

**Submission  
No 84**

**INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE  
HOUSING**

**Organisation:** Hawkesbury City Council

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# Hawkesbury City Council

28 February 2014



The Director  
Select Committee on Social, Public and Affordable Housing  
Parliament House  
Macquarie St  
SYDNEY NSW 2000

**Re: Submission to the NSW Parliamentary Inquiry into Social, Public and Affordable Housing**

Dear Sir/Madam

Thank you for the opportunity to make a submission to the NSW Parliamentary Inquiry into Social, Public and Affordable Housing. In reference to the Select Committees Terms of Reference for the Inquiry, Hawkesbury City Council would like to make the following submission:

***1(a) Projections of future social, public and affordable housing supply and demand to 2020.***

Older people aged 65+ are the largest increasing population group in this LGA and this is also reflected across Greater Sydney and NSW. Locally, older people made up 5.7% of the population in 1975, increased to 9.6% in 2006, and are projected to increase to 16.8% of the population by 2026 over this 20 year period (Hawkesbury Social Atlas 2009).

Older people aged 65+ are the largest population cohort relying on low and fixed income (Pension, Disability Payments; and savings etc.) and 'Person Alone' was the highest household type presenting to Specialist Homeless Services (SHS) in this region (UWS Research Partnership "Service Delivery Systems and the Unintentional Causation and Perpetuation of Homelessness in the Nepean & Blacktown Region" – Initial Findings, Sept. 2013). This equated to around 2,200 people in the 'Person Alone' category, following by 'Person with Children' with just over 1,000 people presenting in this region to Specialist Homelessness Services.

***1(b) Data regarding the link between the lack of appropriate social, public and affordable housing in NSW and indicators of social disadvantage.***

The commonly accepted measure of 'rental stress' is where an individual or family on low income is required to pay more than 30% of their income on rent. Rents higher than 30% of income affect these individuals or families' ability to pay for housing and still afford to pay for the necessities of life (food, transport, health, education etc.).

The Greater Sydney median rents (all dwellings) have gone up to \$470 per week (Housing NSW's Rent & Sales Report No. 105, Sept. Quarter, 2013). For low income and disadvantaged people this corresponds to:

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Hours: Monday to Friday 8.30am – 5.00pm.

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- 83% of (after tax) Minimum Wage (\$567.80 per week);
- 125% of the individual Disability Pension (\$375.85 pw); and
- 188% of individual Newstart (unemployment) benefit.

For the Hawkesbury LGA, the median rents (all dwellings) have increased to \$380pw (Housing NSW's Rent & Sales Report No. 105, Sept. Quarter 2013). This equates to:

- 67% of (after tax) Minimum Wage (\$567.80 per week);
- 101% of individual Disability Pension (\$375.85 pw); and
- 152% of the individual Newstart (unemployment) benefit.

There is also greater access to one and two bedroom dwellings across Greater Sydney (although median rents for one bedroom are still \$425 pw and two bedrooms are \$480pw) than what is available in the Hawkesbury LGA. Dwellings in this LGA are predominately three bedrooms (median Hawkesbury rental for three bedrooms is \$390pw) resulting in difficulties for single people trying to find appropriate and affordable housing.

This demonstrates a strong link between disadvantaged people and low income families - essentially living in poverty and at risk of becoming homelessness - with the lack of "appropriate social, public and affordable housing" in this area as well as across Greater Sydney.

Vacancy rates for private rental properties in Greater Sydney has been below 2% for many years – creating further pressure to already high rents and excluding people and families on low income and particularly disadvantaged people relying on Commonwealth benefits. Commonwealth Rent Assistance has not kept up with the rapidly increasing rents over the last two decades and does little to alleviate low income and disadvantaged families trying to enter the private rental market.

For low income earners and socially disadvantaged people, social, public and affordable housing may be the ONLY sustainable housing option - where rents are capped at 25% of income for community housing; 30% for public housing; and (where available) Affordable Housing from community housing providers at around 10 - 20% below market rents.

According to Housing NSW data (2009) - 92,000 households in NSW are at risk of homelessness.

**1(c) *Housing design approaches and social service integration necessary to support tenant livelihoods and wellbeing.***

In designing social, public, and affordable housing, planning needs to consider current and future extreme weather events – in particular, the need to reduce heat stress on vulnerable people by design, and/or provide ready access to air-conditioned facilities (libraries, community centres, and shopping centres etc.) during these extreme weather events. Deaths from heat stress are reported to be the major cause of fatalities of all natural disasters in Australia – particularly for older Australians and other vulnerable people.

With regard to social service integration, community housing providers have the flexibility and local knowledge to deliver and/or broker a wide range of services to tenants including support partnerships to ensure sustainable tenancies, access to training & education and potential employment opportunities and linking tenants with their neighbours and communities. For this reason, a program of large scale transfer of tenanted properties from public housing to community housing is supported.



Growth funding would also be required to help this sector to meet new demands.

Social service integration with community housing providers is supported as it can also help to reduce social isolation in local communities. Social isolation, particularly of 'lone person' households is a significant social problem leading to poor health and community outcomes and additional costs to governments. This would also help to meet a key 'Direction' of *the Hawkesbury Community Strategic Plan 2013-2032*, under "Looking after People and Place" to "Have friendly neighbourhoods, connected communities, and supported households and families".

#### **1(d) Maintenance and capital improvement costs and delivery requirements**

The growing community housing provider sector represents a new type of business model for managing social and affordable housing properties - with active portfolio managers ensuring the value of the asset through appropriate responsive and planned maintenance. Community housing associations also report to a State Regulator against long term financial viability and asset management indicators.

#### **1(e) Criteria for selecting and prioritising residential areas for affordable and social housing development**

Stronger mechanisms and directions from State government are required for local government to take an active role in selecting and prioritising residential areas for affordable and social housing development. This would then allow for criteria to be developed and would assist Hawkesbury City Council to address a key Direction of the *Hawkesbury Community Strategic Plan*, under "Looking after People and Place" to "Offer residents a choice of housing options that meets their needs whilst being sympathetic to the qualities of the Hawkesbury". Community housing providers are potential partners in the development of social and affordable housing. However, community housing provider's capacity to leverage development funds for this purpose is constrained by the limited control they have over the properties under management (i.e. they don't own the asset).

#### **1(f) The role of Residential Parks**

On the 4 May 2010 Hawkesbury City Council assisted the Nepean/Blacktown Taskforce on Homelessness in conducting a 'Street Count' of homeless people sleeping rough. From this Street-Count, the Taskforce estimated that in the Hawkesbury area: at least 51 homeless people were sleeping rough on the night (Primary Homeless); a further 49 people were staying in temporary/crisis accommodation (Secondary Homeless); and at least 190 people were living in sub-standard accommodation (Tertiary Homeless) defined as below the minimum community standard of a small self-contained flat. The overall count was considered to be 'under-counted' by at least 40% given the difficulty accessing homeless people in a semi-rural locality. This includes difficulty accessing: people sleeping rough 'in the bush'; people sleeping in cars, sheds & other improvised dwellings; people in squats and young people 'couch surfing' with friends and relatives.

The 190 people identified as Tertiary Homeless (in the above street-count) were living in a local caravan park which provided sub-standard accommodation (as defined above) as well as poor amenity and high social/health risks which have made it unsuitable for families. Single people & couples are currently paying around \$220 pw (plus estimated electricity usage) for this substandard form of shelter. Some homeless and disadvantaged people also reported that they could not access this accommodation without the written support/guarantee of a community



support agency. This type of shelter equates to 39% of the (after tax) Minimum Wage; 59% of the single Disability Pension; and 88% of the Newstart Allowance. People paying over 30% of their income are considered to be in “housing stress”. People relying on pensions and allowances are in *extreme* housing stress - if they are able to find any form of suitable accommodation.

Other local caravan parks with better amenity have been reported by council staff to be expensive as an option for people needing immediate accommodation - with prices reportedly in excess of the median rental for a 3 bedroom house (\$390pw) in some instances. This may be as a result of short stays being charged at a ‘holiday’ or short term rental rate - which limits this option for disadvantaged people needing emergency accommodation. This issue has also been recorded at a number of local homelessness workshops/forums in 2012 and 2013 and is an ‘Action’ in the (draft) Hawkesbury Homeless Action Plan (Feb. 2014) - section 2: Policy and Advocacy; and 2.4 ‘Advocate for caravan parks to keep rents affordable’; and Measure “No more than 30% of income.”

Many of the residential parks in the Hawkesbury LGA are in remote locations which make them unsuitable for affordable or social housing, or are in higher risk flood areas that make them unsuitable for long-term occupancy.

**1(g) *Recommendations on State reform options that may increase social, public and affordable housing supply, improve social service integration and encourage more effective management of existing stock including, but not limited to:***

*(i) Policy initiatives and legislative change*

- Transfer of title to community housing providers would allowed them to further leverage funds so that community housing can help meet demand for social and affordable housing.

*(ii) Planning law changes and reform*

- In regard to planning laws and reforms it is noted that the costs associated with a number of changes/reforms can have the result of increasing costs that create a burden on lower income and disadvantaged people. This includes: the cost associated with providing disability/accessibility upgrades to retrofit older housing stock; limits placed on housing types in zones – e.g. dual occupancy/secondary dwellings in rural zones are not covered by the SEPP. Policies and reforms need to consider providing maximum as well as minimum threshold obligations on providers to limit potential cost impacts. Housing types need to be identified and separately identified in planning policies in an affirmative action manner e.g. exemptions from fees and charges (where appropriate).
- There are challenges providing access to infrastructure and facilities (public transport, shopping centres, health-care etc.) for disadvantaged people, and constraints on using Section 94 development contributions funds. For example, widening footpaths for disability/mobility access would not qualify for S94 expenditure so Councils may struggle to fund the required works. Equally the cost of S94A on minor developments and council charges on



areas such as sewerage will increase overall costs to small scale development.

- Strata subdivision/apartments/townhouses do not provide a 'cap' on strata levies which can create a burden of fees for low income and disadvantaged people. It is recommended that the strata title legislation incorporate a suitable mechanism to ensure that strata levies are set at appropriate levels and that expenditure is appropriately managed e.g. spent on 'critical' asset maintenance and security as a priority over 'luxury' items e.g. landscaping.
- Strategic planning for future public housing areas to ensure that they are not isolated from accessing recreational areas (pools, parks and active living). Locations close to facilities can improve health outcomes (e.g. reduce obesity) – which will reduce the overall health costs to government. Design and assessment for Development Applications and Complying Development need to include provisions responding to:
  - Safer by Design/CPTED - Australian Risk Management Standard 4360:1999.
  - Healthy Cities - <http://www.healthyplaces.org.au/site/>
  - Accessibility (including universal design)
  - Solar Access and need for shade and shelter
  - Social Impact analysis
  - Natural Hazard Resilience strategies
- Retirement housing should also be located in areas that ensure a mix of ages (children & families) that better reflect a diverse culture and the wider community (rather than a 'monoculture' or 'enclave' approach). Social isolation of 'lone person' house-holds is a significant social problem leading to poor health and community outcomes. A key 'Direction' of the *Hawkesbury Community Strategic Plan 2013-2032*, under "Looking after People and Place" is to "Have friendly neighbourhoods, connected communities, and supported households and families".
- Community housing providers could be permitted to redevelop existing properties under management to maximise the housing available per lot.

(iii) *Social benefit bonds*

Innovative funding models - such as social benefit bonds - should be investigated in addition to increasing funding from Federal and State government to enhance government investment into social, public, and affordable housing supply.

(iv) *Market mechanisms and incentives*

The National Rental Affordability Scheme (NRAS) should continue as a permanent program of government investment into affordable housing supply - supported by Federal and State government.



(v) *Ongoing partnerships with the Federal Government such as the National Affordable Housing Agreement*

The National Affordable Housing Agreement (NAHA) should continue and be enhanced to increase government investment into social, public, and affordable housing supply.

(vi) *Aging in place*

Previously mentioned, retirement housing needs to be located (or at least readily accessible by public transport) to a range of health, recreation, and shopping/service precincts.

To facilitate 'aging in place' consideration needs to be given to policy/legislative and planning law changes that will not drive up house and rental prices or strata fees which place a greater cost burden on older Australians with limited resources.

Shelter is considered to be a basic human right for all people - in both Australia and internationally.

Please consider the data and information contained in this submission to the NSW Parliamentary Inquiry into Social, Public and Affordable Housing.

If you require any further information please contact council's Senior Strategic Planner (Community),

Yours sincerely

Matthew Owens  
**Director City Planning**