

**Submission  
No 60**

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

**Organisation:** North Sydney Council

**Date received:** 27/02/2014

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

21 February 2014

Dear Sir

**RE: North Sydney Council Submission**

Please find attached Council's submission. The Inquiry's terms of Reference 1(a), 1(b) and 1(g) have been addressed

Yours sincerely

Martin Ellis  
**Director, Community and Library Services**



## **SUBMISSION FROM NORTH SYDNEY COUNCIL ON: INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE HOUSING**

### **General comments:**

North Sydney Council has a long-standing commitment to affordable housing in its Local Government Area. This has included research and advocacy, partnerships with local social housing providers, and redeployment of its own resources for affordable housing for almost 30 years. A key strategy has been to levy developers for the loss of affordable bed spaces under Section 94 of the Environmental Planning and Assessment Act 1979 (NSW).

The difficulty in protecting and/or replacing affordable housing stock that has been lost in the North Sydney LGA has been apparent to Council for some time. Since its affordable housing program began in 1984, approximately 2,400 affordable bed spaces have been lost in the LGA. Over the years, through contribution of land, partnerships with State Government authorities and funds levied, Council has been able to mitigate this loss through its partial or full ownership of 23 properties comprised of 39 multi-unit dwellings and houses, and two boarding houses used for affordable housing. These properties include a Nursing Home and two services offering emergency accommodation to youth. However, Council's goal to replace 5% of affordable housing stock lost has been difficult to achieve due to the high cost of replacement. Since 1998, when Council's contribution has been limited to partnerships and levies, approximately 15 bed spaces have been replaced. However, the replacement strategy employed by Council may be nearing the end of its practical life due to a dwindling stock of boarding houses and non-strata subdividable flats and units, as well as changes to how Section 94 funds can be collected and used by local government.

Affordable Housing outcomes arising from the 2009 ARHSEPP for North Sydney have been, up to 2013, NIL. In view of this Housing NSW has agreed to contribute funds levied in the North Sydney Area since 2009 to a Council/Link Housing project for a New Generation Boarding House. Council wishes to put on record its acknowledgement and thanks for this support for affordable Housing in North Sydney.

In 2011 there were approximately 3,800 households in North Sydney LGA in rental stress and 1,100 households in mortgage stress (4,900 in total).<sup>65</sup> This means that 26% of all renting households in the LGA and 16% of all home-purchasing households were in housing stress. By far the, the greatest need for affordable housing by this measure was for very low and low income renters (55%).

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

While projections have not been calculated, the trend is clear, and it is not good news for affordable housing. The supply of both public and community housing (**social**

**rental housing**) in North Sydney has declined in real terms, despite more recent growth through the Nation Building (Economic Stimulus) package. Community Housing tends to be scattered throughout the Local Government Area, with 11 (27%) in the suburb of North Sydney, 9 (22%) in Neutral Bay and 6 (15%) in Neutral Bay.

There has been a **decline in the amount of social rental housing** over the past ten years, not just in North Sydney LGA but across the whole of Greater Sydney. Between 2001 and 2011, there was a 9% decline in the number of households enumerated in State Housing in North Sydney LGA, with the number decreasing from 505 to 459 over the ten-year period. Over the same period the LGA experienced a 32% decline in the number of households enumerated in Community Housing, with the number of households enumerated in this type of housing declining from 65 to 44. Over the same period, the total number of households in North Sydney LGA increased by 10%, from 28,500 households in 2001. Total households enumerated in Social Housing stock therefore declined from 570 households in 2001 to 503 households in 2011 (an 11% decrease in such households)

This situation is of concern for two reasons. First, in order to maintain the relative amount of social housing in North Sydney LGA from 2001 the amount of this type of housing would have also had to increase by 10%, while in fact the amount of social housing in the area has declined since 2001. Secondly, even in 2001 the amount of social housing in North Sydney LGA was low compared with Greater Sydney as a whole, i.e. in 2001 social housing housed just 2.0% of households enumerated in North Sydney LGA, compared with 5.5% of households enumerated across Greater Sydney. This is a particularly serious issue for North Sydney due to the affordability context discussed above.

### **Boarding Houses**

Boarding houses have long provided a source of low-cost housing in metropolitan and regional areas of Australia. The quality and suitability, both in terms of building standards and in terms of occupancy arrangements, of this housing to meet the needs of the range of residents who call boarding houses 'home' can vary widely. Boarding house renters can include vulnerable people on limited incomes, such as people with disabilities, those with experiences of homelessness, women escaping domestic violence (often with children), and people with age related frailty. However, boarding house renters can also be limited income workers and students (often from overseas).

In the most recent ABS Census (2011), 339 persons reported that they were 'at home' at a 'boarding house or private hotel'.

There does not appear to have been a significant change in the number of persons living in boarding houses in North Sydney LGA in the most recent inter-census period. In 2006, 327 persons reported that they were 'at home' in a 'boarding house or private hotel', similar to the 2011 Census figure. However, this may be an undercount due to the way that census collectors classify buildings, and also masks the fact that there has been a major loss of boarding house accommodation in North Sydney (and other inner and middle ring suburbs) over the past 30 years with increasing gentrification, and the conversion or redevelopment of such stock to single dwellings or higher value uses.

### **Smaller flats and units in general**

Another form of housing often considered to be 'affordable' or at least 'lower cost' is small flats and units. In the most recent ABS (2011) Census, 22,570 households were enumerated in a flat, unit or apartments, with 16% being in a one or two storey block, 30% in a three storey block and 54% in a unit block of four storeys or more. Flats and units made up 72% of all occupied private dwellings in North Sydney LGA in 2011 compared with 26% in Greater Sydney, and is a very different housing market in this regard.

In terms of the change in the number of smaller flats and units: while the number of single bedroom units increased by about 20% between 2001 and 2011 (in line with the overall increase in the number of flats and units), the number of studio apartments and bedsits has remained more or less unchanged over the same period. Encouraging the development of such units (as well as smaller one bedroom units) is likely to be an area of policy concern for Council, since studio and small one-bedroom apartments are a significant form of affordable housing for an area, and in particular for North Sydney LGA due to its large proportion of lone person households (34%) and couples without children (28%) who could comfortably inhabit a studio apartment, many of whom are in severe housing stress.

There is evidence that there is an undersupply of one bedroom and studio apartments in North Sydney, with median prices for this product increasing at about one third greater than the rate of inflation over the last eight years (that is prices have increased in real terms). By contrast median prices for three bedroom strata properties have increased at one third less than the rate of inflation over the last eight years (that is prices have fallen in real terms).

### **(b) Data regarding the link between the lack of appropriate social, public and affordable housing in New South Wales and indicators of Social disadvantage**

#### **(i)**

A review of those living in forms of accommodation most likely to be affordable or lower cost in the North Sydney LGA was undertaken in 2013.

Those living in **social (public and community) housing** in North Sydney LGA are more likely to be lone persons (75% of households living in social housing), and those in **community housing** more likely to be single parents (20%). Those in social housing in North Sydney LGA are more likely to be older (78% aged 50 years and older) and not engaged in the labour force (74%). Of those who are working, many are employed as labourers (25%), community and personal service workers (18%) and technicians and trades workers (9%) compared with the overall occupation profile for North Sydney LGA. In terms of gross household income, a very large proportion of those in State (public) Housing (62%) earn between \$200 and \$399 per week, while many of those in Community Housing (66%) earn less than \$600 per week, and are thus well below the threshold that defines a 'very low income' household.

Persons living in **boarding houses** in North Sydney LGA have quite a broad range of ages, though they are most likely to be aged between 20 and 69 years of age (90%) with only 2.4% aged less than 20 years of age. Around 10% of those living in boarding houses in North Sydney in 2011 were unemployed (compared with 2.6% of the general population), with the labour force participation rate of boarding house residents being similar to the general population (approximately 80%). Compared

with the general working population of North Sydney LGA, there is an over-representation of labourers (13%), clerical and administrative workers (19%), technicians and trades workers (14%) and community and personal service workers (13%) in the working boarding house resident population. In terms of personal income, a large proportion of boarding house residents earn between \$300 and \$999 per week (\$15,600 and \$52,100 per year) compared with the general population of the LGA (63% of boarding house residents compared with 27% of the general population). Though mostly working, the majority are on very low and low incomes. Of all 726 households enumerated in **studio apartments** in North Sydney Local Government Area in the ABS Census of Population and Housing 2011, 78% were lone person households, with the remainder largely comprised of couples without children (16%). The median gross household income of households living in studio apartments is approximately \$1,100 per week, much lower than the median of \$2,200 per week for all households in North Sydney LGA, and under the 'low income' threshold, which suggests that the housing choice is to a reasonable degree driven by affordability considerations.

Reference persons of households living in studio apartments are more likely to be aged between 20 and 39 years (60% of reference persons of households living in studio apartments), and those that are working are more likely to work in clerical and administrative roles (19%) and are less likely to work as managers (13%) compared with the overall occupation profile for reference persons in North Sydney LGA (14% and 22% respectively).

#### **(ii) Homelessness**

Data regarding homelessness is most often anecdotal. For several years now North Sydney Council, the Crows Nest Centre, Link Housing and Kirribilli Neighbourhood Centre have worked together under an MOU to address homelessness. (Homelessness and the threat of homelessness are prevalent in North Sydney). This has been despite the absence of any funding, and in response to rough sleepers who present themselves to Council and the community centres on the Lower North Shore, and boarding house and other tenants receiving eviction notices in anticipation of redevelopment.

Council has tried to develop relationships with the City of Sydney Homelessness Advisory Service and the Newtown Boarding House program. These are outstanding services and deserve continued support.

Local refuges Phoenix House and Taldumande are supported by Council through the provision of accommodation but continue to be in need of operating funds support.

#### **(g) Recommendations**

1. **THAT** State and Federal Governments work with Councils and Regional Organisations of Councils to develop an affordable housing policy, which is inclusive, attracts key workers to areas where they may not otherwise be able to live, and makes it possible for older people to age in place in their community. This policy should include consistent targets for affordable housing.
2. **THAT** State and Federal Governments continue to provide National Rental Housing Affordability Scheme funding to councils and community housing providers working in partnership to provide affordable housing in areas of need

3. **THAT** State and Federal Governments fund homeless services (both direct and advisory) where the support of Councils and community housing providers can be demonstrated