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21 May 2014

Our Ref: 2014/207156

Committee Chair
NSW Legislative Council Select Committee on Social, Public and Affordable Housing
By email: socialhousing@parliament.nsw.gov.au

Dear Chair,

Social, public and affordable housing inquiry

Thank you for giving Councillor John Mant and me the opportunity to provide evidence to the social, public and affordable housing inquiry on the City's behalf on 12 May 2014.

At the inquiry the committee requested the City provide additional information further to the issues that were raised in our evidence session, and I enclose this for your reference.

Should you wish to speak with a Council officer further about any of this information,

Yours sincerely

Monica Barone
Chief Executive Officer

Encl.

Social, public and affordable housing inquiry

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Additional information requested of the City of Sydney



Contents

Rates paid by the NSW Department of Housing.....	2
Number of affordable housing units created through the Green Square and Ultimo Pyrmont levies	3
Homelessness services.....	4
Proposed plans to facilitate a supply of affordable housing in the southern employment lands precinct.....	7



Rates paid by the NSW Department of Housing

Annual rates and charges on NSW Department of Housing properties in the city of Sydney during the 2013/14 financial year will be approx. \$5.8 million. This excludes annual stormwater levies, for which Department properties are exempt.

There are approximately 2,000 properties owned by the Department within the City of Sydney LGA.

As at 23 April 2014, 1,919 Department of Housing properties were paying rates and charges.

Property values upon which rates are calculated are varied, ranging from approx. \$120,000 to \$25 million. The Valuer-General's valuation of each property is based on a range of factors, including property size, location and proximity to a range of infrastructure. The rates and charges leveraged on Department properties are consistent with those leveraged on privately owned residential properties.

Number of affordable housing units created through the Green Square and Ultimo Pymont levies

The affordable housing levy schemes operating in the Green Square and Ultimo Pymont urban renewal precincts have delivered 102 new affordable housing units in Green Square and 446 in Ultimo Pymont to date.

The levy schemes incorporate affordable housing supply targets to be delivered over a timeframe of 15-30 years, as development proceeds in these areas.

The Green Square levy commenced in 1998, with the adoption of the South Sydney Green Square Local Environmental Plan and Development Control Plan Affordable Housing Provisions. Its affordable targets were for the delivery of 479 units over 20 years: 330 units through stage one and 149 units through stage two.

The Ultimo Pymont levy was introduced in the mid 1990s through the 1994 City West Affordable Housing Program, which was developed through the Federal Building Better Cities Program (BBC).

The official BBC target for the scheme was 600 units, although financial modelling projections at the time projected the delivery 450-490 units over 20 years.

Both schemes do not have a specific expiry date, nor is it possible to accurately forecast the total numbers of units that will eventually be delivered. This is because delivery of the targeted number of units is dependent on the continuing level and pace of development occurring in these areas, through which the levies are collected.

City West is the registered community housing provider to which all funds received through these levy programs are currently directed for delivery of affordable housing units.

Homelessness services

The City of Sydney has a dedicated Homelessness Unit, which provides a range of homelessness and related services. These services reflect the City's perspectives on effective approaches to addressing homelessness. Many of them involve direct action through cross-sector collaboration to address the needs of people who are homeless or at risk of homelessness.

The City's continuing delivery of its current range of services and initiatives will be impacted by the Going Home Staying Home Reform Plan for Specialist Homelessness Services (SHS) in NSW, which was announced by the previous NSW Minister for Family and Community Services, the Hon. Pru Goward MP, on 8 February 2013.

The Reform program includes a new method for allocating funding for Specialist Homelessness Services across NSW. It aims to distribute funding resources with greater fairness across the state and to ensure that services operate to a greater scale across metropolitan Sydney to stop an 'inner city' drift of people into the City of Sydney. The tenders for NSW (excluding inner city Sydney) closed in February and the outcome of those tenders will be announced in May.

The Department of Family and Community Services (FACS) have agreed to institute a three month transition period between July and September 2014 to facilitate time to wind-down and conduct a handover from current providers to the new services.

The City of Sydney Local Government Area was quarantined as a separate area, referred to as inner city Sydney, with a separate planning and procurement approach. The new allocation has nine service packages for inner city Sydney with a total combined budget of \$15.39 million per annum. The service packages include; crisis system reform, assertive outreach, rapid response services, homelessness prevention and support for young people, homelessness prevention and support for women, and complex needs care and support service.

The procurement approach adopted two tender strategies. The first strategy is a single invited tender from Mission Australia, St Vincent de Paul, the Salvation Army and Wesley Mission as these service providers invest their own assets and resources towards addressing homelessness. The second strategy involves a select invited tender to all prequalified homelessness service providers who currently deliver services in inner city Sydney (except the four services involved in the first strategy).

The tenders for the inner city Sydney closed on 28th April 2014. FACS has published that the tender assessment will conclude in mid May 2014, the contracts transition and establishment phase will take place between June to September 2014 with the new SHS inner city Sydney services commencing on 1 October 2014.

In the context, the following services and initiatives were underway at the City, as at 13 May 2014.

Direct services:

Public space liaison officers

Public space liaison officers provide compassionate management of public space issues that arise in relation to homelessness. They enable early identification of issues relating to public space, and broker a response based on prevention rather than reaction. The City's officers provide coverage seven days a week.

Homelessness Persons Information Centre

The City established this state-wide information and referral service in 1984. The service refers individuals and families in crisis from across NSW to accommodation and other supports, and took more than 51,000 calls in 2013. HPIC will cease to operate on 30 June 2014, as a result of homelessness sector reforms.

Woolloomooloo Integrated Services Hub (WISH)

This initiative, which occurs nine times a year in Woolloomooloo, is a one-stop-shop bringing together more than 20 services to support people who are homeless or at risk. Participating organisations include Housing NSW, Centrelink, Aboriginal Assertive Outreach Service, Medicare, Legal Aid, and the NSW Attorney General's Department. Started in November 2009, the initiative was created with the intention of providing sustainable pathways out of homelessness.

Funded services:

Homeless Brokerage Program (HBP):

The HBP is provided by the YWCA under contract to the City of Sydney; funding is also provided by Housing NSW. It targets adults and families with low to moderate needs who require minimal assistance to resolve their incidence of crisis. The scheme provides short term assistance to prevent people from falling into homelessness or to refer them out of homelessness before their experience of homelessness becomes entrenched. It was recorded to have assisted 1,352 individuals in 2012/13. The HBP contract ends on 30 June 2014.

Way2Home (W2H):

This initiative is provided by Neami National under contract to Housing NSW with funding provided by the City of Sydney. It targets people who are rough sleeping from the point of engagement on the streets and throughout their journey into independent living. Federal and state governments contribute funding for the inclusion of a health component, Way2Home Health Outreach Team which is operated by St Vincent's Hospital. The service has supported 209 vulnerable rough sleepers into permanent housing since program started in April 2010. The Way2Home contract ends 30 June 2014.

Programs and projects:

Street Count

The City's homeless street count is undertaken bi-annually in February and August. The aim of the Street Count is to collect accurate and up-to date information about the number of people sleeping rough and staying in hostel beds in the LGA. The data collected is used to assist in the development and review of the City's and other responses to homelessness and to advocate to state and federal government for the resources necessary to achieve enduring solutions.

The City conducted its 13th Street Count in the early hours of 11 February 2014. The Count recorded 330 people sleeping rough on the city's streets. This is an increase of 56 people or 20% on the same time last year. The number of people sleeping in hostel or shelter beds was 446. This represents a reduction of 17 people or 4% from the same time last year.

Homeless Interagency Meetings

The City participates in these meetings, which provide opportunities to network, provide service and sector updates, participate in discussions and listen to presentations on specific topics of relevance to the service system.

90 Homes for 90 Lives

This initiative was a collaborative project established by a group of partners to focus on supporting efforts to reduce the numbers of people sleeping rough in Woolloomooloo. 90/90 is a partnership between the City of Sydney, United Way, UBS Bank, the Freehills Foundation, Colliers International, Way2Home and Bridge Housing. Through advocacy, data and evidence-based practice, Project 90/90 successfully lobbied the NSW government to provide funding to establish Platform 70. Platform 70 is funding for the leasing and management of 70 properties in the private rental market to house rough sleepers in the Woolloomooloo area.

Policy and strategy development:

The City of Sydney's Homelessness Strategy 2007-12

The objective of the City's strategy is to end chronic or long term homelessness within the inner-city by 2017, and to tackle homelessness through addressing the following key priority areas:

- Chronically homeless with high and complex needs (rough sleepers)
- Compassionate and balanced public space management
- Supporting innovative, evidence based models of service provision
- Establishing target results and measuring outcomes

Street Drinking Strategy

The City's Street Drinking Strategy is aimed at providing an holistic, consistent and coordinated response to address the impacts of street drinking on individuals and the wider community.

Mobile Free Food Services Policy & Voluntary Accord

This initiative is intended to coordinate the activities of mobile service operating within the city of Sydney, which provide food and material assistance to rough sleepers and other marginalised groups.

Begging Paper

The City is currently developing a policy paper on begging. Research being undertaken for the paper aims to establish the scale of begging in the city, its cause and the effectiveness of current responses.

Proposed plans to facilitate a supply of affordable housing in the southern employment lands precinct

The City's southern employment lands are some of the most strategically important employment lands in the Sydney metropolitan area. Located in the Global Economic Corridor just south of the Green Square Town Centre and between Sydney Airport and the Central Business District, the southern employment lands accommodate a wide variety of employment generating activities.

In its Draft Employment Lands Strategy, the City has proposed that a large proportion of the southern employment lands be rezoned from industrial to mixed business uses. For land owners, the result of this rezoning is more valuable land because it could be utilised for higher value development such as retail and offices. The increased land value is being created by the rezoning rather than by any value added by the landowner. This land value increase creates opportunities to deliver affordable housing without reducing the value of the land as it was originally rezoned.

The rezoning is likely to result in over 9,000 new jobs to 2031, creating demand for new infrastructure and services. A proportion of these jobs will be held by very low to moderate income earners, for example administrators, delivery drivers and shopfront assistants. Jobs growth will also generate additional demand for services that employ lower income workers, such as childcare, retail and transport.

The redevelopment of the area will continue to produce upward pressures on property values and on purchase and private rental accommodation costs, beyond the means of low to moderate income groups. Without provision of more affordable forms of housing, the market can be expected to continue to produce more expensive housing in the area, so that housing will only be affordable to households on relatively high incomes.

Lower income households would need to move out of the area or may be prevented from finding housing in the area close to new employment opportunities.

To ensure some affordable housing is provided in or close to the southern employment lands, the City is exploring a range of mechanisms to be implemented with changes to zoning. These include:

- An affordable rental housing levy – whereby new development, that has benefited from the rezoning, makes a monetary contribution to the provision of affordable housing in the area;
- Floor space bonuses – whereby development may have access to higher densities where it provides or contributes to affordable rental housing or land for affordable rental housing; and
- Exclusive permissibility – where residential development is not generally permitted, affordable rental housing may be permitted. The advantage of this approach is that affordable rental housing providers are able to purchase land cheaper than it could be purchased in a zone that permits residential development.