

**Submission
No 138**

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

Organisation: City of Botany Bay

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City of Botany Bay

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Select Committee on Social, Public and Affordable Housing
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Dear Sir/Madam

**SUBMISSION TO THE NSW PARLIAMENTARY INQUIRY INTO
SOCIAL, PUBLIC AND AFFORDABLE HOUSING**

Thank you for the opportunity to comment on the mentioned enquiry.

Terms of Reference

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

The NSW Auditor-General's Report - Performance Audit, Making the Best Use of Public Housing estimates there are currently 214,000 people living in public housing, with a further 55,000 households, or 120,000 people, on the waiting list. It also estimates that all social housing only meets 44 per cent of need in NSW.

The information contained in the Report does not include other factors affecting demand such as individuals who are homeless; people who are in housing stress but given the length of the waiting list have not registered for accommodation; and those individuals and families requiring crisis accommodation due to a range of issues.

Projections should also include consideration of: - a review of the legislation to encourage a broader acceptance of affordable housing including improved design; those currently in the private rental market who are likely to require access to social or public housing in their later retirement years due to declining wealth; individuals with limited financial capacity and special needs who are currently living with family members in the private housing market that are likely to require individual housing assistance in the future; children of families currently in living in public housing who are likely to require housing assistance in the future as adults; the anticipated demand for public or social housing due to increasing social and financial disadvantage resulting from an ageing population, declining health and an increase in people with disabilities, particularly in the area of mental health; planning for increase in accommodation required in cases of emergency and crisis; increasing issues associated with homelessness.

The future supply of housing must address specific needs in specific areas i.e. whilst housing is a basic need, displacing people from their communities where they have existing social and other connections can cause other issues of social disadvantage. A 'sense of belonging' can be just as important as a 'roof over their heads' to many people. The concept of 'community' that offers the prospect of sameness and familiarity which contribute to feelings of personal safety, security and opportunities.

Importantly, current and future social, public and affordable housing must address the test of 'fit for purpose'.

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

There are many measures and indexes used to define the degree of social disadvantage including the SEIFA Index of Disadvantage, OECD measures of poverty, SEM etc.

There has been considerable research into the causes of people who experience varying degrees of social disadvantage. It is generally accepted that people who are more likely to experience ongoing social disadvantage include: single parents; Indigenous Australians; people with a long-term health condition or disability; people with low educational attainment; people who are weakly attached to the labour market.

Many individuals falling into one or more of these categories are public housing and social housing tenants. Public housing estates experience higher than average levels of unemployment and welfare dependency and sometimes crime. These characteristics are routinely attributed by to the social exclusion of these communities from mainstream society their limited access to job networks and social relations that could have important role modelling effects. Many individuals falling into one or more of these categories are public housing and social housing tenants. The spatial separation of disadvantaged populations from wider society means they also remain cut off from the services, opportunities and social networks that come with being more socially and spatially integrated.

The lack of appropriate social, public and affordable housing is most likely to increase social disadvantage, or decrease the opportunity for social inclusion, among individuals within communities.

Social inclusion means that people have the resources, opportunities and capabilities they need to: - learn through education and training; undertake work on a paid or voluntary basis; engage and connect with their communities, use local services and participate in local community, cultural and recreational activities; and have the ability to voice and influence decisions that affect them.

The eroding of social cohesion has negative social and economic consequences for the wider community. Increased social cohesion and connectedness help build stronger more liveable communities.

A range of early intervention measures can assist in overcoming social and economic disadvantage. Increasing the capabilities of individuals can improve the opportunities they have and reduce this disadvantage. This can also assist in reducing the long-term reliance on social and community housing.

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

Social, community and affordable housing needs to be fit for purpose, recognising the growing need to cater for an ageing population, people with a disability and families with children as well as single people who are also seriously disadvantaged in the housing market attributing to a small percentage of listed properties rated as affordable.

Housing plays a critical role in the health and well being of individual Australians. The availability of affordable, sustainable and well designed housing underpins good health at the social, educational and economic participation of individuals. Ideally, housing should be designed and built so as to be capable of being adaptable to meet these requirements.

There also needs to be a broad range of affordable housing type and design to meet the lifestyles and needs of tenants.

Services to tenants often need to be delivered by a range of providers including various government agencies and not for profit organisations.

Whilst a number of good initiatives are in place, including the NSW Housing and Human Services Accord, these initiatives are often introduced without meaningful consultation with other stakeholders, including Local Government.

Local Government and the not-for-profit sector provide support services to assist and improve outcomes for residents of social, community and affordable housing.

Genuine consultation and collaboration with all stakeholders would better serve to address needs, reduce duplication of service delivery, help identify service gaps, help identify skill shortages and agency resources and assist in the community strategic planning process. This would lead to improved outcomes for individuals and families using these services.

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

The Auditor General's Report has identified a number of shortcomings in the asset management and asset renewal processes of the social housing portfolio. As at June 2011, there was a shortfall of an estimated \$302 million to cover annual maintenance costs; an estimated 30-40% of properties were assessed as being not at its well maintained level; there has been a systematic sale of properties (approximately 6,000 dwellings from 2003/04 – 2012/2013) with proceeds used to cover both new acquisitions and shortfalls in funds required for annual maintenance.

In real terms, there has been a decrease in the number of dwellings available for housing by those most vulnerable groups in the community. Consideration needs to be given to making affordable housing more attractive and financially viable to private developers.

In regard to the transfer of social housing to community housing providers, whilst the concept of the community housing provider using these properties as equity to fund, acquire and develop additional dwellings to increase available housing stock, some governance or oversight of the community housing provider's skills in finance leveraging and property development may be considered appropriate.

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

The criteria for selecting and prioritising areas for social, community and affordable housing needs to take into account the demand for this housing in particular LGAs.

Land values of sites with good transport and accessibility, particularly in areas closer to the CBD, can be cost prohibitive for the development of new social, community and affordable housing stock. Notwithstanding this, there are social costs that need to be considered including: - displacing residents through the sale of existing housing stock and social exclusion of individuals needing to move away from areas where they are familiar and have developed social connections and sense of belonging;

Sites should also take into consideration the services and opportunities available for residents to improve outcomes i.e. medical, education, child care, public transport, employment etc.

(f) *The role of residential parks*

Residential parks are an important part of the housing mix and provide affordable accommodation to individuals, particularly those over 55 years of age.

The NSW Government commenced consultation about improving the governance of residential parks in 2011 and the results of those submissions should also inform this Inquiry.

The Committee may wish to consider requirements introduced under the Boarding House Act 2012 and consider some of those requirements such as annual inspection regimes.

(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:*

- a. *Policy initiatives and legislative change;*
- b. *Planning law changes and reform;*
- c. *Social benefit bonds;*
- d. *Market mechanisms and incentives;*

- e. *Ongoing funding partnerships with the Federal Government such as the National Affordable Housing Agreement; and*
- f. *Ageing in place.*

There is a considerable amount of legislation and policy documents across Federal, State and Local Government aimed at encouraging an increase in affordable housing and seeking to protect existing sources of affordable housing within communities.

There have been varying degrees of success in achieving positive outcomes under these initiatives.

Secondary dwellings (Granny Flats) under the Affordable Rental Housing SEPP appear to have been well received and have assisted in providing affordable, independent living arrangements for ageing family members or those experiencing housing stress.

The success in attracting private development into the affordable housing market has been mixed. High land values, complexity of development and density bonuses are often seen as an insufficient incentive for developers to favour this type of development over other possible developments is noted.

Changes to allow Housing NSW to self-approve development applications meeting a certain criteria (principally less than 8.5M in height and < 20 dwellings) introduced in the delivery of the National Economic Stimulus Plan received strong opposition from communities and the local government industry. Many of these developments would not have been approved if local planning policies were applied to the assessment of these applications.

In 2011, changes were made by the NSW Government to the Affordable Housing SEPP to require developers to build in accordance with the existing character and landscape of local neighbourhoods. Other changes included: - that developments must provide at least 20 per cent of the total floor space – rather than a specified number of units as previously required – as affordable rental housing for 10 years and stricter public transport test requirements. These changes, particularly the requirement for developers to build in accordance with the existing character and landscape of local neighbourhoods, has seen an increase in the number of applications recommended for refusal by local councils.

It is noted that the second stage of the review, involving the formation of an Affordable Housing Taskforce and the development and implementation of a new Affordable Housing Choice SEPP remains in progress.

In moving forward, the NSW Government may consider there to be a need to encourage medium and high density developments to include a percentage of affordable housing. If this were the case, consideration would need to be given to also providing developers with a financial incentive, in addition to floor space incentives, to do so. This would most likely be in the way of taxation concessions. Despite such an initiative, developers may perceive that a component of affordable housing could reduce profit margins, directly or indirectly, by lowering the market price for the remainder of the dwellings.

In developing plans for the future it is suggested that consideration be given to: -

Better informed community – The wider community needs to be better informed about what affordable housing is, why it is needed and how it is going to be delivered. There is a misconception that affordable housing means ‘public housing’ – we also need to reduce the stigma associated with social and community housing. If this were to be achieved, it would assist in decreasing the angst in the community often associated with development proposals for affordable housing.

Planning for affordable housing needs to be understood and accepted by all stakeholders if it is to become established and productive over the long-term.

Collaboration between stakeholders – there need to be genuine engagement and collaboration among stakeholders, particularly the NSW Government, local councils and not-for-profit community housing providers. This will ensure a clear understanding, and hopefully support, of a model that stakeholders are expected to use and/or implement.

Planning Policies – Developers need certainty and efficiency from a planning system. Planning Authority staff need clear guidelines to assist in assessing applications. The community needs to understand how their areas are to be developed now and in the future.

Identifying potential sites or areas within precincts suitable for affordable housing can provide the community with an opportunity to have input into the planning stages of how their communities are to develop into the future.

If you require any further information in regard to our submission, please contact my office on

Yours sincerely

Lara Kirchner
GENERAL MANAGER

cc. The Honourable Sophie Cotsis MLC