

**Submission
No 242**

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

Organisation: City of Ryde

Date received: 28/03/2014

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

Our Reference: D14/16085

28 March 2014

Dear Sir/Madam,

RE: Inquiry into Social, Public and Affordable housing

I refer to the above inquiry underway by the NSW Legislative Council's Select Committee on Social, Public and Affordable Housing. Thank you for the opportunity to provide comment on this inquiry and the extension of time granted to Council for the preparation of this submission.

I am pleased to provide this submission on behalf of the Council of the City of Ryde in response to the terms of reference applicable to Council's functions and concerns.

The Terms of Reference for this Inquiry are:

1. That the Select Committee inquire into and report on demand for social, public and affordable housing and in particular:

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

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

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

(d) Maintenance and capital improvement costs and delivery requirements

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

(f) The role of residential parks

(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*
- (ii) planning law changes and reform*
- (iii) social benefit bonds*

Page 1 of 6

- (iv) market mechanisms and incentives
- (v) ongoing funding partnerships with the Federal Government such as the National Affordable Housing Agreement
- (vi) ageing in place, and

(h) Any other related matter.

2. That, in conducting the Inquiry, the Committee note the recommendations of the 2013 report of the Audit Office of New South Wales entitled "Making the best use of Public Housing".

3. That the Committee report by 9 September 2014.

City of Ryde

The City of Ryde is a large, predominantly residential Local Government Area (LGA) located within the middle ring suburban area of Greater Sydney. Part of the attraction of the area has long been its central location, proximity to major transport routes, and proximity to significant employment districts as well to natural assets such as Lane Cove National Park and the Parramatta River.

The LGA has an estimated resident population of 110,791 (as of 30 June 2012), comprises 16 suburbs, and has a land area of approximately 40,651 m². There is an established hierarchy of centres including the Macquarie Park Corridor specialised centre, the town centres of Eastwood, Gladesville, West Ryde, and Top Ryde, and a number of villages and neighbourhood centres. The population has seen fairly steady growth in the past, however more recently the City of Ryde is experiencing rapid growth and redevelopment which is likely to continue into the future. According to Ryde's population forecasts, it is estimated the population will increase by approximately 21.4% from 2014 to 2031.

This is placing growing pressure on infrastructure to meet the needs of an increasing population, including services/facilities, parks/open space, transport, and jobs close to people's homes.

City of Ryde has long been committed to meeting the housing needs of all segments of the community and has also been working collaboratively with other levels of government and the broader community to plan for meeting housing choice.

Whilst Ryde has traditionally been an affordable middle ring area in Sydney, ideally placed between employment opportunities in Parramatta, Chatswood, North Sydney and the CBD, whether or not the LGA will remain affordable for very low, low and moderate income earners is likely to be challenged in the coming years with increased development, employment opportunities and improved transport links making the area an even more desirable and accessible place to live – all resulting in increased housing prices.

As is the case for many other communities, declining affordability of rental and purchase housing for those in the Ryde community on very low, low and moderate incomes is an increasing and serious problem. Access to social, public and affordable housing has been and continues to be of concern for Council and for the community as a whole.

Social and Public Housing in the City of Ryde

City of Ryde acknowledges the continued need for social housing in its LGA. Council recognises that public housing, which has been provided in a number of locations across the City of Ryde (including estates such as Ivanhoe Estate in Macquarie Park) functions to meet a demonstrated need for social housing.

As at 2007 Housing NSW identified in a Housing Market analysis report specifically prepared for Council that there are 1,942 social housing dwellings in the LGA comprising 1,643 public housing dwellings and 297 community office housing properties. At that time, public housing represented 3.7% of all housing in Ryde which is below the average of 4.8% for the Greater Metropolitan Region. In Ryde 44.3% of public housing is one bedroom, 29.3% is two bedrooms and 26.3% is three (or more) bedroom stock.

Census data for 2011 indicates an increase of 127 in the number of households renting social housing. City of Ryde now has in excess of 2,000 social housing dwellings representing 4.7% of all households. Of this number, 340 dwellings are managed by Link Housing Limited which is the largest community housing provider within the Ryde local government area.

Council is concerned about any loss of public housing in its LGA. In particular, there is concern over the future of the Ivanhoe Estate, the largest public housing area in the Ryde LGA. Council requests that the NSW government puts in place processes to properly consult with the members of that community.

Increasing Demand and Housing Stress

There is an ever increasing demand for housing for very low, low and moderate income earners in the City of Ryde which is not matched by supply. Based on the indicators of very low and low income earning households, demand for social housing is growing.

For Ryde 2011, data analysis on housing need/stress has not yet been released. Using Centrelink data, Housing NSW has calculated what proportion of people on low incomes in the private rental market and in receipt of Commonwealth Rent Assistance (CRA) is paying more than 30% of their income as an indicator of housing stress. As at 2006, 50% of those receiving CRA are in housing stress. Single person households are the largest group at 61% of those in housing stress, followed by couples with children (14.2%) and single parents (14.2%). The impact of the private rental market in Ryde not catering adequately for the needs of the lower income households is experienced also by older renters, with 17% (as at 2006) being on Aged Pension. Housing stress is also evident for those purchasing privately. From the 2006 Census the proportion of low and moderate income households in Ryde who are purchasing homes and in housing stress is 65%. This is an increase of 13.8% from the 2001 Census and is higher than the average of 61% for the Greater Metropolitan Region.

Increasing demand also puts strain on current social and physical infrastructure available to the Ryde community especially those on lower incomes, including sufficient open space to meet the population needs, and the challenge to plan for new public open space into the future.

Affordable Housing for Key Workers

Housing NSW analysis using the 2011 Census data and Rent and Sales Report data has identified the Ryde LGA in the high need category for affordable housing. Key issues for Ryde identified through analysis include provision of affordable housing for key workers, lack of affordable housing available for rental by low to moderate income households, and lack of affordable housing for purchase for low to moderate income households, particularly families.

It is vital that Ryde can attract key workers, such as police, emergency services, nurses, council workers, teachers, child care and aged care workers who benefit from being able to secure affordable housing close to their place of work, and in turn whose clients benefit from these workers living close to their place of work and understanding local communities and issues. Affordable housing is vital to enable people on limited incomes, including those on government pensions and benefits or on low to moderate incomes, to remain in the local community where they have access to employment, family, friends and other support networks.

Delivery of Affordable Housing

Options are available to Council to increase delivery of affordable housing, however these are limited. Delivery has been implemented as follows:

- **State Environmental Planning Policy (Affordable Rental Housing) 2009 (Affordable Rental Housing SEPP):** Implementation of this SEPP in the Ryde LGA has contributed to affordable housing in the form of Group Homes, Secondary Dwellings, Social Housing and Boarding Houses. For example, since 2009 there have been 119 Secondary Dwellings and 94 Boarding rooms (in two Boarding Houses) approved in the City of Ryde.
- **Policy for boarding houses:** In recent years, as identified in Council's submission in response to the NSW Parliamentary Inquiry into International Student Accommodation in New South Wales (Social Policy Committee, Legislative Assembly, 2011), Council has experienced issues with illegal boarding houses and has sought to bring these in line with the Affordable Housing SEPP adopting a Boarding Houses Policy (October 2013) comprising two components:
 - Enforcement Policy – Boarding Houses: prepared to identify an approach to enforcement for boarding houses of 5 or more dwellings in line with the requirements for registration required under the Boarding Houses Act 2012; and
 - Boarding Houses Development Control Plan (DCP): designed to work with the Affordable rental housing SEPP, in particular to provide guidance on expectations of local area character and ongoing operation and management of boarding houses.
- **Affordable Housing and Voluntary Planning Agreements:** Council has specifically included affordable housing as a potential community benefit that Council will accept under its Voluntary Planning Agreement Policy adopted last year. At this stage there have been no offers of affordable housing in response to this policy. However, it should be noted that the Part 3A conditions of consent for the Stamford Hotel site (MP10_0112 condition C11) require a minimum of four affordable housing units to be dedicated to council.

- **Planned growth in and around centres:** a very significant construction program providing new dwellings (apartments in particular) underway in Ryde is contributing to the supply and to diversity of housing stock. New apartments are more affordable than detached dwellings in Ryde. Current median prices for housing purchases (and rental) in the suburb of Ryde, for example, are estimated at \$821,000 for 2 bedroom houses, \$850,000 for 3 bedroom houses (\$430 and \$550 respectively per week to rent), and \$454,000 for 2 bedroom units, \$720,000 for 3 bedroom units (\$370 and \$600 respectively per week to rent) (source: realestate.com.au). Housing in Ryde is not considered affordable as its median prices are significantly higher than the median prices for Greater Sydney (median house price is now \$775,000 and median unit price is \$557,000).

Projections of future social, public and affordable housing supply and demand to 2020

Further work would be required to project future social, public and affordable housing supply and demand to 2020. Council has estimates of dwelling numbers to 2031, based on the timeframes for strategies and targets under the Metropolitan Strategy and Draft Inner North Subregional Strategy. A total of 12,000 additional dwellings were identified as the target for Ryde to 2031. A comprehensive Housing Study, which included a study into affordable housing and extensive community consultation, was carried out in 2008-2010. The Housing Study was part of the preparation of Council's Local Planning Study, adopted by Council December 2010, informing the preparation of comprehensive planning controls needed to accommodate for growth to 2031.

The City of Ryde Local Planning Study identified an estimated total of 15,751 dwellings being provided by 2031 based on planned growth in and around the town centres, some smaller centres, with some growth also anticipated as a result of increase in variety of housing types permissible in the lower density areas of the City. This estimated total included 1,397 potential additional "affordable" dwellings in the form of rental housing provided for under the Affordable Rental Housing SEPP. So far in the City of Ryde there have been Council approvals for 119 Secondary Dwellings and 2 boarding houses (comprising a total of 94 rooms). Three development applications for Affordable Infill developments (units, a dual occupancy and a townhouse development) have been considered and refused by Council due to non-compliances with the SEPP and Ryde's planning controls. These applications were the subject of an appeal in the Land and Environment Court.

Since the adoption of the Local Planning Study there has also been unanticipated growth through development approvals, including Part 3A approvals by the State government in the Macquarie Park and Meadowbank areas. In addition there have also been two precincts located in the Ryde LGA announced by the Minister for Planning under the Urban Activation Precincts Program to deliver more homes in places with access to services, transport and jobs.

An updated estimate of housing numbers in COR has been calculated (as of January 2014), based on some assumptions related to the UAPs, which identifies a potential 34,467 additional dwellings being delivered in the period between 2004 – 2031. This would be a 64.5% increase on the estimate identified for the same period under the Local Planning Study (2010). The growth is primarily numbers of apartments. At this stage revised

estimates for all other dwelling types (including affordable rental housing types) have not been calculated. A full review of Council's population and housing forecasts is scheduled for mid this year.

The Part 3A approvals and the North Ryde Station Precinct development approved by the State government have delivered a significant number of apartments being approximately 5000 dwellings. It is worthy to note that of these 5000 dwellings only 4 affordable units have been required to be provided within one development. It remains to be seen if the UAP at Herring Road will provide affordable housing.

Conclusion and Recommendations

In conclusion, it is appreciated that the State government is looking further into these issues. Council will continue to monitor housing affordability and identify social, public and affordable housing issues, and work with other levels of government, its regional partners, and community housing providers to seek to address housing issues, however in reality local government's role in this area is limited.

It is recommended that this inquiry recognise that:

- It is difficult for Local government to provide for and encourage affordable housing for a number of reasons including lack of planning provisions/incentives, community opposition, already high and increasing property prices, and other costs and taxes affecting the housing market.
- There is a need for sustained State and Federal funding and legislative support towards social housing and affordable housing.
- There is also a need for a coordinated Federal and State government approach in recognition of the infrastructure costs associated with social housing provision,
- There is a need for the State government to take opportunities for requiring provision of affordable rental housing in major developments where the Minister is the determining authority.
- There is a need to facilitate the future provision of key worker housing within the City of Ryde.
- The State government properly consults with members of the community about decisions regarding the future of the Ivanhoe Estate.
- The design, amenity and quality of Social, Public, and Affordable Housing are key considerations in the provision of this housing type and should not be significantly compromised on a financial basis.

Should you require any further information or have any enquiries regarding this submission, please contact

Yours Sincerely

Dominic Johnson
Group Manager – Environment and Planning