

Shelter NSW Submission

Explorer St and Aurora Place Eveleigh

Redevelopment Proposal

11 December, 2020

About Shelter NSW

Shelter NSW has been operating since 1975 as the state's peak housing policy and advocacy body. Our vision is to create a sustainable housing system that provides secure homes for all.

We pursue our vision through critical engagement with policy and practice and thought leadership. We provide systemic advocacy and advice on policy and legislation for the whole NSW housing system to resolve housing inequality.

We are especially concerned for low-income households which struggle to afford good-quality and well-located housing in the private market.

Our approach involves engaging, collaborating and connecting with Government, the private and not-for-profit sectors, stakeholders and consumers. Our research centres on the causes of inequity and injustice in the housing system.

Shelter NSW is concerned about the housing crisis in NSW and the rising trends in homelessness; housing rental stress as well as the impacts of poor-quality housing, particularly on low-income households. Lower-cost properties are being steadily replaced with new ones at higher rents, and new concentrations of disadvantage have been created across our major cities as low-income households are displaced.

Of course, this was the case well before the economic impact of the Covid-19 pandemic took its toll on large sections of the workforce and across a wide section of industry.

We have an established interest in the development of social and affordable housing, including policies and practice around public housing estate renewal and associated property development. We have also been involved in the *Groundswell* coalition. *Groundswell* comprises a number of local community organisations from the Redfern and Waterloo area including REDwatch, Inner Sydney Voice and the Tenants' Union of NSW. It acts as a point of liaison between NSW Government agencies and community members regarding the development of the Waterloo Metro Quarter, the redevelopment of the broader Waterloo Estate and neighbouring developments such as that South Eveleigh.



Introduction

Shelter NSW appreciates the opportunity to comment on the Redevelopment Proposal for Explorer Street and Aurora Place Eveleigh ('Explorer Street') proposed by the NSW Government (led by the Land and Housing Corporation (LAHC)). This proposal sits under the Government's broader *Communities Plus* program which aims to redevelop existing public housing sites using a joint venture, public-private partnership arrangement.

Shelter NSW understands that this is the first period of consultation regarding the 'preliminary concepts' for Explorer Street. Given our advocacy focus and remit for the whole state, we will offer a number of overarching points or principles regarding the *Communities Plus* model and the degree to which it is delivering sufficient stock of Social (and Affordable) housing to meet rising demand. We will reference studies from other LAHC development proposals such as the State Significant Development Waterloo Metro Over Station Development (OSD)¹. Some of the accompanying OSD studies have provided an excellent overview of the extent of housing and rental stress in the local area (Waterloo-Redfern-Eveleigh). Shelter NSW observes that the data supports a strong case for substantially greater numbers of Social and (discount-to-market) Affordable dwellings² in the City of Sydney Local Government Area (Sydney LGA) overall. Research and housing targets set by the latter also provide a useful view on the extent to which projects like Explorer Street, as proposed, make a meaningful contribution to solving the housing crisis experienced across the LGA.

We will also provide some site-specific observations and recommendations, especially regarding the proposed dwelling mix. Specifically, we will question whether the proposed dwelling sizes (as indicated by the number of bedrooms) meets the needs of the current and future social housing applicants and enables the NSW Government to practically deliver on its 'right of return' promise made to existing tenants of Explorer Street.

Having observed the progress and impact of a number of *Communities Plus* renewal projects, we will also offer some recommendations about the critical need to actively engage and support community members, but especially current Explorer Street residents in the design of their future homes and community.

We will offer the [Compact for Renewal](#)³ as a template for how the NSW Government might best engage with the Explorer Street community from this early stage right through to relocation and possible return.

¹ [Waterloo Metro Over Station Development \(OSD\)](#) proposes the design, construction and operation of: an office building (Northern Precinct); a predominately residential building (Central Precinct) and two residential buildings for student housing and social housing (Southern Precinct). The site is not an existing public housing site.

² Where Affordable Housing describe housing that is appropriate for the needs of a range of very-low to moderate income households; rent at a discount to private market usually not exceeding 30% of household income; developed with the assistance of the State and/or Commonwealth Governments; usually managed by Community Housing providers (source [DCJ Affordable Housing definition](#))

³ These are the principles for a proposed *Compact for Renewal* between agencies undertaking urban renewal and social housing tenants affected by renewal. The Compact is the result consultations with social housing tenants under a project carried out by Shelter NSW, Tenants' Union of NSW and the City Futures Research Centre at UNSW



Communities Plus - application of the 70:30 private: public mix

This project is part of the NSW Government's 'Communities Plus' redevelopment scheme, which currently involves 5 projects within the Sydney (LGA)⁴.

The Explorer Street redevelopment proposes an eventual 430 dwellings including 120 social dwellings - applying the 70:30 Private:Social, *Communities Plus* mix. Under its current design this would deliver a net social dwelling increase of 74 dwellings.

Shelter NSW welcomes any increase in social housing dwelling numbers but has a number of concerns about the one size fits all' application of the 70:30 rule. Specifically, we are concerned that what started as a 'rule-of-thumb' has become orthodoxy – effectively acting as a cap on the NSW Government's ambition for increasing the stock of social housing dwellings (while completely ignoring the requirement for Affordable Housing) within LGAs like Sydney and in a site like Explorer Street.

120 social dwellings are indeed more than the current 46⁵ but how can we assured that 120 dwellings proposed at Explorer Street is enough to justify the effective privatisation of what is currently public land used solely for social housing?

Dallas and Rogers (2020)⁶ note that a target of 70% private and 30% public dwellings has become an *accepted standard for public housing renewal projects in several Australian states*. The majority private ownership is said to be necessary to *counter stigma and the supposed demotivating impacts of concentrated disadvantage*. They argue however, that the combined failure to understand the particular housing profile of areas with large public housing estates like the neighbouring Waterloo and a simplistic application of the 70:30 target *within a narrowly defined boundary around an 'estate' risk seriously undervaluing large public housing assets*.

There is considerable research challenging the 'social engineering' goals and outcomes of the Communities Plus model. There is also research concerning the failure to account for the impact of the size and make-up of the new, renewed estate within its broader community – and the unintended consequences that may follow⁷

What is clear, is that *Communities Plus* is explicitly designed to dilute the proportion of social housing in any area. Traditional social housing communities like that of Explorer Street are integral to the broader communities of Eveleigh and Erskineville. It is synonymous with lower socio-

⁴ Note: **Redfern** (600 Elizabeth Street, Redfern); **Waterloo** (three separate masterplan sites: Waterloo (North, Central and South) which makes up 65 per cent of the entire site 18 Ha in total); **Glebe** (17-31 Cowper Street and 2A-2D Wentworth Park Road, Glebe, 1,800 sqm); **Franklyn** (project - bounded by Franklyn Street Glebe Street, Bay Street and Greek Street in Glebe)

⁵ A consideration of dwelling size as indicated by the number of bedrooms will follow in a later part of this submission

⁶ Rogers, D. & Dallas, M. (July 8, 2020) [Public housing renewal likely to drive shift to private renters not owners in Sydney](#), *The Conversation* online article

⁷ Dallas & Rogers *ibid* analysis indicated that the proposed Waterloo redevelopment projects for example, would likely reduce the entire suburb's proportion of social housing dwellings from 30% to about 17%. Rather than significantly growing the proportion of owner-occupiers they forecast only a slight increase to about 30% of households in the suburb would be owner-occupiers. Private renters might rise to be more than 50% of households. They point out that the original research suggested that the benefits of the social mix were based on owner-occupied and public housing neighbourhoods not on a transient renting population.



economic and cultural groups like the longstanding local Aboriginal community – the latter who face even further displacement and loss of a critical local mass. The combined proposed reduction of social housing communities across the Sydney LGA, including that at Explorer Street, should be understood to be a proposal that actively reduces the proportionate representation of lower socio-economic people in the local area and in doing so changes the character of the suburb entirely.

Recommendations:

That the NSW Government (LAHC):

1. **publish clear targets for social and affordable dwelling increases (net) across NSW** – indicating the proposed combined net impact of *Communities Plus* renewal projects including the Explorer Street proposal ⁸
2. **that the proposed Public: Private dwelling split for Explorer Street renewal be reviewed** and developed after an assessment of: local housing need ⁹, alignment with and preservation of the cultural heritage and socio-economic profile of the local community and capacity of the site to provide a reasonable commercial financial return for the people of NSW¹⁰

Demand for low-cost (diverse, Social and Affordable) housing in the Sydney LGA

A. LAHC research about the Waterloo-Redfern-Eveleigh area

There is considerable research available supporting the case for a significant increase in the stock of Social and Affordable Housing in the Sydney LGA within which the Explorer Street site sits.

Documentation and data supporting the proposed State Significant Development (SSD) Waterloo Metro Over Station Development (OSD) ¹¹ proposed in a neighbouring precinct, for example, assembles such research. Throughout its documentation the demand for low-cost (diverse, social and affordable) housing in the Sydney LGA and the inner-city is acknowledged. We commend this data-driven approach.

⁸ Noting that overall public housing deliverables exist for the NSW Government’s ‘Future Directions for Social Housing (2016)’ Strategies.

⁹ As per the NSW Social Housing Waitlist at June 2019: 46,530 approved general applicants and 4,484 priority applicants. Total 51, 014 (noting that an application) may represent a family or household

¹⁰ Darcy, M. & Rogers, D. (October 2019), *Finding the Right mix in Public Housing Redevelopment: Review of Literature and Research Findings*, The University of Sydney. Describes the limitations of the 70:30 ratio has a one size fits all”, calls on planners to take on a more nuanced and context sensitive approach.

¹¹ Refer footnote 1



For example, the *Environmental Impact Statement (EIS) Appendix AA - Social and Economic Assessment, Social Needs Assessment*,¹² cites research undertaken by the City Futures Research Centre at UNSW, that shows:

there is current unmet need for 136,100 units of social and affordable housing in Greater Sydney. There is also projected need for an additional 80,900 units of social and affordable housing to 2016, resulting in a total unmet need of 217,000 units of social and affordable housing across Greater Sydney to 2036.

The Waterloo OSD (EIS)¹³ elaborates further on the extent of housing and rental stress in the local area:

An assessment of housing stress in the Study Area indicates that around 53% of rental households are in housing stress...

And further,

Overall, this analysis identifies there is a significant proportion of the Study Area that are paying unaffordable rent and mortgage repayments (more than 30% of their income), which indicates the strong need for more affordable housing within the area.

B. Social and Affordable Stock needs to grow – view of the City for Sydney

According to the [City of Sydney June 2020 Housing Audit](#) as at June 2020, there were:

- **9,630 Social** (including public) housing dwellings representing **8.1% of private dwellings** in the city (compared to 9,397 in 2007)
- **1,028 Affordable** rental housing dwellings representing **0.9% of private dwellings** in the city (compared to 447 in 2007)

In the decade 2006 – 2016, the City of Sydney reports¹⁴ that the stock of social housing increased by 841 dwellings however the **proportion of social housing stock compared to total households reduced from 11.7% to 9.2%**

The NSW Government, via the Greater Sydney Commission released the *Greater Sydney Region Plan: A Metropolis of Three Cities and its Eastern City District Plan* in 2018. That plan requires relevant Councils including the City of Sydney to prepare a 20-year local housing strategy. The City of Sydney has released that plan¹⁵ identifying the following targets:

¹² Waterloo Developer PTY Ltd (2020) [Environmental Impact Statement, Appendix AA - Social & Economic Assessment](#) p 49

¹³ Ibid p114

¹⁴ City of Sydney, Housing for All [Local Housing Strategy - Technical Report](#) at p 46

¹⁵ City of Sydney [Local Housing Strategy](#)



Table 1: adapted from *City of Sydney Housing provision to 2036*¹⁶

Housing	Total 2016	2016–2021 (0–5 year) target	2022–2026 (6–10 year) target	2027–2036 (11–20 year) contribution	Total 2036
<i>Affordable</i>	835	+2714	+2714	+5428	11,690
<i>Social</i>	9,716	+494	+494	+987	11,690
Total Dwellings	117,429				173,429

Notes: This reflects the City’s target that of all private housing, 7.5 per cent will be affordable housing and 7.5 per cent will be social housing; noting also that the City views itself as having limited influence over how much housing is provided as affordable or social housing.

C. *Increased Aboriginal Housing required to sustain a critical, local community*

The Waterloo-Redfern-Eveleigh area is a critically important cultural and historical home to Aboriginal people – both for local residents as well as connected communities across Greater Sydney and NSW. The Waterloo OSD *EIS Appendix AA - Social and Economic Assessment* cites Australian Bureau of Statistics (ABS) census data from 2016, highlighting, at a demographic level, the significance of local Aboriginal people in the Waterloo and (and by extension) Eveleigh area. For example (in Appendix 1):

Higher proportions of Aboriginal and Torres Strait Islander people – *There is a higher proportion of Aboriginal and Torres Strait Islander people living in Waterloo (3.0%) than in City of Sydney LGA (1.2%) and Greater Sydney (1.5%)... As of 2016, there were approximately 3,585 (social housing) residents living at Waterloo Estate, with around 10% of people identifying as Indigenous...*

The Waterloo OSD EIS goes further, citing the City of Sydney’s – *Housing for All: Local Housing Strategy* (2020):

The Strategy... highlights the need to support Aboriginal and Torres Strait Islander people maintain ties to the local community. This includes ensuring suitable social and affordable housing managed by Aboriginal community housing providers and led by Aboriginal people and organisations as a continued expression of self-determination. The Strategy notes that when the Redfern-Waterloo development area was established in 2004, one of the objects of the legislation was to promote, support and respect the Aboriginal community in Redfern–Waterloo, having regard to the importance of the area to the Aboriginal people

¹⁶ *ibid* at p 13



Consultation across the broader Waterloo-Redfern-Eveleigh areas has noted the concerns of Aboriginal people; that is, that the extent of change and failure to ensure low-cost housing will in a practical sense displace Aboriginal people from the local area. By extension, Aboriginal people have called on the Government to ensure a proportion of Affordable Housing be targeted to Aboriginal people (including key workers) who are otherwise being forced out of the area.

The proposed Explorer Street development is on NSW Government land currently used for the sole purposes of social housing.

As such, we believe **there is a significant requirement that the proposal makes a substantial and far greater contribution to increasing the stock of social and affordable housing (including that dedicated to Aboriginal people) in the Sydney Local Government Area.**

The Explorer Street redevelopment proposal ought to make a much greater contribution – commensurate with the local need and the ability of Government to drive a better outcome in the broader public interest

Shelter NSW recommendations

That the NSW Government (LAHC):

3. (further to Recommendation 1) **review the overall proposed dwelling numbers and proposed dwelling mix to require both Social and Affordable dwellings** be required at the Explorer Street site
4. **actively canvass alternatives ratios** (for example, 50:30:20 Private:Social:Affordable or 40:40:20)
5. **offer assurance that a certain proportion of Affordable Housing be dedicated to and managed by an Aboriginal Community Housing provider** ¹⁷

¹⁷ Shelter NSW supports the Redfern Waterloo [Aboriginal Affordable Housing Campaign](#) which calls for: 10% Aboriginal Affordable Housing in all government redevelopment in the Redfern Waterloo area (and by extension Eveleigh); assurance that any community housing provider must either be Aboriginal owned and managed or, if not, work in partnership with an Aboriginal led organisation.



Unit Mix & Bedrooms at Explorer Street – current and proposed

Shelter NSW understands that:

- the current stock of 46 dwellings are generally 3-4 bedrooms (and some 5-6 bedrooms) with 148 bedrooms in total
- the proposed future 120 social dwellings will be mainly studios, 1 and 2 bedrooms¹⁸
- current residents will be offered a 'right of return' and that may mean return to a smaller dwelling (based on household size)

Shelter NSW encourages LAHC to assess the proposed impact of the development using metrics other than 'number of dwellings'. Take for example, a comparison of the number of bedrooms currently available (148) versus that potentially proposed.

As a sample, we can imagine the scenario of 120 social dwellings configured as:

20 x studio	= 20 people
60 x 1bdr	= 60 – 75 people
40 x 2bdr	= 80 – 100 people
Total	= 160 - 195 people

Under this scenario, these dwelling configurations would provide housing for, between 160 – 195 people. Is this sufficient to warrant such a disruptive development of this scale?

While we appreciate that over time, the dwellings at Explorer Street have become substantially underutilised (with currently an approximate 108 people living at the Explorer Street estate) there remains **across Sydney a substantial need for two and three-bedroom social housing dwellings**.

As at 30 June 2019, there are approximately 50,000 applications on the NSW social housing waiting list (where an application may represent a household)¹⁹. The highest need for Sydney is for two and three-bedroom properties – with a forecasted 10-year waitlist. The waitlist is shorter for studio and 1-bedroom dwelling at 5 years, indicating a high need for more two and three-bedroom units.

Shelter NSW Recommendations:

That the NSW Government (LAHC):

- 6. review the proposed room profile across all dwelling types** (but especially social) to better match consumer demand.
- 7. review the proposed room profile across all dwelling types** (but especially social) to ensure the resulting number of people housed (as indicated by the number of bedrooms) maximises the reduction in the social housing waiting list.

¹⁸ LAHC advice is that 'final numbers will be determined at a later stage'

¹⁹ Refer footnote 9



General design considerations

Beyond our primary concern about the overall net increase in the proposed number of the social and affordable dwellings, Shelter NSW commends LAHC for noting the following consideration in its community information pack: *dwellings better matched to the needs of residents, especially for those ageing or with a disability who need accessible units and lift access*

Shelter NSW recommendations

That the NSW Government (LAHC):

8. **utilise universal design principles in the development** catering for a full range of disabilities (not just physical) including for example, cognitive impairments like dementia which currently affects three in ten Australians aged over 85 years and one in ten aged over 65 ²⁰
9. **require strengthened energy and environmental standards, NatHERS²¹ for example** (beyond minimum standards) of energy efficiency, to ensure new dwellings at Explorer Street (private, social or affordable) are of good quality, environmentally sustainable and lower cost for owners and tenants.
10. **ensure that affordable renewable energy is accessible to all tenants** across the site – delivering low-cost energy to tenants and potentially supporting the development of a precinct-based Clean Energy Hub.

Community Consultation

The eventual transfer processes connected with the current *Communities Plus* projects in the Sydney LGA will be very disruptive to the lives of existing tenants. But we also note that the disruption has already begun for the current Explorer Street residents. They are already feeling the impact of being told (or not properly informed ²²) that they will need to leave their current homes and community. Many of those residents are vulnerable and may have already experienced a recent relocation from areas such as Millers Point. Some are employed and wonder how this renewal will affect their employment. Some are houseproud and keen gardeners and wonder how their personal investment in their homes will be recognised and compensated.

²⁰ According to Dementia Australia: [Statistics](#)

²¹ The Nationwide House Energy Rating Scheme (NatHERS) is a star rating system (out of ten) that rates the energy efficiency of a home, based on its design. Refer [NatHERS site](#)

²² Shelter NSW is aware that notice of the proposed redevelopment was delivered at very short notice; some residents report learning of the news via the print media or by word-of-mouth; Shelter NSW visited the estate on 7 December, 2020 and personally spoke to at least one-term resident who was completely unaware of the proposal.



With the benefit of having observed the progress and impact of a number of *Communities Plus* renewal projects, Shelter NSW encourages the NSW Government to actively engage and support community members, but especially current residents in the design of their future homes and community.

Shelter NSW recognises that the level of engagement we are advocating for requires the partnership between LAHC and the Department of Families, Communities and Justice (DCJ), the ‘landlord’ of any current and future social housing residents across the life of the project. We offer the [Compact for Renewal](#)²³ as a template for how the NSW Government might best engage with the Explorer Street community from this early stage right through to relocation and possible return.

Shelter NSW Recommendations

- **That LAHC (‘The Developer’) and DCJ (‘The Landlord’) bring together all relevant parties (including Community Housing providers; local community groups) to evaluate the combined overall social impacts and opportunities of these concentrated *Communities Plus* redevelopment projects within the Sydney LGA**
- **Adopt the *Compact for Renewal***

Conclusion

Shelter NSW appreciates the opportunity to comment on the Redevelopment Proposal for Explorer Street and Aurora Place Eveleigh (‘Explorer Street’) proposed by the NSW Government. We hope that the comments and insights we have provided bring some value to the early conceptual work for this proposed project.

If you wish to discuss our submission in more detail, please contact Cathy Callaghan on 0407 067 587 or by email at cathy@shelternsw.org.au.

Yours Sincerely,

Yours Sincerely,

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²³ These are the principles for a proposed *Compact for Renewal* between agencies undertaking urban renewal and social housing tenants affected by renewal. The Compact is the result consultations with social housing tenants under a project carried out by Shelter NSW, Tenants’ Union of NSW and the City Futures Research Centre at UNSW

