



St Vincent de Paul Society  
NSW  
*good works*

# Submission to the Greater Cities Commission's Discussion Paper on the Six Cities Region

27 October 2022

## Acknowledgement of Country

The St Vincent de Paul Society acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the land on which we live and work, with deep respect. May Elders, past and present, be blessed and honoured. May we join together and build a future based on compassion, justice, hope, faith, and reconciliation.

## About the St Vincent de Paul Society in NSW

In 1833 in Paris, 20-year-old student Frederic Ozanam resolved to do what he could to bear witness to his Christian upbringing by assisting those less fortunate in the community. Together with a group of friends, he sought the advice of Sr Rosalie Rendu, who guided their approach towards one that affirms the dignity of each human being and invites a deep relationship of solidarity.

Declaring that no form of charity would be foreign to their work, the first 'Conference of Charity' has since grown into a worldwide movement that continues to seek out and address poverty in all its forms.

In NSW, the Society was established over 140 years ago. It now has over 3,500 members who offer material and financial assistance to people in their communities as well as companionship and social support. Professional services have been established in response to the needs of people at risk of or experiencing homelessness, people with disability, people seeking support in relation to alcohol and other drug use, and people experiencing other forms of exclusion.

Our homelessness services have an increasingly strong focus on prevention and early intervention. Members of the Society who visit people who need help in their homes, refer those at risk to our services, where we offer case management, support services, and referral to other agencies to help keep people at home. Specialist responses are provided for women and children wishing to leave family and domestic violence while retaining existing housing.

Where people experience homelessness, the Society seeks to ensure they can move into permanent accommodation, supported by wrap-around services, as quickly as possible. Through our community housing provider, Amélie Housing, we provide social and affordable housing with tailored support to meet the needs of the growing number of people locked out of the private rental market.

The Society also offers transitional accommodation with case management to support people to secure and maintain their own tenancies in the community, and crisis accommodation for those experiencing homelessness.

In 2021-22, our specialist homelessness services supported 8,607 people. A further 29,124 people accessed our drop-in homelessness hubs in Northern NSW.

Together with the NSW Government and other NGO partners, the Society is also a signatory to the End Street Sleeping Collaboration, which seeks to halve the number of people experiencing street homelessness by 2025 and work towards zero street homelessness across NSW.

# 1. Introduction

The Society thanks the Greater Cities Commission for the opportunity to comment on the Six Cities Region Discussion Paper. We want to ensure the new global cities region is a just and inclusive region to live, work and play for people regardless of their income or background, in keeping with our aspiration to shape a more just and compassionate society.

As a provider of housing and homelessness services, we have a particular interest in ensuring that everyone, particularly the most vulnerable people in our community, have a safe, secure and affordable place to call home. As such, this submission focuses on the region shaper for housing supply, diversity and affordability.

We begin our submission by commenting on the lack of affordable housing, the impact this has on the vulnerable people that the Society assists and the need for greater deliver of social and affordable housing. We then address the discussion paper's vision and proposed region shapers specifically on housing, making specific recommendations to strengthen the delivery of social and affordable housing for current and future generations of the Six Cities Region.

## 2. Recommendations

1. The new Six Cities Regional Plan should recognise the role of the community housing sector in providing affordable homes.
2. The City Plans should set targets for 15 percent of any housing delivered within 800m of a strategic centre or transport hub to be affordable rental housing in perpetuity, and the delivery of this housing should be managed by Community Housing Providers.
3. The target to improve delivery of affordable housing should be set at 15 percent for new rezonings where there will be a housing uplift, and this affordable housing should be required to be managed in perpetuity by a Community Housing Provider.
4. There should be transparent monitoring and reporting of the delivery of affordable rental housing under the Six Cities Regional Plan.
5. The target for the delivery of social and affordable housing on government land should be at least 30 percent of the total development.

## 3. Response to the Six Cities Discussion Paper: Housing supply, diversity and affordability

### 3.1. Comments on the lack of affordable housing

#### 3.1.1. Greater Sydney and surrounds is experiencing a housing crisis

Like other community stakeholders acknowledged in the discussion paper, the Society contends that a lack of affordable housing is one of the most significant issues facing Greater Sydney and regional NSW. Housing is the basis of stability and security for people and their families. It is the centre of our social, emotional and for many since the pandemic, economic lives. But a growing number of people in Greater Sydney cannot access a home that meets their needs at a price they can afford.

It is now undisputed that Australia is experiencing a housing crisis. Along with spiralling property prices, median rents for a house in Greater Sydney have increased by 9% in the last year alone, significantly more than inflation and wages growth.<sup>1</sup> Rental vacancy rates remain at all-time low of 1.3% in Sydney.<sup>2</sup> The situation is particularly acute in surrounding areas that have received an influx of city residents during the pandemic such as the Central Coast and the Illawarra where vacancy rates are below 1 per cent.<sup>3</sup>

The result of this price squeeze is that thousands of people now live in chronic housing and rental stress. ABS 2021 Census data shows that more than one-third (35.3%) of renters in Greater Sydney are in housing stress<sup>4</sup> and around one-fifth of homeowners in Greater Sydney are in housing stress<sup>5</sup>. Lower-income households in particular are spending more of their income on housing, with ABS 2021 Census data showing that housing stress is highest in lower-income districts of the city such as some areas of Western Sydney.<sup>6</sup>

#### 3.1.2. The housing crisis has the greatest impact on the most vulnerable in our society

The increasingly high cost of housing means that people are having to forego essentials such as health care, food, and warmth, to keep a roof over their heads. People on lower incomes have no option but to live in housing that is poorly built or maintained. A growing number of older people and people with disability are unable to find a suitable home. And more women are being left with no choice but to stay with a violent partner. Rising housing costs also contribute to more people being pushed into homelessness.

Members of the Society and our Vinnies Services employees are deeply concerned by the growing housing crisis and its impact on people in need of support. The failure to match increased demand for housing with an increased supply of social, affordable and crisis housing directly impacts the people we seek to assist, who are some of the most vulnerable in our society.

Members of the Society provide financial and social support to people struggling to make ends meet or experiencing crisis. But our members' capacity to help people achieve lasting change has been challenged due to the ongoing lack of appropriate housing. Most clients that our members assist experience

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<sup>1</sup> As at August 2022. Source: Wade M, 4 July 2022, 'The system is creaking': Sydney's housing stress hotspots revealed, The Sydney Morning Herald, <https://www.smh.com.au/national/nsw/the-system-is-creaking-sydney-s-housing-stress-hotspots-revealed-20220703-p5aypr.html>

<sup>2</sup> As of September 2022, Source: SQM Research, *Residential Vacancy Rates: Sydney*, accessed 24 October 2022, [https://sqmresearch.com.au/graph\\_vacancy.php?region=nsw%3A%3ASydney&type=c&t=1](https://sqmresearch.com.au/graph_vacancy.php?region=nsw%3A%3ASydney&type=c&t=1)

<sup>3</sup> Vacancy rates were 0.9% in both the Central Coast and Wollongong as at September 2022, Source: SQM Research, *Residential Vacancy Rates: Sydney*, accessed 24 October 2022, [https://sqmresearch.com.au/graph\\_vacancy.php?region=nsw%3A%3ASydney&type=c&t=1](https://sqmresearch.com.au/graph_vacancy.php?region=nsw%3A%3ASydney&type=c&t=1)

<sup>4</sup> Where rent repayments are greater than 30 per cent of income

<sup>5</sup> Where mortgage repayments are greater than 30 per cent of income

<sup>6</sup> Wade M, 4 July 2022, 'The system is creaking': Sydney's housing stress hotspots revealed, The Sydney Morning Herald, <https://www.smh.com.au/national/nsw/the-system-is-creaking-sydney-s-housing-stress-hotspots-revealed-20220703-p5aypr.html>

considerable rental stress and require regular financial or material relief. They have no choice but to routinely rely on food vouchers and other forms of short-term support.

Previously, members supported people as they accessed and then maintained affordable or social housing. Yet now they report that it is has become increasingly difficult to address people's fundamental need for an affordable place to call home and this makes it hard, or even impossible, for people to address other issues in their lives. The situation is also impacting members of the Society and others in caring professions who describe feeling disillusioned by the inadequacy of the supports they are able to provide.

Equally, Vinnies housing and homelessness services report overwhelming demand for services and they are seeing many more people than they are funded to assist. For instance, our Matthew Talbot Centre in Newcastle supported 473 men and men with children who are homeless or at risk of homelessness in just the first quarter of 2022-23, more than half of the clients it is funded by government to assist for the entire year. The service used to be able to place clients in priority social housing within three to six months, but now often finds that due to housing shortages, it may take around 16 months to place some clients.

The lack of access to housing compounds other forms of disadvantage, and can contribute to, or exacerbate mental health issues, poor physical health, drug and alcohol misuse, involvement with child protection, and contact with the criminal justice system. Conversely, housing can provide the stable base from which people can turn around their lives. No longer preoccupied with where they are going to sleep each night and whether they will be safe, people can start to focus on addressing their health needs, healing relationships, engaging in training, and securing employment.

### *3.1.3. Need for more social and affordable housing*

The need for more social and affordable housing has been an urgent priority for some time. Decades of government under-investment in social housing has caused the gap between the number of homes, and the number of people in need, to widen. Social housing is now at an historic low, comprising only 4.7% of the housing market.<sup>7</sup> There are almost 50,000 eligible households – over 100,000 people<sup>8</sup> – on the social housing waitlist across NSW.<sup>9</sup> Recent public commitments from the NSW Government total 9,386 new dwellings. While welcome, this commitment falls substantially short of what is required to meet the demand for social housing.

With the population of NSW projected to grow by 40% in the next forty years - requiring 1.7 million new homes across the state - the need for social housing will also increase. This will also be true of the Six Cities Region which will house the bulk of the NSW population. And as our population ages, more older renters will need social housing to avoid being trapped in poverty.<sup>10</sup> NSW Treasury's 2021-22 Intergenerational Report predicts that if the decline in home ownership continues in line with historical trends, this will result in additional demand of 24,000 social housing homes for people over the age of 65 by 2041.

More social and affordable housing homes would give thousands of people the opportunity to break free from the grip of poverty. The Society's research shows that 5,000 homes per year would house 16,000

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<sup>7</sup> AIHW (2022) Housing assistance in Australia. Available at <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/about>

<sup>8</sup> Evidence given by the Department of Communities & Justice in Budget Estimates 2019-2020 advised that multiplying the number of applicants by 2.2 gives the approximate number of people waiting for social housing.

<sup>9</sup> NSW Department of Family & Community Services (2016) [Expected Waiting Times](#)

<sup>10</sup> The Treasurer's 2021-22 NSW Intergenerational Report estimates that demand for social housing amongst people over the age of 65 will increase by 68,000 households if the home ownership rate amongst retirees remains steady

people experiencing homelessness and provide reprieve for 33,000 households experiencing housing stress.<sup>11</sup>

Equity Economics has reported that, across NSW, investing in 5,000 additional social and affordable housing properties would support 16,200 construction jobs.<sup>xiii</sup> Modelling commissioned by the Community Housing Industry Association and National Shelter found a four-year social housing building program of 30,000 homes would create up to 18,000 full-time equivalent jobs each year.

The need for significantly more social and affordable housing has been recognised across a range of NSW Government policy processes:

- The Parliamentary Committee Inquiry into homelessness amongst older people aged over 55 in NSW (2022) which recommended improving and expanding the stock of social and affordable housing.
- The Parliamentary Committee Inquiry into improving access to existing and alternate accommodation to address the social housing shortage (2022) recommended the Government continues to increase investment in the provision and maintenance of public and social housing to address the critical shortage of housing options.
- The Regional Housing Taskforce (2021) acknowledged that the planning system has significant scope to improve the delivery of new social and affordable housing in the regions, while recognising that sustained financial commitment is needed by Government.<sup>12</sup>
- The State Infrastructure Strategy 2022-2042 (2022) acknowledged that the lag in social housing supply and the misalignment in housing type, size and location remains ‘unfinished business’ and recommended that social housing supply and maintenance form a part of a committed future investment program.<sup>13</sup>
- The Independent Flood Inquiry recommend that additional State Government funding be invested to grow the stock of social and affordable housing, including a co-contribution grant funding program to accelerate investment by the community housing and private sectors.<sup>14</sup>

With these social and economic imperatives in mind, the Six Cities Regional Plan must recognise current and projected demand for social housing and seek to support the delivery of new social and affordable housing at the scale required. Planning settings should also help ensure new social housing homes are located close to services, transport, and employment opportunities, and are climate resilient with enhanced energy efficiency, thermal performance and water use standards.

## 3.2. Vision for the Six Cities Region

The Society welcomes the Discussion Paper’s recognition that a place to call home is essential to people’s wellbeing along with its vision that everyone has access to a quality home that is connected, resilient, affordable, and which meets their needs. We support the proposed aspiration for a large-scale program of building social and affordable housing, including key worker housing, so that people on low-to-moderate incomes can meet their other costs of living.

While we are pleased to see the Discussion Paper identify the shared responsibility of all levels of government and the private sector to provide affordable homes that support good lives, the role of the community housing sector must also be recognised as an essential partner in the housing system. For

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<sup>11</sup> Centre for Social Impact (2022) Social Housing in NSW – Future Impact.

<sup>12</sup> NSW Department of Planning, Industry and Environment (2021) Regional Housing Taskforce: Recommendations Report.

<sup>13</sup> Infrastructure NSW (2022) Staying Ahead: State Infrastructure Strategy 2022-2042.

<sup>14</sup> 2022 Flood Inquiry (2022) Volume Two: Full report.

instance, the Society's community housing provider, Amélie Housing, has successfully delivered 150 new affordable housing homes (in addition to 352 social housing homes) through the Social and Affordable Housing Fund but could seek to allocate additional land to deliver more affordable housing to low- and moderate-income earners should the requisite funding be available.

**Recommendation:**

That the next Six Cities regional plan recognises the role of the community housing sector in providing affordable homes.

### 3.3. Proposed actions to progress the region shaper on housing

While the Discussion Paper outlines a commendable vision for the Six Cities Region, these plans will only become a reality for the nearly 6.3 million people who currently reside in the Region if they are reinforced with clear, bold actions for increased housing supply, particularly social and affordable housing, supported by measurable targets with transparent monitoring and reporting.

#### *3.3.1. City Plans to set housing targets (3.1)*

The Society welcomes the proposal for City Plans to set five-, 10- and 20-year housing targets for each Local Government Area, including for affordable housing. Delivery of significantly more housing supply to account for current unmet need and projected future demand could free-up less expensive housing stock long term, making rents more affordable for low-income earners.

Yet it is clear from the current housing crisis that the delivery of private market housing alone is not adequate to meet the needs of all members of our society, particularly low-income and essential workers. This makes the provision of significantly more social and affordable housing a critical component of the Six Cities Regional Plan, that must be supported through bold targets and transparent accountability measures to monitor and report on delivery of new supply.

We note that around two-thirds of Sydney Councils did not meet their housing targets in the previous five-year period 2016 – 2021, with a shortfall of around 8,000 dwellings.<sup>15</sup> The success of future City Plans will require a more rigorous process for setting equitable local housing targets along with strategies to incentivise delivery.

#### *3.3.2. Incentivising achievement of housing targets (3.2)*

In light of the challenges experienced by some Councils in achieving their previous housing targets, the Society supports the Commission working with stakeholders to identify additional approaches to incentivise the achievement of housing targets. In particular, we would welcome the opportunity to work with the Commission, governments and other partners to identify additional approaches to incentivise delivery of affordable housing.

#### *3.3.3. City Plans have 10% affordable housing targets in priority locations (3.5b)*

The Society strongly asserts the need for more social and affordable housing facilitated through a range of planning and policy mechanisms. The high cost of housing is forcing people on lower incomes – including key workers such as educators, nurses, carers and social workers – further from jobs, transport and other

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<sup>15</sup> Monday 29 August 2022, NSW Budget estimates 2022-23, Portfolio Committee No. 7 - Planning and Environment, oral evidence of Jackson R and Ray M.



services. This comes at significant cost to the economy due to lost economic output as employers struggle to attract staff due to a lack of locally affordable housing.<sup>16</sup>

Without access to affordable housing, many such households are living in housing that is poor quality, insecure or inadequate for a family's needs. This can include extended periods of couch surfing or living in overcrowded conditions with friends or other family members. People in these households can in turn experience pressure that affects their physical and mental health, their employment prospects, their children's educations, and their relationships with family, friends and the broader community.

Setting adequate affordable rental housing targets in well-connected areas is an essential to generate long-term and stable affordable accommodation options for key workers and low-to-moderate income households to create more vibrant mixed communities that accommodate people across a wider range of incomes and skills.

Given the severity of the housing crisis and the overwhelming social and economic need for more housing that is affordable to people on low to moderate incomes, the Society recommends the Six Cities Regional Plan sets commensurable targets to increase the supply of affordable rental housing. As such we recommend that the City Plans set targets for 15 percent of any housing delivered within 800m of a strategic centre or transport hub shall be affordable rental housing. We also recommend that this housing be managed by Community Housing Providers.

**Recommendation:**

The City Plans should set targets for 15 percent of any housing delivered within 800m of a strategic centre or transport hub to be affordable rental housing in perpetuity, and the delivery of this housing should be managed by Community Housing Providers.

*3.3.4. Improve affordable housing delivery with 10% target in rezonings with housing uplift (3.6)*

As stated in 3.3.3 above, there is a significant need for more affordable housing to ensure the social and economic health of the Six Cities Region. The rezoning of land that allows new residential developments can yield huge profits for private developers, and it is essential that this opportunity also delivers a public benefit by setting aside a proportion of this profit for affordable rental housing.

We acknowledge that the discussion paper's proposal to set targets of 10 percent delivery of affordable housing in rezonings with housing uplift represents a firmer commitment than the inclusionary zoning targets included in the Greater Sydney Commission's District Plans. However, we believe the scale of housing need necessitates a target of 15 percent that aligns with best practice contribution rates for affordable rental housing in order to meet current and future demand.

South Australia has legislated inclusionary zoning requirements for the delivery of affordable housing. In South Australia, 15 percent of all new dwellings in significant development projects must be affordable, although AHURI has noted some issues with how Local Government planning authorities enforce the policy.<sup>17</sup>

<sup>16</sup> Everybody's Home (2022) *HOUSING CRITICAL The role of housing in solving critical skill shortages across the regions*, <https://everybodyshome.com.au/resources/housing-criticalthe-role-of-housing-in-solving-critical-skill-shortages-across-the-regions/>

<sup>17</sup> National Shelter (2019) *Inclusionary Zoning report*, <http://shelter.org.au/site/wp-content/uploads/190325-Inclusionary-Zoning-Report-V6-Final.pdf>

We also refer to National Shelter’s finding that the literature on inclusionary zoning refers to the need for a simultaneous density bonus and other concessions to ensure this policy measure has a positive impact on the supply of affordable housing.<sup>18</sup>

The Society notes the lack of publicly available information about how many new affordable rental homes were delivered as a result of the previous Greater Sydney Commission’s District Plans. We strongly recommend that a transparent monitoring and reporting process is established to bring greater local accountability and increase public confidence in the delivery of new affordable housing under the Plans.

**Recommendations:**

The target to improve delivery of affordable housing should be set at 15 percent for new rezonings where there will be a housing uplift, and this affordable housing should be required to be managed in perpetuity by a Community Housing Provider.

There should be transparent monitoring and reporting of the delivery of affordable rental housing under the Six Cities Regional Plan.

*3.3.5. Targets of up to 30% social and affordable housing in residential development on government land (3.7)*

Government land represents a finite public good that must be used to deliver maximum public value for the people of NSW, both for its current residents and for future generations to come. The delivery of social and affordable housing on public land is a critical mechanism to provide intergenerational equity and facilitate a more inclusive, diverse and ultimately prosperous society.

Given the current need for social and affordable housing, and projected population growth in the Six Cities Region, the Society recommends that a more robust target is set for the delivery of social and affordable housing. The current proposed wording of , “...up to 30 percent...” leaves room for delivery to fall well short of what is required to ensure the most vulnerable Six City residents have access to secure, affordable homes. Accordingly, the Society recommends that the target is strengthened to require residential development to comprise *at least* 30 percent social and affordable housing in perpetuity.

**Recommendation:**

The target for the delivery of social and affordable housing on government land should be at least 30 percent of the total development.

## 4. Conclusion

Thank you for considering our response to the Six Cities Region Discussion Paper. Should you have any questions please contact Rhiannon Cook, Manager, Policy and Advocacy, at [Rhiannon.cook@vinnies.org.au](mailto:Rhiannon.cook@vinnies.org.au).

<sup>18</sup> National Shelter (2019) *Inclusionary Zoning report*, <http://shelter.org.au/site/wp-content/uploads/190325-Inclusionary-Zoning-Report-V6-Final.pdf>