



31 July 2015

City of Sydney  
GPO Box 1591  
SYDNEY NSW 2001

Via email: [socialstrategy@cityofsydney.nsw.gov.au](mailto:socialstrategy@cityofsydney.nsw.gov.au)

To Whom It May Concern

**Re: City of Sydney Housing Issues Paper**

The Southern Sydney Regional Organisation of Councils (SSROC) is an association of sixteen municipal and city councils. SSROC provides a forum for the exchange of ideas between our member councils, and an interface between governments, other councils and key bodies on issues of common interest. Together, our member Councils cover a population of over 1.6 million, or one third of the population of Sydney.

In order to make this submission within the timeframe of the review, it has not been possible for it to be checked with councils or to be endorsed by the ROC. Please therefore consider this submission to be a draft, and I will get in touch if any issues arise as it is reviewed.

Housing is a major concern for the community, particularly housing affordability and ensuring that there is adequate social housing stock available to house those most in need and essential workers. Whilst council is not generally involved in the direct provision of housing services (we note that the City of Sydney is providing funding to projects such as Connect 100), council can play a vital role in setting appropriate development controls and negotiate Voluntary Planning Agreements (VPAs) to ensure affordable housing can exist within their LGAs.

We commend the City of Sydney for its innovative approach to the issues of social housing, affordable housing and homelessness. SSROC offers the following comments as a contribution to the issue. We hope to continue participating in dialogue in relation to the provision of social housing, affordable housing and homelessness services within the City of Sydney and across the region more generally.

**Policy reforms needed to address housing affordability and rental security**

We support the City of Sydney's comments in relation to the need for the development of frameworks for housing diversity, allowing lower cost designs through the planning system and improving tenancy laws to provide certainty to tenants. SSROC understands that



councils can only be a small actor, it is the responsibility of the State and Federal Governments to ensure that these issues are adequately addressed.

We believe that the City of Sydney is well positioned to make an informed and reasoned contribution to this debate. The City of Sydney has already taken action on this issue through the development of an affordable housing strategy. The targets for 7.5% of dwellings to be social housing and 7.5% to be affordable housing is an ambitious yet achievable target. With the social housing waiting list current standing at 59,500, with 86,000 forecast to be on it by 2016 SSROC recognises the immediate action must be taken. The Issues Paper outlines how 1 in 4 of those in the waiting list reside within the central subregion. This highlights that there is a critical shortage of social and affordable housing stock. It will not be addressed by rationing and asset maintenance alone, the overall stock needs to be increased by both Housing NSW and community housing providers.

SSROC notes that the Issues Paper outlines how council can contribute to that, by providing subsidized land for community housing providers, through VPAs and development controls where allowable by legislation.

### **Affordable rental housing supply needs to grow significantly to ensure Sydney's social and economic sustainability**

With vacancy rates at 2%, only 700 dwellings available for essential workers and price growth beyond the growth in income, rental housing supply is at a critical low.

We note that within the City of Sydney, 84% of lower-middle income earners are experiencing housing stress. This is due to the fact that in order to sustain rent on a 2-bedroom unit, annual household income of \$120,000 is required to avoid meeting the definition of housing stress. As outlined in the Issues Paper, median rent in the City of Sydney for a 2-bedroom unit is \$780 compared to the New South Wales average of \$480.

We support the City of Sydney's comments stating that the State and Federal Governments need to have coherent and consistent strategies in place surrounding these issues. As the Issues Paper suggests, this could be achieved through selling crown land for affordable housing development at subsidised rates, greater divestment of public housing to community housing providers and having mandated affordable rental housing targets on development sites. These are practical and achievable policy solutions to a critical issue.

The State and Federal Governments are best positioned to address this issue. SSROC will ensure that we are involved in continual dialogue in order to ensure that this critical issue is addressed, rather than being ignored as it has been in the past.

The Issues Paper outlines that urban renewal presents an opportunity to address this need. Within the Central to Eveleigh corridor, the Bays Precinct, the Green Square development and other Priority Precincts there is scope to increase the number of rentals set aside as affordable housing. Whether this is done by legislative mandate, VPAs or development



controls, the City of Sydney has an opportunity to contribute to a solution to this issue. This is an opportunity that other Councils might also consider where urban renewal is planned.

### **A sustainable model needs to be developed for social housing supply to be viewed as a vital form of social infrastructure**

Social housing has been a vital part of the Australian way of life since the end of the Second World War. It is a way of ensuring that those most in need have basic shelter, which is vital to maintaining quality of life. Viewing social housing as a vital form of social infrastructure is key to ensuring that we continue to provide a vital service to those in need, maintaining the properties appropriately, and also retain a social mix and promote social inclusion within society.

We support the initiatives outlined in the Issues Paper such as the State and Federal Government's building more social housing, providing subsidies for community housing providers and viewing social housing as a key part of social infrastructure. The Issues Paper highlights how social housing within the City of Sydney has fallen from 18.9% of housing stock in 1991 to 10% in the June quarter of 2015. This is a massive reduction and highlights the need to build more social housing.

To build more social housing requires the State and Federal Governments to create an environment where innovative housing solutions can be applied. This may be through such means as cross-sector partnerships between Government and community housing providers, shared ownership schemes or a right to buy scheme for social housing tenants.

The promotion of social housing as a vital form of social infrastructure could also have cultural benefits attached to it. It could help to reduce the stigma that some social housing tenants face. This could be a byproduct of changing how social housing is viewed by Governments. This additional benefit may be realized through a 'trickle-down' effect from the Government, to the broader community.

### **Investment to expand innovative housing models is critical to ending homelessness**

The Issues Paper outlines the success of Platform 70 and the Camperdown Project. It notes that due to projects such as these, there was a 34% reduction in rough sleepers within the City of Sydney from February 2010 to August 2012. These represent innovative solutions to addressing the issue of homelessness. Combining support services with long-term accommodation is vital to ensuring those most in need are supported, both in medical terms and with employment services if able to work.

SSROC supports the City of Sydney's call to further develop innovative models to address homelessness. This could be achieved through cross-sector partnerships, social enterprise or Government action.

A major issue with addressing this need is the uncertainty surrounding Government funding in the area of homelessness. The State Government has provided \$515 million over 3 years



for Specialist Homeless Services, and the Federal Government has put forward \$115 million towards the National Partnership Agreement on Homelessness in 2015-16. Whilst this money is to be welcomed, there needs to be long-term funding commitments in order to provide certainty for stakeholders working within homelessness so that long-term projects can be undertaken with reduced risk.

### **Housing and infrastructure delivery need to be integrated through Sydney metropolitan planning for sustainable growth**

Greater coordination is needed between the State Government and Local Government. SSROC is concerned that the subregional planning process currently under way may focus on housing as an issue in isolation, to the detriment of closely related issues such as critical social infrastructure. There is a risk that a focus on housing in isolation will not address the need for an appropriate level of amenity, place-making or a sense of community. While subregional planning is promoted in *A Plan for Growing Sydney* as “a partnership between State Government, local councils and the community”<sup>1</sup> the exclusion of councils from the drafting and finalisation of the plans does not reflect a “partnership”.

A model that has been proven to be quite successful is the coordination between the State Government and Local Government on the Parramatta Renewal project. This brought council officers directly into the project office ensuring that council input was central at all times. We would like to see this model way of working expanded to other projects, and the influence of the local councils reflected in development plans, to gain broader coordination and a partnership-based relationship between the State Government and councils.

The Issues Paper is correct in pointing out that the Department of Planning needs to work with Transport for NSW to ensure that development and transport planning are coordinated to meet the needs of metropolitan Sydney. An example of this was a recent admission from the Minister for Transport, Andrew Constance that Green Square is going to need light rail in order to relieve future congestion problems<sup>2</sup>. This admission comes despite no published State Government document showing that it is even being considered at this stage.

The Issues Paper also sets out the need for more social infrastructure, such as schools and hospitals, as the population grows within the City of Sydney and in surrounding areas. SSROC is strongly of the view that social infrastructure is a critical element of any development, and must be planned for simultaneously with any housing development. This needs to occur in conjunction with planning and transport planning to ensure that this infrastructure is placed in places close to transport without heavily impacting on the livability and amenity of an area.

---

<sup>1</sup> *A Plan for Growing Sydney*, p18.

<sup>2</sup> <http://www.smh.com.au/nsw/green-square-needs-light-rail-transport-minister-says-in-break-from-past-20150728-gim2x8.html>

## General

The State Government has set aside \$7 million to establish the Greater Sydney Commission (GSC) in the 2015-16 budget. Beyond the GSC having strategic oversight for the implementation of *A Plan for Growing Sydney*, it is currently unclear how it will be constituted or how it will functionally operate. This poses problems for housing affordability and social housing, as these issues may fall under the GSC's remit, but no one knows before draft legislation is released.

The Issues Paper outlines a number of practical solutions to dealing with housing affordability, social housing and homelessness. However, as with the GSC it is unclear what will be included within the subregional plans at this stage. This poses a problem for the City of Sydney and all Sydney councils as it prevents planners and transport planners from being able to come up with effective solutions, since they are not aware of the full extent of the State Government's plans at this stage. This hinders the City of Sydney's ability to set the appropriate development controls and makes negotiating VPAs more complex as the planning processes remain unclear at this stage.

The Issues Paper details the need for innovative housing models. An article in the *Sydney Morning Herald* on 18 July 2015 outlined how people looking to buy were joining together to buy land, and build apartments as a collective<sup>3</sup>. This model removes developers from the process, and one collective even set aside an apartment for newly arrived refugees within their development. This represents an innovative model which could be employed, if feasible, to address the issue of housing affordability within the City of Sydney.

Thank you for the opportunity to comment on the Issues Paper.

Yours sincerely



Namoi Dougall  
General Manager  
Southern Sydney Regional Organisation of Councils Inc.

---

<sup>3</sup> <http://www.smh.com.au/nsw/addressing-housing-affordability-german-style-20150717-gie68u.html>