

**Submission
No 139**

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

Organisation: Mosman Council

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The Hon Paul Green MLC
Chair
Legislative Council Select Committee for Social, Public and Affordable
Housing
Parliament House
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SYDNEY NSW 2000

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Dear Mr Green

Re: NSW Parliamentary Inquiry into Social, Public and Affordable Housing

Council appreciates the opportunity to provide a submission to the Inquiry into Social, Public and Affordable Housing.

Mosman is a relatively small and established local government area (29,605 estimated resident population), located in the inner ring of the greater Sydney metropolitan area. Access to social, public and affordable housing is a concern for Council and the community as a whole. In particular, the lack of affordable housing in the Mosman and larger Northern Sydney area has long been identified as a social and economic issue. While Mosman has a relatively more affluent population and a lower level of disadvantage as measured through the SEIFA index (1,110.7), there are residents on low to moderate incomes who do not own their own home. The 2011 ABS Census showed that 20.4% of Mosman households had a weekly income of \$999 or less and 11.2% had a weekly income of \$599 or less.

Affordable housing is vital to enable people on limited incomes, including those on government pensions and benefits or low to moderate wages, to remain in the local community where they have family, friends and other support networks. It is also vital so that Mosman can attract key workers, such as police, emergency services, nurses, teachers, child care and aged care workers, who benefit from being able to secure affordable housing close to their place of work.

The need for improved provision of affordable housing (and current lack thereof) is well documented in local and regional plans by Council; the Shore Regional Organisation of Councils (SHOROC) representing Manly, Mosman, Pittwater and Warringah; and other government agencies. For example, the NSW Department of Family and Community Services sub-regional and regional planning for Families NSW and the Northern Sydney Ageing Strategy Development Issues Paper (2013) have both identified high housing (mortgage and rental) and land costs in Northern Sydney as impediments to the provision of affordable housing and placing stress on individuals and families. In Council's 'Social Directions' Report, August 2012, the lack of housing affordability was also identified, with high median mortgage and rental payments.

The NSW Government 'Rent and Sales Report No 105 – Rent: September Quarter 2013' <http://www.housing.nsw.gov.au/About+Us/Reports+Plans+and+Papers/Rent+and+Sales+Reports/Latest+Issue/> provides rental analysis for the September quarter 2013 for local government areas. It shows the median weekly rent for two bedroom flats/units for Mosman LGA (an inner ring area) as \$583 whereas the equivalent for greater Sydney was \$480.

The lack of available affordable rental housing in Mosman is also highlighted in the proportion of rental and purchase stock that is affordable, as determined using Valuer-General and Rental Bond Board data. For instance, for September 2012 (latest data analysed), the percentage of affordable rental stock in Mosman for very low incomes was 0% while in Sydney SD it was 3%, and for low incomes was 2% whereas in Sydney SD this was 15%.

As a member of SHOROC, Council has contributed to regional initiatives in an attempt to improve the supply of social and affordable housing in the SHOROC region. It has also supported work undertaken by other Northern Sydney councils and local community housing providers, including Link Housing Limited.

Council continues to collaborate regionally in an effort to develop appropriate responses to this and related housing issues. For instance, the principles underpinning SHOROC's 'Shaping Our Future' regional strategy, to which Council is a signatory, include 'seeking to improve housing choice in response to demographic changes such as the availability of affordable housing for a diversity of households, including key workers'.

A SHOROC regional indicator has been developed, 'housing affordability for key workers', with a target being 'increase in affordable housing for key workers over time'.

<http://www.shoroc.com/regionalprofile/housing-affordability-for-key-workers/>

To measure the indicator, the Bankwest Financial Indicator Series Key Worker Housing Affordability Report is used, where an area is classified as unaffordable if its median house price is more than five times the salary of a key worker (i.e. >5). For Mosman LGA, the ratio of house price to earnings was 29.4 in 2005; 27.5 in 2009; and 30.7 in 2010, showing a significant and worsening lack of affordability. In 2010, comparable data for SHOROC was 15.26 and for Sydney 8.3.

Identified issues from past investigation by Council and SHOROC through a Social and Affordable Housing Working Party (2008/9) included:

- A chronic shortage of social housing places, including for families, young people, older people, people with a disability and victims of domestic violence.
- The lack of support for residents in social housing who may have additional needs with the need to provide additional resources for case management.
- The lack of 'exit housing' for young people and others leaving supported accommodation
- Population ageing will result in increased demand for age-appropriate social housing for older people on limited incomes.
- Population ageing will create increased demand for more key workers in health and aged care.
- Limited housing choice in social and community housing, including for families, young people, older people and people with a disability.
- The importance of affordable housing in maintaining population mix and social sustainability.
- Need for capital for financial feasibility of affordable housing projects and where appropriate that social and affordable housing should be considered in State and Commonwealth disposal of public land.

While Council with its regional partner councils can continue to monitor housing affordability and identify issues, it has limited control in addressing the issues and increasing the supply of social, public and affordable housing. The aforementioned SHOROC working party flagged potential opportunities however these could not be pursued without State or Commonwealth funding and/or other resources.

Planning instruments such as SEPP (Affordable Housing) 2009 have had a negligible effect on the provision of affordable housing in Mosman.

According to its resources and priorities, Council will continue to support and contribute towards regional initiatives to facilitate social and affordable housing, including collaboration through the relevant regional organisations of Councils, SHOROC and NSROC.

Yours sincerely

Veronica Lee
GENERAL MANAGER