

Shelter NSW Submission  
600 – 660 Elizabeth Street, Redfern  
City of Sydney Planning Proposal  
20 July, 2021

## 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 in the Redfern-Eveleigh-Waterloo area.



## Introduction

Shelter NSW appreciates the opportunity to comment on the City of Sydney's Planning Proposal for 600-660 Elizabeth Street Redfern ('Elizabeth 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.

According to the City of Sydney ('the City'), the proposed changes will increase the floor-space ratio and building height to permit redevelopment of the site for new market, affordable rental and social housing (around 300 dwellings) in 4 buildings, 4 to 16 stories in height. The proposed changes also allow for a new 3,500 square metre community facility.

Shelter NSW understands that the City of Sydney originally proposed that the development include at least 30% of total residential floor area for social housing and 10% of total residential floor area for affordable rental housing. We further understand that this has been reduced by the NSW Government to require at least 30% of total residential floor area to be used for the purposes of a mix of social housing and affordable housing

Shelter NSW advocates for the maximisation of social and affordable housing, especially on public land. We are therefore deeply concerned by the intervention of the NSW Government in effectively 'bundling' the social and affordable dwellings to meet what has become its typical 'social' requirement under the *Communities Plus* model (70:30 private:social). While we have long argued for affordable housing to be part of the *Communities Plus* approach, we did so in advocating that it would be in addition to social housing, not instead of it.

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. This includes its propensity to displace long-standing communities including, in the case of Redfern-Waterloo – the Aboriginal community. We will also reference studies from other NSW Government proposals such as the State Significant Development Waterloo Metro Over Station Development (OSD)<sup>1</sup>. 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). The data presents a strong case for substantially greater numbers of Social and Affordable Rental dwellings<sup>2</sup> in the Sydney Local Government Area (Sydney LGA) overall. Research and housing targets set by the City, as well as recent research on the housing crisis facing key workers across Sydney, strengthen the case for a far greater commitment to social and affordable housing on any site that LAHC can reasonably deliver it – including 600-660 Elizabeth Street Redfern.

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<sup>1</sup> [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.

<sup>2</sup> 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](#))



## Communities Plus - application of the 70:30 private:social mix

This project is part of the NSW Government's 'Communities Plus' redevelopment scheme, which currently involves 5 projects within the Sydney (LGA)<sup>4</sup>. The current proposal for Elizabeth Street allows for around 300 dwellings. Applying the amended 70:30 Private:Social, *Communities Plus* mix, it would deliver an approximate net social/affordable dwelling increase of 90 dwellings (75 social, 15 affordable).

**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. In previous submissions we added the additional criticism, that the requirement for Affordable Rental Housing was typically ignored. However, while we believe this proposal represents progress on the Affordable Housing front, we had hoped that it would be to augment the social housing requirement not diminish it.

Dallas and Rogers (2020)<sup>6</sup> 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 new or renewed estates within their broader communities – and the unintended consequences that may follow.<sup>7</sup>

We note that this proposal is also a pilot for the NSW Government's Build-to-Rent (BTR) model. As such, there will be presumably be a 'different type of private renter' who takes up residence in the private dwellings. While Shelter NSW is generally supportive of the expansion of the BTR approach which offers potentially greater security for tenants, we are aware that such properties are often designed, marketed and rented as 'premium products'. It may well be that the effects described by Rogers & Darcy (2020) are tempered but not eliminated.

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<sup>4</sup> Note: **South Eveleigh** (Explorer Street); **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)

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

<sup>7</sup> Rogers & Darcy *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.



**What is clear, is that *Communities Plus* is explicitly designed to dilute the proportion of social housing in any area.** Traditional social housing communities are integral to the broader communities of Redfern-Eveleigh-Waterloo. They are synonymous with lower socio-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 proportionate reduction of social housing communities across the Sydney LGA, including that of the future Elizabeth Street site, should be understood to be proposals that actively reduce the proportionate representation of lower socio- economic people in the local area and in doing so, changes the character of these suburbs entirely.

**Recommendations:**

**That the NSW Government (LAHC):**

1. **publish clear targets for social and affordable dwelling increases (net) across NSW and Greater Sydney** – indicating the proposed combined net impact of *Communities Plus* renewal projects such as the Elizabeth Street proposal <sup>8</sup>
2. **review the proposed Private:Social/Affordable floorspace split for Elizabeth Street proposal be reviewed** taking account of: local housing need <sup>9</sup>, 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 NSW<sup>10</sup>

## 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 Elizabeth Street site sits.** Documentation and data supporting the proposed State Significant Development (SSD) Waterloo Metro Over Station Development (OSD) <sup>11</sup> 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 was acknowledged. We commend this data-driven approach.

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

<sup>9</sup> 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

<sup>10</sup> 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.

<sup>11</sup> Refer footnote 1



For example, the *Environmental Impact Statement (EIS) Appendix AA - Social and Economic Assessment, Social Needs Assessment*,<sup>12</sup> 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)<sup>13</sup> 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 reports<sup>14</sup> that while the stock of social housing increased by 841 dwellings, the **proportion of social housing stock compared to total households actually 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 plan<sup>15</sup> identifying the following targets:

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

<sup>13</sup> Ibid p114

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

<sup>15</sup> City of Sydney [Local Housing Strategy](#)



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

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

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.

More significantly, the City’s original proposal for 10% affordable housing is entirely consistent with the Greater Sydney Commission’s target in the *Eastern City District Plan* of a minimum 5 to 10% of new residential floorspace to be affordable housing. It is also consistent with the recommendations of the Independent Advisory Group (IAG) recently assembled by the Minister for Planning regarding the neighbouring Waterloo South Estate proposal <sup>1</sup> The IAG observed in its opening statement that affordable housing (above and beyond social housing) was ‘essential’ and furthermore, that the target for that site ought to be 10%.

### *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) Redfern-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’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*

<sup>1</sup> [Waterloo South Report \(June 2021\)](#), Independent Advisory Group



*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*

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 Elizabeth Street development is on public land.

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 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

#### *D. Key Workers suffering acute housing stress across Sydney*

Recent research by Gilbert, Nasreen and Gurran<sup>2</sup> has highlighted the extent to which key workers in Sydney are struggling to find appropriate and affordable housing. These include teachers, nurses, community support workers, ambulance and emergency officers, delivery personnel and cleaners. These are the very types of workers needed to support the large and growing residential populations and commercial operations that exist across the Sydney LGA.

The report has found that twenty per cent of key workers across Sydney experience housing stress, with much higher rates in inner subregions (which include Redfern presumably). Concerningly, the report notes that difficulties accessing appropriate and affordable housing is extending well beyond households traditionally considered in need of welfare into moderate incomes. They found that there are no LGAs in the Sydney metropolitan region with a median house price that is affordable to an early career registered nurse, and only a few LGAs having affordable unit prices.

Community sector organisations have noted to Shelter NSW that their effectiveness is greatly enhanced by having its workers deeply involved, at best, living within the communities they serve. We can reasonably extrapolate this to apply to the broader public sector (police, teachers, nurses). The reality is for those occupational groups however, that not only will they be unlikely to be able to afford to live in the Sydney LGA, they will likely be forced to live in the very outreaches of Sydney or in satellite cities such as Wollongong enduring lengthy commutes into the inner city each day or night depending on rosters.

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<sup>2</sup> Gilbert, C., Nasreen, Z. and Gurran, N. (2021) *Housing key workers: scoping challenges, aspirations, and policy responses for Australian cities*, AHURI Final Report No. 355, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/355>, doi:10.18408/ahuri7323901.



**Shelter NSW recommendations**

**That the NSW Government (LAHC):**

3. consistent with NSW Government strategic plans, **review the overall proposed floorspace/dwelling mix to require a minimum 30% Social dwellings and minimum 10% Affordable dwellings** be required at the Elizabeth Street site.
4. **actively engage its fellow public service agencies to assess the current and future demand for public sector key worker housing in the Sydney LGA** – scoping any opportunity the Elizabeth Street site may offer to meet this demand.
5. **offer assurance that a certain proportion of Affordable Housing be dedicated to and managed by an Aboriginal Community Housing provider.**

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<sup>17</sup> 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 organisations.



## General Design and Community Considerations

Beyond our primary concern about the overall net increase in the proposed number of the social and affordable dwellings, Shelter NSW encourages LAHC and The City to actively consider how dwellings can better match the needs of residents, especially for those ageing or with a disability who need accessible units and lift access.

We note also the proposal for a new 3,500 square metre community facility on Elizabeth Street. Shelter NSW is advised by some local residents of the concern that the facility may become ‘community’ in name only. The use of the space for a child care centre for example, (as proposed in the Waterloo OSD) would not constitute the broader ‘community use’ that the residents are expecting and hoping will be delivered.

While this site offers less complications than other proposals that require the disruption of existing residential communities, we encourage the City and the NSW Government to ensure that local residents are still genuinely consulted – especially regarding the design of community spaces and broader amenity issues for future social and affordable housing tenants. Residents from the long-standing Waterloo community for example, are well-positioned, to offer practical advice on local community needs and desires.

### *Shelter NSW recommendations*

#### **That the NSW Government (LAHC) and the City of Sydney:**

6. **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<sup>20</sup>
7. **require strengthened energy and environmental standards, NatHERS<sup>21</sup> 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.
8. **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. This includes access to electric vehicle charging facilities.
9. **actively engage local residents in the design and specification of the new community facility** so that it will become a useful and flexible space for a diverse range of groups within the local area.

<sup>20</sup> According to Dementia Australia: [Statistics](#)

<sup>21</sup> 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](#)



## Conclusion

Shelter NSW appreciates the opportunity to comment on the Planning Proposal for 600-660 Elizabeth Street Redfern proposed by the NSW Government currently under review by the City of Sydney.

We hope that the comments and insights we have provided bring some value.

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](mailto:cathy@shelternsw.org.au)

Yours Sincerely,

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