

**INQUIRY INTO HOMELESSNESS AND LOW-COST
RENTAL ACCOMMODATION**

Organisation: North Sydney Council
Name: Mr Martin Ellis
Position: Director, Community and Library Services
Telephone: 02 9936 3100
Date received: 6/04/2009

Submission to the NSW Legislative Council Standing Committee on Social Issues

From North Sydney Council

Date 4 March 2000

Contact: Martin Ellis, Director, Community and Library Services
Tel: (02) 9936 8184

THAT the Standing Committee on Social Issues inquire into and report on policies and programs outside mainstream public housing that are being implemented within Australia and internationally to reduce homelessness and increase the availability of key worker accommodation, and in particular:

- a. models of low cost rental housing outside of mainstream public housing including but not limited to co-operative housing and community housing*

North Sydney Submission:

North Sydney Council owns or part owns 44 units of affordable housing. This has been made possible by an adopted Section 94 Plan Councils that leverages development to contribute to loss of bed spaces arising from proposed development. The sums collected are usually small compared with the cost of development or purchase. Therefore strategic partnerships with the Office of Community Housing are pursued making possible additions to the stock of community housing. Purchases are usually multi unit, single properties, thus avoiding concentration of community housing in one area, and promoting that social mix which is common to vibrant and tolerant communities.

Where Councils do not uniformly possess the expertise to manage community housing, particularly for high need tenants, the services of the local community housing provider can be engaged.

The impact of this model is limited to areas where there is an existing stock of affordable housing, and diminishes as that stock disappears.

Unintended negative characteristics of this process are that developers sometimes will allow a building to fall into disrepair in order to demonstrate a lack of financial viability. This can have a major impact on the quality of life and mental health of inhabitants. A recent ruling of the Land and Environment Court has it that where low income tenants share a boarding house with backpackers, the building as a whole is not liable for low cost accommodation levy. Council considers this outcome materially to the disadvantage of the most vulnerable members of our community.

North Sydney Council recommends that appropriate legislation be drafted to support this model, in particular that the new Affordable Housing SEPP specify that low cost accommodation, even when mixed with other uses, such as backpackers accommodation, be liable for levies proportionally with the number of low income residents.

- b. Methods of fast tracking the capacity of providers to deliver low cost-rental accommodation in a short time frame.*

North Sydney Submission:

North Sydney Council has identified a site which it owns and is putting together a model for how it can be developed for the benefit of the community with regard to increased parking and additional community facilities. In conjunction with this, an approach has been made to NSW Housing to become a partner in the development. This approach delivers the potential for NSW to join already existing projects so that the fast track objective can be achieved.

North Sydney Council recommends Councils be surveyed about existing projects that could receive similar funding support.

- c. Strategies to attract private sector investment in the provision of low cost rental accommodation*

North Sydney Submission:

Arising from a recommendation in North Sydney Council's *Affordable Housing Strategy, July 2008*, Council has commenced a feasibility study in introducing a density bonus scheme whereby developers and Council sign a Planning Agreement that delivers additional density for the developer in exchange for affordable housing units. The feasibility study will identify sites that can absorb additional density without material effect on the neighbouring amenity; and processes for attaining wide community support for the strategy.

North Sydney Council recommends that all relevant legislation be reviewed to support such arrangements where sufficient research and community consultation supports the public benefit that low cost accommodation brings

- d. Current barriers to growth in low cost rental housing*

North Sydney Submission:

The formulation of this aspect of the terms of reference works in part works against the objectives of the Committee. It is just as important to develop strategies to retain existing low cost housing, in particular Boarding Houses. The current objectives of the Federal Stimulus package (Stage 2) which looks at financing spot purchases points the way to achieving this objective. Boarding houses that remain in private land in areas of very great land value are not sustainable. Owned by Councils and managed for them by Community Housing Associations, Boarding Houses are potentially an excellent means of delivery community housing outcomes.

North Sydney Council recommends that Councils be surveyed on existing Boarding Houses to determine which properties are eligible for spot purchase would provide an immediate level of acceptable low cost accommodation.