



31st March 2017

Greater Sydney Commission
Draft District Plans
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Dear Commissioners,

Draft District Plans

SVDP welcomes the opportunity to provide feedback on the *Draft District Plans, Towards Our Greater Sydney 2056* and the *Affordable Rental Housing Targets Consultation* paper of 10th March 2017.

The St Vincent de Paul Society assists some of the most disadvantaged and marginalised members of the community. With over 20,000 members, volunteers and staff, we aspire for a more compassionate and equitable society where everyone can live in dignity.

In November 2016, we launched the *Right to Home* campaign for more affordable housing in NSW. The support from community members has been tremendous. In just a few months, more than 16,000 people have signed our petition to require that at least fifteen per cent of new developments be set aside for affordable housing in NSW. A copy of the petition, which will soon be presented in Parliament, is attached as Appendix 1.

Whilst we are pleased that the Greater Sydney Commission is considering a scheme centred on councils and community housing providers to deliver more affordable housing, we are disappointed by the target of five to ten per cent. We hope that the Commission will consider improving the District Plans by:

1. **Adopting a high-level target for the delivery of affordable housing in Greater Sydney by 2036**
2. **Improving the proposed affordable housing scheme by:**
 - Applying the proposed target to the total floor space area;
 - increasing the target to 15% of the total floor area on privately-owned land;
 - increasing the target to 30% of the total floor area on government-owned land; and
 - broadening the eligibility criteria to moderate income earners.
3. **Supporting Local Governments' inclusionary housing schemes**

I look forward to working with you to make sure that everyone gets to live in dignity in our future city.

Yours sincerely,

Jack de Groot
Chief Executive Officer

Who we are

St Vincent de Paul Society NSW has been assisting marginalised and disadvantaged people in New South Wales for more than 130 years. Our services include specialist homelessness services; assistance to migrants and refugees; home visitation; assistance centres; mental health programs; disability services; drug, alcohol and gambling counselling services; financial counselling; food vans; and rural taskforce assistance.¹

St Vincent de Paul Society NSW welcomes the opportunity to provide feedback on the *Draft District Plans, Towards Our Greater Sydney 2056* and the *Affordable Rental Housing Targets Consultation* paper of 10th March 2017. The lack of affordable housing is a major concern for the vast majority of the people who seek our assistance and we are pleased that it features in the Greater Sydney Commission's District Plans.

Assisting people who need a home is at the core of what we do. We respond to those who are in crisis situations and urgently need support. In 2015/2016, SVDP Support Services, a leading provider of specialist homelessness services in NSW, provided 123,230 bed nights and casework support.

We also work to empower people who have been failed by the housing system and seek to provide them with safe, stable and enabling homes. Our community housing provider Amélie Housing is primarily concerned with the development and management of affordable housing for people experiencing housing stress and disadvantage. Under the NSW Government's Social and Affordable Housing Fund (SAHF), Amélie Housing will deliver five hundred new units of social (seventy per cent) and affordable (thirty per cent) dwellings across the state, helping those who are locked out of the expensive rental market to access homes that are affordable.

Making affordable rental housing a priority

Our submission focuses on the need for affordable housing, specifically rental housing that is affordable for people on lower incomes. We are primarily concerned with making sure that the people we assist, who overwhelmingly rent in the social or private housing sector, become a priority for the NSW Government and can live in dignity in our future city.

Our vision is for a city where people from all socio-economic backgrounds can get a chance to live in accessible, safe, affordable, stable and enabling homes. It is a vision for a city where each neighbourhood is home to communities who are economically, socially and culturally diverse, rather than a collection of enclaves segregated by wealth.

There is a dramatic lack of social and affordable housing properties available for people on lower incomes, which has far-reaching consequences for people who are experiencing housing stress, as well as for specialist homelessness services. Some of the statistics below are well-known but worth stressing in the context of the systemic failures that have had the effect of encouraging speculation in the housing sector rather than delivering homes that people can afford to live in:

- **There were over 60,000 applicants on the social housing wait list in 2015**, with wait times exceeding ten years on average in areas of highest need like Sydney.² This number is outdated (the Department of Family and Community Services (FACS) has not published an up-to-date number since 2015, despite requests for information) and only represents

¹ See [St Vincent de Paul Society NSW Annual Report 2015-2016](#).

² NSW Department of Family and Community Services, Housing Pathways, [Expected Waiting Times](#) [accessed 24/03/2017].

expressed demand. This number could be even higher if it included the unexpressed demand of people who do not apply for social housing although they would be eligible, or whose application have been discarded due to a failure to meet FACS' communication and documentation requirements.

To maintain the (occupied) social housing stock at its current 4.8% share of the (occupied) dwelling stock in NSW, an additional 2,000 dwellings are needed each year.³ In the meantime, the lack of social housing properties means that thousands of people are left struggling in the private rental sector.

- **Less than 1% of rental homes in Greater Sydney and the Illawarra Region are appropriate and affordable for households on Government income support payment.**⁴

Almost 94% of the people that are assisted by our members receive some form of Centrelink payment with the three most commonly reported primary income sources being Disability Support pension, Newstart and Parenting benefit. 41% of the clients assisted by our members lived in private rental accommodation while 36% lived in Government housing. 17% were homeless or in temporary accommodation.⁵

The construction of 2,900 new dwellings each year is needed to ensure that lower income households who currently face housing stress in the private rental market in NSW are affordably housed.⁶

- The lack of social and affordable housing also affects specialist homelessness service delivery. 279,000 people were assisted by specialist homelessness agencies across Australia in 2015-2016, equivalent to 1 in 85 Australians. **275 requests for assistance were unable to be met each day, mainly due to a lack of crisis accommodation.**⁷ Evidence has shown that the effectiveness of specialist homelessness services is largely dependent on the availability of housing that is affordable for people on lower-incomes⁸ – housing that is also stable, well-located (close to jobs, public transport, educational, health and other services), appropriate (for family size, disability, ageing, cultural and other needs), safe and enabling.

St Vincent de Paul Society sees the people behind these statistics every day. For the men and women who struggle to make ends meet, the lack of affordable housing means living in indecent conditions, having to commute long hours to work and in the most tragic of cases staying at home with a violent partner. This shortage is the result of systemic failures that are shaking social cohesion.

In light of these statistics, we believe that affordable housing should be front and centre in the Commission's district plans. Whilst we are pleased that a scheme to deliver more affordable housing is being considered, we are incredibly disappointed by the proposed targets.

³ Judy Yates, 2015, [Addressing the Housing Affordability Crisis: Basis for an estimated need of 100,000 social housing dwelling in NSW over the next two decades](#), University of Sydney [accessed 24/03/2017].

⁴ See [Anglicare, 2016 Rental Affordability Snapshot, April 2016](#) [accessed 24/03/2017].

⁵ St Vincent de Paul Society NSW, *Snapshot of assistance provided by the Conferences in Q1 2016-17*.

⁶ Judy Yates, 2015, [Addressing the Housing Affordability Crisis: Basis for an estimated need of 100,000 social housing dwelling in NSW over the next two decades](#), University of Sydney [accessed 24/03/2017].

⁷ See Australian Institute of Health and Welfare, [Specialist Homelessness Services 2015-16](#) [accessed 24/03/2017].

⁸ NSW Department of Family and Community Services, [Homelessness Action Plan Evaluation Strategy Evidence Note No. 7](#) [accessed 24/03/2017].

St Vincent de Paul Society acknowledges that fixing the disconnection between rents and income levels, and more broadly reverting growing inequalities, is an enormous task that requires changes to policy levers controlled by various levels of Government, which we have addressed in a number of other submissions.⁹

However, planning rules are a powerful instrument that is currently under-utilised by the NSW Government to deliver affordable housing. The NSW Government should be encouraged to use it unsparingly to make sure everyone in our great city has a home.

Recommendations

We are pleased that the Greater Sydney Commission is considering a scheme to deliver more affordable housing, consistent with the Commission's statutory objective to 'promote the supply of housing, including affordable housing'.¹⁰ However, we are incredibly disappointed by the proposed targets and are hopeful that the Commission will consider amending the scheme to deliver more affordable rental housing by:

1. Adopting a high-level target for the delivery of social and affordable housing by 2036

The absence of an overall target for social and affordable housing in our future city is a major shortcoming of *Towards our Greater Sydney* and the *District Plans*. A high-level target is an essential tool for a whole-of-government approach to solving the housing crisis and accountability before constituents. All levers of government should be mobilised to deliver measurable outcomes.

A Plan for Growing Sydney included a target for 664,000 additional homes over the next 20 years. Yet, the plan did not have any targets for affordable rental housing (targets that would help to ensure that lower-income households are able to enjoy the benefits of 'a strong global city, a great place to live').

Towards Our Greater Sydney 2056 aims to accommodate 1.74 million additional people and more than 725,000 new homes but does not have any high-level targets for affordable rental housing either.

The St Vincent de Paul Society therefore recommends adopting a high-level target for the delivery of social and affordable housing, which should be included in the Greater Sydney Commission's modelling. The Department of Planning should establish predictions for the needs of social and affordable housing within the Greater Sydney area's boundaries and make these predictions publicly available.

⁹ This includes: St Vincent de Paul Society submission to the NSW Department of FACS in response to Foundations for Change: Homelessness in NSW, 2016; [Homelessness services: considerations for funding and policy reform, August 2016](#); Submission to the Productivity Commission Inquiry into Human Services: Identifying sectors for reform, August 2016; [Submission to Senate Economics Committee regarding the Inquiry into Affordable Housing, 2014](#); [Submission on 'Social Housing in NSW: A Discussion Paper for Input and Comment', 2015](#); Submission to the Legislative Council Select Committee on Social, Public and Affordable Housing, Inquiry into Social, Public and Affordable Housing, 2014.

¹⁰ Greater Sydney Commission Act 2015, Sect 9.

2. Improving the proposed affordable housing scheme by...

2.1 ... applying the target to the total floor area

We are pleased that the Greater Sydney Commission is considering a scheme to deliver more affordable housing. However, we are concerned that the inclusionary targets will only be applied to the 'uplift' or 'new floor space' of a development. The idea of sharing the incremental increase, not the value of the land in total, is a break from the existing exclusionary zoning schemes in Sydney. A five to ten per cent inclusion rate only on the uplift would result in a very small number of affordable homes being built.

We recommend that the inclusionary targets apply to the total floor space.

2.2 ... increasing the target to 15% of the total floor area on privately-owned land

The St Vincent de Paul Society wishes to reiterate the point made by numerous organisations, including Homelessness NSW, Churches Housing, Shelter NSW, Uniting and others in writing and during public consultations organised by the Greater Sydney Commission, that the proposed five to ten per cent target is extremely disappointing and completely disconnected from the considerable and pressing needs for more affordable rental housing.

Over 16,000 people have signed our petition, which asks the NSW Parliament to introduce a requirement for new developments to set aside at least fifteen per cent for affordable housing. This petition echoes the repeated calls for new inclusionary zoning requirements to be adopted in NSW¹¹, with at least fifteen per cent considered by a large coalition of faith-based organisations, welfare groups, academics and unions as an appropriate target.¹²

Large property developing groups operating in New South Wales are used to inclusionary zoning requirements above fifteen per cent in other jurisdictions, which have not substantially shaken their business model. In South Australia for instance, the state's Housing Plan and fifteen per cent target delivered 1,223 affordable home in 2013 alone, with a further 2,793 affordable homes committed to be built in future developments.¹³

New York City is another example of a successful housing policy that includes an inclusionary zoning scheme. The *Housing New York* plan has financed 62,506 affordable homes since its inception in 2014 - breaking records for most new construction financed for a consecutive three years with 20,854 total homes financed. The New York administration is ahead of schedule to reach its goal of creating or preserving 200,000 units of affordable housing in ten years.¹⁴

¹¹ See for instance the '[Open letter to the NSW Premier and Planning Minister](#)' of August 2016 signed by Wendy Hayhurst (CEO, NSW Federation of Housing Associations), Katherine McKernan (CEO, Homelessness NSW), Professor Peter Phibbs (Faculty of Architecture, Design and Planning), Professor Bill Randolph (Director, City Futures, UNSW), Dr Tim Williams (CEO, Committee for Sydney).

¹² See for instance [Open letter to the Premier](#) of November 2016 endorsed by Anglicare, Baptist Churches NSW & ACT, BaptistCare, Catholic Archdiocese of Sydney, Catholic Diocese of Parramatta, CatholicCare Sydney, Churches Housing, Inner South West Community Development Organisation, Jewish House, Marist 180, Mission Australia, National Tertiary Education Union, NSW Branch, National Zakat Foundation, Rail, Tram and Bus Union, NSW Branch, Settlement Services International Shelter NSW, St Vincent de Paul Society NSW, Sydney Alliance, Tenants Union, United Muslim Women's Association, United Voice, NSW Branch, Uniting, Uniting Church Synod NSW & ACT, Y-Foundations, Youth Action. See also Homelessness NSW, [Submission to the Greater Sydney Commission's draft District Plans](#) [accessed 24/03/2017].

¹³ See [AHURI, Increasing the supply of affordable housing for low income tenants](#).

¹⁴ See [Housing New York Three Years of Progress](#) [accessed 24/03/2017].

Part of New York City's success is due to a pioneering program to make affordable housing mandatory and permanent wherever new housing capacity is approved through land use actions.¹⁵ The program allows the New York City Council to legislate up to four options that developers can choose between in providing affordable housing:

- Option 1: 25% set aside at an average of 60% Area Median Income (AMI)
- Option 2: 30% set aside at an average of 80% AMI
- Option 3: 20% set aside at an average of 40% AMI
- Option 4: 30% set aside at an average of 115% AMI (available in limited areas)

We therefore recommend a target of at least 15% on privately-owned land.

2.3 ... increasing the target to 30% of the total floor area on government-owned land

On Government-owned land, higher mandatory target requirements would be sensible.

With clear mandatory targets, Urban Growth NSW projects could boost the supply of affordable housing. The 'Parramatta Road Urban Transformation' project alone could deliver up to 40,000 homes over the next 30 years, but none of these will be affordable unless the Government adopts inclusionary zoning requirements. The Bays Precinct and the Central to Eveleigh Urban Transformation programmes could also deliver large numbers of affordable housing close to transport, jobs and services.¹⁶

The Glebe Cowper street redevelopment project provides a good example of a redevelopment that includes social housing, affordable housing and mainstream private rentals. This could be replicated in other areas as well. About half of the 500-apartment Glebe development will be private apartments, with proceeds from their sale to fund the remaining half of the development, which includes about 159 social housing units and 91 affordable dwellings.¹⁷

We recommend that the inclusionary targets be of at least 30% on publicly-owned land.

2.4 ... broadening the eligibility criteria to ensure an appropriate social mix and the sustainability of the affordable housing sector

The range of household incomes for tenant eligibility is different from other NSW Government-supported affordable housing schemes under the Environmental Planning and Assessment Act. Schemes under the Act allow allocations to moderate-income households (80% to 120% of median income) as well as to very-low and low-income households.

We believe that allowing a greater mix of households is essential to avoiding geographical segregation and to guaranteeing the sustainability of the community housing business model, which relies partially on cross-subsidisation opportunities to fill the lack of government subsidies.

We therefore recommend broadening the eligibility criteria to moderate income earners.

2.5 ... confirming the role of community housing providers and councils

¹⁵ See Housing New York, [Mandatory inclusionary Zoning](#) (MIZ) [accessed 24/03/2017].

¹⁶ See [Urban Growth NSW, Central to Eveleigh Urban Transformation & Transport Program](#).

¹⁷ NSW Department of Community and Family Services, [Cowper Street Glebe Project](#) [accessed 24/03/2017].

We understand that the role of community housing providers will be central in the scheme, which would guarantee that new units of housing are properly managed and permanently affordable for people on very low and low incomes. Evidence has shown that community housing providers deliver positive outcomes and high levels of satisfaction for tenants.¹⁸

St Vincent de Paul Society endorses the proposition contained in the *Affordable Rental Housing Targets Consultation Paper's* (10th March 2017) according to which *"the base case model for the Affordable rental Housing targets is that once finished dwellings are completed, title for the dwellings is transferred from the land owner/developer to the affordable rental housing owner. The desired outcome is for Community housing providers to be the long-term owners and managers of permanent stock but options for councils to own properties may be beneficial."*

3. Supporting Local Government's inclusionary housing schemes

Over the past two years, members of the St Vincent de Paul Society have visited their local Councils across the Greater Sydney area to seek more interventions for affordable housing. The overwhelming feedback shared by counsellors was that despite their willingness to deliver more affordable housing, they faced a number of obstacles at State Government level.

State governments of all persuasions have discouraged and obstructed councils from preparing inclusionary zoning schemes over their own in the last fifteen years. There is only a small number of Local Government Areas included in the *State Environmental Policy 70 – Affordable Housing*, which confirms the limited capacity of local governments to take action.

St Vincent de Paul Society supports the call from several Councils to be included in SEPP 70. For instance, the Inner West Council's draft affordable housing policy notes that the Council *"will advocate to the State Government for the Inner West Council area and/or areas to be rezoned to be included within in SEPP 70 (Affordable Housing) under the provision of s94F of the Act, allowing Council to provide for a mandatory affordable housing contribution under its LEP."*¹⁹

St Vincent de Paul Society also supports the City of Sydney's recent proposal to expand the Council's current affordable housing policy, which operates only in parts of the city, across the whole council area to boost the number of low-income homes by 40 per cent.²⁰

We therefore recommend:

- *Naming all local government areas in Greater Sydney as having a need for affordable housing (SEPP 70)*
- *Encouraging all local councils in Greater Sydney to prepare local inclusionary-housing schemes and to amend their local environmental plans to operationalise such schemes, under section 94F of the Environmental Planning and Assessment Act*
- *Agreeing to councils' planning proposals for local inclusionary-housing schemes, under section 94F of the Environmental Planning and Assessment Act*

¹⁸ The NSW Federation of Housing Associations found that on average, 84% of community housing tenants were overall satisfied. See [Community Housing Tenant Satisfaction Benchmark](#), November 2014.

¹⁹ Inner West Council, [Draft Affordable Housing Policy](#) [accessed 24/03/2017].

²⁰ Sydney Morning Herald, [City of Sydney's proposal to force developers to contribute to affordable housing](#) [accessed 24/03/2017].

APPENDIX 1 : PETITION

To the Honourable the Speaker and Members of the Legislative Assembly of New South Wales in the Parliaments Assembled.

This petition of *residents of New South Wales* brings to the attention of the House the urgent need for the NSW Government to deliver more **affordable housing**.

75 per cent of low income households are experiencing rental stress and there are over 28,000 people experiencing homelessness in New South Wales, according to the latest Census data (2011). Increasingly, teachers, childcare professionals, nurses and other workers who provide essential services to the community struggle to find affordable accommodation close to work.

While thousands of new units are being built for high income earners in areas close to transport and jobs, lower to middle income earners are being left out. We are calling on the NSW Government to provide adequate and affordable housing for its residents. Everyone has the right to a home.

The undersigned petitioners therefore ask the Legislative Assembly to immediately introduce legislation to require that a percentage of all new residential developments – at least 15% – be set aside for affordable housing.

Name	Address	Signature

*Authorised by Jack De Groot, CEO St Vincent de Paul Society NSW, PO Box 5 PETERSHAM NSW 2049.
Please mail original signed petition to the address above.*