were widened to include 2-bedroom properties for families with 2 children then 961 properties in Greater Sydney and 482 properties in the Illawarra were affordable and appropriate. Although most Statistical Areas in Sydney contained at least one suitable property, the majority were still located further away from the CBD in areas such as the Central Coast, Blue Mountains or Outer South West. Living in these areas may prove untenable for those employed in the CBD, particularly for single parents juggling work and parenting responsibilities. Such households may choose to enter rental stress in order to gain accommodation closer to the city."*¹³

The NSW Government Metropolitan Strategy projects increasing residential densities in existing areas, notably in the SSROC region. Much of the region is highly accessible by private and public transport and is supported by vital community infrastructure in the form of libraries, recreational and sporting fields and community centres that provide for diverse cultures and stages of life - from child care to aged care.

⁶ First-home crisis triggers call for action, *Sydney Morning Herald*, 16.11.13 @<http://www.smh.com.au>

⁷ September 2013 quarter NSW Rent and Sales Report

⁸ Low income defined as less than \$633 pre-tax income per week by Australian Bureau of statistics in 2011 Census

⁹ Based on a principle and interest loan with an interest rate of 5.5% payable over a 25 year term.

¹⁰ ABS 6523.0 Household Income and Income Distribution, Australia, Table 1.2A Gross household Income NSW 1994-95 to 2011-12

¹¹ The Daily Telegraph <http://www.dailytelegraph.com.au> 13.7.13

¹² *Mortgage Stress Challenge for New Buyers*, Venessa Paech, <http://www.realestate.com.au> 23.10.13

¹³ Rental Affordability Snapshot: April 2013 Greater Sydney and the Illawarra; Anglicare, page 4

It is not surprising then, the SSROC region is split between high demand and moderate high demand areas for affordable housing supply.¹⁴ The table below identifies housing tenure, mean individual incomes and proportion of personal income spent on housing across the SSROC region over the period 2010-2011.¹⁵

Local Government Area	Proportion of dwellings in LGA by tenure		2010-11 Mean Individual Income	2011 Mean Housing Expenditure		Proportion of income spent on housing (%)	
	Mortgaged	Rented		Rent	Mortgage	Rent	Mortgage
Ashfield	27%	40%	\$50,877	\$19,812	\$29,304	39%	58%
Bankstown	33%	29%	\$44,944	\$15,156	\$25,860	34%	58%
Burwood	26%	37%	\$47,254	\$20,820	\$30,456	44%	65%
Botany Bay	31%	38%	\$51,731	\$17,532	\$30,840	34%	60%
Canada Bay	31%	33%	\$63,375	\$24,588	\$34,416	38%	54%
Canterbury	29%	37%	\$43,391	\$16,092	\$25,836	37%	60%
Hurstville	33%	36%	\$48,779	\$18,120	\$27,696	37%	57%
Kogarah	33%	27%	\$50,261	\$19,992	\$30,792	40%	61%
Leichhardt	33%	41%	\$76,990	\$25,440	\$38,364	33%	50%
Marrickville	31%	43%	\$54,802	\$20,700	\$31,404	38%	57%
Randwick	24%	45%	\$59,796	\$23,136	\$36,000	38%	60%
Rockdale	31%	31%	\$47,725	\$19,776	\$28,680	41%	60%
Sutherland	39%	13%	\$56,224	\$19,896	\$30,756	35%	55%
City of Sydney	23%	60%	\$54,035	\$24,864	\$33,732	46%	62%
Waverley	24%	47%	\$70,627	\$28,488	\$41,316	40%	59%
Woollahra	23%	38%	\$89,164	\$34,896	\$46,956	39%	53%
SSROC average	29%	37%	\$56,873	\$21,832	\$32,651	38%	58%

The region is characterised by high numbers of rental dwellings in the inner ring and approximately one in three properties is mortgaged. Across the region the proportion of income spent on housing exceeds 30% for individuals for both rent and mortgage payments. In most cases twice the minimum wage would be required to support a mortgage and stay below the threshold for housing stress.

2. Housing Affordability Impacts

A number of studies have identified and observed a range of personal, interpersonal and community impacts of housing stress. While the complex policy levers that influence housing cost are controlled mostly at national and state government levels, the economic, social and environmental impacts of poor housing affordability are felt largely at the local level and therefore is of great significance to local government.

¹⁴ Centre for Affordable Housing, <http://www.housing.nsw.gov.au> 16 January 2014

High need areas: Bankstown, Canterbury, Marrickville, Randwick, Rockdale, Sutherland, Sydney, Waverley;

Moderate-High need areas: Ashfield, Botany Bay, Burwood, Hurstville, Canada Bay, Kogarah, Leichhardt, Woollahra.

¹⁵ ABS National Regional Profile, Economy, LGA, 2007-2011 Updated May 2013

Some of the considerable individual and broader social and economic impacts, include:

- i) Depletion of a range of workers from the region, including:
 - Lower paid professional staff including nurses, police and childcare staff;
 - Essential services workers including retail, hospitality and trade staff; and
 - Non-skilled personnel including cleaners and labourers.
- ii) Costs to the individual and society of forced housing-related migration, including the fragmentation and depletion of critical social and familial support networks.
- iii) Costs to business of hiring labour from outside the region to perform essential business and social services.
- iv) The broader social, economic and environmental costs of excessive commuting, especially for lower income workers.
- v) Increased pressure on older people living long-term in rental accommodation to keep pace with rental increases as they move on to fixed incomes and government pensions.
- vi) A city divided by social and economic marginalisation resulting in a downward spiral of enclaves of disadvantage on the fringes of the region.

Conversely, an adequate supply of affordable housing in the community can provide both individual and social benefits, including:

- i) Young professionals to gain a foothold in the region enabling them to save sufficient funds for a deposit in new housing developments. Equally, low-skilled but essential workers can still access sustainable and secure housing, ensuring a supply of labour in low skilled but critical occupations.
- ii) The rapidly expanding proportion of older people within the region - some of whom have rented all of their lives in the private sector - can be assured of long term housing in the communities they have grown up in, maintaining critical family and community connections and reducing demand on the not-for-profit community services sector.
- iii) Integrating affordable housing in thriving communities provides opportunities and economic advantages for all - at the local and regional level, and contributes to sustainable social and economic development opportunities.
- iv) Diverse and sustainable housing models translate to diversity in the local economy as residents drive demand-responsive retail and service provision.
- v) An upward spiral of change and opportunity.

3. The Australian Policy Context

Fundamental changes in the housing market driven by demographics, lifestyle trends and the need for greater affordability are increasing demand for more diverse housing supply, and government planning policies are being adapted to allow for smaller lot sizes in low and medium density areas in order to provide for smaller – and therefore relatively more affordable – housing development.

However, there is concern that relying largely on market forces to deliver affordable housing will result in insufficient supply, poor quality design and fail to deliver sustainable outcomes.

The Vancouver Mayoral Task Force on Affordability noted best practice measures to increase the supply of affordable housing that could be adopted or emulated across governments.¹⁶ These include:

- i. quicker and transparent approvals/processes of development applications for projects that contribute to housing affordability;
- ii. diversity of house/unit types that increase density
- iii. promote a broad dialogue on the benefits of density and diversity beyond specific development applications, and create good practice prototypes for public endorsement and participation
- iv. establish a city-owned urban development corporation to drive housing and employment opportunities in specific areas serviced by public transport and infrastructure on city-owned lands, in partnership with leading private sector residential developers.
- v. facilitate investment into rental housing by large institutional investors
- vi. prioritise bicycle, transit and family oriented development
- vii. implement a prize with suitable public recognition, for innovations and best practices in housing affordability
- viii. ensure transparency in relation to housing data and property development in order to foster trust and allow information to be used and shared in meaningful ways.

3.1. The Australian Government

The Australian Government has a major impact on both the demand for and supply of affordable housing through a range of regional development and economic policies. For instance, the stability of home ownership in large cities such as Sydney makes it an extremely attractive investment option for both locals and those living outside of metropolitan areas. As such, creating or supporting the creation of a diversity of investment options beyond home ownership can ease affordability through providing various investment alternatives. This can also potentially change the stigma associated with long-term rental housing.

In terms of specific housing policy, the Australian Government tends to focus on providing financial assistance to low and middle-income earners. Examples are the National Affordable Housing Agreement that provides \$6.2 billion worth of housing assistance over the period 2009 – 2014 and the \$2 billion per annum Commonwealth Rent Assistance Scheme that subsidises rent to over 500,000 households in the private market.

¹⁶ Mayor's Task Force on Housing Affordability Academic Working Group – Summary Report, May 2012 <http://mayors-task-force> 31.10.13

The National Rental Affordability Scheme (NRAS) is another intergovernmental partnership to invest in affordable rental housing by offering financial incentives to persons or entities such as the business sector and community organisations to build and rent dwellings to low and moderate-income households at a rate that is at least 20 per cent below the market value rent. NRAS seeks to stimulate the supply of 50,000 new affordable rental dwellings by the end of June 2016 and in 2012-13 provides a rental of subsidy of \$10,350 to approved applicants, a 4.8% increase on the previous year. Investors in NRAS investment properties receive a \$103,500 tax-free incentive over 10 years.

However, the Inner City Mayor's Forum notes that high land prices, site contamination and containment issues, and competing demand for land use make it difficult for Government funding streams such as NRAS to work.¹⁷

3.2 NSW Government - Affordability through Diversity

The State government provides the bulk of land supply for residential development in planning for the growth of cities and regions, and zones specific tracts of land as appropriate for development as residential communities. When land supply does not keep up with population growth and demand, housing costs jump markedly, as has been seen in Sydney over recent decades. The density of residential development also has a direct impact on land cost and house prices. Regulatory controls over the building industry, including the proposed changes to the BASIX scheme, may also have a direct impact on construction costs and hence house prices.

Under existing State Environmental Planning Policy (Affordable Rental Housing) 2009 (ARHSEPP), floor space incentives for villa, townhouse and residential flat building development projects (in accessible locations and where these uses are already permitted) may be available for projects that include some affordable rental housing.

Affordable housing developed as part of a villa, townhouse or residential flat building development project must remain as affordable housing for at least 10 years and must be managed by a registered community housing provider. Boarding house development projects do not need to be managed by a community housing provider, even if they include floor space bonuses.

The rezoning of land, increasing height limits and floor space ratios and moderated landscaping requirements, for example, provide opportunities for increases in site yield (planning uplift) and in the value of the land that the new codes apply to (value uplift). Essentially, the proceeds from the rise in the number of permissible dwellings on amalgamated / vacant lots increases substantially.

Under this mechanism:

- the contribution to affordable housing is funded by a newly-created value, so comes at no real cost to the proponent and can be factored into the business models of land owners or developers.
- This value uplift results from government decisions and by proportion it should be viewed as a public asset.
- As such, this asset should be provided for the public good and the benefit secured to the community in perpetuity.

¹⁷ Inner City Mayor's Forum, *Affordable Housing and the Inner City – opportunities for collective action*, 2009

In recognition of the need to supply more affordable housing options, in May 2011 the NSW Government amended the ARH SEPP to remove certain provisions applying in low-density residential areas, and amend other aspects of the policy relating to villas, townhouses and flats, boarding houses and Housing NSW proposals.

The NSW Government has also recognised the potential for Growth Centres to provide opportunities for development that are lacking in already densely built and populated areas, and the South West and North West Growth Centres have been the focus of more recent housing policy initiatives. Changes to the Growth Centres SEPP aim to provide for greater flexibility in housing types in the Growth Centres, potentially resulting in more than 180,000 new homes over the next 30 years. The changes will facilitate:

- Townhouse and villa-style housing across a wider range of areas;
- Studio dwellings – known as ‘Fonzie flats’ – located above garages in new housing developments that are strata subdivided from the main house so they can be sold separately;
- The introduction of Manor Homes on corner lots – a new building type that presents to the street as a large two-storey home, but actually contains four separate units
- Standard minimum lot sizes of 225m² in low density areas, compared to between 250-360m² at present; and
- The minimum lot size to be varied down to 125m² in areas capable of supporting higher densities. High quality dwelling designs must be lodged with the subdivision applications.

The intention of the proposed changes is that building homes will become more financially feasible, and without undue reliance on apartment-style buildings. The Government has stated that if the model is successful in the Growth Centres, the policy could be rolled out in other parts of Sydney.

However, it is important to make a clear distinction between the supply of small lots to develop cheaper housing options and the dedicated provision and management of affordable housing.

Providing for small lots in planning policy may result in short-term cheaper housing relative to other houses on the market, but does very little to ensure sustainable affordable housing outcomes. Consideration should also be given to the housing mix in urban consolidation areas – the template two bedroom unit will not suit everyone and there is concern that the development of high-density residential flat buildings without consideration for diversity or amenity will result in social stratification and poor community outcomes.

There are also concerns that small-lot housing tends to get clumped rather than ‘salt and peppered’ throughout communities, effectively creating marginalised communities and poor social outcomes. Allowing higher densities in areas far from shops, services, amenities and critical transport infrastructure can also impact on social and environmental health outcomes.

3.3 Options for Local Government

Local government is generally not recognised as having a direct role in the provision of affordable housing, although in Australia some Councils (such as Waverley) have more involvement than others. The loss of voluntary planning agreements in the NSW draft planning legislation may further reduce opportunities for Councils to intervene.

It must be noted that substantive responses to the shortage of affordable housing can only be achieved through real intervention and investment by all levels of government, but local government can only

leverage investment in the municipality from its own contribution in the context of supportive state and national policies backed by appropriate program budgets.¹⁸

In NSW, local government influences the costs of housing through such means as:

- statutory planning processes;
- strategic site identification;
- council rates; and
- economic development strategies; and
- facilitation of affordable development projects

With the increasing cost of housing and declining affordability in many metropolitan areas Councils have become more engaged in advocacy in support of affordable housing. They see a role in engaging with State and Commonwealth governments as an important part of their facilitating role. A 2010 paper on Affordable Housing by the City of Port Phillip in Victoria¹⁹ identifies a number of options for local government involvement, including:

i. Direct financial investment – the City of Port Phillip invested approximately \$13 million of its own funds over a 21 year period to leverage \$39.1 million of government and private investment in a community housing program managed by a not-for-profit housing provider.

This program produced 389 units in 17 projects over a 21 year period from 1985 until 2006. Two of these developments involved the development of community housing over air space above a car park and a community centre and provides a model for asset rich municipalities.

ii. The use of Council owned land for affordable housing projects - a legacy of earlier decisions has often placed Councils in the position of holding land that is now surplus to requirements. These tracts of land might be made available for development with a requirement for an affordable housing component as a condition of planning approval. The City of Melbourne also transferred what is known as the Drill Hall in inner Melbourne to Melbourne Affordable Housing for nominal consideration on the understanding it would be developed to retain the heritage architecture of the façade and original hall as community use while the air rights would be developed for affordable housing.

iii. Inclusionary zoning - a mechanism that is widely used overseas and has become an increasingly discussed mechanism in Australia. Put simply it implies that Council uses its statutory powers as planning authority to impose a requirement upon developers that a defined proportion of housing in a particular precinct, local government area or region must be affordable. This requires Council to define what qualifies as affordable housing. Depending on that definition inclusionary zoning may result in a reduction in the value of the land or, if the land is purchased prior to the imposition of the inclusionary zoning a stalling of the project while the developer tries to secure the subsidies necessary to achieve the affordable housing product.

iv. Development contributions - ensure a development contributes to the supply of affordable housing. However rather than requiring the developer to provide affordable housing as part of the development they make a financial contribution to a designated affordable housing fund which is used to provide affordable housing at another site. The Carlton United Brewery site in the City of Sydney is a high profile redevelopment site of up to 1800 new dwellings. State Government was the responsible authority and negotiated a developer contribution (cash contribution) for affordable housing to be delivered off site.

¹⁸ Affordable Housing Development Models, prepared by Affordable Housing Solutions for the City of Port Phillip, 2010, <http://www.portphillip.vic.gov.au>, on 31.1.14

¹⁹ Ibid

v. Planning concessions - enable a developer to enhance the financial viability of a particular project which includes affordable housing. For example an increase in the yield on a site (reduced land component) or a reduction in the required number of car parking spaces in recognition of end use as affordable housing may reduce the cost of production. In Brisbane the developer of the Ferry Apartments was provided with developer bonuses that included car park concessions, density bonuses, reduction in balcony sizes and reduced setbacks. Planning bonuses were protected in covenants.

Covenants were time limited, typically 20 years in response to concerns from developers that open ended covenants reduced value. Waverley Council can offer the incentive of a (limited) increase in floor-space ratio to developers in exchange for a share in the profit on the extended area. The funds raised enable the Council to invest in property to be let for a period of up to three years to residents in serious housing stress. Sutherland Shire Council has also been able to ensure the provision of affordable housing using planning concessions, although voluntary planning agreements are no longer included in (draft) planning legislation in NSW.

vi. Rate relief - exemptions on the grounds that the provider is a charitable organisation or at least a rate reduction in lieu of the financial circumstances of the end user may be the difference between viability and non-viability. Housing needs to be owned by a not-for-profit organization with Deductible Gift Recipient (DGR) tax status and operate predominantly for charitable purposes.

vii. Community education - raising community awareness of the need for an increase in supply and overcoming misconceptions about affordable housing can lay the groundwork for more direct community engagement when there are incidents of NIMBY opposition to planning applications for projects which include affordable housing.

viii. Council involvement in advocacy – in 2008 the City of Port Phillip in Victoria commissioned GTA Traffic Consultants to produce a report identifying the amount of car parking required for affordable housing developments. This advocacy work recognized that the tenants of affordable housing projects have a lower car ownership rate, and that projects are generally well located with good access to public transport. City of Port Phillip also understood that the construction of unwarranted car parking spaces was a poor use of resources that could be better directed into actual construction of additional units on the site. This report has been widely adopted by the affordable housing development sector and importantly by other local Councils to substantiate the requirement for lower levels of car parking for affordable housing developments.

ix. The application of statutory powers through rezoning land to a zone with a higher land value – and thus capturing some of the uplift in value that transfers to a landowner for no risk or effort. SSROC member Councils advocate for this position, whereby changes to state planning legislation to permit the incorporation of affordable housing provisions in Councils' planning strategies to enable Councils to:

- i. Capture value uplift associated with development through monetary contributions that can be used to provide affordable housing in the region;
- ii. Capture value uplift associated with development through the provision and/or dedication of dwellings for the purpose of affordable housing as part of new developments;
- iii. In retaining these funds or assets, Councils' intentions would be to work across all levels of government and with registered community housing providers with a view to realising the creation of a new sustainable supply of quality affordable rental housing options provided for the community in perpetuity.

3.4 Intergovernmental Considerations

In the international context, such as in Canada and the UK, there is much more activity going on in terms of localised affordable housing investment and development but there is also effective collaboration between levels of Government.

The Vancouver Mayoral Taskforce on Affordability²⁰ notes that intergovernmental considerations include addressing community negativity in relation to suburban high density development the need to make clear to the public that affordable housing is distinct from social housing, especially in terms of community outcomes, including better work-life balance and socio-familial connectivity.

SSROC agrees that getting neighbourhoods to accept higher density housing and alternative housing forms is critical if diversity of housing supply by location, scale and tenure is to be expanded meaningfully. A specific consideration for local government is how to promote housing affordability in local areas without concerning residents and businesses that fear social housing, loss of safety and amenity particularly around transport hubs.

The 'NIMBY' phenomenon is very much a reality for local government and requires patience, perseverance, investment in community consultation and education and, above all, strong leadership at all levels of government to overcome it.

Other intergovernmental considerations listed by the Vancouver Mayoral Taskforce on Affordability Property include:

- Incentives in relation to the long-term affordability and availability of rental units
- Tax Regulations and incentives through property tax regimes;
- Security of tenure in terms of rental rate predictability, stock stability, and availability;
- Opportunity for scales of development that appeal to institutional investment, such as superannuation funds
- Acceleration of active transport infrastructure development in areas of new residential development to reduce private vehicle ownership and operating costs.

In addition to this, it is critical that public transport and opportunities for nearby employment as well as facilities for health, education and commerce support new residential developments in order to reduce cost of living pressures.

4. Conclusion and the way ahead

Local government seeks a holistic, integrated planning response to the issue of housing affordability in NSW in order to provide opportunities for our key workers to live and work locally with the security of tenure that home ownership provides.

This in turn will translate into reduction in local demand for rental accommodation, reduced rental costs and ultimately will relieve increasing demand for governmental housing assistance.

²⁰ Mayor's Task Force on Housing Affordability Academic Working Group – Summary Report, May 2012 <http://mayors-task-force>
31.10.13

SSROC seeks to advocate for changes to NSW planning controls to enable Councils to create opportunities for affordable housing investment in our region, such as through zoning for value uplift, and further seeks to:

- i. Advocate for the delivery of affordable housing through the appropriate allocation of State and Crown assets located across the region;
- ii. Advocate for the inclusion of affordable housing through transport and land-use planning strategies in strategic sites and corridors;
- iii. Advocate for the NSW Government, through the Centre for Affordable Housing, to publish robust data on current and future projected rates of affordable housing provision across the region.

SSROC member Councils look forward to working with the NSW Government to deliver more affordable housing opportunities for our present and future residents. Councils are the gatekeepers of our local areas, and have considerable skill, knowledge and willingness to assist in planning expertise, community consultation, strategic site identification and the facilitation of local affordable housing development projects.