

Submission

No 66

INTERNATIONAL STUDENT ACCOMMODATION IN NEW SOUTH WALES

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Inquiry into International Student Accommodation in NSW

Social Policy Committee October 2011



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1.0 Executive Summary

The City of Sydney (the City) welcomes the opportunity to contribute to the *Inquiry into International Student Accommodation in NSW* (the Inquiry) and supports initiatives that improve affordability, health and safety.

This Inquiry is prompted by concerns about the adequacy of regulation for accommodation for students, particularly international students and concerns regarding the availability and standards of accommodation.

Information collected by the City indicates there are approximately 15,000 international students studying at universities within the City of Sydney. International students are attracted to Sydney for the wide range of university courses, vocational education and training, and English language courses.

Based on the 2006 census, it is estimated that approximately 8,423 international students lived within the City of Sydney. Of these international students, approximately 6,799 live in an apartment, which is 7% of the City's total apartment population.

Overcrowding and unsafe use of residential accommodation are significant issues for the City which regularly receives complaints relating to overcrowding and invests considerable resources in responding to these complaints. Overcrowding of residential accommodation, often combined with unauthorised partitioning to create additional rooms, can lead to rapid deterioration of shared facilities and increased use of services for common areas (with the financial burden ultimately falling on owners); and health, fire safety and amenity concerns.

Legislative amendments are needed to appropriately deal with these issues and to regulate them appropriately are supported. Without legislative change, these issues will continue to demand council resources without addressing overcrowding and unsafe use, and their impacts on the community.

It is noted that overcrowding and unsafe use do not specifically relate to international students or students generally, but can also apply to travellers, low income earners and other who have difficulties entering the rental housing market in Sydney. Therefore, any statutory measures must consider the consequences and benefits more broadly than the international student market.

A number of recommendations have been made around the following:

- proposed amendments to the *Environmental Planning & Assessment Act* (EP&A Act);
- changes to some of the definitions in the Standard Local Environment Plan (LEP) to align with these amendments and facilitate more efficient enforcement action;
- improved understanding of Sydney's student housing market as well as the evolution and role of boarding houses; and

- encouraging a framework to increase student accommodation through purpose built student housing in appropriate locations, offered at affordable rates.

Other strategies may also help address overcrowding and unauthorised use, complimenting any increase in council officer powers of entry. Outside of the planning framework, alternative tools may be appropriate, for example in the *Local Government Act*, Building Code of Australia and *Strata Schemes Management Act* to improve overcrowding.

The submission Aim is found in **Section 2** of this report.

The submission Overview is found in **Section 3** of this report.

The submission Background is found in **Section 4** of this report.

The submission Response to Terms of Reference is found in **Section 5** of this report.

2.0 Aim

It is understood the Inquiry has been prompted by concerns about the adequacy of regulation of accommodation for students, particularly international students in NSW, and that there are concerns regarding the availability and standards of this accommodation.

The City's submission by the City of Sydney aims to:

- address the Inquiry's Terms of Reference relevant to the City of Sydney context;
- describe the City of Sydney's issues and experience regarding the impacts of overcrowding, and associated unauthorised works and use; and
- explain the general housing demand and supply factors relevant to the City of Sydney.

It is the City's experience that overcrowding of residential uses does not specifically relate to international students, or students generally, but can also apply to travellers, low income earners and other who have difficulties entering the rental housing market in Sydney. This submission sets out the issues faced by inappropriate accommodation arising from overcrowding, but is limited by the extent of information available to the City on student accommodation generally, and more specifically on international student accommodation (authorised or unauthorised).

Information relating to international students has been included to help the Inquiry in understanding the economic, social and cultural contributions and factors affecting international students. However, the focus should be on the efficient investigation of inappropriate accommodation and minimising harms to persons and property that arise from overcrowding and other impacts more broadly, rather than on international students only.

It is noted that while the Inquiry will be examining supply and demand factors in their consideration of the availability and standards of international student accommodation, it is unclear as to the extent the Inquiry will consider residential housing supply and demand, and moreover the examination of affordable housing issues, for example, boarding rooms/houses. In this submission, the City provides a limited examination of such issues because of the provisions and incentives for the supply of affordable housing under the *State Environmental Planning Policy (Affordable Housing) 2009*, but nonetheless has included information to the Inquiry in understanding the issue on a broader level.

3.0 Overview

This submission is based on Chapter areas. Chapter 4 describes the City's strategic framework for (affordable) housing and the issues and challenges faced by the City regarding overcrowding and regulation of accommodation to discourage this. The legal status of people in share housing, and housing supply and affordability are highlighted as factors exacerbating overcrowding.

Chapter 5 examines the specific terms of reference for the Inquiry into International Student Accommodation in NSW ('the Inquiry') in the context of the knowledge, experience and issues faced by the City.

Chapter 6 provides recommendations to assist the Inquiry in developing proposals for legislation, where appropriate, or other measures.

4.0 Background

4.1 Sydney 2030

The *Sustainable Sydney 2030* plan proposes key directions for the City and a series of progressive actions for the next 20 years. The plan identifies the need to keep Sydney globally competitive as one of its 10 Key Directions. Housing diversity and the provision of affordable housing is also one of these Key Directions.

Improved supply of appropriate student accommodation and improved regulation of inappropriate or unauthorised accommodation will help achieve the intent of these Key Directions.

4.2 Sydney's Growing Population

In the last 20 years, the City has experienced significant growth in its residential population. Looking ahead, renewal and redevelopment sites such as Green Square, Frasers Broadway and Barangaroo will continue to add to the City's stock of residential accommodation.

The City plays a unique housing role in the metropolitan context. The opportunities and lifestyle choices the City offers attracts a large number young adults, both international and domestic, who come to study or begin their careers. In addition, the City hosts well established and recognised universities such as the University of Sydney, University of Technology Sydney and University of Notre Dame as well as the Sydney College of Fine Arts. Charles Sturt University, Southern Cross University, University of Newcastle, University of Wollongong also have schools or campuses in Sydney CBD.

4.3 Overcrowding

Overcrowding of residential accommodation is a significant concern for the City as it regularly generates complaints and the City invests considerable resources in responding. Overcrowding, often combined with unauthorised partitioning to create additional rooms, is a particular concern in high-rise residential flat buildings close to the CBD and results in health and safety impacts, as well as causing significant amenity impacts for other residents.

Since 2006, the City has imposed development consent conditions limiting occupancy to two adults per bedroom in all residential flat buildings to address health, safety and amenity concerns that result in overcrowding. The City can only take action in buildings that have this condition on their consents following its implementation in 2006. In November 2010 the Lord Mayor of Sydney, Clover Moore MP, introduced a *Strata Legislation Amendment Bill* which includes amendments to limit the number of adult occupants to two per bedroom in strata schemes to address overcrowding and the

resulting damage that is burdened on owners. The bill aims to legislate this limitation in all strata schemes.

Overcrowding is a particular concern for new migrants and international students who live in accommodation which has significantly higher rates of overcrowding than the general population. The Australian Bureau of Statistics estimates that 26% of new migrants and 27% of full-time international students in Australia live in a property that is overcrowded, and requires at least one extra bedroom¹. This compares to 11% for domestic full-time students and 8% for the total population (excluding overseas visitors). The ABS also notes that it is likely that there was an undercount of new migrants, and overcrowding may in fact be higher for these groups than indicated by the Census².

Overcrowding in apartments is a significant problem for the City because:

- it can lead to rapid deterioration of shared facilities and hence increased costs for maintenance of the common areas, reflected in increased levies for owners;
- it can lead to increased use of services paid for by the owners corporation (eg water, electricity for common areas), reflected in increased levies for owners;
- there are fire safety concerns regarding emergency egress, increased fuel load and fire suppression;
- public health concerns from the conditions which promote transmission of infectious disease and vermin; and
- where apartments are sub-let without written agreements, residents can find themselves without tenancy rights and open to exploitation.

As well as cost and amenity concerns for other residents in the building, there are also important implications for those actually living in overcrowded apartments. A report on fire safety awareness amongst international students living in Australia found that fire safety knowledge was low³. While many international students had fire safety equipment (such as fire blankets and fire extinguishers and sprinklers) in their dwellings, more than half did not know how to use this equipment, and 18% of the 480 international student survey respondents did not know the emergency number in Australia⁴.

The City often works with the NSW Fire Brigade, whose specialist fire safety knowledge and direct experience of dwellings that have been illegally divided with internal floors, partitions and doors with locks would be of significant benefit in assisting the Inquiry in its investigations.

¹ Based on the Canadian National Occupancy Standard applied to the 2006 Census of Population and Housing.

² Australian Bureau of Statistics (ABS) (2011) *Position Paper – ABS Review of Counting the Homeless Methodology*, 2050.0.55.002, Canberra: ABS

³ Aguerta, J., Brown, M., Mittelan, D., Renda, B., Salvatori, R. and Smeal, S. (2009) *An Assessment of Fire Safety in Australia's International Student Housing*, Worchester: Worchester Polytechnic Institute.

⁴ Ibid

4.4 Unauthorised use of accommodation

Unauthorised use of accommodation can include serviced apartments – a form of tourist and visitor accommodation which is occupied on a temporary basis – being used as residential accommodation which is occupied on a permanent basis and consequently provides for a higher level of amenity for the occupants. Unauthorised use of residential accommodation for short-term accommodation (eg backpackers, serviced apartments) is also of concern. It has been the City's experience that some commercial short-term operators cloak the nature of their operation by using *Residential Tenancies Act 2010* leases to make it appear that tenants are genuine residents. A significant contributing factor to this is the difficulty in obtaining rental accommodation in Sydney, as low vacancy rates make it difficult for those who cannot provide references or rental histories, which can include students.

A particular situation the City faces is shared accommodation. While it is legitimate for tenants to organise themselves for flatmates, it is not desirable in a residential apartment or dwelling house to sub-lease individual beds or individual occupancies, which results in increased activity and the premises taking on the character of commercial accommodation and unreasonable amenity impact on other building users.

4.5 Enforcement of overcrowding and unauthorised uses

The City takes enforcement action on overcrowding and unauthorised uses where possible. The City experiences difficulties in obtaining both entry to residential premises suspected of overcrowding or occupied without the proper consent and sufficient evidence to enable matters to be brought before the Courts. The practical issues in relation to investigating issues relating to these premises include:

- legal restrictions on physically accessing premises for the purposes of undertaking an inspection (City staff can only enter residential premises with either the owner's or occupant's consent under the EP&A Act);
- practical issues regarding the interpretation of definitions in environmental planning instruments and the reality of the operations (where information is available as to the nature of those operations); and
- difficulties in communicating with residents, many of whom do not speak English in order to obtain access to premises.

As mentioned above, in 2006 the City introduced a condition of consent for apartments limiting the number of adult occupants per room. The City has yet to practically apply the condition in response to an investigation and it may be the case that obtaining evidence to satisfy the Courts will be difficult in the current legal environment. Despite this, the City still believes that is the most appropriate approach to take. However, this approach is not available for residential flat building stock built prior to 2006, when the City began imposing this condition.

4.6 Legal status of people in share housing

Residents who sub-let from a landlord or head tenant without a written agreement can find themselves with no tenancy rights under the new *Residential Tenancies Act 2010*.

In many cases international students appear to be the victims of overcrowded, and expensive, accommodation in the City⁵. Redfern Legal Centre reports that it has helped international students “who end up in overcrowded flats, live in appalling conditions and are given arbitrary and immediate rent increases or evictions”⁶.

The City works cooperatively with groups such as the Redfern Legal Centre and the Tenants Union of NSW. These organisations have specialist knowledge about security of tenure issues experienced by international students. The City recommends that their input be sought to help the Inquiry in its investigations.

4.7 Supply and Demand factors

In the City’s experience, the issues around overcrowding and unauthorised uses mainly relate to accommodation in private and serviced apartments.

Universities identify the provision of student housing as a key issue to support the current demand for student accommodation and also to support the needs of an expanding student population⁷. Many universities have advised that increases in current and projected student numbers, particularly of overseas students, are constrained in part due to a lack of suitable student housing⁸. About 25% of the establishments that specifically provide student accommodation are operated by Sydney University and are located on its campuses.

Unilodge is a private operation in Broadway with 586 apartments. Urbanest is another operator with a building in Haymarket offering 334 beds. University of Technology Sydney has also recently constructed a building in Harris Street, offering accommodation for 720 students.

One operator has told the City the success of its model is based on meeting demand for higher quality, safer accommodation, which also has a sense of community. While this appears to positively address the need of a section of the student accommodation market, due to the price of this type of accommodation it may not be accessible to the wider student market.

⁵ Turcic, S. (2008) Needs assessment of International Students in the City of Sydney: Project Report, Sydney: City of Sydney.

⁶ Redfern Legal Centre (2011) Legislative Protection for Borders and Lodgers, Redfern: Redfern Legal Centre.

⁷ Review of Infrastructure SEPP: Discussion Paper, NSW Department of Planning, March 2010

⁸ Ibid

Boarding houses also serve an important role in providing low cost accommodation for students. More recently, boarding house operators have experienced demand from a wider clientele which includes students⁹. The traditional boarding house model is evolving as a result of this demand and has led to what is known as 'new generation' boarding houses; which is appropriately located, should be encouraged.

While students residing in boarding houses may be appropriate, the traditional clientele, such as people with special needs and the homeless, are consequently competing for the same housing stock which has seen a decline in availability. Recognition of the range of new generation boarding houses, and the vastly different forms of student accommodation models in the market needs to be recognised.

The City supports encouraging and facilitating all appropriate forms of accommodation for students.

4.8 Housing Affordability and Affordable Housing

The student accommodation market operates within the broader metropolitan housing market and must be considered within this context.

The increase in the cost of housing in inner-city areas is well documented. During 2002–2009 the average rent for a two bedroom dwelling in the inner city rose from \$350 per week in 2002 to \$500 per week in 2009. This particularly impacts the very low, low and moderate income groups (which includes students) wishing to live in the inner-city.

In the City, demand for accommodation is very high and the cost of purchasing or renting housing far exceeds the capacity of very low to moderate income households, including students, to pay. In its *Sustainable Sydney 2030* plan, the City establishes a target that by 2030, 7.5% of all housing in the City will be social housing provided by government and community housing providers and 7.5% will be affordable housing delivered by 'not-for-profit' or other providers.

There is also an important distinction to be made between housing affordability and affordable housing. Housing affordability is how we understand the cost of housing relative to median income. The City's accepted definition of affordable housing conveys the notion of 'reasonable' housing costs in relation to income. It may be housing available for purchase on the private market, private rental housing, social housing, community housing, co-operative housing and so on. A common benchmark is that affordable housing is housing that does not absorb more than 30 percent of a very low, low or moderate income household's gross income. A low income household that is paying more than 30 percent of their income to service a mortgage or pay rent is often said to be in rental stress. By this measure, there is very little, if any, *affordable housing* supplied through the private market in the City.

⁹ Review of Infrastructure SEPP: Discussion Paper, NSW Department of Planning, March 2010

The City's *Affordable Rental Housing Strategy 2009 – 2014* establishes a strategic framework for action and charts the path to achieving the affordable housing targets stated in *Sustainable Sydney 2030*. The actions are primarily aimed at protecting existing rental affordable housing and to facilitate the provision of new rental affordable housing for households on very low to moderate incomes. A copy of the City's *Affordable Rental Housing Strategy 2009 – 2014* appears as **Appendix A** to this submission.

The *State Environmental Planning Policy (Affordable Rental Housing) 2009* (AHSEPP) was introduced by the State Government in 2009 to encourage new affordable housing and to protect existing affordable housing. Student accommodation is indirectly recognised under the AHSEPP as a form of 'new generation' boarding house. However, in the City's case, the application of the AHSEPP has been limited. **Chapter 5** discusses how improvements to this framework could improve the framework for student accommodation more generally.

5.0 Response to the Terms of Reference

5.1 Private Member's Bill introduced by Member for Ryde

Background

The Inquiry is in response to the proposed amendments to the *Environmental Planning & Assessment Act 1979* (EP&A Act) by the *Environmental Planning and Assessment (Boarding Houses) Bill 2010* (the "Bill"). According to the speech notes, the bill intends to serve as a consultation draft, with further feedback and discussion envisaged.

Issues and Discussion

Appendix B details the proposed changes to the EP&A Act most relevant to the City and the City's position on each.

The City has previously advocated for amendments to the EP&A Act to redress both the difficulties in obtaining entry to residential premises suspected of overcrowding and unauthorised uses; and to obtaining sufficient evidence to enable matters to be brought before the courts.

The bill provides an opportunity to address the issue of overcrowding and unauthorised accommodation uses. Greater powers of entry, which may include entry without a warrant in certain circumstances, would significantly aid the City's investigations and allow the City to more efficiently and effectively deal with these non-compliances. The bill also provides an opportunity to address the health and safety of occupants in overcrowded and unauthorised accommodation.

The City has resolved to limit occupancy to two adults per bedroom (this does not apply to children) in residential apartments to address the issue of overcrowding. The City recognises there may be difficulties with enforcement and is open to discussion about other mechanisms and tools that may also address the issue of overcrowding and unauthorised uses, with more certainty.

With regards to the definitions in the Standard LEP, the definitions can impact significantly on the City's ability to access, investigate and take action against premises which are operating in an unauthorised manner. Compliance officers already face difficulties in gaining entry to obtain evidence of unauthorised use, given that most premises appear residential in nature and it is difficult to gather information on, for example, the arrangements for payment of rent or the existence of any written rental agreement from residents. These difficulties are compounded when council officers are not able to obtain evidence which satisfies a particular planning definition in order to precisely pinpoint the nature of the unauthorised use and take action under the EP&A Act.

Recommendations

1. Proposed amendments to the EP&A Act to improve the regulation and enforcement of certain accommodation types are supported. However, there are a number of matters on which the City seeks further clarification, including:
 - with regards to the powers of entry for residential premises, what are the types of shared accommodation that will be listed in the regulation?
 - the City recommends that 'tourist and visitor accommodation' (as defined in the Standard LEP) be included to capture the range share houses that can result in overcrowding;
 - as part of the regulation's amendment, the City would like to be given the opportunity to comment on the types premises it believes should be included;
 - clarification with regards to powers of entry, how will share houses not ordinarily "let in lodgings", for example alleged unlawful serviced apartments, be interpreted under the shared accommodation definition;
 - clarification of how powers of entry will be practically exercised. The City notes that Section 118D (use of reasonable force) does not apply to residential premises and if the owners/occupiers refuse entry the only recourse is to seek a warrant and/or obtain the support of police for entry;
 - clarification of how powers will only be used in an appropriate manner and circumstances. The City considers that appropriate guidelines and controls should be provided, possibly in the regulations;
 - clarification of how registration of boarding houses interact with the development approval process, for example, will premises which are not approved be allowed to register; of the role of local government in this process and the resources involved, should the City be required to maintain and police these registers;
 - clarification of how the registration of boarding houses impact on the viability of the broader boarding house market and any associated social impacts and consequences. The changes could in practice cover all boarding houses, the operators of which differ vastly in the rent, quality and support offered to boarding house residents, and that are occupied by a much wider population than students, and whom may be in significant socio economic disadvantage.
2. The City supports amendments that will enable the use of circumstantial evidence in relation to all matters involving boarding houses and places of shared accommodation. It is recommended that the amendment go further and also include 'tourist and visitor accommodation' (as defined in the Standard LEP) to enable this type of evidence to be used where there is suspected unauthorised serviced apartments and similar uses. This would make clearer which use categories apply and would give weight to the ability to undertake enforcement action.

3. The City also suggests the following amendments to the Standard LEP to ensure that all types of accommodation are caught within one of the categories and that the definitions assist regulatory authorities with enforcement actions:
- provide definitions of ‘temporary or short term accommodation’ to remove uncertainty;
 - set a threshold, say 3 months, as a determining factor for distinguishing tourist and visitor accommodation from residential accommodation; and
 - ensure that the residential flat building definition is clear, that is it is easy to understand when a building is “overcrowded”. The City maintains the need for a restriction that only two adults reside in each bedroom and the total number of beds should not exceed double the number of approved bedrooms. This is the situation reflected in the City’s current standard conditions of development consent.

5.2 Factors affecting supply and demand

Background

The City plays an important part in the international education sector in Australia. Educational institutions in the City attract a large number of international students.

Expenditure by international students studying in the City in 2010 is estimated to be \$684 million. In terms of the income flow from this expenditure (also known as gross domestic product (GDP)), it is estimated to have directly contributed \$939 million to the Australian economy in 2010. The flow-on of this direct contribution is estimated to have increased the Australian GDP by \$1.4 billion in 2010. International student expenditure generates flow on benefits for other sectors, particularly the retail trade and accommodation, and cafe and restaurant sectors.

Information collected by the City indicates there are 15,084 (9%) international students studying at universities within the City. The largest number of enrolments come from the China, India and South Korea respectively.

International students are attracted to Sydney for the wide range of university courses, vocational education and training (VET) and English Language Intensive Courses for Overseas Students (ELICOS) programs. Enrolment activity of international students in NSW by these sectors indicate the vast majority of international students are enrolled in university courses and VET programs.

Research by Access Economics indicates higher education fees for international students are the most expensive and that these students also averaged higher living costs. Also, international students have slightly higher expenditure per student for all sectors of education related services because of higher fees and higher cost of living in NSW. An

analysis of international student's expenditure, by sector of the economy in NSW, shows that 26% is spent on accommodation.

Based on the 2006 census, it is estimated that 8,428 international students lived within the City¹⁰. Research has found that students generally locate close to the institutions in which they study. **Figure 1**¹¹ graphically shows where international students lived while attending an institution within the City in 2010.

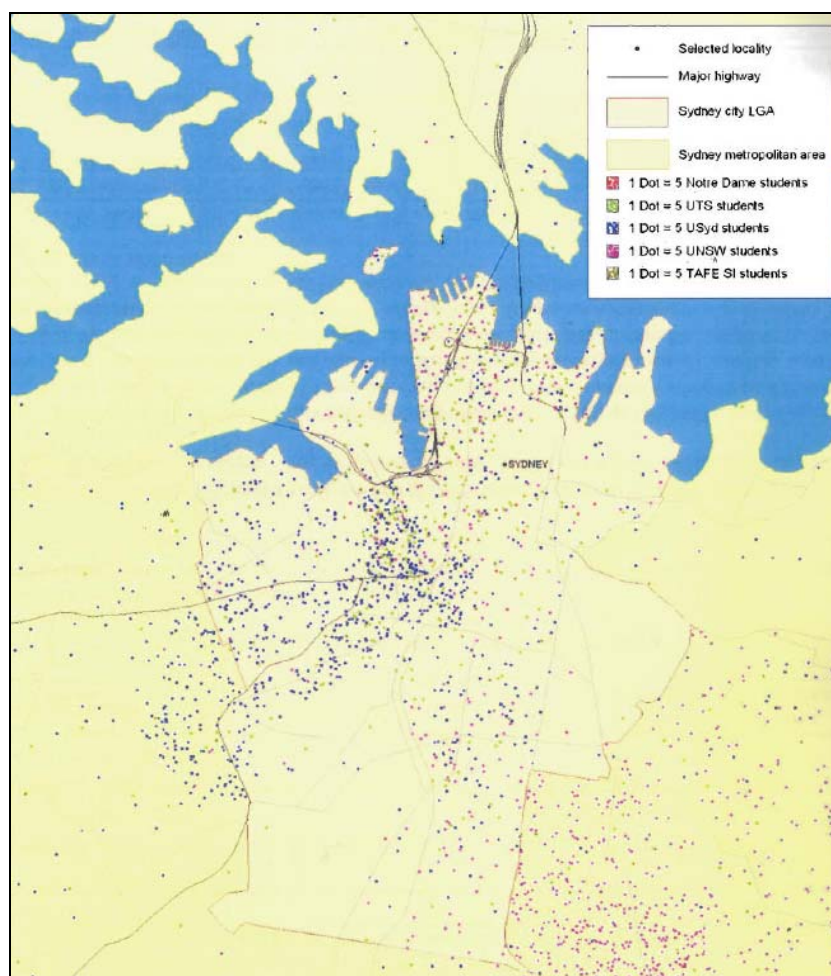


Figure 1. International students by dwelling region, 2010*

* Student location dots are randomly spread within the student's postcode area, hence it is an approximation of student location only

Students (both international and domestic) can reside in many forms of accommodation including:

- on-campus accommodation;
- off-campus student accommodation;

¹⁰ Based on the number of part-time and full-time students who were attending a technical or further education institution (including TAFE colleges) or a university or other tertiary institution, who stated that they were not Australian citizens in the 2006 census.

¹¹ From Economic Contribution and Impact of International Students to the Sydney Region: Report by Access Economics for City of Sydney, Access Economics, August 2010

- private dwellings, for example, apartments;
- temporary accommodation, for example, registered boarding house/ boarding room, unauthorised boarding house/ boarding room, commercial tourist accommodation (backpacker hostel, bed and breakfast, serviced apartments), crisis accommodation; and
- informal accommodation, for example, couch surfing, sleeping rough, squatting.

Of the 8,428 international students living in the City, approximately 6,799 (81%) live in an apartment. This equates to approximately 7% of the total apartment population¹². Sharing apartments is common as it can enable students to live close to the institutions in which they study, while keeping expenditure down and ensuring they stay within their generally limited income.

Issues and Discussion

The City continues to explore a range of measures to increase the supply of affordable housing. To this end, the City has endorsed an affordable housing target under Sustainable Sydney 2030 of up to 8,000 additional affordable housing dwellings by 2030. Further, the City's *Affordable Housing Strategy* demonstrates the range of measures and the number of dwellings that could be delivered to meet the target, such as an affordable housing levy, and 'value-capture' on suitable sites for the purposes for affordable housing. An affordable housing levy currently applies to development within Ultimo-Pyrmont and Green Square. To date, approximately 548 units have been provided through this scheme. The City has been advocating an extension of the scheme to cover all areas of the City given its demonstrated results.

The City's *Affordable Housing Strategy* targets and supporting actions have been crucial in providing the community and councillors with a sound policy framework to support increased heights and densities for affordable housing dwellings. Since 2009, the City has supported three planning policy amendments for increased height and density, which will allow for the development of up to 403 affordable housing dwellings.

The City is also represented on the NSW Government's Affordable Housing Taskforce whose purpose is to lead the development of initiatives to deliver local strategies to encourage a wide range of housing types to meet the needs of key workers, people with special needs, the homeless and other groups in need.

Recommendations

1. Further study and analysis of the student housing is required to better understand Sydney's student housing market. This analysis should include but not be limited to:
 - the total supply of purpose built student housing;

¹² Australian Bureau of Statistics (ABS) (2007) *Census Population and Housing 2006, 2006*, Canberra: Australian Bureau of Statistics.

- the factors that influence demand;
 - minimum building standards for student housing; and
 - range of rents and the impact of rent on demand for tertiary education by international students.
2. Available accommodation for students should be encouraged through a framework of purpose built student housing in appropriate locations. This would alleviate some of current demand for residential housing, help address the impacts of overcrowding, and could be tailored to the specific accommodation needs of students.
 3. Such a framework should rely on rental tariffs below market rates. The City's experience with affordable housing, is that affordable housing residential development for low income groups are unlikely to be feasible without some subsidy.
 4. An overarching framework should be implemented to support purpose built student accommodation and local government approaches to facilitate this.

5.3 Appropriateness of existing standards

Background

The City has adopted policies on boarding houses and residential and serviced apartments, all of which provide for student housing in the City. These include:

- *City of Sydney Boarding Houses Development Control Plan (DCP) 2004;*
- *City of Sydney Visitor and Tourist Accommodation DCP 2006;*
- relevant sections of the *South Sydney DCP 1998;*
- relevant sections of the *Central Sydney DCP 1996;* and
- relevant sections of the *Leichhardt DCP 2000.*

It should also be noted that the City is currently progressing City Plan, a single Local Environmental Plan (LEP) and DCP that will guide future development throughout the City of Sydney. The comprehensive draft DCP contains the above provisions. **Appendix C** includes a copy of the provisions and website links to the City's policies.

Issues and Discussion

The traditional boarding house model is evolving and it is an opportune time to research the various forms of 'new generation' boarding houses, with a view to understanding the appropriateness of the land-use planning definitions and standards for boarding houses.

A system for registering boarding houses maybe a useful tool to identify and regularise such uses however its purpose and likely consequences must be known. Further research is required, however, into how registration of boarding houses will interact with the development approval process, for example, will premises which are not approved be allowed to register; what standards will be used for registration, what will be the role of local government in this process and what resources are likely to be required.

Further research is also needed into the impacts of such a framework on boarding house operators who differ vastly in the rent, quality and support offered to residents. Such a framework may have implications on human services outreach and service delivery to what can be some of the most isolated and vulnerable members of the community. A registration framework may lead to the imposition of higher boarding house standards and therefore put at risk the ongoing viability of boarding house operations by marginal operators, who may not necessarily represent best practise but provide important accommodation for the most isolated and vulnerable members of the community.

The City is working with the Newtown Neighbourhood Centre to extend its federally funded boarding house survey project into the City's local government area. The City will provide resources to help the centre work with boarding house operators to improve access to information and resources operators need if they are to keep providing this crucial form of housing. The City is exploring other ways to improve its engagement strategies with boarding house owners.

The planning controls are land use planning standards only, informing the consideration of development consent under the planning framework. These planning controls do not and cannot prescribe provisions to ensure that such accommodation is safe for occupation; minimum health standards are met; ensure the welfare of occupants; or give powers to authorities to investigate and take legal action where appropriate.

It may be the case that, in addition to regulation under the planning controls, additional controls may be required in legislation relating to public health, the Building Code of Australia, property tenure (including strata law) and taxation; to ensure that residential buildings are not overcrowded, and serviced apartments as well as visitor and tourist accommodation are not used inappropriately.

Recommendations

1. Research the various forms of 'new generation' boarding houses, with a view of understanding the appropriateness of the land-use planning definition and standards for boarding houses.
2. Research investigating whether boarding houses should be addressed under the planning framework or in separate legislation. Separate legislation would allow a focus on boarding house specific issues.
3. Any system for registering boarding houses should include research into how the registration of boarding houses will interact with the development approval process; what standards will be used for registration, what will be the role of local government in this process and what resources are likely to be required.

4. Any registration framework should include research into the impacts on boarding house operators, to ensure it does not have adverse impacts on human services outreach and service delivery to isolated and vulnerable members of the community.
5. A co-operative approach with boarding house outreach services should be explored as it will encourage more effective responses to assist people in most need, and to promote more responsible management of boarding houses so all stakeholders can benefit.
6. The intended outcomes of any proposed standards for certain accommodation categories should be clearly stated. Standards could address (any of or all of) the following: land use planning, health and safety, building codes and social planning and each of these areas have specific issues to be addressed and require specific expertise.

5.4 Achieving appropriate or minimum standards, adequacy of current legislation

Issues and Discussion

Given the range of accommodation that students occupy, any development of appropriate or minimum standards must come from an informed understanding of the issues.

The City encourages the State Government to develop and implement improved legislative support to assist the City in taking compliance action against overcrowding and unauthorised uses. Any minimum standards should cover the issues as mentioned in this submission. It should also be noted that these issues do not specifically relate to international students, or students generally, but can also apply to travellers, low income earners and others who have difficulties entering the rental housing market in Sydney.

Appropriate student accommodation must be affordable. While student housing models can be developed at the higher end of the market, models must also be developed at the moderate and low end. The City's experience with affordable housing is that development of accommodation for low income groups are unlikely to be feasible without some subsidy. Therefore, funding for research into and implementation of such models is required.

Recommendations

1. Affordable student housing models should include research, consultation and analysis of funding mechanisms to may be necessary to assist these student housing models.

5.5 Current extent of unauthorised student accommodation operations

Background

As mentioned above, although the City resolved a policy approach for apartments limiting the number of adult occupants per room in 2006, this approach cannot be applied to buildings built prior to the adoption of that policy. In situations where there is suspected

unauthorised use and or overcrowding the City is unable to take action on the basis of the number of people sleeping in each bedroom.

While the City can take action against overcrowded apartments where unauthorised works have been undertaken, for example, fines and orders to remove unauthorised partitions, owners can re-install partitions after the City completes compliance inspections. To be more effective, follow-up inspections should be random, however, gaining access to property under these conditions is uncertain.

Where orders are not complied with, the City can issue a court attendance notice to seek a penalty. In some cases, this leads to owners complying with the order. Court attended matters are both expensive and time consuming for City staff, often producing uncertain outcomes.

The City can also take action where evidence can be found that the property has changed use from residential to another use, such as a backpackers, boarding house or hotel; or vice versa to residential; which is not permitted under the consent conditions for that property. However, as mentioned above, the City's authorised officers have limited powers of entry and therefore have difficulty obtaining evidence that a change of use has taken place.

Issues and Discussion

The City has not systematically collected data on the extent of unauthorised student accommodation, mainly due to the difficulties in obtaining access to residences suspected of operating illegally and the difficulties in obtaining the type of evidence required to restrain the use of a premises. However, the City has experienced issues relating to overcrowding, use of backpackers as residential accommodation, use of serviced apartments as residential accommodation and use of residential apartments for unauthorised short term accommodation.

City staff would be pleased to meet with members of the Social Policy Committee to discuss our ongoing issues relating to these types of complaints and give more detail about possible legislative assistance to further inform this submission.

As mentioned previously, the City is supportive of amendments to the EP&A Act to improve the regulation and enforcement of certain accommodation types given the existing difficulties.

Improved legislation is supported especially if some existing tools are amended. For example under the recently amended *Residential Tenancies Act 2010* there is no minimum period for residential tenancy agreements. Residential tenancy agreements were previously required for a minimum period of three months. This minimum period was relied upon by the City's compliance officers when categorising uses as either short- term or permanent residential. The removal of the minimum requirement from residential tenancy

agreements has therefore resulted in what was seen as a useful tool for compliance purposes being removed.

It is also noted that while extending local government powers of entry would assist in the enforcement area, the powers should only be used in an appropriate manner and circumstances.

There are also a number of actions that owners and the legal entity created to manage a strata scheme, the owners corporation, can take to deal with the overcrowding and unauthorised uses, for example:

- individual owners can restrict, or forbid, sub-leasing;
- stipulate a maximum number of occupants under the residential tenancy agreement;
- building managers (if there is one) can audit access keys, which may help identify units that may possibly be overcrowded; and
- use of by-laws, notices and orders under the *Strata Schemes Management Act 1996*.

These alternative tools may also provide a means of addressing overcrowding and unauthorised use issues before resorting to the highly intrusive and sensitive nature of powers of entry. Hence, alternative tools should be considered where appropriate.

Recommendations

1. Refer to recommendations made above regarding amendments to the EP&A Act that would increase the City's ability to take action against overcrowding and unsafe uses.
2. Consideration should be given to alternative tools which may provide a means to addressing the overcrowding and unauthorised use issues before resorting to the highly intrusive and sensitive nature of powers of entry.

5.6 Framework for ongoing affordable student accommodation

Issues and Discussion

Amendments aimed at improving entry and investigation into unauthorised uses and maintaining appropriate accommodation would mean the City would be in a better position to devote resources to the issue and would also provide greater certainty to the community and student accommodation operators about what is an appropriate operation.

Discussions and recommendations have been made above sections regarding the planning framework.

There may be other opportunities outside of the planning framework, for example the *Local Government Act*, which could also address the adequacy of local government powers to identify unauthorised operations and enforce compliance with the relevant laws.

Frameworks relating to public health, the Building Code of Australia, property tenure (including strata law) and taxation should be explored.

Recommendations

1. See recommendations in sections above.
2. Frameworks outside the planning framework relating to the *Local Government Act*, public health, the Building Code of Australia, property tenure (including strata law) and taxation should be explored to further improve overcrowding and health and safety issues.



Appendix A

City of Sydney Affordable Rental Housing Strategy 2009 - 2014

City of Sydney

Affordable Rental Housing Strategy

2009 - 2014

February 2009

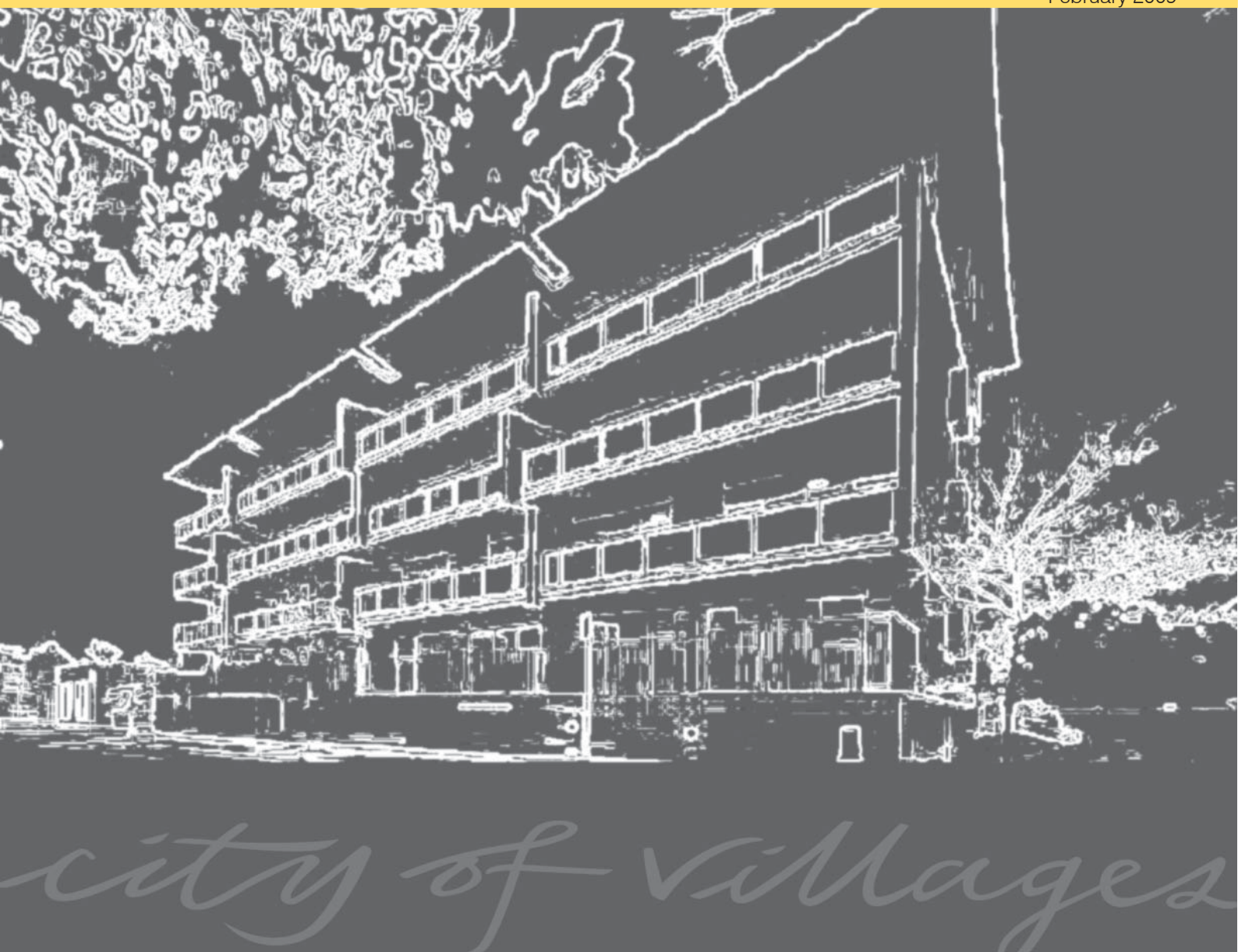


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Overview and Executive Summary

Summary Vision

To contribute to the long term economic, social, cultural and environmental sustainability of the City by increasing housing options for very low, low and moderate income households.

Key Principles

The City recognises that it has a social, practical and legislative responsibility to address local housing needs on behalf of the community and that access to secure, appropriate and affordable housing is not only a basic requirement for all people, but also an essential component of an inclusive, dynamic and sustainable city.

The City acknowledges that the cost of housing in the Local Government Area (LGA) largely precludes very low, low and moderate income households from accessing housing appropriate to their needs and their income. It is therefore essential that the City facilitates the provision of affordable housing to the extent of its capabilities.

The City accepts that increased levels of affordable housing can not be achieved without the active participation of other levels of government, the not-for profit sector and the private sector. Moreover, the City understands that issues influencing housing affordability and the provision of affordable housing are regional issues and in evidence in other inner city Sydney LGAs, and that such issues may not be fully addressed in isolation from other councils.

Key Considerations

- Social, cultural and environmental impacts of decreasing housing affordability on the individual and the larger community.
- Economic impacts of decreasing housing affordability on the LGA's economy.

Objectives and Actions

The City will focus on six key objectives.

1. Increase the amount of affordable housing

- Demonstration project
- Utilising the NSW planning system
- Facilitate affordable student housing
- Working with financial institutions
- Affordable housing quick path
- Contribution of City resources

2. Protect the existing stock of low cost accommodation

- Research and monitoring
- Consistent approach to the application of the Affordable Rental Housing SEPP in the inner city Sydney
- Financial incentives
- Collaborate with owners of low cost accommodation

3. Encourage a diverse housing stock

- Review appropriate dwelling size mix
- Ensure planning supports culturally appropriate housing
- Review planning provisions for secondary dwellings

4. Collaborate with other councils

- Provide leadership in affordable housing research, projects and policies
- Establish working groups with inner city Sydney councils
- Develop training programs

5. Advocate for improved housing outcomes

- Community education
- Advocate to improve social housing outcomes
- Advocate to improve Indigenous housing outcomes
- Liaise with the Aboriginal Housing Company
- Advocate to improve funding to the not-for-profit sector
- Advocate to increase participation of private sector
- Through CCCLM (Council of Capital City Lord Mayors), advocate affordable housing matters to the Commonwealth Government.
- Commonwealth and NSW Governments' incentives for boarding houses
- Advocate for a whole of government approach
- Advocate for affordable housing in NSW Government controlled urban renewal sites

6. Implement, evaluate and monitor the affordable housing strategy

- Affordable Housing Officer
- Monitor existing affordable housing
- Annual review of strategy
- Maintain existing research
- Ongoing research

1 Introduction

The City of Sydney recognises that access to secure, appropriate and affordable housing is not only a basic requirement for all people, but also an essential component of an inclusive, dynamic and sustainable city.

The City's accepted definition of affordable housing conveys the notion of 'reasonable' housing costs in relation to income. A common benchmark is that affordable housing is housing that does not absorb more than 30% of a very low, low or moderate income household's gross income.

Very low income household	less than 50% of the median household income for Sydney Statistical Division;
Low income household	more than 50% but less than 80% of the median household income for Sydney Statistical Division; and
Moderate income household	more than 80% but less than 120% of the median household income for Sydney Statistical Division.

Housing in the LGA is becoming increasingly unaffordable. Lack of affordable housing is a concern not only for individual households but also for the wider community. Communities that offer a range of household choices for different income groups are more economically and socially sustainable and enhanced.

Sydney is Australia's economic capital. As well as being of international and national significance, the LGA is of enormous importance to the Sydney Metropolitan region. It is essential that the City maintain the strong and diverse labour force that drives the economy. Where people on very low to moderate incomes are unable to access appropriate and affordable housing in the City or in reasonable distance of the City it is likely that they will seek employment closer to the homes they can afford. Certain employment sectors that rely on a workforce of unskilled, semi-skilled and skilled workers are likely to experience difficulties in recruiting staff as access to affordable housing declines.

Lack of affordable housing may also lead to concentrations of low income earners in areas of high affordability and concentrations of high earners in areas of low affordability. Areas where there are concentrations of advantage and disadvantage result in social and economic segregation that reduces social wellbeing. This spatial polarisation between communities undermines social cohesion and may lead to community breakdown, loss of connectedness and a potential increase in anti-social behaviour. Further, spatial divides will potentially inflame existing concerns with regards to homelessness, aged care and declining health in the LGA and in turn substantially increase the cost of delivering support services.

Over time, Commonwealth Government capital funding for public housing has continued to decline. This has directly reduced the ability of Housing NSW to build and manage new public housing dwellings. In addition, the community housing sector continues to be under-funded by government and cannot offer a sufficient number of rental properties to meet demand. Further, the supply of housing appropriate and affordable for those eligible to receive Commonwealth Rental Assistance (CRA) has reduced.

In total, social housing constitutes approximately 11.3% per cent of all housing stock in the Sydney LGA.

Despite a number of affordable housing initiatives operating in the LGA at this time, such as those developed and managed by City West Housing in Ultimo/Pyrmont and Green Square, as well as smaller scale projects in the carriage of the community based not-for-profit organisations, the proportion of affordable housing relative to population growth in the LGA is declining.

Housing NSW defines housing stress as being experienced by very low, low and moderate income households that are paying more than 30% of their household income to meet their mortgage repayments or rent.

State Environmental Planning Policy 70 – Affordable Housing (Revised Schemes) (SEPP 70) defines very low income household as households where income is less than 50% of the median household income for the time being for the Sydney Statistical Division (SD) according to the Australian Bureau of Statistics (ABS). Low income household are households where income is more than 50% but less than 80% of the median household income for the time being for the Sydney SD according to the ABS. Moderate income households are households where total income is more than 80% but less than 120% of the median household income for the time being for the Sydney SD according to the ABS.

A high proportion of people living in the City are in housing stress (see Table 1).

Table 1 Housing Stress in the City of Sydney						
	Very low income households in housing stress		Low income households in housing stress		Moderate income households in housing stress	
	Renting	Purchasing	Renting	Purchasing	Renting	Purchasing
Sydney LGA	95%	90%	76%	77%	44%	63%
Sydney SD	94%	84%	65%	72%	22%	55%

Source: Centre for Affordable Housing 2008, Local Government Housing Kit Database

In order to address the decrease in affordable housing and increasing levels of housing stress, in 2002 South Sydney Council undertook the South Sydney Housing Needs Analysis which identified that there was a clear need for more affordable housing options in South Sydney and that many groups in the community had unmet housing needs. Following amalgamation, the newly formed Council of the City of Sydney undertook the rewriting of an affordable housing strategy for the entire LGA. The resulting draft strategy, 'Housing and People: a Housing Strategy for the City of Sydney', informs this Strategy.

This Strategy builds on 'Housing and People: a Housing Strategy for the City of Sydney' and specifically addresses the needs and concerns identified in the City of Sydney Housing Analysis Report 2007. It also draws government, academic and market research presented in the City of Sydney Affordable Housing Research Paper. The Strategy expounds a range of actions aimed at protecting the existing stock of affordable housing in the LGA as well as actions intended to facilitate the provision of affordable housing and a greater range of housing options in the LGA.

2 Aim

The aim of the City of Sydney Affordable Housing Strategy is to protect existing affordable housing and to facilitate new affordable housing in the City of Sydney to provide for social, cultural, environmental and economic sustainability.

3 The Role of Local Government in Housing

The Commonwealth Government and the state governments have a clear legislative responsibility for ensuring that those members of society who are most in need are housed. Historically, this has been facilitated by the provision of public housing through the Commonwealth State Housing Agreement (CSHA) and financial assistance programs. Over time, federal funding for public housing and programs such as the Commonwealth Rent Assistance Program has steadily decreased, affecting the ability of the state governments to address the housing needs of certain groups in society. There has been an increasing reliance on not-for-profit organisations to provide housing for 'in need' groups.

The Commonwealth Government and the state governments also control the macro-economic and taxation policies that most affect the cost of housing. As such, the ability of local governments to effectively address housing affordability is limited.

However, the effects of decreasing housing affordability are largely felt at a local level. In the LGA those effects range from the economic dangers of not having appropriate and affordable housing available for the labour force, to the social issues that arise from an increasingly polarised community. It is therefore imperative that the City act to ensure that these effects are minimised.

Broadly speaking, the means and levers available to local government to encourage the protection and provision of affordable housing fall into four categories:

- planning tools;
- strategic partnerships;
- financial initiatives; and
- leadership, advocacy and community development.

3.1 Planning tools

There are a number of planning mechanisms, such as affordable housing levies and the Affordable Rental Housing State Environmental Planning Policy (SEPP), that may be utilised to protect existing affordable housing and to facilitate additional affordable housing. Although the Sydney Metropolitan Strategy commits to the facilitation of affordable housing, the NSW Government has to date provided little direction as to how this may be achieved. The Standard (LEP) Instrument does not include affordable housing provisions and this omission may have implications for the City to use its planning instruments to facilitate the provision of affordable housing.

Delivering Affordable Housing in the NSW Planning System – An Example

Affordable Housing Levies

Current legislation allows the City to levy developer contributions on all new developments within the areas of Ultimo/Pymont and Green Square through an affordable housing levy (also referred to as an inclusionary zoning mechanism) within planning instruments. The City West Affordable Housing (CWH) Program was established by the NSW Government in 1994 with the aim of ensuring that the Ultimo/Pymont redevelopment area retained a socially diverse population representative of all income groups. Its objective is to deliver up to 600 units of affordable rental housing in Ultimo-Pymont within 30 years of the program's inception. *Sydney Regional Environmental Plan No. 26 – City West* (the REP) established the planning, funding and administrative arrangements for the program's implementation. The REP provisions have since been incorporated into *Sydney Local Environmental Plan 2005*. They include an affordable housing levy whereby new development in Ultimo-Pymont must provide an affordable housing contribution either in the form of dwelling unit/s or monetary contributions. Almost all developers have chosen to provide a financial contribution. To date, the program has provided 446 units housing over 930 people in Ultimo-Pymont.

The Green Square Affordable Housing Program is implemented through the Green Square LEP and DCP. The program sets out provisions to enable Council to apply a 3% affordable housing levy. Like Ultimo/Pymont, CWH is the housing provider responsible for the development and ongoing management of the housing. Monies are collected in a trust fund managed by the Department of Planning (DoP) and they are passed onto the City West Housing Company, which uses the funds for the purchase of land and the construction of affordable housing inside the specified areas.

Both Sustainable Sydney 2030 and this Strategy include an action towards investigating opportunities to expand affordable housing levies to other areas in the LGA. While this will require the support of the DoP, affordable housing levies have the potential to directly increase the amount of affordable housing in the City by creating an income stream to fund the not-for-profit sector.

3.2 Strategic Partnerships

The issues influencing the provision of affordable housing can not be addressed solely by local government. It is essential that councils develop working partnerships with the not-for-profit sector, the Commonwealth Government and NSW Government, the private sector, other councils and the financial sector in order to protect existing affordable housing and to facilitate additional affordable housing.

Delivering Affordable Housing in Partnership – An Example

The City may partner with other organisations to directly provide or facilitate affordable housing in the LGA. The Glebe Affordable Housing Project is an example of such a partnership.

Other local governments have also acted to increase the amount of affordable housing within a LGA, for example, Willoughby Council has partnered with Community Housing Limited (CHL) and the Association to Resource Affordable Housing (ARCH) to undertake a debt equity to provide 28 affordable housing units. The land has been provided by Willoughby Council and development capital is to be provided by the NSW Government, CHL and private finance.

Two buildings will be built on the land, the first building will contain 11 units and will be sold to finance the second building containing 28 units for very low to moderate income earners. Nine units will be held in ownership by Willoughby Council and will be managed by CHL. The remaining 19 units will be in the ownership of CHL. Rental payments will be used to service debt and provide ongoing management of the units. The amount of dwellings yielded by this mechanism will depend largely on the availability of appropriate sites and the feasibility of the City entering into projects to directly provide affordable housing. The Strategy contains a number of actions towards increasing the City's role in the direct provision and the facilitation of affordable housing within the LGA.

3.3 Financial Initiatives

It is possible that a council may allocate money to facilitate more appropriate and affordable housing for very low to moderate income earners. Funds may be used to offer a range of 'carrot' incentives to be offered to the private sector to encourage the provision of affordable housing. Such incentives may include:

- reducing development contributions for developers willing to provide affordable housing;
- spreading charges, e.g. infrastructure charges and DA fees, as a way of reducing up-front costs of development that provide affordable housing;
- rate rebates on properties where affordable housing is provided or to rental properties with low income tenants;
- providing land to affordable housing providers through donation or by deferring payment so that the upfront costs of development are lowered; or
- reducing rates or offering rebates for owners of boarding houses so as to provide an incentive for their retention.

Money may also be used as equity in forming partnerships, undertaking housing research, advocacy programmes and offering incentives for the retention of existing low cost accommodation.

Promoting Affordable Housing by offering financial incentives – An Example

The Commonwealth and the NSW Governments may offer financial incentives to encourage the provision of affordable housing by the private sector or assist the not-for-profit sector to provide affordable housing. An example of this, recently announced by the Commonwealth Government is the National Rental Affordability Scheme (NRAS) which aims to increase the amount of affordable rental units nationally by 100,000 over the next 10 years. The Commonwealth Government will provide an annual incentive to institutional investors to build new homes and rent them to low and moderate income earners at 20 per cent below market rates.

It is possible that other, less direct financial incentives from other levels of government will emerge over time that will promote the provision of affordable housing. Such an example may include tax incentives to provide affordable housing or the promotion of financing models with positive outcomes for the private sector.

3.4 Leadership, advocacy and community development

Councils, both individually and in partnership with stakeholders and the not-for-profit sector, are able to advocate to other levels of government for improved housing outcomes for people on very low to moderate incomes.

Councils may work with members of the community to educate them on the overall benefits of providing affordable housing in the LGAs. Where community members and stakeholders are involved in the planning of affordable housing there is greater opportunity to enhance the general understanding of the importance of affordable housing.

It is important to monitor housing trends in LGAs and surrounding LGAs so that housing policies can remain responsive to change. Further, ongoing research of best practice and national and international affordable housing initiatives will inform the ongoing provision of affordable housing.

The Private and Finance Sector Playing a Role in Providing Affordable Housing – An Example

It is essential that there be improved engagement of the finance and private sectors to increase the amount of affordable housing available in the City of Sydney. An example is the Listed Property Trust (LPT) model for affordable key worker housing.

A new LPT could provide 750 new dwellings for very low to moderate income households in the City at a total capital cost of \$350 million. This cost would be funded by equity capital markets, not by governments. Tenants may pay approximately \$300 per week and the government could subsidise by \$200 per week at a total cost to the government of \$7.8 million per year, which will equate to \$100 per week per tenant based on a 2 bed apartment.

The cost to government could be offset by some potential trade-off against wages.

The model can be replicated many times and altered to support shared equity arrangements whereby tenants could ultimately buy the properties that they are renting. This would encourage responsible tenancy and encourage ownership. Similar schemes may target a broader rental market segment taking into account that almost 50% of existing dwelling stock in City of Sydney LGA is currently rented.

Yields for LPTs, which may hold affordable housing range from approximately five per cent to seven per cent.

4 Policy and Statutory Context

4.1 Sustainable Sydney 2030

Sustainable Sydney 2030 is a 25 year strategic plan that will deliver an overarching framework for the development of the LGA over the next two decades. Sustainable Sydney 2030 poses an agenda beyond the immediate and looks to the City's long term goals. Its effective implementation relies on partnerships being established with the NSW Government, the Commonwealth Government, other local councils, business and the community. Sustainable Sydney 2030 has included 'Housing for a Diverse Population' as a key strategic direction for the City of Sydney.

During the extensive community consultation that has been undertaken as part of Sustainable Sydney 2030, the community told us that they would like to see the LGA as affordable, inclusive and accessible for all residents. Therefore, relative equality has emerged as a key principle in Sustainable Sydney 2030. The provision of affordable housing is a means of providing for increased relative equality in the LGA.

As part of its commitments in Sustainable Sydney 2030, the City, in demonstration of how affordable housing may be developed in partnership with other levels of government, the not-for-profit sector and the private sector, will explore a project to showcase the benefits of affordable housing in the LGA. Sustainable Sydney 2030 establishes an ambitious target that by 2030, of all housing in the LGA 7.5% will be social housing and 7.5% will be affordable housing delivered by 'not-for-profit' or other providers. This target seeks to increase the current proportion of social and affordable housing in the City by a modest amount.

'Housing for a Diverse Population' looks more broadly to housing in the City over the next two decades while this strategy is primarily focused on increasing housing options for very low to moderate income earners in the LGA.

4.2 City of Sydney Social Plan 2006-2010

The City of Sydney Social Plan 2006–2010 recognises that the City has a social, practical and legislative responsibility to address local housing needs on behalf of the community. The Social Plan identifies the need to provide appropriate and affordable housing in the LGA to support a diverse range of households on a variety of incomes and acknowledges that diversity contributes to greater economic stability and enhances the vitality of a local community.

4.3 The Council of Capital City Lord Mayors Affordable Housing Policy

The Council of Capital City Lord Mayors (CCCLM), of which the City of Sydney is a member, adopted the Council of Capital City Lord Mayors Affordable Housing Policy in 2007. The Policy recognises that capital cities have significant involvement in the direct provision of public and social housing, the development and implementation of planning policies, researching and monitoring housing affordability and supporting not-for-profit organisations in the provision of housing services. Capital cities also facilitate and encourage the provision of housing by the private sector via a range of incentives as well as playing an important advocacy role with all other levels of government.

The CCCLM aims to work closely with each level of government in gaining commitment, cooperation and investment to ensure an adequate supply of affordable housing and a mix of housing types are available in each capital city.

4.4 Sydney Metropolitan Strategy

The Sydney Metropolitan Strategy is the NSW Government's long-term plan to manage Sydney's continuing economic growth while balancing social and environmental impacts. The Strategy identifies a number of initiatives to

improve the affordability of housing, to facilitate the development of affordable housing and to redevelop and regenerate Housing NSW stock. Specific initiatives include:

- C4.1 Improve the affordability of housing.
- C4.2 Redevelop and regenerate Department of Housing stock.
- C4.3 Use planning mechanisms to provide affordable housing.

With projections of a 1.1 million population increase in the Sydney metropolitan region in the next 25 years, the Sydney Metropolitan Strategy identifies the need for an additional 640,000 dwellings of which 55,000 are to be provided in the City of Sydney.

4.5 Sydney Subregional Strategy

The Metropolitan Strategy identified ten Sydney subregions of which the City of Sydney LGA comprises a sub-region on its own. The draft Sydney Sub-Regional Strategy, released in July 2008, is currently being exhibited for public comment early in 2008. The strategy includes three actions towards improving the affordability of housing including:

- Improve the affordability of housing;
- Redevelop and regenerate Department of Housing stock; and
- Consider potential planning mechanisms to provide affordable housing

4.6 The City of Sydney Corporate Plan 2007-2010 and Strategic Plan 2005-2008

The City of Sydney *Strategic Plan 2005-2008* outlines the key policy directions and outcomes for the LGA and provides a framework for the implementation of the *Corporate Plan 2007-2010*. The *Corporate Plan 2007-2010* outlines the Council's intended facilities and service delivery. Key actions in this Strategy will be incorporated into the *Corporate Plan 2007-2010*.

4.7 Other Local Policies and Plans

There are a number of City of Sydney documents relevant to this Strategy, including:

- Sydney Local Environmental Plan (LEP) 2005
- South Sydney LEP 1998
- Leichhardt LEP 2000
- Green Square Affordable Housing Development Control Plan (DCP) 2002
- City of Sydney Boarding Houses Development Control Plan 2004
- Homelessness Strategy 2007-2012

The City is currently undertaking a review of its planning controls. The City Plan will comprise a single LEP and a single DCP for the whole LGA and will replace the above LEPs and DCPs.

4.8 Environmental Planning and Assessment Act 1979

The *Environmental Planning and Assessment Act 1979* (EP&A Act) and the *Environmental Planning Regulation 2000* regulate the planning and development assessment functions of councils. The 'provision and maintenance of affordable housing' is a specific objective of the EP&A Act.

5 Strategy Rationale

By far the most prevalent tenure in the Sydney LGA is renting on the private rental market. This is partly a reflection of affordability and partly a reflection of housing stock and the type of people moving into the area. For example, low density housing is likely to attract a higher proportion of owner/purchasers to the area while high density areas are attractive to investors and generally appeal to a more transient population.

The age structure of people who choose to live in the LGA is significantly younger than that of the Sydney Statistical Division (SSD), with a greater share in all ages between 20 and 39 years. Young people are attracted to the LGA from regional NSW and interstate for tertiary study, employment opportunities and the 'bright lights'.

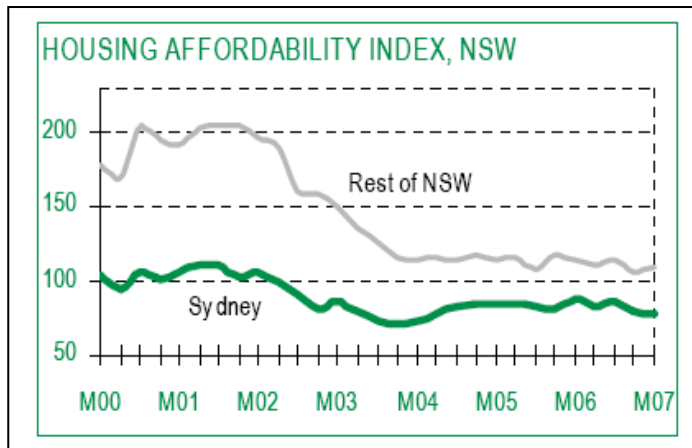
The population of the LGA is highly transient with people moving to the area for a short time before moving away. Many young people are following the traditional housing path by taking advantage of renting in the LGA while they are studying or building a career. They predominantly live in lone-person, couple without children and group households. As they mature they will form family type households and look to purchase more affordable and appropriate accommodation outside of the LGA.

Low cost rental accommodation is particularly important in the LGA. Homelessness is an issue that disproportionately affects inner cities. People who are homeless gravitate towards the LGA for a range of reasons, some of which may include the prevalence of relevant support and accommodation services and the sense of 'anonymity' that the city may offer. Boarding houses are a vital stop-gap between homelessness and other forms of low-cost accommodation. They are also an affordable housing option for people who arrive in the LGA with few resources.

There is an important distinction to be made between housing affordability and affordable housing. Housing affordability is how we understand the cost of housing relative to median income. The various economic, fiscal and commercial factors that shape housing affordability are primarily governed by the commonwealth and state governments. As such, there are limitations on what local government can achieve in terms of housing affordability.

Despite a generally favourable period of economic growth, housing affordability has substantially declined for low to moderate income earners in NSW. The Housing Affordability Index (HAI) is released every quarter by the Housing Industry Association. It is a measure of incomes relative to the costs of purchasing a home. The higher the index, the more affordable it is to purchase a home, as the index falls below 100, a household with an average annual income would have less than the income required to service an average mortgage without being in housing stress. Graph 1 compares the HAI in the Sydney metropolitan area to the rest of NSW from March 2000 to March 2007.

Graph 1 Housing Affordability Index



Source: HAI – Commonwealth Bank, Affordability Report March Quarter 2007

In the 1970s, the cost of an average home was equal to three times the annual average household income, but today the average home costs approximately seven times the annual average household income indicating that over time, housing prices have increased at a faster rate than incomes.

Where demand for housing exceeds the supply of housing, as is the case in the LGA, there is upward pressure on the price of housing. When governments seek to address housing affordability, an immediate and obvious response is to increase the supply of land available for development. However, given the location-specific demand for housing, the release of land in Liverpool, for example, would have little if any impact on the cost of housing in inner Sydney.

In the LGA, where there may be potential to promote the availability of affordable housing through increasing supply, any gains are likely to be absorbed by high investor demand encouraged by the buoyancy of the inner-Sydney housing market. It is unlikely to translate to housing that is affordable for purchase by very low to moderate income groups.

Demand for housing has increased in the LGA due to a number of factors including:

- increased appeal of the LGA as a place of residence;
- shrinking household size;
- increasing income (though incomes are not rising at a corresponding rate to housing prices);
- increased appeal of housing as an investment due to lack of capital gains taxes on owner occupied housing; and
- the ease with which people may gain access to credit.

Where demand solutions are employed to address the *housing affordability*, policies generally involve increasing people's capacity to pay for housing, an example being the first home buyers grant offered by the Commonwealth Government. However, if such a program is not carefully targeted, it simply increases the capacity for all people to pay more for housing, resulting in increased demand, and ultimately the cost of housing rises.

A criticism regularly faced by local councils in NSW is that development fees, section 94 contributions, and costs associated with the NSW planning system, contribute significantly to the rising cost of housing, and that if the costs were

reduced, the savings could be passed onto the purchaser and then to renters. However, the view of a number of leading housing experts is that while this argument may hold merit in locations where supply exceeds demand, in locations where demand far outstrips supply, such as inner Sydney, the primary beneficiary would be the developer since the sales price is largely determined by the market rather than the development costs.

The causes and effects of decreasing *housing affordability* are different for every LGA in NSW. It follows that responses to housing issues will differ from LGA to LGA. For example, where there is less demand than in Sydney LGA, councils may adopt a strategy to increase permissible residential densities in planning instruments in order to reduce the cost of housing enough to make it affordable to lower income earners. In the Sydney LGA however, where demand is very high, the cost of purchase housing far exceeds the capacity of very low to moderate income households to pay (see Tables 2 and 3).

Table 2 Affordable purchase prices for very low to moderate income households	
Gross annual household income	Affordable house price, assuming 5% deposit; 7% interest rate and 30 year loan term
\$20,000	\$79,000
\$30,000	\$119,000
\$40,000	\$158,000
\$50,000	\$198,000
\$60,000	\$237,000
\$70,000	\$277,000
\$80,000	\$316,000

Source: Centre for Affordable Housing 2008, Local Government Housing Kit

Table 3 Median Purchase Price		
	Median Sales Prices Non Strata	Median Sales Prices Strata
Sydney LGA	\$640,000	\$430,000
Sydney SD	\$459,000	\$372,000

Source: Centre for Affordable Housing 2008, Local Government Housing Kit Database
 Note: Strata title properties usually include town houses, terraces/villas, flats/units (multi-unit dwellings) whereas non-strata title properties refer to separate houses.

Therefore, the intention of this strategy is primarily to protect existing rental affordable housing and to facilitate the provision of new rental affordable housing for households on very low to moderate incomes.

6 Affordable Housing Targets

While the definition of affordable housing encompasses all affordable housing including public, not-for-profit and private (rental and for purchase) it is recognised that in the LGA, given median rent prices, private affordable housing is largely confined to accommodation in boarding houses, or very small or substandard rental accommodation. Therefore, affordable housing targets adopted in this strategy will equate to housing that is subsidised below market rents (such as City West Housing, housing managed by not-for-profit providers, student housing or housing resulting from the National Rental Affordability Scheme). Affordable housing targets will not include private rental affordable housing dwellings such as boarding houses or studio apartments nor will it include housing that is made

available for purchasers below market cost (such as housing resulting from the Housing Affordability Fund) or by alternative purchase arrangements that promote affordability (such as co-operative housing or debt equity schemes).

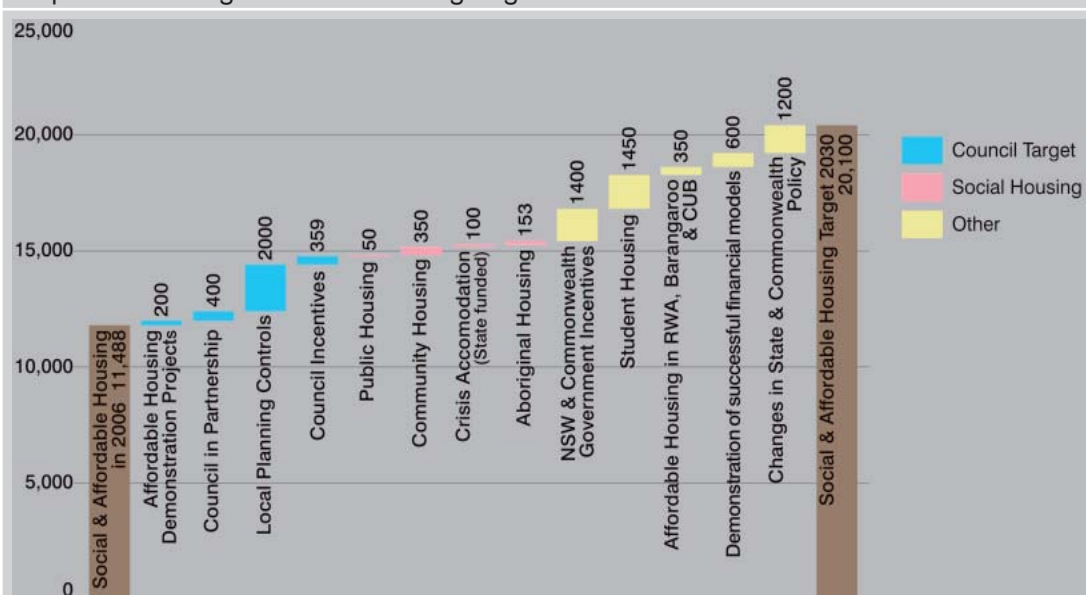
This strategy adopts the following targets for affordable housing to 2030:

Table 4 City of Sydney Housing Targets			
	2006	2030	Growth to 2030
Total dwellings	90,000	134,000	44,000
Social Housing	9,397	10,050	653
Affordable Housing	2,091	10,050	7,959

The above targets will require a substantial increase in the amount of affordable housing currently being provided in the LGA. The City plays an important role in the direct provision, facilitation and protection of affordable housing. The below 'steps to achieving social and affordable housing' highlights the City's own target to provide/facilitate 2959 affordable housing dwellings to 2030. Achieving the residual target will depend, to a significant extent, on the policies of other levels of government to increase the capacity of the not-for-profit sector and entice the investment of the private sector in affordable housing.

Affordable housing targets expressed in Sustainable Sydney 2030 and in this strategy will require a significant increase in the amount of affordable housing currently provided in the City of Sydney LGA. Below is a scenario of the steps the City might take to achieving affordable housing targets. There are a number of ways the City might achieve this target, with each 'step' expanding or shrinking at need.

Steps to Achieving affordable housing targets



Affordable Housing Demonstration Projects (200 dwellings, 2%)

NSW and Commonwealth Government incentives (1400 dwellings, 16%) – This refers to *direct* incentives offered by the NSW and Commonwealth Governments for the provision of affordable housing by the not-for-profit sector or other providers. An example of this is the recently announced National Rental Affordability Scheme (NRAS).

Council in partnership (400 dwellings, 5%) – This is an area of growth that the City may directly affect, utilising sites across the LGA"

Student Housing (1450 dwellings, 17%) – It is likely that both the University of Sydney and the University of Technology Sydney will continue to directly invest in the provision of subsidised rental accommodation for its students.

Local Planning Controls (2000 dwellings, 23%) – This includes existing levies that are expected to deliver additional affordable housing and anticipate the future introduction of an LGA wide affordable housing levy and a value capture mechanism	Affordable Housing in RWA, Barangaroo and CUB (350 dwellings, 4%) – The City will advocate for affordable housing outcomes in NSW Government controlled urban renewal sites.
Council incentives (359 dwellings, 4%) – This is an area of growth that the City may directly affect. The Council (as consent authority) may offer ‘bonuses’ to developers who are willing to provide affordable housing as part of new developments.	Demonstration of successful financial models (600 dwellings, 7%) – The Affordable Housing Demonstration Projects will build the knowledge capacity of not-for-profit providers and other providers in the delivery of affordable housing. This City expects significant flow-on benefits from this project.
Public Housing, Community Housing, Crisis Accommodation and Aboriginal Housing (50, 350, 100, 153 dwellings, 1%, 4%, 1%, 2% respectively) – Based on current trends, it is not expected that there would be any substantial growth in the amount of public housing within the LGA to 2030. With regards to community housing, crisis accommodation and Aboriginal housing, this scenario has adopted a conservative estimate of the amount to be provided to 2030.	Future NSW and Commonwealth Government incentives (1200 dwellings, 14%) – Future policy responses may range from direct incentives, such as government grants or a change in the NSW planning regime that would allow councils to ‘require’ affordable housing be provided in new developments, or it may include less direct methods such as a favourable tax environment for affordable housing that entices greater participation by the private sector.

7 Objectives and Actions

Objective 1 Increase the amount of affordable housing available in the City of Sydney to households with very low, low and moderate incomes.

Background

Decreasing housing affordability will predominantly affect very low to moderate income households who are typically less able to absorb the rising cost of housing. Over time, the population of the City of Sydney LGA is becoming more homogenous, with little diversity of income groups, particularly in areas where gentrification is well advanced. Between 1996 and 2006 the LGA lost lower income groups and gained higher income groups in an ongoing process of gentrification occurring across the LGA. This is a trend that is likely to continue and become more extreme as housing costs continue to rise and lower income groups are priced out of the market. The loss of very low to moderate income households from the LGA will have adverse social, economic, and cultural impacts in the LGA including:

- loss of the diversity and vitality crucial to attracting and retaining the ‘creative classes’;
- certain essential employment sectors may expect problems related to recruitment;
- key workers employed in the LGA, who are forced to live outside the LGA, will not have an opportunity to participate in the community;
- increased marginalisation of lower income households in public housing estates and areas where the price of rental tenure is lower;
- social, economic and environmental impacts of excessive commuting times; and
- impact on the efficient functioning of the LGA.

Where very low to moderate income households choose to remain in the LGA, a high proportion will be living in housing stress. Where households are in housing stress they are likely to experience financial hardship and have insufficient money to meet their basic costs.

There are a number of groups in the LGA who may be disproportionately affected by decreasing housing affordability, including:

- key workers and low income earners (including those working in creative industries)
- Indigenous households;
- young family households;
- people who are homeless and people at risk of homelessness; and
- young workers and students.

A1.1 Action

As part of Sustainable Sydney 2030, the City will undertake a demonstration project to provide affordable housing in partnership with other levels of government the private sector and the not-for-profit sector.

A1.2 Action

The City will utilise the NSW planning system to increase the range of housing options available to households with very low, low and moderate incomes. This may be achieved by:

- exploring opportunities to seek development contributions for affordable housing in areas outside the already established programs in Green Square and Ultimo/Pymont;
- Negotiate incentives to facilitate affordable housing through provisions in the Affordable Rental Housing SEPP; and
- review car parking and social mix provisions within planning instruments to identify any 'barriers' to the provision of affordable housing and, where appropriate and consistent with other land use needs, remove them.

A1.3 Action

Where appropriate the City will facilitate the development of affordable student housing.

A1.4 Action

The City will collaborate with financial institutions, including superannuation funds, to seek opportunities for increasing their role in facilitating greater housing options for very low to moderate income households. Such opportunities may include:

- development of financing packages for home purchase that are appropriate to the needs of low to moderate income households; or
- increased investment from superannuation funds in developing affordable rental housing.

A1.5 Action

The City will investigate the potential to establish an 'affordable housing quick path' to be available where affordable housing is incorporated as part of the development. The 'affordable housing quick path' may include processes to:

- early feasibility identification;
- facilitate the accelerated provision of infrastructure;
- where possible accelerate the path through the development process; and
- technical assistance with project development.

A1.6 Action

The City will investigate how it may directly contribute resources to increase the range of housing options available to households with very low, low and moderate incomes by:

- identifying suitable economic models for the City to deliver affordable housing in partnership with the Commonwealth Government, NSW Government, the not-for-profit sector, the financial sector or the private sector;
- identifies suitable Commonwealth and NSW Government and City owned sites that may be appropriate for the development of affordable housing and collaborate with other levels of government as well as other councils to deliver appropriate infrastructure to identified sites;
- identifying opportunities for joint ventures with the Commonwealth Government, NSW Government, the not-for-profit sector, the financial sector and the private sector;
- investigating the feasibility of establishing an affordable housing fund to be dedicated to the protection of existing affordable housing and the development of new affordable housing; and
- exploring the feasibility of establishing a range of financial incentives for developers who provide affordable housing as part of new developments.

Outcomes

- The inclusion of appropriate affordable housing provisions in City Plan by 2010.
- Of the growth to be provided in the LGA as part of Sustainable Sydney 2030, 7,959 dwellings will be provided as affordable housing and 653 dwellings will be provided as social housing (see Table 4).

Objective 1					
	Action	Responsibility	Resources	Timeframe	External Partners
1.1	As part of Sustainable Sydney 2030, undertake an affordable housing demonstration project in partnership with other levels of government, the private sector and the not-for-profit sector.	City Projects Properties	Staff time	Short-term	City West Housing Housing NSW Private Sector
1.2a	Determine the feasibility of establishing an affordable housing levy for areas outside the already established programmes in Green Square and Ultimo/Pyrmont to facilitate the collection of contributions from developers for affordable housing.	City Plan Development	Staff time	Short-term	
1.2b	Negotiate incentives to facilitate affordable housing through provisions in the Affordable Rental Housing SEPP	Affordable Housing Officer (AHO) City Plan Development	Staff time	Medium-term	
1.2c	Review car parking and dwelling mix provisions within planning instruments to identify any 'barriers' to the provision of affordable housing and, where appropriate and consistent with other land use needs, remove them.	City Plan Development	Staff time	Short-term	
1.3	Establish links with educational institutions and where appropriate facilitate the provision of affordable student housing.	AHO City Strategy	Staff time Other (to be determined)	Ongoing	Tertiary education institutions (to be identified) Private sector
1.4	Establish links with financial institutions, including superannuation funds, to assist in identifying opportunities for their increased involvement in providing housing options for very low to moderate income households.	AHO City Strategy	Staff time	Ongoing	Financial institutions (to be identified)
1.5	Determine the feasibility of establishing an 'affordable housing quick path' to facilitate the provision of affordable housing. The 'quick path' may include: <ul style="list-style-type: none"> •early feasibility identification; •facilitate the accelerated provision of infrastructure; •where possible accelerate the path through the development process; and •technical assistance with project development. 	City Plan Development Planning Assessments	Staff time	Medium-term	
	Action	Responsibility	Resources	Timeframe	External Partners
1.6a	Identify suitable financial models to deliver affordable housing in partnership with other levels of government, the not-for-profit sector, the private sector and the financial sector.	City Strategy Finance	Staff time Funds for consultancy	Short-term	Private sector Not-for-profit sector Centre for Affordable Housing Housing NSW

1.6b	Undertake a land audit to identify suitable Commonwealth and NSW Governments and City owned sites that may be appropriate for the development of affordable housing considering such things as proximity to public transport and services.	City Strategy Properties	Staff time	Medium-term	Commonwealth Government NSW Government Other councils
1.6c	Maintain close links with the Commonwealth Government, NSW Government, the not-for-profit sector, the financial sector and the private sector to identify opportunities for joint ventures to deliver affordable housing.	AHO Community Support City Strategy Other (to be determined)	Staff time Other (to be determined)	Ongoing	Commonwealth Government Housing NSW Office of Community Housing Centre for Affordable Housing Aboriginal Housing Office Other councils Financial institutions (to be identified) Not for profit sector (to be identified) Private sector (to be identified)
1.6d	Maintain close links with, and where feasible, enter into partnerships with Commonwealth and NSW Governments and other Councils to facilitate the delivery of infrastructure to government-owned sites identified as being appropriate for the development of affordable housing.	Community Support City Strategy Other (to be determined)	Staff time	Ongoing	Commonwealth Government NSW Government Other councils
1.6e	Determine the feasibility of establishing an 'affordable housing fund' to receive funds to be dedicated to the protection of existing affordable housing and the development of new affordable housing.	Community Support Finance	Staff time Other (to be determined)	Medium-term	
1.6f	While continuing to offer exemptions from development contributions for developments that include affordable housing, explore other incentives to developers who provide affordable housing in new developments.	City Plan Development	Staff time Other (to be determined)	Medium-term	

Objective 2 Protect the existing stock of low cost rental accommodation in the City of Sydney.

Background

The sustained loss of low cost accommodation in the Sydney LGA has a profound effect on those at the bottom of the housing ladder, particularly the homeless and those at risk of homelessness.

As the population grows in the LGA, low cost accommodation available in the LGA has diminished as a proportion of housing stock. It is essential that the City employs measures to protect the existing stock of low cost accommodation and promote the supply of new low cost accommodation. This will largely be facilitated by improved use of the *Affordable Rental Housing SEPP 2009*.

A2.1 Action

The City will build on existing research to establish a baseline for monitoring the quality and location of existing low cost rental accommodation in the LGA.

A2.2 Action

The City will implement a consistent approach to the application of the Affordable Rental Housing SEPP in the Inner City by:

- investigating the feasibility of developing a GIS layer identifying or 'flagging' properties in the LGA that are subject to the SEPP;
- developing a training and procedures manual for development assessment staff to ensure the 'best practice' application of the SEPP; and
- work with councils that participate in the Inner City Mayor's Forum to develop a consistent approach to the use of the SEPP.

A2.3 Action

The City will investigate the feasibility of providing financial incentives to owners of low cost accommodation to assist in its retention. This would include a mechanism to ensure that affordability is maintained after the incentive is provided.

A2.4 Action

The City will work with boarding house owners to ensure that they are aware of their rights and obligations with regards to health, building and fire standards.

A2.5 Action

The City will establish a comprehensive strategy to respond to issues related to boarding houses.

Outcomes

- No net loss of the existing stock of low cost accommodation in the City of Sydney up to 2013.

Objective 2					
	Action	Responsibility	Resources	Timeframe	External Partners
2.1	Identify the quality and location of existing low-cost rental accommodation, including boarding houses, in the LGA.	City Plan Development Planning Assessments Health and Building	Staff time Potential funds for consultancy	Medium-term	

Objective 2					
	Action	Responsibility	Resources	Timeframe	External Partners
2.2a	Develop an agreed protocol with the Department of Planning to achieve improved affordable housing outcomes through the application of the Affordable Rental Housing SEPP (2009).	AHO City Plan Development Planning Assessments	Staff time	Short-term	Department of Planning
2.2b	Investigate the feasibility of developing a GIS layer identifying or 'flagging' properties in the LGA that are subject to the SEPP.	AHO IT (GIS) City Plan Development Planning Assessments	Staff time	Short-term	
2.2c	Develop a training and procedures manual for development assessment staff to ensure the 'best practice' application of the SEPP.	AHO City Plan Development Planning Assessments IT (GIS)	Staff time	Medium-term	Department of Planning
2.3	Investigate the feasibility of providing financial incentives to owners of low cost accommodation to assist in its retention. This would include a mechanism to ensure that affordability is maintained after the incentive is provided.	Community Support Finance	Staff time	Medium-term	
2.4	Educate owners of boarding houses to ensure that they are aware their rights and obligations with regards to health, building and fire standards.	Community Support	Staff time	Medium-term	

Objective 3 Encourage a diverse range of housing in the City of Sydney.

Background

A diverse demographic is vital for the economic, social and cultural sustainability of the LGA. It is essential that the LGA retains a mix of people from different incomes groups, occupations, ages, household types, cultural backgrounds and sexualities. A diverse population has diverse housing needs, both in relation to the cost of the housing, as well as the type of housing that is available.

The majority of the growth between 2001 and 2006 has been in one and two bedroom units with a small drop in the proportion of three bedroom units being provided. A lack of three bedroom units provides fewer opportunities to accommodate families and to form group households.

By encouraging housing that is appropriate for family households it is more likely that families will be encouraged to settle in the LGA. Where families settle, service provision, such as health and education facilities, is more likely. As these services are provided, more families are attracted to an area.

Allowing for more secondary dwellings may also create affordable housing opportunities by allowing owners to rent a portion of their property, making the mortgage more affordable for the purchaser as well as creating an affordable renting opportunity for a renter. A secondary dwelling is a self-contained dwelling that is either established in conjunction with another dwelling (the principal dwelling); on the same lot of land (not being an individual lot in a strata plan or community title scheme) as the principal dwelling; or located within, or is attached to, or is separate from, the principal dwelling.

A3.1 Action

The City will assess the benefits of specifying an appropriate dwelling size mix in local planning instruments and, where appropriate, incorporate such provisions into planning instruments.

A3.2 Action

The City will ensure planning provisions provide flexibility to provide culturally appropriate housing.

A3.3 Action

The City will ensure planning provisions do not discourage *secondary dwellings* and where appropriate encourage *secondary dwellings*.

Outcomes

- City Plan includes provisions that encourage diverse forms of housing.

Objective 3					
	Action	Responsibility	Resources	Timeframe	External Partners
3.1a	Revise existing dwelling size mix provisions in City planning instruments and plans and recommend potential alterations.	City Plan Development	Staff time	Short-term	
3.1b	Implement revised planning controls relating to dwelling size mix for inclusion in City Plan.	City Plan Development	Staff time	Short-term	
3.2	Ensure provisions in City planning instruments and plans provide flexibility to provide culturally appropriate housing.	City Plan Development	Staff time	Short-term	
3.3a	Ensure provisions in City Plan do not discourage secondary dwellings in appropriate locations.	City Plan Development	Staff time	Short-term	
3.3b	Include provisions in City Plan to encourage secondary dwellings in appropriate locations.	City Plan Development	Staff time	Short-term	

Objective 4 Collaborate with other inner Sydney councils to address affordable housing as a regional issue.

Background

Housing affordability is not an issue that may be addressed in isolation from other LGAs. The rental and purchase prices in neighbouring LGAs are comparable to those in the LGA. Further, neighbouring LGAs are experiencing similar demand and supply pressures to those being experienced in the LGA as well as the same trends that result in the overall loss of low cost accommodation. It may therefore be just as difficult for very low to moderate income households to acquire housing in neighbouring suburbs as in the LGA.

Affordable housing issues should therefore be considered in a regional context and not as a problem that can be measured and rectified in wholly local terms. Where there is close communication and agreed objectives between the City of Sydney, other levels of government and neighbouring councils the key issues influencing affordable housing in inner Sydney may be more fully addressed.

A4.1 Action

The City will take a leadership role in affordable housing research, projects and policies.

A4.2 Action

The City will establish and coordinate a working group of councils in inner Sydney to:

- establish a memorandum of understanding to guide the group of the work;
- reach a mutual understanding of regional housing issues;
- undertake research;
- monitor regional housing trends;
- collaborate with Aboriginal Land Councils;
- consistently apply the Affordable Rental Housing SEPP;
- enter into partnerships to facilitate the provision of affordable housing; and
- take a consistent approach in advocating to the Commonwealth Government and the NSW Government for better housing outcomes.

A4.3 Action

The City will collaborate with other councils to establish a training manual for development assessment staff. The training package should include information relating to housing issues so that all DA planners have a consistent understanding of affordable housing issues, the best application of the Affordable Rental Housing SEPP, and how the best outcomes for councils might be achieved.

Outcomes

- Establishment of the Inner Sydney Council's Affordable Housing Working Group by 2009.
- Implement best practice training for all DA planners in participating councils.

Objective 4					
	Action	Responsibility	Resources	Timeframe	External Partners
4.1	Take a leadership role in Affordable Housing research, projects and policies.	AHO	Staff time	Medium term	
4.2	Establish and coordinate a working group with other inner Sydney councils to: <ul style="list-style-type: none"> • establish a memorandum of understanding (MOU) to guide the work of the group and to facilitate AH provision (including eligibility for clients) across the LGAs; • collaborate for a mutual understanding of housing affordability and housing issues within the inner Sydney region; 	AHO City Strategy Other (as needed)	Staff time Other (to be identified)	Ongoing	Inner Sydney regional councils Department of Planning Office of Community Housing Centre for Affordable Housing Aboriginal Lands Councils Aboriginal Housing Office Financial institutions Not for profit sector Private sector

4.2 (cont.)	<ul style="list-style-type: none"> • undertake housing research; • monitor regional housing trends; • collaborate with Aboriginal Land Councils; • achieve a consistent understanding of the Affordable Rental Housing SEPP and work with the Department of Planning to evaluate its effectiveness and application; • identify opportunities for partnerships in providing affordable housing; and • collectively advocate to other levels of government for improved housing outcomes. 	AHO City Strategy Other (as needed)	Staff time Other (to be identified)	Ongoing	Inner Sydney regional councils Department of Planning Office of Community Housing Centre for Affordable Housing Aboriginal Lands Councils Aboriginal Housing Office Financial institutions Not for profit sector Private sector
4.3	Collaborate with other councils to establish training for development assessment staff to increase understanding and achieve a more consistent and informed approach to affordable housing in general and the Affordable Rental Housing SEPP.	AHO Planning Assessment	Staff time Other (to be identified)	Medium-term	Inner Sydney regional councils Department of Planning

Objective 5 Advocate the protection and facilitation of affordable housing to other levels of government, and to the community.

Background

Where the community is aware of the issues influencing housing affordability and the provision of affordable housing, and are educated on the benefits and importance of facilitating affordable housing within the LGA, community support for this Strategy will be increased.

The City may advocate to other levels of government on behalf of the community for improved housing outcomes for households on very low to moderate incomes.

A5.1 Action

The City will undertake community education and engagement programs on the benefits of an inclusive and diverse LGA.

A5.2 Action

The City will work in partnership with Housing NSW and advocate an increased supply of public housing, community housing and ancillary support services for very low to moderate income households.

A5.3 Action

The City will work with the Aboriginal Housing Office and advocate an increased range of culturally appropriate social housing options and support services for very low to moderate income households in the Indigenous community.

A5.4 Action

The City will continue to liaise with the Aboriginal Housing Company on the detailed development of the Pemulwuy Project.

A5.5 Action

The City will advocate increased funding to the not-for-profit sector by the NSW and Commonwealth Governments to facilitate affordable housing and supported affordable housing for very low, low and moderate income households.

A5.6 Action

The City will advocate the establishment of a financial framework by the Commonwealth Government that encourages the development of affordable housing initiatives by the private sector.

A5.7 Action

The City will continue to advance affordable housing matters directly with the Commonwealth Government through the Council of Capital City Lord Mayors (CCCLM).

A5.8 Action

The City will advocate the provision of incentives to owners/operators of boarding houses by the NSW and Commonwealth Governments. to offer incentives to owners of boarding houses. Incentives should be linked to:

- quality standards; and
- improved tenancy agreements.

A5.9 Action

The City will advocate to all levels of government for a whole of government approach to other levels of government to increase the amount of affordable housing available to very low to moderate income groups.

A5.10 Action

The City will advocate for affordable housing outcomes in urban renewal sites where the Minister for Planning is the consent authority.

Outcomes

- Increase in the knowledge of housing issues in the community.
- Increase in the range of housing options for very low to moderate income households.
- Increased funding to the not-for-profit sector for the provision of affordable housing to very low to moderate income households.
- Increase in participation by the private sector in the provision of affordable housing to very low to moderate income households.

Objective 5					
	Action	Responsibility	Resources	Timeframe	External Partners
5.1a	Design and implement a community engagement program to undertake community education on the benefits of providing affordable housing.	Community Support Community Engagement	Staff time	Short-term Ongoing	

5.1b	Engage with the community throughout the development of affordable housing projects in the LGA.	Community Support Community Engagement	Staff time	Ongoing	
5.2	Advocate to and work in partnership with Housing NSW to protect existing, and to increase the supply of, public housing, community housing and ancillary support services for very low, low and moderate income households and to achieve an improved mix of social housing throughout the LGA.	AHO Community Support Public Housing Liaison Officer	Staff time	Ongoing	Housing NSW
5.3	Advocate to Aboriginal Housing Office and Housing NSW to increase the range of culturally appropriate housing options and support services for very low to moderate income households in the Indigenous community.	AHO Community Support Public Housing Liaison Officer	Staff time	Ongoing	Aboriginal Housing Office Aboriginal Housing Company Department of Planning
5.4	Continue to liaise with the Aboriginal Housing Company on detailed planning for the Pemulwuy Project	Properties Community Support	Staff time	Ongoing	Aboriginal Housing Company Department of Planning
5.5	Advocate to the Commonwealth Government and the NSW Government to increase funding to the not-for-profit sector to facilitate affordable housing and supported affordable housing for very low, low and moderate income households.	AHO City Strategy	Staff time	Ongoing	Commonwealth Government Housing NSW Department of Planning
5.6	Advocate to the Commonwealth Government and the NSW Government to establish a financial framework that encourages the development of affordable housing initiatives by the private sector.	AHO City Strategy	Staff time	Ongoing	Commonwealth Government NSW Government
5.7	Continue to advance affordable housing matters directly with the Commonwealth Government through the Council of Capital City Lord Mayors (CCCLM).	City Strategy	Staff time	Ongoing	Commonwealth Government CCCLM Federal Minister for Housing
5.8	Advocate to the Commonwealth Government and the NSW Government to offer incentives to owners of boarding houses. Incentives should be linked to quality standards and improved tenancy agreements.	AHO Community Support	Staff time	Ongoing	Commonwealth Government Housing NSW NSW Government Department of Fair Trading

5.9	Advocate to all levels of government for a whole of government approach to increasing the amount of affordable housing available to very low to moderate income groups.	AHO Community Support	Staff time	Ongoing	Commonwealth Government NSW Government
5.10	Advocate the provision of affordable housing in urban renewal sites where the Minister for Planning is the consent authority.	AHO Community Support	Staff time	Ongoing	Department of Planning Housing NSW

Objective 6 Implement, evaluate and monitor the Affordable Housing Strategy.

Background

The Affordable Housing Strategy Internal Liaison Group (AHSILG) was established in May 2007 to ensure a whole of council approach to the development of this Strategy. The AHSILG is the group accountable for the implementation, evaluation and ongoing monitoring of the City of Sydney Affordable Housing Strategy.

A6.1 Action

The City will establish an Affordable Housing Officer position with overall responsibility for the implementation of this Strategy.

A6.2 Action

The City will monitor existing affordable housing and report in the City's mandatory community reporting processes.

A6.3 Action

The City will undertake an annual review of the progress of the Strategy and report in the City's mandatory community reporting processes.

A6.4 Action

The City will maintain existing research.

A6.5 Action

The AHSILG will undertake ongoing research into housing related issues in the City of Sydney. Such research may include, but will not be restricted to:

- identifying risk to the economy represented by shortfall in key workers;
- identifying risk to the economy represented by shortfall in the creative classes; and
- identify employment sectors experiencing unacceptable levels of difficulty in recruiting staff.

Objective 6					
	Action	Responsibility	Resources	Timeframe	External Partners
6.1	Establish an Affordable Housing Officer position with overall responsibility for the implementation of this Strategy	Affordable Housing Internal Liaison Group Human Resources	Staff time Funding for new position	Short-term	

6.2	Monitor existing affordable housing and report in the City's mandatory community reporting processes.	AHO	Staff time	Annual Ongoing	
6.3	Undertake an annual review of the progress of the Strategy and report in the City's mandatory community reporting processes.	AHO	Staff time	Annual Ongoing	
6.4	Following each census: • Update the Affordable Housing Social Atlas; and • Maintain the Housing Needs Analysis Report.	City Plan Development	Staff time Funds for consultancy	To be completed following each census. Ongoing	
6.5	Determine data gaps in housing research and undertake/commission research according to need into housing related issues. Further research may include, but is not limited to: • Loss of key workers; and • Student housing needs and its impact on housing in the LGA.	AHO City Strategy Community Support City Plan Development Properties Finance	Staff time Potential funds for consultancy	Ongoing	

8 A Way Forward For The City

The objectives and actions contained within the City of Sydney Affordable Rental Housing Strategy are the product of extensive research undertaken by the City, which demonstrated a clear and persistent need for the City to protect existing affordable housing and facilitate the provision of new affordable housing.

This Strategy presents a way forward to ensure that to the extent of its abilities, the City will work with external partners to achieve affordable housing targets articulated within Sustainable Sydney 2030 and within this Strategy.



Appendix B

Environmental Planning and Assessment Amendment (Boarding Houses) Bill 2010 Analysis

Proposed amendment to EP&A Act	City of Sydney response
<p>Extends s118B of the Act, which relates to powers of officers when inspecting and investigating to enable collection of evidence via films, audio, video and other recordings (in addition to photographs – which are the only medium currently referred to specifically).</p>	<p>This amendment is supported by the City of Sydney.</p> <p>This would increase the tools explicitly available to investigating officers for all investigations under the Act (not just those relating to accommodation issues).</p>
<p>Amends s118J (relating to powers of entry for residential premises) to allow officers to enter where they have reasonable grounds to believe that the premises are being used as a boarding house or other place of shared accommodation “of a type prescribed by the Regulation” in contravention of the Act.</p>	<p>This amendment is generally useful to overcome the issues of difficulty of access to premises and, as noted above, increased powers of entry have previously been sought by the City of Sydney. However, there are some matters which require further clarification.</p> <p>Specifically, clarification should be sought as to what are the types of shared accommodation that will be listed in the Regulation. It is anticipated that this is not likely to capture share houses which are not ordinarily “let in lodgings”. As such, this amendment will not enable entry to premises Council considers are being used for unlawful “tourist and visitor accommodation” except for backpackers’ hostels. That is, it will not enable entry into suspected unlawful serviced apartments.</p> <p>The City of Sydney would appreciate the opportunity to comment on the types of premises it believes should be included.</p> <p>It is also noted that there is no guidance as to how this power is practically able to be exercised by Council. Section 118D allows force to be used in entering premises but does not apply to residential premises. The Bill does not propose to amend this section which would be necessary to give practical effect to the right of access if the owner/occupiers refuse entry. Otherwise,</p>

Proposed amendment to EP&A Act	City of Sydney response
	<p>the only recourse will be to seek a warrant and/or obtain the support of police for entry.</p> <p>It is submitted that appropriate guidance and controls should be provided, possibly in the Regulations, to ensure these powers are only used in an appropriate manner and appropriate circumstances.</p>
<p>Amends 124AA to enable the use of circumstantial evidence in relation to all matters involving places of shared accommodation.</p>	<p>The City of Sydney suggests that this amendment go further to also include “tourist and visitor accommodation” (as defined in the Standard Instrument for LEPs) to enable this type of evidence in relation to unauthorised serviced apartments and similar uses. The proposed amendment will ensure explicit legislative support for the use of circumstantial evidence and reflects the practical reality that it is often the only evidence that can be gathered to support claims of unauthorised use for short-term accommodation.</p>
<p>Proposes a new penalty provision (s 126A) specifically providing for increased penalties in relation to offences relating to boarding houses and other places of shared accommodation. This includes potential imprisonment of 6 months for breaches in circumstances of aggravation (defined to be where “the offence caused or contributed to appreciable danger or harm to any person”).</p>	<p>The introduction of imprisonment as a penalty is a shift in sentencing principles for planning legislation and should be carefully debated. Increased penalties alone, whether by way of imprisonment or fines, will not resolve the issue without improved regulation in the area and amendments to facilitate enforcement.</p>
<p>Proposes a new s156 be inserted to enable councils to rely on evidence of alteration of premises in a way consistent with use as a place of shared accommodation as prima facie evidence that such a use has been, or was intended to be, occurring.</p>	<p>This amendment is supported by the City of Sydney.</p> <p>It would be of assistance to the City of Sydney as in many cases it is clear that unauthorised works have been done (for example partitioning of bedrooms and lounge rooms to create additional sleeping areas) to enable additional occupants to</p>

Proposed amendment to EP&A Act	City of Sydney response
	<p>live at the premises. Whilst the City of Sydney is regularly able to establish the existence of partitioning it is often difficult to go the next step and establish the use. Legal support for an inference to be drawn as to the reason for the installation of the partitioning is therefore supported.</p>
<p>Proposes a new s156A is inserted to require boarding house operators with 5 or more lodgers (in total) or 3 or more lodgers in any one room to register certain details with a Department. There is a penalty for failure to register.</p>	<p>The second reading speech indicates that part of the use of the register will be to assist those seeking accommodation in knowing whether they are staying at a “lawful” boarding house.</p> <p>There are some issues requiring clarification including – how will this interact with the development approval process (ie. will premises which are not approved be allowed to register?) and what will Council’s role be in this process. Section 156A(8) indicates that the Director-General may “enter into arrangements with councils” – it is not clear if this will require councils to actually maintain and police these registers, which is likely to involve significant resources.</p>
<p>Increased penalty notice fines are introduced for offences relating to boarding houses, being fines of \$5,000 for individuals and \$11,000 for corporations (as opposed to \$1,500 and \$3,000 respectively)</p>	<p>These are significant fines to be imposed by way of penalty notice and it is to be anticipated that many recipients would choose to court-elect the fines which would increase the workload for Council officers and solicitors in attending court. On the other hand these do represent significant financial penalties possibly commensurate with the financial returns being obtained from operators.</p>
<p>An amendment to the Ombudsman Act 1974 intended to provide for the Ombudsman to investigate any complaints against councils arising from the exercise of the powers of entry in the new s 118J(e).</p>	<p>It is considered appropriate that oversight be provided for in relation to the exercise of powers of entry as such a power is in its nature highly intrusive and sensitive.</p>



Appendix C

City of Sydney Boarding Houses DCP 2004 and website link to other planning controls



City of Sydney Boarding Houses Development Control Plan 2004



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Part 1 - General Information, Legislative Framework & Development Assessment

1.1. Introduction

The DCP aims to encourage the increased provision of quality Boarding Houses and to achieve improved standards of accommodation when existing buildings are to be adapted or converted to a boarding house, or through the expansion of existing boarding houses, or when major refurbishment and upgrades occur. The standards and provisions of Part 2 – Planning and Design are only to be applied when appropriate in connection with any Development Application (DA) submitted to Council for these types of proposed development.

The DCP guidelines also aim to ensure planning and design of new proposals or additions to Boarding Houses (just like the other various forms of residential development) complement Council's general planning provisions relating to built form issues and impacts on the environment. This will ensure that operation and management of Boarding Houses have a minimum adverse impact on adjacent land uses and the public domain.

1.2 Citation

This DCP may be cited as the *City of Sydney Boarding Houses Development Control Plan 2004* (DCP).

1.3 Commencement

This DCP was adopted by the Council of the City of Sydney on 20 December 2004 and the Central Sydney Planning Committee on 16 December 2004. The DCP commenced operation on 12 January 2005.

1.4 Aims and Objectives

The primary aims and objectives of this DCP are to:

- Encourage the increased provision of high quality Boarding Houses within the City of Sydney;
- Ensure an acceptable level of amenity and accommodation in Boarding House premises such that they meet the needs of both residents and owners;
- Provide a comprehensive set of appropriate guidelines and requirements which contain the necessary information for persons wishing to establish or modify a Boarding House;
- Encourage 'best practice' in planning and design of Boarding Houses which will promote the City of Sydney as a leader in addressing the social needs of this form of residential accommodation;

- Ensure the appropriate level of fire safety within all Boarding Houses and that acceptable levels of service provision are maintained;
- Ensure that Boarding Houses are appropriately located within the City of Sydney, to ensure safety, security, health and amenity for both Boarding House residents and the adjoining neighbourhood;
- Minimise the adverse impacts associated with Boarding Houses on adjoining properties and the wider locality, by introducing effective planning and design controls; and
- Ensure appropriate levels of both internal and external amenity for Boarding House premises.

1.5 Application of the DCP

This DCP is applicable to:

- The establishment of new purpose built Boarding Houses;
- Conversion or adaptation of existing buildings to a Boarding House;
- Expansion of Existing Boarding Houses;
- Refurbishment/upgrades to existing Boarding Houses.

NOTE: Boarding Houses referred to in this DCP include both Class 1b and Class 3 Boarding Houses (*Refer to Section 1.10*).

For a definition of what constitutes a boarding house in the City of Sydney refer to the relevant Local Environmental Plan (LEP) or **Annexure A**.

If you are unclear as to whether the proposal is subject to the requirements of this DCP, please contact the City's Shared Accommodation Project Officer or the Duty Town Planner at the 'One Stop Shop' or at the City's Neighbourhood Service Centres located at Redfern, Glebe and Kings Cross.

1.6 Structure

This DCP is divided into two parts, namely;

Part 1 - General Information, Legislative Framework and Development Assessment

This part provides information as to why the City of Sydney has specific controls for Boarding Houses and what authorities may be involved in a Boarding House Application. It contains details regarding the regulatory process for approval and operation of a Boarding House, including the development application and *State Environmental Planning Policy No.10 – Retention of Low-Cost Rental Accommodation* (SEPP 10) process. It also contains information on the existing financial incentives available for Boarding House operators, at both the state and local government level.

Part 2 - Planning and Design Guidelines

Part 2 outlines the planning and design requirements for initially establishing a Boarding House, or otherwise undertaking modifications or upgrade works. It incorporates requirements for all stages of the planning and design process from initial site analysis investigations, building design, external areas, through to management and operation practices.

It is important to review both sections in order to fully understand all the expectations and requirements necessary to appropriately prepare your development proposal.

Annexures

Annexures are included at the rear of the Draft DCP with additional information to assist applicants with the development application process. These include the following:

Annexure A: Definitions and Development Application Checklist for Boarding Houses

Annexure B: SEPP 10 Application Process Flow-Chart.

1.7 Relationship of the DCP to other Environmental Planning Instruments

1.7.1 Local Environmental Plans

The provisions contained in this DCP are in addition to the provisions of the City of Sydney's Local Environmental Plans (LEPS). Where there is any inconsistency between this plan and an LEP, the LEP will prevail.

1.7.2 State Environmental Planning Policy No. 10

Part of the development application (DA) process may involve consideration of the requirements of *State Environmental Planning Policy No. 10 – Retention of Low Cost Housing* (SEPP 10). SEPP 10 is a State Government initiative, administered by the Department of Infrastructure, Planning and Natural Resources (DIPNR) which provides a means to retain low cost rental accommodation through the development approval process. All DAs proposing works to existing boarding houses (operating with lawful consent before 28 January 2000) are subject to determination under SEPP 10.

SEPP 10 applies to *'those buildings that are low-rental residential buildings as at 28 January 2000, and does not apply to any building that becomes a low-rental residential building after that date'*.

A *'low-rental residential building'* comprises a Boarding House that:

- at the time of lodgement of the development application is being lawfully used as a Boarding House (irrespective of whether this was the original purpose for which the building was erected or whether or not consent was ever granted), or

- operated previously as a Boarding House but has since been changed unlawfully to another use, or
- is vacant, but the last significant use was as a Boarding House.

The SEPP 10 planning process requires Council to determine if SEPP 10 applies, and if so refers the DA to DIPNR for concurrence, DIPNR liaises with the the applicant to secure sufficient information, undertakes the assessment and provides a Determination of concurrence with conditions or refusal and then refers the DA back to Council for consent.

The concurrence of the Director General of DIPNR is required under SEPP 10 if the development proposal incorporates any of the following:

- demolition of the Boarding House;
- alterations or additions to the structure or fabric of the inside or outside of the Boarding House, or
- changing the use of the Boarding House to another use (particularly to backpackers accommodation), or
- strata subdividing the Boarding House.

In determining a development application for any of the above, the City of Sydney and the Director-General will consider the following in accordance with the SEPP 10 guidelines:

- whether the proposal will result in a major reduction in the number of households or low-rental accommodation on the site. (The Office of State Revenue Land Tax Thresholds for “less than full board and lodging” define what boarding house accommodation constitutes “low-rental dwellings” and the weekly rental for the 2004 tax year are \$159 for single accommodation and \$265 for married, double or shared accommodation);
- whether there is available sufficient accommodation within the locality to satisfy the demand for such accommodation;
- whether the development would cause adverse social and economic effects on the general community;
- whether adequate arrangements have been made to assist residents of the building likely to be displaced to find alternative comparable accommodation within the area;
- whether the cumulative impact of the loss of boarding houses accommodation in the City of Sydney represents a significant reduction in the stock of Boarding Houses;
- the structural soundness of the building, the extent to which it complies with any relevant fire safety requirements and the estimated cost of carrying out work necessary to ensure the structural soundness of the building and the compliance of the Boarding House with fire safety standards.

The Director-General will also take into consideration the financial viability of the continued use of the Boarding House, in accordance with the guidelines (Refer *SEPP 10 Guide*).

Dependent upon the nature and extent of the proposal, various information and documentation about the premises will be required to be submitted with the development application. DIPNR often requires information in addition to that specified within the SEPP 10 Guidelines (in accordance with Clause 60 of the Environmental Planning and Assessment Regulation 2000). In such circumstances, DIPNR will liaise directly with the DA applicant and the assessment of the application will remain suspended until the information is received.

Reference should be made to the Development Application Checklist in Annexure A of this DCP and Section 4 of the *SEPP 10 Guide*.

1.7.3 Relevant Legislation

Whilst every effort has been made to ensure that the DCP is a comprehensive document, there is a significant amount of government legislation and policy applicable in terms of standards and the like, which should always be referred to in conjunction with this DCP. Some of these are outlined below:

- *Local Government Act 1993*;
- *Local Government (Orders) Regulation 1999*;
- *Public Health Act 1991*;
- *Public Health (General Regulation) 2002*;
- *Australian and New Zealand Food Standards Code*;
- *Protection of Environment Operations Act 1997*;
- *The Building Code of Australia*; and
- *The Disability Discrimination Act 1992*.

1.8 Consent Authorities

Figure 1 shows where the City of Sydney is the 'consent authority', as provided under the *Environmental Planning and Assessment Act 1979*. To gain approval for the establishment of a Boarding House or the expansion or upgrade of an existing Boarding House a development application is required to be lodged with the City of Sydney.

SEPP 10 applies to land within the City of Sydney and, subject to the nature of the development proposal, may apply specifically as part of the approval process. If this is the case, concurrence may be required from DIPNR once the development application has been lodged (Refer to Section 1.6.2 for further information on the SEPP 10 approval process).

Accordingly, a determination may be required from both DIPNR and the City of Sydney, dependent upon whether SEPP 10 applies to your development proposal. Consultation with both levels of government is encouraged prior to and during the application process, to ensure consistency and a shortened approval process.

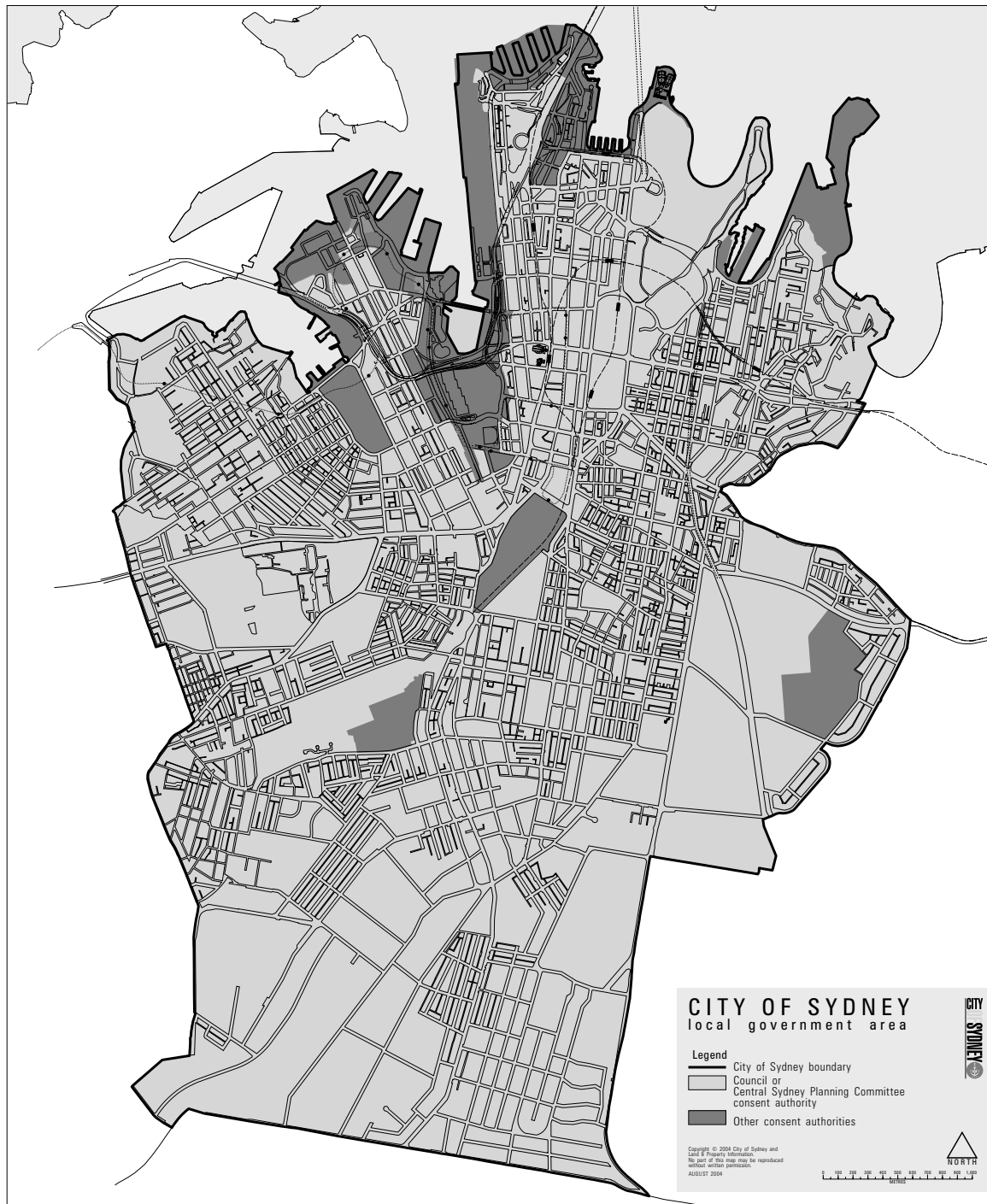


Figure 1: The City of Sydney Local Government Area and Consent Authority Boundaries.

It should also be noted that the granting of concurrence from DIPNR will not necessarily result in the issue of favourable development consent from Council or the Central Sydney Planning Committee, as the City always maintains the right to refuse the application. If however DIPNR refuses concurrence under SEPP 10, Council must also refuse the DA.

1.9 Contact Details

Useful contact details for Council and other relevant State Government departments applicable to Boarding House projects are listed as follows:

Housing Policy Team
NSW Department of Infrastructure, Planning & Natural Resources
20 Lee Street
SYDNEY NSW 2000
Ph: (02) 9762 8000
www.dipnr.nsw.gov.au

The Boarding House Financial Assistance Program
NSW Department of Housing
Locked Bag 4001
ASHFIELD BC 1800
Ph: 8753 8000
www.housing.nsw.gov.au

Office of State Revenue
Revenue Advisory Services
Post Bag 5215
PARRAMATTA NSW 2124

One Stop Shop
Town Hall House
365 Kent St
SYDNEY NSW 2000
Ph: (02) 9265 9255 or
www.cityofsydney.nsw.gov.au

1.10 Building Classifications under the Building Code of Australia

The Building Code of Australia (BCA) is a further piece of legislation relevant to the planning and design of Boarding Houses. It contains the technical provisions for the design and construction requirements, including fire safety, access and structural stability. Whilst many of the relevant design and construction standards are contained within the DCP, reference should always be made to the BCA and the relevant Australian Standards (AS) to ensure compliance with all aspects where necessary.

Applicants considering establishing a Boarding House either within an existing building, or by way of erection of a new building, should consult Council's Shared Accommodation Project Officer, or alternatively a private professional consultant to clearly determine these requirements. DAs proposing the establishment of a boarding house do not require determination under SEPP 10.

The BCA classifies buildings according to the purpose for which they have been designed, constructed or intended to be used. To this extent Boarding Houses fall under two separate classifications under the BCA, namely;

***Class 1b** – a boarding house, guest house, hostel or the like with a total floor area not exceeding 300m² and in which not more than 12 persons would ordinarily be resident, which is not located above or below another dwelling or another Class of building other than a private garage.*

***Class 3** – a residential building, other than a building of Class 1 or 2, which is a common place of long term or transient living for a number of unrelated persons, including a boarding house, guest house...etc*

This distinction in classification between Boarding Houses is important in understanding the design and safety implications and requirements under the BCA, as the requirements vary for each Class. Class 3 Boarding Houses are also subject to more stringent fire safety requirements, which is reflected in the state government initiatives such as *The Boarding House Financial Assistance Program* (Refer to Section 1.11 of this DCP)

This DCP attempts to address the different design and planning requirements for each of the Class 1b and Class 3 Boarding Houses where applicable, as it recognises that each serves a slightly different function within the community, and fulfils a slightly different role. Many of the design criteria included within the DCP will therefore make reference to the requirements for each type of classification.

1.11 Onsite Management and Strata Subdivision

Boarding Houses generally consist of several individual bedrooms and common facilities such as bathrooms, kitchens, laundries and recreational areas. As such they require a level of management to ensure that the common facilities are maintained to the necessary health and amenity standards. It is desirable that the management of the Boarding House be onsite, however the City may accept offsite management where it can be shown that it is appropriate and that an acceptable alternative is available.

As a Boarding House is required to be maintained and operated in a single entity, strata subdivision of Boarding Houses will not be permitted.

1.12 Steps in the Approval Process

Step 1: Locate a site considered to be suitable (refer to Section 2.1 Locational Criteria).

Step 2: Obtain a Section 149 Zoning Certificate from Council or access the website to confirm the zoning and land use permissibility of the site and its appropriateness for your proposal.

Step 3: Determine if SEPP 10 applies to the property. If the proposal is for the establishment of a boarding house, concurrence under SEPP 10 is not required. If SEPP 10 applies, liaise with Council officers and representatives of DIPNR to ascertain the necessary requirements for submission with any development application. Reference should be made to this DCP and to the DIPNR publication *SEPP 10 Guide*.

Step 4: Prepare Development Application documentation for lodgement with Council (refer **Annexure A** for checklist of requirements to be included with the application).

Step 5: When in draft form arrange a pre- Development Application meeting with Council officers to confirm that the application when lodged will be complete and that the pertinent issues have been addressed.

Step 6: Lodge the Development Application and associated plans and documentation with the consent authority.

Step 7: The consent authority will refer the application to relevant internal departments and external authorities (where required). If SEPP 10 is applicable, Council officers will refer the application and liaise with DIPNR.

Step 8: The application will be publicly notified in accordance with the relevant Notification DCP and any submissions received will be considered by the assessing officer during assessment of the application.

Step 9: DIPNR respond by way of the granting or refusing concurrence to the application if SEPP 10 applies.

Step 10: The consent authority determines the Development Application having regard to DIPNR's response (either refusal of consent or issue of development consent subject to conditions - including any required by DIPNR).

A separate flow chart of the process involving SEPP 10 applications is included as **Annexure B**.

1.13 Incentives for the Retention of Boarding Houses

Both state and local government have recognised the vital role that privately owned and operated Boarding Houses play in the provision of low-income rental accommodation. The Centre for Affordable Housing within the NSW Department of Housing provides a number of grants and incentives for the creation of affordable housing, including boarding houses. There are also current financial assistance schemes which have been established to assist Boarding House owners and operators with the continuing maintenance and upgrade requirements. The following outlines the existing assistance schemes for the benefit of Boarding House owners and operators existing at the time of the commencement of this DCP.

1.13.1 The Boarding House Financial Assistance Programme

This program is administered by the NSW Department of Housing and is a scheme which enables the provision of grants for owners and operators of Boarding Houses to undertake essential fire safety upgrade works. To be eligible for a grant, an applicant must satisfy the following:

1. The proposed fire safety work must be required and approved by Council;
2. The proposed work must fall under one of the following categories;
 - work proposed will cost in excess of \$500 per room for a Class 1b Boarding House, or
 - work proposed will cost in excess of \$1500 per room in the case of a Class 3 Boarding House, or
 - extending an existing Boarding House to create additional bedrooms, or
 - construction of a new Boarding House
3. Compliance with the following criteria;
 - the Boarding House has a residential rating with Council,
 - the fire safety upgrade works have been undertaken after 1 January 2000,
 - the Boarding House provides permanent long term accommodation (at least 80% of bedrooms must be occupied by a long-term resident as a person residing in the boarding house for a period of 3 months or more),
 - the Boarding House provides low-cost accommodation (in accordance with the rental tariffs applicable at the time of the proposed works as outlined by the Office of State Revenue).

In most cases there is a grant limit of \$50,000 per Boarding House unless exceptional circumstances apply. The NSW Department of Housing administer the programme and can be contacted for further information.

1.13.2 Land Tax Exemption

Another financial mechanism in place to assist Boarding House owners and operators is land tax exemption. The land tax exemption or reduction in land value is applicable where land is used and occupied primarily as a Boarding House. The definition of Boarding House for the purposes of land tax exemption is outlined briefly below for reference purposes.

"boarding house" is considered to mean premises which:

- (i) *are used in the course of conducting a business of letting rooms to boarders or lodgers; and*
- (ii) *are used and occupied by at least 3 long term residents who:*

- (a) *are not members of the family of the owner or the manager; or*
- (b) *are not directors or shareholders or members of the family of a director or a shareholder of the company if the company is the owner; and*
- (iii) *are not premises which are licensed under the Liquor Act 1982; and*
- (iv) *are not used and occupied by persons who are subject to a Residential Tenancy Agreement under the Residential Tenancies Act 1987.*

Similar to the Boarding House Fire Assistance Scheme, there are eligibility criteria which premises must meet in order to receive the exemption. These are outlined below:

- at least 80% of the accommodation available to Boarding House residents was used by long-term occupants (considered to be a person who resided at a Boarding House for 3 consecutive months or for any periods totalling 3 months), and
- where rental tariffs are no more than the required rate for either full board and lodgings or just lodgings (e.g. 2004 rate \$238 or \$159 respectively for single accommodation and \$397 or \$265 for married or shared accommodation).

If an applicant is unable to qualify with the above, the Office of State Revenue has other less stringent criteria which they may apply in order to grant the exemption. The Office of State Revenue can be contacted by phone on 1300 139 816 or online www.osr.nsw.gov.au

1.13.3 Residential Property Rating

The *Local Government Act 1993* (LGA) also makes provision for incentives for Boarding House operators by deeming such uses 'residential' as opposed to 'commercial' for the purposes of annual Council rates. This enables Boarding Houses the benefit of reduced rates, which normally would have been applicable to business premises.

For a Boarding House to be classified as 'residential' it must maintain rent tariffs below those published by the Office of State Revenue for that applicable period of time (for example the 2004 tax year). Provided the Boarding House maintains weekly rents less than or equal to these, it is eligible for the 'residential' rating.

For more information as to the applicability of the 'residential' rates classification, contact should be made with Council's officers at the City's One Stop Shop.

Part 2 - Planning and Design Guidelines

2.1 Location Criteria

The majority of the City of Sydney's Boarding Houses are scattered throughout the inner city areas, where access to vital services is readily available. Generally, tenants living in Boarding Houses have less access to private open space, or internal amenities and rely heavily on public transport. As such, the location of Boarding Houses and the external environment surrounding them is important. For this reason there are certain areas within the City of Sydney where 'best practice' standards are more difficult to achieve in terms of locational criteria, such as poor availability of public transport or access to general services and facilities.

Notwithstanding the trend towards Boarding House decline and the City of Sydney's objective to encourage an increased provision of Boarding Houses within the area, the choice of an appropriate site (or existing building) for any new proposal represents an important step in achieving improved standards of amenity for Boarding House occupants.

Intent

- To encourage the provision of Boarding Houses within close proximity to public transport nodes in accordance with Council's sustainability principles and for ease of access for Boarding House occupants;
- To encourage the location of Boarding Houses where there is an existing level of quality residential amenity and where positive relationships can be fostered with surrounding neighbours;
- To encourage the location of Boarding Houses within areas where there is appropriate access to services and facilities for employment, entertainment and recreation;
- To ensure that Boarding Houses are appropriately located such that they will result in minimal adverse impact on adjoining or adjacent neighbours.

Control

Boarding Houses are to be located:

- within medium density residential or mixed use areas;
- within acceptable walking distance of public transport nodes;
- in employment areas or where there is easy access to employment (i.e. walking distance or via public transport);
- adjoining or adjacent parks or open space corridors or within easy walking distance of parks;
- within areas where there is an established town centre or activity base, with easy access to facilities and services, recreation and entertainment opportunities.

Areas where the location of Boarding Houses are not encouraged include the following:

- areas isolated from good public transport access;
- within low scale residential areas;
- areas of extremely steep terrain.

(Exceptions may be considered for Class 1b Boarding Houses which are of a smaller scale.)

Consideration shall be given to the location of either a Class 1b or Class 3 Boarding House in terms of the long-term needs of the future occupants in terms of access to public transport, employment opportunities and other required facilities and services. An audit of the site and its surrounds outlining the services available within proximity to the site shall be submitted with the development application.

2.2 Site Planning

Good site planning is required for all new development, and is useful for Boarding Houses as a means of minimising negative impacts on the amenity of adjoining neighbours and ensuring a complementary development. It also enables improved residential amenity for future occupants through careful building layout and design.

As many Boarding Houses occur as infill development in established areas, a sympathetic relationship with adjoining development is critical to their long-term success. A site analysis is therefore required to establish the site context and should be reflected in the design, addressing the constraints and opportunities of the site and its context.

Intent

- To achieve a pleasant and attractive living environment for both future occupants and neighbours;
- To ensure that the site layout and building design take into account the characteristics, constraints and opportunities of the site and its surrounds having regard to its context;
- To ensure that all new Boarding Houses are compatible with the scale and character of surrounding built form. Projects should involve a design sensitive to both the natural and built environment and in terms of amenity for neighbours;
- To ensure that site planning and design results in acceptable levels of amenity for future occupants through consideration of solar access, open space provisions, privacy, safety and security.

Control

A site analysis is to be submitted with every Boarding House development application. The site analysis is to examine and define the development context of the site and its surrounds, in terms of both its local and broader context, including but not limited to the following:

Site:

- Existing vegetation;
- Land slope and changes in level;
- Site orientation and solar access;
- Prevailing winds;
- Natural drainage;
- Retention of any special qualities or features of the site;
- Significant noise sources;
- Views to & from the site;
- Pedestrian and vehicle access;
- Existing buildings on the site.

Surrounds:

- Location of surrounding buildings, uses, open space areas adjoining or adjacent the site;
- Overshadowing from existing buildings;
- The predominant built form and character;
- Vehicle and pedestrian access;
- Major trees or landmarks on surrounding sites.

The drawing must be to scale (1:100) and should be accompanied by a written statement outlining how the development design has responded to the site analysis.

2.3 Building Form

The overall built form and appearance of a Boarding House will be determined to a large extent by the immediate context of the site and its architectural character.

Intent

- To ensure that new development, including alterations and additions maintain consistency with the predominant height of the built form within the locality, particularly having regard to adjoining and adjacent development;
- To achieve an appropriate building scale and design;
- To ensure that new buildings do not adversely impact on adjoining properties through loss of privacy or overshadowing and view loss.

Control

The Boarding House shall comply with the relevant height, floor space ratio, setback and building envelope controls as stipulated by the relevant Local Environmental Plan and/or Development Control Plan.

2.4 Room Sizes, Recreation Areas & Facilities

As Council is striving to find a balance between improved standards of residential amenity for Boarding House occupants as well as ensuring economic viability for owners, a number of the requirements outlined below encourage the design of buildings which incorporate above and beyond the basic minimum standards.

It is the intention to only apply these provisions as appropriate to the establishment of new purpose built boarding houses, the conversion or adaptation of existing buildings to a boarding house, the expansion of existing boarding houses, and major refurbishment or upgrades of existing boarding houses. Minor renovations will not require a DA if Exempt and Complying Development under the appropriate planning instrument.

Class 1b Boarding Houses are by definition, smaller buildings with a maximum permitted number of persons (12 or less) or gross floor area. Within this scale of Class 1b Boarding House operation, there is less need for the provision of shared facilities, (such as a kitchen or lounge area) than in a larger Class 3 building. Rather the focus is placed on the amenity and private facilities within individual rooms.

Class 1b Boarding Houses should make provision for the following facilities within each building;

- bedrooms (containing sufficient storage area for each occupant);
- laundry facilities;
- sanitary facilities;
- communal lounge area (where possible);
- garbage storage and recycling facilities

Class 3 Boarding Houses should make provision for the following facilities within each building;

- manager/operator accommodation;
- laundry facilities;
- communal food preparation facilities (in addition to private provision where required);
- sanitary facilities;
- bedrooms;
- storage facilities;
- garbage storage & recycling facilities.

Boarding Houses shall be designed such that the main entry point(s) is at the front of the site, or away from side boundary areas where adjoining property's privacy may be compromised).

2.4.1 Bedroom Occupancy Requirements

A) Sleeping Room Controls

In order to ensure that adequate space is available for room furnishings and private space, the following minimum room requirements should be complied with:

a) Minimum size	10.5sqm to be provided for the first person and an additional 5.5sqm for each additional person after that.
b) Room Occupancy	Maximum of 4 people per room
c) Separate Manager/Operator accommodation for Class 3 Boarding houses	Minimum 12sqm if appropriate (See Section 1.10 to determine if onsite accommodation is required)
d) Submission Requirement	Plans shall clearly show the size and maximum occupation of each room. Rooms should be positioned so that are separated from significant noise sources.

Additional Facilities

Where the following facilities are to be provided within the sleeping room, additional floor space should be provided as outlined below:

e) ensuite bathroom	Minimum 2.1 sqm with hand basin and wc only; 2.9 sqm with hand basin, wc and shower
f) ensuite and laundry	Minimum 4.0 sqm with washing machine and wash tub
g) kitchenette	2sqm The kitchenette must contain adequate cupboards and shelves as well as a small bar fridge. For fire safety reasons a microwave oven is the only cooking appliance permitted.
h) Energy Rating	All whitegoods shall have a minimum 3.5 star rating

Storage Space and Furnishings

The following storage requirements and furnishing requirements should be met:

f) Secure storage facilities	Minimum capacity of 1 cubic metre per person. Where more than 1 person is accommodated in the room, the storage space must be lockable.
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g) Minimum Room Furnishings	<p>(a) Bed (including base, a mattress with a minimum dimension of 800mm * 1900mm and a mattress protector)</p> <p>(b) Wardrobe</p> <p>(c) Mirror</p> <p>(d) Table & Chair</p> <p>(e) A night light or other approved illumination device for each bed</p> <p>(f) Waste container</p> <p>(g) An approved latching device on the door</p> <p>(h) Curtains, blinds or similar privacy device</p> <p>(i) A phone line</p> <p>All room furnishings shall be detailed in the Plan of Management.</p>
h) Natural Light	Access to light is to be provided by way of a window or door with a minimum aggregate floor area of the room of 10% (Skylights as the sole source of light are not permitted.)
i) Ceiling heights	Must conform with Part F of the BCA. In sleeping rooms providing shared or dormitory-style accommodation the ceiling height is to be at least to 2700mm for rooms with double bunks. Triple bunks are not permitted in this type of accommodation.
j) Fire Safety in Class 3 buildings	Each sleeping room must be considered as a sole occupancy unit for the purposes of Parts C, D1, D2 and F5 of the BCA so as to ensure adequate fire safety in the building, and adequate sound insulation to provide reasonable amenity between sleeping rooms.

2.4.2 Kitchen Areas

The following requirements should be met for kitchens:

a) Class 1b Kitchen Facilities	<p>Either a communal kitchen area with kitchen sink and facilities for food preparation, tables and chairs in a central location, accessible to all residents with a minimum area of 6.5 sqm for 1-6 residents or 11 sqm for 7-12 residents;</p> <p>Or</p> <p>Minor kitchen facilities in all bedrooms containing a bar fridge, adequate cupboards and shelves and a microwave (For fire safety reasons no other cooking appliances are permitted.)</p>
b) Class 3 Kitchen Facilities	<p>A communal kitchen and dining area with a minimum area of 15sqm, plus 1sqm per additional person above the minimum 12 persons;</p> <p>Or</p> <p>All bedrooms shall contain kitchenette facilities containing a bar fridge, adequate cupboards and shelves and a microwave (For fire safety reasons no other cooking appliances are permitted).</p>

c) Class 3 Communal Kitchen Requirements	<p>The following must be provided as a minimum:</p> <ul style="list-style-type: none"> (a) One sink for every 6 people with running hot and cold water; (b) One stove top cooker for every 6 people; (c) A refrigerator with storage space of 0.13m³ per person unless bar fridges are provided in each bedroom; (d) A freezer with storage space of 0.05m³ per person; (e) Storage for dry goods of 0.30m³ per person; (f) Exhaust ventilation; <p>A lockable drawer or cupboard for food storage for each guest in the kitchen area.</p>
d) General Kitchen Requirements for all applications	<ul style="list-style-type: none"> (a) All kitchen areas shall be maintained in a clean and sanitary condition at all times. (b) No bathrooms, toilets or bedrooms shall open directly on to communal kitchen facilities. (c) The floor of the kitchen area shall be constructed of a smooth impervious surface. (d) Where food is proposed to be provided as part of Boarding House operations, or is for sale, kitchen and food areas shall comply with the National Code for the Construction and Fitout of Food Premises and be provided with sufficient ventilation (eg exhaust system) in accordance with the BCA. (d) Kitchen facilities shall be available for all residents twenty-four hours per day.
e) <i>Australian/New Zealand Food Standards Code</i>	<p>Food preparation areas shall be constructed and provided in accordance with the relevant sections of the <i>Australian/New Zealand Food Standards Code</i>. (Guidance may be obtained for the National Code and for the Construction and Fitout of Food Premises published by the Australian Institute of Environmental Health and relevant Australian Standards. In the case of any inconsistency between these documents, the Australian/New Zealand Food Standards Code shall prevail).</p> <p>The structural fittings and fixtures for all internal rooms shall be selected to enhance non-chemical pest management of the premises with all cracks and crevices being sealed and insect screening provided to all openings.</p>

2.4.3 Indoor Communal Living Areas

Boarding Houses traditionally provide accommodation for occupants who are unrelated, or who are effectively strangers. Whilst building design and layout should encourage resident interaction, it is also important to maintain privacy for residents. Proposals should also consider the impact of Boarding Houses on adjoining properties, where both noise disturbance and visual intrusion should be minimised.

a) Indoor Communal Areas	Class 3 Boarding Houses should provide a common living area a minimum 15sqm in area, with a further 15sqm provided for each additional 12 persons thereafter.
b) Location of Indoor Areas	<p>Communal living facilities should be located on the ground floor near commonly used spaces, such as kitchen, laundry, lobby entry area, manager's office etc, or adjacent to the communal outdoor open space.</p> <p>In multi-storey Class 3 Boarding Houses, consideration should be given to providing separate communal living areas on each level, dependent upon the number of bedrooms per level as required.</p> <p>Communal recreation areas should have a northerly aspect and should be located where they will have a minimal impact on adjoining properties in terms of noise generation. The use of double glazed windows or acoustic barriers can assist with this. Consideration should be given to ensure that habitable rooms adjoining the recreational area are also protected from excessive noise.</p> <p>Internal doors to communal areas should contain glass to enable natural surveillance from circulation areas.</p> <p>The use of highlight windows is encouraged along side boundaries, to minimise direct overlooking, particularly when adjoining or adjacent to residential properties.</p>
c) Calculation of Indoor Communal Living Areas	The floor area of bedrooms, bathrooms, laundries, reception area, storage, kitchens, car parking, loading docks, driveways, clothes drying areas, corridors and the like are not counted when determining the area of internal communal living area. Dining areas may be included as communal living area.

2.4.4 Outdoor Recreational Area

Boarding House residents often only occupy one room as their own space and as such access to both private and communal outdoor area is an important element of building design. For this reason, the design of outdoor space should enhance the experience and living environment for all residents.

a) Outdoor Space Requirements	<p>20sqm of communal and partly covered outdoor space should preferably be provided at ground level in a courtyard or terrace area (minimum width of 3m)</p> <p>Where communal open space cannot be provided at the above rate (as in the case of building conversions), justification must be provided with the development application in terms of how the proposal meets the relative objectives and controls. Alternatively, the number of bedrooms or permitted residents may be required to be reduced.</p>
b) Outdoor Space Location	<p>The area should be north-facing where it can receive a minimum 2 hours solar access to at least 50% of the area during 9am and 3pm during the winter solstice. For Class 1b Boarding Houses, greater emphasis is placed on private room areas, with as many rooms as possible oriented towards the north or east.</p> <p>Communal open space areas should be connected to communal indoor spaces, such as kitchens or living areas. Communal facilities such as BBQs, seating and pergolas are also encouraged.</p>
c) Private Outdoor Space	<p>Ideally 30% of all bedrooms within Class 3 Boarding Houses should have some access to private open space in the form of a balcony or ground level terrace area, comprising not less than 4sqm in area.</p> <p>Ideally 2 bedrooms within a Class 1b Boarding House should have direct access to private open space, in the form of a balcony, roof terrace or ground level courtyard area, comprising not less than 4sqm in area.</p>
d) Privacy	<p>Planting should be used to screen communal outdoor areas or private balconies from adjoining properties or the public way, with trellis, screens with climbing vines or the like used to complement deciduous tree planting.</p> <p>The operation and control of the outdoor area should also be addressed in the Operational Plan of Management to ensure that adjoining properties are protected from issues such as noise generation.</p>
e) Ground Surfaces	<p>A minimum of 50% of the uncovered site area should comprise of soft/porous surfaces.</p>

2.4.5 Laundries, Bathrooms and Drying Facilities

Where residents do not have their own laundry facilities, the laundry should be equipped with the following as a minimum:

a) Laundry Facility Requirements	<p>(a) One 5kg capacity automatic washing machine and one domestic dryer for every 12 residents</p> <p>(b) At least one large laundry tub with running hot and cold water; and</p> <p>(b) 30 metres of clothesline for every 12 residents in an outdoor area (can be retractable).</p>
b) Location of Laundry Facilities	<p>Outside drying areas shall be located on the north-eastern side of the communal courtyard area to enable maximum solar access.</p> <p>Internal drying and laundry facilities shall be located in a safe and accessible location for all residents.</p>
c) Submission requirements	<p>All laundry facilities must be nominated on the plans and details of the energy star rating of appliances must be submitted with the construction certificate. A minimum of 3 ½ stars must be achieved unless otherwise stipulated by BASIX or any other required rating tool.</p>
d) Bathroom facilities	<p>Bathroom facilities must comply with the minimum requirements of the BCA and be in an accessible location for all occupants. The minimum requirement is: 1 bath or shower for each 10 occupants or part thereof and 1 closet pan and washbasin with hot and cold running water for each 10 occupants or part thereof.</p>
Class 1(b) – up to 12 residents	
Class 3	<p>Bathroom facilities must comply with the minimum requirement as stipulated in the BCA and be in an accessible location for all occupants. The minimum requirement is: 1 bath or shower for each 10 occupants or part thereof and 1 closet pan and washbasin with hot and cold running water for each 10 occupants or part thereof.</p> <p>Where some rooms may be provided with ensuites, overall facilities must comply with the minimum facility requirements for the total occupancy of the premises.</p> <p>Where receptacles are provided for the disposal of sanitary napkins, these are to be serviced and able to be readily cleaned on a regular basis.</p>

2.5 Acoustic Impacts

One of the main concerns that adjoining residents have when a new boarding house is proposed is the impact of noise on their existing amenity. In order to ensure that a new or modified Boarding House is planned and operated in a manner that does not adversely impact on the surround properties, the following controls should be complied with:

Controls

a) Design Considerations for noise abatement	<p>(a) (a) location of windows in respect to the location of windows in neighbouring properties;</p> <p>(b) sensitive location of communal outdoor areas away from main living area or bedroom windows of any adjoining dwelling;</p> <p>(c) the use of screen fencing or planting as a noise buffer for external noise sources or in terms of transferral of noise from communal areas to surrounding land uses;</p> <p>(d) the use of acoustic barriers as a noise buffer to external noise sources from surrounding land uses and/or passive design considerations within the building to minimise noise intrusion;</p> <p>(e) the incorporation of double glazing of windows or use of glass blocks (for light penetration but not suitable where natural ventilation is also required);</p> <p>(e) locate similar building uses (such as bedrooms or bathrooms) back to back internally within the building, to minimise internal noise transmission.</p>
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In instances where noise abatement issues are apparent from Class 3 Boarding Houses an acoustic report prepared by a suitably qualified acoustical consultant will be required to be submitted with the development application, describing and assessing the impact of noise emissions from the proposal. The investigation shall include but not be limited to the following:

- the identification of sensitive noise receivers potentially impacted by the proposal;
- the quantification of the existing acoustic environment at the receiver locations (measurement techniques and assessment period should be fully justified and in accordance with relevant Australian Standards and NSW EPA requirements);
- the formulation of suitable assessment criteria;
- details of any acoustic control measures that will be incorporated into the proposal;
- the identification of all noise that is likely to emanate from the Boarding House and the subsequent prediction of resultant noise at the identified sensitive receiver locations from the operation of the premises. Where appropriate the prediction

- a statement certifying that the development is capable of operating without causing a nuisance;

That noise arising from within the premises shall not result in an 'offensive noise' (as defined in the *Protection of the Environment Operations Act, 1997*) at any adjoining residential premises.

2.6 Access for People with Disabilities

Objectives

- To ensure all new Boarding Houses and building conversions, plus associated spaces (including communal open space, parking areas and the like) are designed to be accessible for all people within the community.

Controls

All new Boarding Houses (or building conversions or additions to existing premises) should comply with the minimum access requirements contained within the *City of Sydney Access Development Control Plan 2004*, the BCA and Australian Standard (AS) 1428 – Design for Access and Mobility.

Additions and alterations to existing buildings may also be required to comply with the above requirements dependent on the extent of works proposed. Refer to the *City of Sydney Access Development Control Plan 2004* for further information.

2.7 Sustainability, Energy Efficiency & Solar Access

Any new building or substantial additions should encompass sustainable development practices to maximise natural air flow, and minimise reliance on mechanical heating and cooling. Consideration also needs to be given to minimising impacts on the existing solar access of adjoining premises.

Controls

The design of new buildings should reflect the site analysis drawings having regard to optimal orientation for both indoor and outdoor areas, particularly communal areas.

Consideration should be given to the use of:

- materials and insulation which assist with natural heating and cooling;
- the location of windows and doors to assist with cross-flow ventilation;
- the use of large windows for maximisation of natural light in north/north-eastern elevations;
- the use of shade devices and landscaping on the western elevations;

- the use of building materials with thermal mass that allows control of rapid heat transfer;
- the use of rainwater tanks;
- the use of plantation timber for new buildings and structures;
- the recycling of as much of the existing building materials as possible with building conversions or adaptive re-use;
- recycling of household waste;
- household garden to grow produce.

a) Solar Access - Private Open Space	<p>Boarding Houses should be located so that solar access to at least 50% of the private/communal open space areas and principal living area windows is achieved for at least 2 hours between 9am and 3pm during the winter solstice (21 June 2003).</p> <p>Relaxation of the above requirement may be considered in instances where conversion of an existing building is proposed, or extensions to an existing Boarding House are proposed and site constraints apply.</p>
b) Overshadowing	<p>Proposed development shall not create any additional overshadowing of any adjoining property where existing solar access to living areas and landscaped outdoor space is less than two hours between 9am and 3pm during the winter solstice (this does not apply to side light well windows).</p> <p>Shadow diagrams shall be submitted for any proposed new development of more than one storey in height (including first floor additions or those which alter the existing building envelope). Such diagrams shall be prepared by a suitably qualified person to show shadows at 9am, 12 noon and 3pm on June 21, March/September 21 and December 21.</p>
c) Energy Efficiency – Boarding houses 300sqm or less in floor area	<p>All proposed new Boarding Houses 300 sqm and under in floor area must achieve a minimum 3.5 star rating for energy efficiency (NatHERS program or the equivalent will be satisfactory). A certificate and stamped plans from an accredited assessor shall be submitted with the development application.</p> <p>Alterations and additions to existing Boarding Houses shall comply with the above requirements if the proposed increase in gross floor area exceeds 50% of the existing floor area or comprises the addition of 5 new bedrooms.</p>
d) Energy Efficiency – Boarding houses greater than 300sqm in floor area	<p>For Boarding Houses greater than 300sqm a BASIX assessment shall be submitted with the development application demonstrating that the development achieves the required minimum BASIX score in energy and water efficiency (refer to www.basix.nsw.gov.au for further information).</p>

e) Building Materials	<p>When conversion of an existing building is proposed, a schedule of materials shall be submitted with the development application in terms of the adaptive re-use and which materials will be recycled as part of the development.</p> <p>The materials used in new boarding houses should be sourced from renewable materials where possible.</p>
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2.8 Car Parking

Given the demographic profile of the average Boarding House resident and the semi-permanent nature of their occupation, car ownership and usage is relatively low. This factor, combined with the historic location of Boarding Houses in inner city areas, in terraces or the like, the requirements for provision of on-site car parking are generally low.

Notwithstanding this, any proposals for new Boarding Houses should ensure adequate provision is made for both residents and staff or the owner/manager (more likely the case for Class 3 Boarding Houses) to minimise off-site impacts.

Where provision of on-site parking is not possible, and will be absorbed on-street, traffic safety objectives and residential amenity must be considered in terms of streetscape impacts and the like.

Intent

- To improve the accessibility of Boarding Houses for all members of the community through the sensible location of Boarding Houses near key transport nodes and encouraging all modes of transport, including cycling;
- To encourage the provision of on-site parking facilities which are compatible with Council's transport policies, and equivalent to the anticipated resident needs, community and environmental expectations;
- To ensure parking does not compromise existing traffic movements or result in vehicle conflicts;
- To ensure the provision of convenient, accessible and safe on-site parking for residents;
- To ensure parking does not compromise the aesthetic value of streetscapes or character, particularly in residential areas.

Controls

a) Location	Consideration should be given to establishing new Boarding Houses in close proximity to nearby public transport nodes, such as railways stations and bus routes.
b) Off Street Parking Requirements	Off-street parking shall be provided in accordance with the requirements of the relevant LEP or DCP (as applicable).

c) Parking Exemptions	<p>In certain circumstances, and dependent upon the size of the proposed Boarding House Council may consider parking provision less than that specified above based on the following:</p> <ul style="list-style-type: none"> (a) traffic and on-street parking within the street is such that parking is not required and can be adequately catered for on-street; (b) on-site parking would unnecessarily impact on residential amenity; (c) all aspects of pedestrian safety have been satisfactorily addressed in terms of access to and from the premises.
d) Bicycle Spaces	<p>Provision shall be made for bicycle parking at the rate of 2 racks per 6 bedrooms, provided in a safe and accessible location for future occupants or visitors.</p>
e) Parking Surfaces	<p>Areas of hardstand parking should be paved with an approved material to be specified in the development application. The preferred surface treatment would be a permeable surface, wherever practical, to enable natural drainage.</p>
f) Traffic Report for Class 3 Boarding Houses consisting of 75 beds or more	<p>All applications for Class 3 Boarding Houses incorporating 75 or more bedrooms shall be supported by a Traffic Report, prepared by a suitably qualified person, addressing as a minimum the following factors:</p> <ul style="list-style-type: none"> (a) the prevailing traffic conditions; (b) the likely impact of the proposed development on existing traffic flows and the surrounding street system; (c) pedestrian and traffic safety; (d) justification of any variation to the parking requirements (if proposed);

2.9 Operational Controls

An important aspect of minimising potential impacts of Boarding Houses is ensuring that they are managed properly. A Plan of Management is a useful tool that can be used to ensure that suitable management practices are in place to minimise impacts on adjoining owners and ensure that a suitable amenity is maintained for residents living within the Boarding House.

2.9.1 Operational Plan of Management

An operational Plan of Management is to be submitted with each development application for a boarding house (including new and existing boarding houses) to ensure that the proposed premises operates in a manner that maintains a high level of amenity.

An appropriate form of on-site management with responsibility for the operation, administration, cleanliness and fire safety of the premises, including compliance with the Plan of Management and Emergency Management and Evacuation Plan, must be provided to the premises. The name and 24 hour contact phone number of the accommodation manager or resident caretaker must be prominently displayed in the reception area of the premises.

The operational Plan of Management shall address the following as a minimum:

- Maintenance and fire safety in the building;
- A schedule providing proof of compliance with the accommodation standards of this Draft DCP including the occupancy rate for each sleeping room, room furnishings, provisions of communal areas and facilities, and access and facilities for people with disabilities;
- Measures to ensure that guest numbers do not exceed those proposed should development consent be granted;
- Measures to minimise unreasonable impact to the habitable areas of adjoining premises;
- Proposed staffing arrangements, including location and contact details of the site manager or resident caretaker;
- Prominent display of appropriate house rules eg guest behaviour, activities and noise, visitor policy, operating hours of outdoor common areas, use of alcohol and/or drugs;
- Waste minimisation and recycling; and
- Professional cleaning details and vermin control (as a minimum, shared facilities such as kitchens and bathrooms shall be cleaned to a professional standard at least once a week.)
- Safety and security measures for all residents may include but not be limited to such things as: Internal signage indicating the property caretaker or manager and contact number, emergency contact numbers for essential services such as fire, ambulance, police, and utilities such as gas, electricity, plumbing, installation of perimeter lighting, appropriate fencing and secure gates, all residents to have own room keys, keys for security entrance doors be made available to essential services such as fire brigade in case of emergency and suitable provision be provided for residents to ring emergency services in the event of an emergency, i.e. provision of a landline telephone.

The use of external communal open space or common areas for Class 3 boarding houses within residential areas or where adjoining sites contain residential activities shall be restricted to 10pm.

2.9.2 Waste

a) Garbage & Recycling Facilities	<p>Garbage and recycling facilities on the premises shall be provided in accordance with the requirements of Council's Waste Management policy and fact sheets.</p> <p>Both Class 1b and Class 3 Boarding Houses shall make provision on-site for a garbage and recycling storage area, details of which shall be shown on the development application drawings.</p>
b) Location of Waste/Storage Rooms	<p>Garbage storage rooms shall be located towards the rear of the property, and enclosed to minimise odour or noise disturbance for adjoining properties. If storage is proposed at the front of the site, it shall be screened from view from the streetscape to minimise any visual impact.</p>
c) Waste Services	<p>Class 3 Boarding Houses are required to make private contracting arrangements for garbage disposal.</p> <p>Class 1b Boarding Houses are subject to Council's collection service, details of which can be obtained from Council's One Stop Shop.</p>
d) Storage of Sharps	<p>If contaminated sharps (eg syringe needles) are generated, non-reusable sharps containers shall be provided in accordance with AS 4301, for safe disposal. Final disposal must be undertaken by Environmental Protection Authority (EPA within the Department of Environment and Conservation) licensed contaminated waste contractors.</p>

2.9.3 Fire Safety

A copy of the annual fire safety statement and current fire safety schedule for the premises must be prominently displayed in the reception area.

A floor plan must be permanently fixed to the inside of the door of each sleeping room to indicate the available emergency egress routes from the respective sleeping room.

Prior to releasing an occupation certificate for the building, an Emergency Management and Evacuation Plan must be prepared for the building and approved by the Principal Certifying Authority. The staff shall be trained in relation to the operation of the approved Emergency Management and Evacuation Plan.

2.9.4 Annual Certification

Premises providing shared accommodation must provide annual certification for the following:

- Essential fire safety measures to comply with the *Environmental Planning and Assessment Regulation 2000*

- Compliance with the Operational Plan of Management approved for the premises
- Maintenance registers required by this plan; and
- Compliance with the Emergency Management and Evacuation Plan as required by the BCA.

Annexure A: Definitions and DA Checklist for Boarding Houses

Definitions

South Sydney LEP 1998: Boarding house means a building wholly or partly let in lodgings which provides lodgers with a principal place of residence, but does not include a backpackers' hostel, bed and breakfast, serviced apartment, private hotel or motel.

City of Sydney LEP 1996: Boarding house means a building or part of a building let in lodgings or a hostel, but does not include a hotel.

Leichhardt LEP 2000: Boarding house means a building that is let in lodgings and which primarily provides lodgers with a principal place of residence for three months or more and generally has shared facilities such as a communal bathroom, kitchen or laundry and has rooms with one or more lodgers. It does not include a backpacker hostel, serviced apartments, a motel, private hotel or a building elsewhere defined in this Schedule.

This Checklist is specific to the requirements of Boarding Houses in addition to the standard Council requirements for lodgement of development applications which can be obtained at Council's One Stop Shop.

1. Site Analysis Plan – at a scale of 1:100 or 1:200 showing:
 - Total site area;
 - Orientation of site and north point;
 - Levels on the site and on the boundaries in terms of adjoining properties;
 - Any major site constraints eg flooding, narrow street frontage or access;
 - Adjoining land uses and location of buildings/structures on those sites as they affect the subject site;
 - Existing vegetation and any major adjoining site vegetation;
 - Existing boundaries and fences (location, height and form);
 - Any existing natural features such as rock outcrops or creeks;
 - Existing drainage provision;
2. Proposed Site Plan – at a scale of 1:100 or 1:200 showing the following:
 - Siting of the proposed Boarding House;
 - Location of proposed outdoor open space areas;
 - Vehicle entry to the site and off-street parking if proposed;

- Levels for the proposed new building and the location of any retaining walls or stairs;
 - Pedestrian access points;
 - Proposed drainage details.
3. Proposed Floor Plan – at scale of 1:100 or 1:200 showing all internal areas (as required in Part Two of the DCP) and containing the following information:
 - Proposed floor layout & use of each area;
 - The dimension and total area of all areas (m²) indicating compliance with Part Two;
 - Proposed garbage and recycling storage area;
 - Proposed food preparation and storage areas;
 4. Elevations of the building (both existing and showing proposed alterations and additions in colour)
 5. Landscape Concept Plan & species list.
 6. Details of the likely impact of the proposed development in terms of the assessment criteria listed in Clause 74 of SEPP 10.

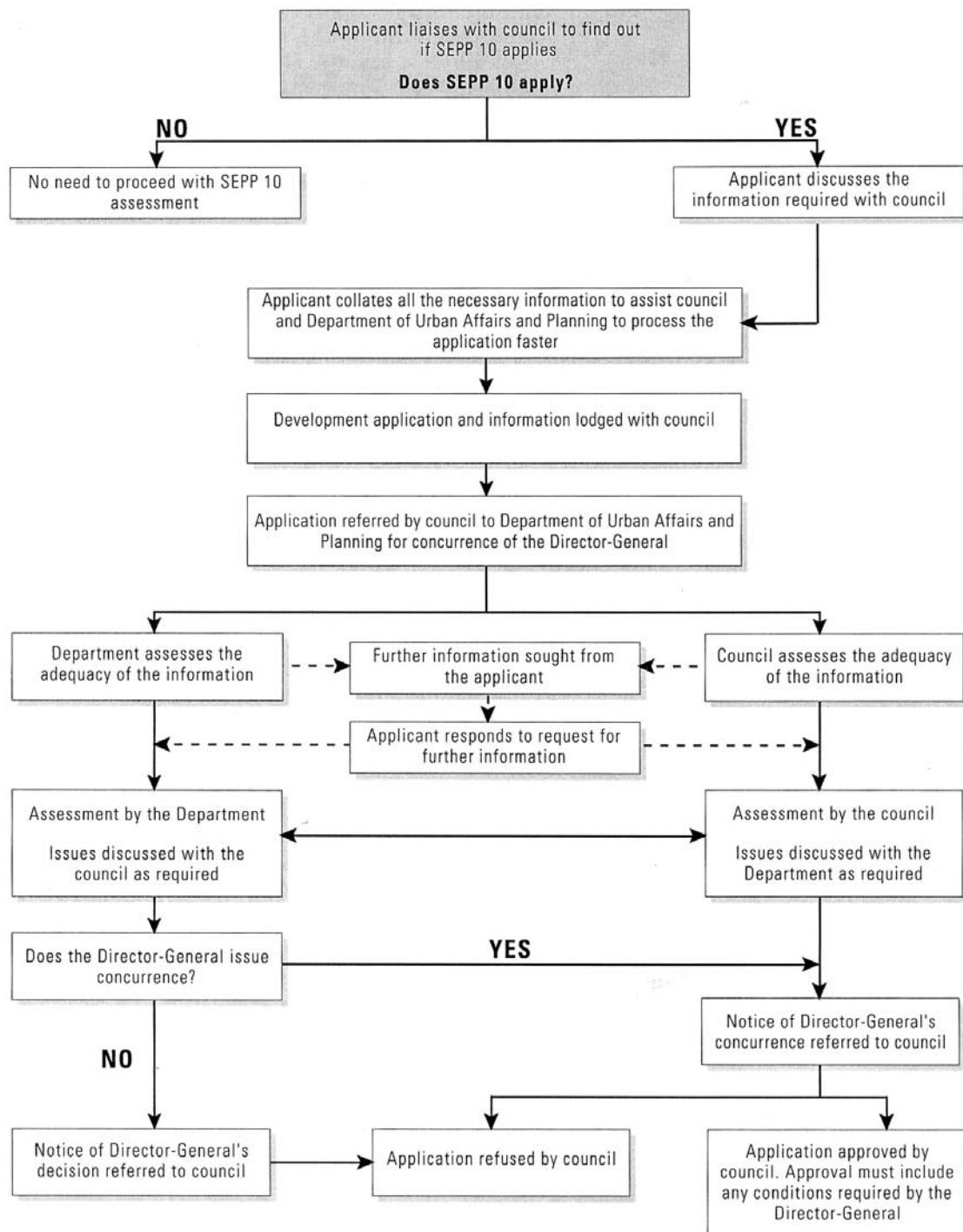
If the development application is lodged on the basis that the existing Boarding House is not financially viable, information having regard to Appendix C of the SEPP 10 Guide must also be submitted.
 7. An acoustic report as outlined in **Section 2.5** of the Draft DCP;
 8. Any other reports as deemed necessary or relevant to the site and proposal (e.g. site contamination investigations or traffic management).
 9. Details of any proposed surveillance or security systems for the premises.
 10. A Plan of Management prepared in accordance with **Section 2.9** of the Draft DCP.

Annexure B: SEPP 10 Process Flow Chart



SEPP 10 GUIDE

FIGURE 1: AN OUTLINE OF THE SEPP 10 ASSESSMENT PROCESS



Website Links to other City of Sydney planning controls

Tourist and City of Sydney Visitor and Tourist Accommodation DCP 2006

http://www.cityofsydney.nsw.gov.au/Development/documents/PlansAndPolicies/DevelopmentControlPlans/visittortouristaccomdcp_150306.pdf

Draft CityPlan (Sydney DCP 2010)

- Clause 3.2 Residential flat, commercial and mixed use developments
- Clause 3.4.1 Boarding Houses
- Clause 3.4.9 Visitor Accommodation

These clauses can be accessed at the following link:

http://www.cityofsydney.nsw.gov.au/Development/documents/CityPlan/DraftDCP2010/3_DevelopmentTypes.pdf

South Sydney DCP 1998

- Section 2 Residential Flat Buildings of Part F: Design criteria for specific types
- Clause 4.5 Requirements for Serviced Apartments of Part F: Design criteria for specific types

These clauses can be accessed at the following links:

http://www.cityofsydney.nsw.gov.au/Development/documents/PlansAndPolicies/former_south_sydney/DCP_Fa.pdf

http://www.cityofsydney.nsw.gov.au/Development/documents/PlansAndPolicies/former_south_sydney/DCP_Fb_v1.pdf

http://www.cityofsydney.nsw.gov.au/Development/documents/PlansAndPolicies/former_south_sydney/DCP_Fc.pdf

Central Sydney DCP 1996

- Clause 6 Residential Buildings and Serviced Apartments

This clause can be accessed at the following link:

http://www.cityofsydney.nsw.gov.au/Development/documents/PlansAndPolicies/catz_ditc_city_plan_cs_dcp_part06_residential_buildings_serviced_apt_100831.pdf

Leichhardt DCP 2000

- Part B B1.0 Residential Development

This clause can be accessed at the following link:

<http://www.cityofsydney.nsw.gov.au/Development/documents/PlansAndPolicies/LeichhardtDCP/PartB.pdf>