



Greater Cities Commission

SIX CITIES DISCUSSION PAPER

Shelter NSW submission

27 October 2022



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, 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 everyday citizens.

We consider a sustainable housing system one that delivers what we call Triple-A housing and Triple-P outcomes.

Affordable and diverse homes	Accessible and well-located housing	Appropriate and high-quality development
Housing supply and demand	Proximity to jobs and services	Amenity and aesthetics
Tenure forms and rights	Access to public transport	Energy and environment
Housing types and sizes	Accessibility and adaptability	Standards and maintenance

Productive cities and regions	Poverty-free communities	Protected neighbourhoods
Access to jobs and services	Housing stress and homelessness	Energy use and consumption
Housing costs and consumption	Physical and mental health	Urban heat
Financial and economic stability	Education access and attainment	Climate resilience and adaptation

At Shelter NSW, we believe that all people deserve to live in housing that delivers these priorities and objectives. We believe the housing system should deliver safe, secure, and affordable living outcomes for all, regardless of tenure type.

We are emboldened by the recent announcement from the Albanese Government of a National Housing Accord being struck. Our colleagues at National Shelter were closely involved in this process and we at Shelter NSW are keen to work with the State government and other key players to deliver ambitious short- and long-term supply of social and affordable housing.

We thank the Commission for the opportunity to comment on the Six Cities Discussion Paper.

Sincerely,

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1. Scope of our submission

As a peak housing advocacy body, Shelter NSW is thoroughly interested in the vision and implementation of outcomes arising from the *Six Cities Discussion Paper*. The proposed 6 cities Metropolis builds on the 3 cities vision of Western Parkland City, Central River City, and Eastern Harbour city laid out by the (formerly named) Greater Sydney Commission in 2018. The additional north-south axis from Newcastle down to Shoalhaven of the proposed Metropolis will encompass a huge swathe of land and people, with approximately 80% of NSW residing in the Metropolis by 2041¹.

Extreme coordination and vision is required for the Metropolis, and its **success will not simply be rooted in the delivery of Regional and City Plans, but broader reforms**. For housing, this includes everything from increasing consumer protection for tenants in the private rental market, to increasing consumer confidence in the private building certification scheme for new residential buildings. Although these consumer protection issues are not specifically within the remit of the Greater Cities Commission ('GCC'), the Commission has a public interest responsibility to strategically advocate for reforms which would service the vast economy and population located in the proposed Metropolis.

Bold leadership by the GCC in delivering Regional and City Plans must also be sensitive to and reflect local requirements and community sentiments. This is no mean feat, as many tasks are time-sensitive. Nonetheless, **community-trust building is imperative to ensuring the Metropolis vision can be achieved**. The social licence of private developers wears thin, with infrastructure promises rarely delivered on time or up to the standard expected by existing local communities – refer to the ongoing anguish in Wentworth Point with public school overcrowding².

In this vein, we are dismayed at the lack of community and public forums that have been held in the lead up to the 30 October submission deadline on the Paper. We hope to see significant, meaningful engagement with citizen groups and regular community members across the proposed Metropolis prior to any further advancement of Regional and City Plans. **The process of listening to and sensitively addressing local concerns about overdevelopment and reasons as to why these concerns exist cannot be underestimated**. Recently held workshops by the Department of Planning & Environment ('DPE') to inform the draft *Hunter Regional Plan 2041* and *Central Coast Regional Plan 2041* would ideally form a rich baseline of valuable feedback from the public in these localities.

From a governance perspective, we acknowledge **that the best laid plans can go awry where implementation timeframes and division of responsibilities amongst**

¹ NSW Department of Planning & Environment. (2022). *GCC Six Cities 2022 CPA Population and Dwelling projections*. Retrieved from <https://www.planning.nsw.gov.au/Research-and-Demography/Population-Projections/Explore-the-data>

² Koziol, M in Sydney Morning Herald. (10 October 2022). Council takes on residents over plea to block development of 45-storey towers. Retrieved from <https://www.smh.com.au/national/nsw/council-takes-on-residents-over-plea-to-block-development-of-45-storey-towers-20221010-p5bojs.html>

various agencies are not adhered to. We touch on this concern in our submission, but applaud this statement in the Paper which calls on all levels of government to address the significant planning challenges facing our most populous future-Metropolis:

Incremental improvement will not achieve benefits at the scale envisaged in this paper. This will require a significant change in the approach to both strategic planning and delivery. It will require a paradigm shift – to mobilise all levels of government and all departments of state government, and to harness the capabilities of non-government sectors...

Housing justice and community input must underpin every aspect of subsequent Regional and City Plans. For instance, Region Shaper 1 in the Paper will go some way to embedding localised, First Nations aspirations in shaping the Metropolis. But Region Shaper 1 will not realise its full potential without a simultaneous increase in localised support for Aboriginal households and families to continue living in these increasingly unaffordable regions north and south of Greater Sydney.

The Australian housing market has moved a long way from what many would say is its inherent and essential purpose – to provide secure, functional, and affordable shelter to all people at various stages of their lives. Housing is now considered a financial product or a wealth-generating vehicle. The private housing market in this country is consistently and persistently failing to provide secure, well-located, and affordable shelter especially for the lowest 40 percent of income earners.

Given our firmly held position that the private market fails to provide enough quality, well-located, affordable housing, **we call on governments to make an urgent and widespread investment in social housing acquisition and construction.** A recent report jointly prepared by SGS Economics and Housing All Australians³ has anticipated the cost to the economy of not investing now in social and affordable housing on a large-scale across Australia will be \$25,000,000,000 annually (in 2021 dollars) from 2051 onward. Further, the Regional Housing Taskforce's recommendations report to Minister Anthony Roberts calls for the NSW Government to "consider social and affordable housing as essential social and economic infrastructure"⁴.

Shelter NSW has strengthened its interest in and advocacy for regional housing solutions in NSW. Last year, we formally engaged the Regional Australia Institute ('RAI') to undertake a review of every local government area in regional NSW. Our investigation found that **Central Coast, Cessnock, Newcastle, Maitland, Lake Macquarie, Shellharbour, and Wollongong are top ranked localities of concern** when it comes to housing pressures in regional NSW. We have outlined the implications of this needs-assessment in our submission.

³ SGS Economics & Planning, Housing All Australians. (June 2022). *Give Me Shelter: The long-term costs of underproviding public, social and affordable housing.* Retrieved from <https://housingallaustralians.org.au/wp-content/uploads/2022/06/Give-Me-Shelter.pdf>

⁴ Fielding, G. (October 2021, p. 5). *Regional Housing Taskforce: Recommendations Report.* Retrieved from <https://www.planningportal.nsw.gov.au/regional-housing>

Our submission calls on the Greater Cities Commission to:

- advocate for broader systemic reform to housing/renting issues in NSW,
- work with regional communities and engage in grassroots listening campaigns,
- enshrine distinct and robust social housing and Affordable Housing targets,
- create housing typology diversity and infill targets,
- shore up housing supply by preventing 'leakage' to non-residential uses such as whole-home Airbnbs,
- better utilise publicly-owned land and retain land in public ownership for intergenerational equity,
- challenge the 70/30 social mix model applied uniformly to public housing estate renewal projects, and
- provide pragmatic assistance to local Councils in creating Affordable Housing Contributions Schemes and meeting/monitoring targets.

The full summary of our recommendations to the GCC begin on page 24.

2. Context: Regional cities of high housing need

We are of the understanding that the Metropolis of 6 cities will encompass several regional LGAs presently beyond the boundary of Greater Sydney. Regional housing pressures have been rife throughout the pandemic, with little reprieve in sight. In fact, **our analysis with the Regional Australia Institute ranked Central Coast as the highest housing need LGA outside of Greater Sydney** (with Cessnock ranked third), based on various metrics such as proportion of single-parent families, low-income households in mortgage or rental stress, social housing waitlist numbers and waitlist times. The vision of the Paper appears to be a 'rebalancing' of sorts, to ensure that social and economic opportunities/challenges are spread more equitably among regional cities and locales north and south of Greater Sydney. This vision requires tangible improvements to the private rental market, social housing stock, and purpose-built affordable accommodation.

At the population level, regional and rural communities are often home to an ageing demographic which increasingly wants to age-in-place (this is considered best practice and reflected in the Aged Care Royal Commission's recommendation to increase in-home aged care by 80,000 new packages into 2022)⁵. Downsizers, ex-farmers, and older people in general will need housing which is easy to maintain, affordable, and well-located with respect to key health and social services. This is important to note as the 6 cities Metropolis will be bringing into the fold demographic trends somewhat unique to regional areas in the Lower Hunter & Greater Newcastle City, the Illawarra-Shoalhaven

⁵ Royal Commission into Aged Care Quality and Safety. (February 26, 2021). *Final Report - Recommendation 39*. Retrieved from https://agedcare.royalcommission.gov.au/sites/default/files/2021-03/final-report-volume-1_0.pdf

City, and Central Coast City. For instance, it is anticipated that population growth will be highest in the 85+ year age group in the coming years for Lake Macquarie LGA⁶. To accommodate this ageing population across the Metropolis, well-designed and accessible infill housing in mixed use, walkable neighbourhoods will need to become the norm and indeed the preferred urban growth method over greenfield estate development.

Other demographic features of regional areas need to be explicitly acknowledged. Aboriginal people are strongly represented⁷ in the LGAs of Shoalhaven (6.5%), Shellharbour (5.0%), Central Coast (4.9%), Lake Macquarie (5.5%), Cessnock (10.2%), Newcastle (4.4%), Maitland (7.5%), and Port Stephens (6.5%) and as such, **these locations need to strongly deliver social housing specifically for Aboriginal households**. The private rental market routinely discriminates against First Nations applicants, and this is particularly the case when rental vacancy rates are at all-time lows as currently being experienced in regional NSW.

Migration trends during the COVID-19 pandemic continue to contribute to a deepening regional housing crisis for NSW⁸. 'E-changers' from Sydney to the regions favoured areas such as Wollongong, Central Coast, and Newcastle due to the relatively easy and infrequent commute that these regions provide for remote-workers in the knowledge economy/professional services industries⁹. Locals with lower incomes relative to Sydney-natives have seen rental asking prices skyrocket 10-20% year on year¹⁰, and rental vacancy rates drop below 1 percent for extended periods of time¹¹. We have heard several anecdotes from desperate renters in Newcastle and Gosford about not being able to compete with other tenants in rent-bidding and offers to pay 6 months of rent upfront - practices which are not illegal.

In addition to COVID-induced migration trends outlined above, there has been the domestic tourism boom. The lure of higher-profits per week in converting a dwelling to short-term rental accommodation ('STRA') through easy-to-use platforms such as Airbnb has diverted long-term rentals or owner-occupied residences from the housing market. This has demonstrably been the case in the following locations (see Table 1 over the page):

⁶ Shelter NSW in partnership with Regional Australia Institute. (November 2021). *New South Wales Regional Housing Need Report*. Retrieved from <https://shelternsw.org.au/wp-content/uploads/2021/11/NSW-Regional-Housing-Need-Report.pdf>

⁷ ABS Census. (2021). *Search by area*. Retrieved from <https://www.abs.gov.au/census/find-census-data/search-by-area>

⁸ Pawson, H., Martin, C., Thompson, S., & Aminpour, F. (2021, p. 45). *COVID-19: Rental housing and homelessness policy impacts*. ACOSS/UNSW Poverty and Inequality Partnership Report No. 12. Retrieved from https://shelternsw.org.au/wp-content/uploads/2021/11/Covid-19_rental-housing-and-homelessness-impacts-in-Australia-24-Nov.pdf

⁹ Regional Australia Institute. (2022). *Regional Movers Index*. Retrieved from <https://regionalaustralia.org.au/Web/Web/Toolkits-Indexes/Regional-Movers-Index.aspx>

¹⁰ Burke, K in Domain AU. (14 October 2022). *The NSW tree-change towns where rents have soared*. Retrieved from <https://www.domain.com.au/news/the-nsw-tree-change-towns-where-rents-have-soared-1174917/>

¹¹ SQM Research. (n.d.). *Residential vacancy rates by postcode*. Retrieved from https://sqmresearch.com.au/graph_vacancy.php

Table 1. Whole-home Airbnbs in regional locations.

Locality	Number of whole-house STRAs listed on Airbnb – Nov 2018 ¹²	Number of whole-house STRAs listed on Airbnb – Nov 2021 ¹³	Avg occupancy (no. of nights booked in 12mo period) per listing – Nov 2021 ¹⁴	Change in rental vacancy rate between Nov 2018 to Nov 2021 ¹⁵
Gosford	1428	1553	65	1.7 to 0.5
Wyong	505	576	75	2.2 to 0.5
Cessnock	524	695	77	0.8 to 0.2
Maitland	54	78	114	0.9 to 0.3
Shellharbour	82	119	103	1.8 to 0.4
Lake Macquarie	344	411	82	1.4 to 0.4
Port Stephens	959	1336	51	0.9 to 0.5 (postcode 2324)
Shoalhaven	2669	3155	71	2.2 to 0.7 (postcode 2540)
Kiama	468	585	72	2.7 to 1.0

With mild day-cap regulations on STRA only haphazardly applied across the State, it is difficult to visualise how housing stock can be meaningfully grown in the Metropolis. In the popular holiday destination of Shoalhaven, 23.1 percent – or nearly 1 in 4 – private dwellings are ‘unoccupied’¹⁶. **This is a significant waste of built-form resources as homes are only being used intermittently and not for residential purposes.** Whilst more than 3000 whole-home property investor Airbnbs sit idle in the Illawarra-Shoalhaven region, locals sleep in tents in caravan parks or State and National Parks¹⁷.

Single-parent families and households in mortgage or rental stress are overrepresented in LGAs of Central Coast, Cessnock, Newcastle, Maitland, Shellharbour, Wollongong, and Lake Macquarie compared to the rest of regional NSW¹⁸. This is particularly concerning, as the *SGS Economics Rental Affordability Index*¹⁹ found a full-time hospitality worker faces “severe” rental affordability constraints in Thirroul. A single parent working casual/part time seeking to rent a 2-bedroom dwelling in Terrigal similarly faces “extreme” rental affordability constraints²⁰. Again, we agree with the principles underpinning the Paper that a social/economic **rebalancing is required across the scale of a Metropolis of 6 cities, preferably before social stratification is baked into these regional cities with essential services, retail, and hospitality unable to be delivered in mixed use, vibrant neighbourhoods.**

¹² Murray Cox. *Inside Airbnb*. Retrieved from <http://insideairbnb.com/get-the-data.html>

¹³ Ibid. (Workbooks can be supplied upon request).

¹⁴ Ibid. (Workbooks can be supplied upon request).

¹⁵ SQM Research. (n.d.). *Residential vacancy rates by postcode*. Retrieved from https://sqmresearch.com.au/graph_vacancy.php

¹⁶ ABS. (2021). Shoalhaven LGA Quickstats. Retrieved from <https://abs.gov.au/census/find-census-data/quickstats/2021/LGA16950>

¹⁷ McGill, D in The Canberra Times. (30 March 2022). *Homelessness in Ulladulla district continues to grow*. Retrieved from <https://www.canberratimes.com.au/story/7678652/you-or-i-could-be-homeless-within-three-weeks-the-problem-that-doesnt-discriminate/>

¹⁸ Shelter NSW in partnership with Regional Australia Institute. (November 2021). *New South Wales Regional Housing Need Report*. Retrieved from <https://sheltersnsw.org.au/wp-content/uploads/2021/11/NSW-Regional-Housing-Need-Report.pdf> (spreadsheet with all relevant LGA metrics can be supplied upon request)

¹⁹ SGS Economics. (November 2021). *Rental Affordability Index: Key Findings*. Retrieved from <https://www.sgsep.com.au/sgs-lab/rental-affordability-index> [interactive map]

²⁰ Ibid [interactive map]

A key component of the housing spectrum which is necessary for any community to sustainably function and thrive, is the provision of social housing. Social housing stock growth has stagnated in Australia for the past two decades and not kept pace with population growth²¹. **Returning social housing stock to 5% of all housing is crucial in meeting any of the goals in the Paper pertaining to economic prosperity and quality of life in the Metropolis.**

The proportion of dwellings as social housing stock is less than 5 percent²² in most LGAs in the expanded Metropolis region. Kiama has the dismally low percentage of only 0.7% of all housing stock as social housing²³. **The LGAs which are likely to comprise the Lower Hunter & Greater Newcastle City, Central Coast City, and Illawarra-Shoalhaven City have recorded stagnant or real decline in social housing stock numbers between 2011 and 2020.** For instance, social housing stock in Lake Macquarie has decreased by 8.2% from 3744 to 3438 properties in that period²⁴ - see Table 2 below for more locations:

Table 2. Social housing stock real decline for regional LGAs.

LGA	Ranked housing need (out of 96 regional LGAs)	Total no. of social housing properties (whether managed by DCJ or other) 2011-12 FY	Total no. of social housing properties (whether managed by DCJ or other) 2019-20 FY	% change in social housing stock
Central Coast	1	4469	4331	-3.1
Cessnock	3	716	686	-4.2
Newcastle	4	4402	4330	-1.6
Maitland	5	1440	1414	-1.8
Shellharbour	5	1847	1777	-3.8
Wollongong	6	6858	6661	-2.9
Lake Macquarie	10	3744	3438	-8.2
Port Stephens	10	892	850	-4.7
Shoalhaven	14	1503	1382	-8.1
Kiama	17	67	67	0

Yet cumulatively, there are currently more than 10,000 people on the general social housing waitlist in these same LGAs which will be added to the expanded Metropolis

²¹ Pawson, H. & Lilley, D. (May 2022). Working Paper: Managing Access to Social Housing in Australia - unpacking policy frameworks and service provision outcomes. *UNSW City Futures Research Centre*. Retrieved from https://shelternsw.org.au/wp-content/uploads/2022/05/Waithood_paper.pdf

²² Shelter NSW in partnership with Regional Australia Institute. (November 2021). *New South Wales Regional Housing Need Report*. Retrieved from <https://shelternsw.org.au/wp-content/uploads/2021/11/NSW-Regional-Housing-Need-Report.pdf>

²³ Ibid. (Workbook figures available on request).

²⁴ NSW Parliament, Legislative Council. (1 March 2021, pp. 57 & 83). *Budget Estimates 2020-2021 Portfolio Committee No. 4 Industry: Answers to supplementary questions (Pavey)*. Retrieved from <https://www.parliament.nsw.gov.au/lcdocs/other/15376/Answers%20to%20supplementary%20questions%20-%20Pavey.pdf>

region²⁵. The majority of these applicants will be waiting in excess of 10 years for most dwelling types²⁶.

From Shoalhaven through to Western Sydney and up to Newcastle, flooding and mould has been relentless coming into the eastern seaboard's third consecutive La Niña season. As the recent report from the NSW Select Committee into the Response to Major Flooding 2022 notes²⁷, buyback and land swap schemes will need to be expeditiously implemented to provide certainty to many low-income mortgage holders with inadequate home insurance. Social housing, as critical infrastructure, needs to be located well above the 1% AEP Flood Planning level and indeed closer to (or above) the Probable Maximum Flood level, to ensure vulnerable communities have security of tenure through disaster-events.

Communities in and around Shoalhaven are still recovering from the devastating effects of the 2019-20 Black Summer bushfires. Here, supply-chain and workforce issues during the pandemic have further delayed rebuild efforts for hundreds of homes and many communities²⁸.

As anthropogenic global warming continues to be a major society-shaping factor into 2050 and beyond, **homes and neighbourhoods need to be well-located and resilient to alternating flood and bushfire events**²⁹. Those most vulnerable to climate change impacts and homelessness are oftentimes low-income earners who are increasingly locked out of the private rental market.

3. Leadership and governance of Six Cities goals

3a. Leadership role of GCC

The GCC has a unique responsibility and opportunity to guide housing justice. **About 80% of the State's population will be within the Metropolis of 6 cities by 2041.** It is imperative to the success of Regional and City Plans that broader reforms around housing and social justice are considered and championed by the GCC.

Community confidence in the processes that shape our cities and towns is waning. From faulty high-rise developments, to opaque obligations of building certifiers, to under-

²⁵ NSW Department of Communities & Justice. (2021). *Expected wait times*. Retrieved from <https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times>

²⁶ Shelter NSW in partnership with Regional Australia Institute. (November 2021). *New South Wales Regional Housing Need Report*. Retrieved from <https://shelternsw.org.au/wp-content/uploads/2021/11/NSW-Regional-Housing-Need-Report.pdf> (spreadsheet with all relevant LGA metrics can be supplied upon request)

²⁷ NSW Parliament, Select Committee into the Response to Major Flooding 2022. (9 August 2022). *Report No 1 - Response to major flooding across New South Wales in 2022*. Retrieved from <https://www.parliament.nsw.gov.au/committees/listofcommittees/Pages/committee-details.aspx?pk=277#tab-reportsandgovernmentresponses>

²⁸ May, N in The Guardian. (30 April 2022). *Disaster's in the recovery: Bushfire survivors still waiting for homes*. Retrieved from <https://www.theguardian.com/australia-news/2022/apr/30/disasters-in-the-recovery-bushfire-survivors-still-waiting-for-homes>

²⁹ Intergovernmental Panel on Climate Change. (February 2022). *IPCC Sixth Assessment Report*. Retrieved from <https://www.ipcc.ch/report/ar6/wg2/>

delivery on social infrastructure in major revitalisation precincts, to public transport pricing mechanisms, to the lack of consumer protections for tenants in the private rental market... many residents are wary and confused about promises made in government Plans and Strategies. We have heard from residents who assume references to “800m from a transport hub” in other Plans and Strategies means their properties will be compulsorily acquired. Grassroots listening campaigns, educational forums, and closing the feedback loop with stakeholders needs to be an integral part of the 6 cities vision and future Plans.

In NSW, close to 50% of the 47,000 or more people seeking accommodation assistance from the Specialist Homelessness Sector were turned away during the reporting period of 2020-21³⁰. In another review, the NSW Auditor-General also found³¹ that the reach of Specialist Homelessness Services into regional areas was limited, with just 34 of 128 local government areas receiving direct support. More recently, Malcolm Roberts of the Productivity Commission identified the private rental market as the “epicentre of the affordability problem” in the housing system and for adding significant strain to the crisis accommodation and social housing sector³².

Families are renting for longer and with the uncertainty of where their children will be attending school in 12 months’ time. The Tenants’ Union of NSW is calling for strengthened protections to ensure renters are not unreasonably or unfairly forced into the challenging private rental market, where each move costs a renting household anywhere between \$3000-\$6000³³. An obvious starting point is replacing ‘no grounds’ evictions in the *Residential Tenancies Act 2010* with a range of reasonable grounds for evicting a tenant. ‘No grounds’ evictions are being used to dispose of tenants who exercise their rights to ask for maintenance repairs³⁴ or, in some instances, to circumvent regulations that are otherwise in place to limit annual rent increases³⁵. Rent-bidding amongst prospective tenants further disadvantages low-income households and should be illegal.

Tangible increases to crisis accommodation services in regional areas and State-wide improvements to tenancy laws need to occur to stem the flow of people experiencing housing precarity. We are of the view that the GCC has a role to play in good

³⁰ Productivity Commission (Cth). (20 January 2021). *Report on Government Services, Part G Housing and Homelessness*. Retrieved from <https://www.pc.gov.au/ongoing/report-on-government-services/2021/housing-and-homelessness>

³¹ NSW Office of the Auditor-General (4 June 2021, p. 15). Performance Audit: Responses to homelessness. Retrieved from <https://www.audit.nsw.gov.au/our-work/reports/responses-to-homelessness>

³² Convery, S in The Guardian. (30 September 2022). *Private rental market ‘the epicentre’ of Australia’s housing affordability problem, report finds*. Retrieved from <https://www.theguardian.com/australia-news/2022/sep/30/private-rental-market-the-epicentre-of-australias-housing-affordability-problem-report-finds>

³³ Tenants’ Union of NSW. (February 2022, p. 29). *Special Report: Eviction, Hardship, and the Housing Crisis*. Retrieved from <https://www.tenants.org.au/news/tenants-union-nsw-publishes-special-report-eviction-hardship-and-housing-crisis>

³⁴ Wallace, N in 9Now. (13 October 2022). *Tenants claim they face eviction for complaining ‘too much’*. Retrieved from <https://9now.nine.com.au/a-current-affair/sydney-tenants-speak-out-over-eviction/935cdb5b-b940-43e1-8467-9018dbd86395>

³⁵ VERTO Tenancy Advice and Advocacy Service. (2022). Supporting vulnerable tenants during a rental crisis. Retrieved from <https://www.verto.org.au/blog/supporting-vulnerable-tenants-during-a-rental-crisis>

faith discussions with other government agencies and Departments about these broader, systemic issues that impact housing justice.

3a. Recommendations

- Engage in significant, meaningful listening campaigns with citizen groups and regular community members across the proposed Metropolis prior to any further advancement of Regional and City Plans
- Undertake educational tours and workshops with regional Councils and citizen groups about the practicalities of implementing the 6 cities Metropolis
- Utilise baseline feedback sought during the recent exhibition periods of draft *Hunter Regional Plan 2041* and *Central Coast Regional Plan 2041*
- Enter good faith discussions with other government agencies and Departments about broader reforms to systemic issues which are hindering the vision of a thriving 6 cities Metropolis.

3b. Governance and accountability

The Discussion Paper lacks important administrative information such as the LGA make-up of the proposed 6 cities Metropolis. The Paper states the Metropolis will encompass 43 local government areas, but does not include an Appendix listing these LGAs. The maps dotted throughout the Paper make vague references to LGA boundaries, but it is not plainly clear to the average reader what townships and local Councils are captured by the term “Lower Hunter and Greater Newcastle City” for instance.

The omission of any reference to the Wingecarribee shire is detrimental to the east/west and north/south axes vision of the Paper in rebalancing and redistributing economic opportunities. The Wingecarribee shire will play an important transport connectivity and water security role in the broader success of the Metropolis of 6 cities. Additionally, the Southern Highlands is a major food bowl and tourism destination and presently occurs as a blank space in the Paper, surrounded on 3 out of 4 sides by regions included in the Metropolis. Indeed, significant industrial and commercial investment in surrounding cities of Western Parkland and Illawarra-Shoalhaven will impact on local housing needs and workforce availability in Wingecarribee townships such as Bowral and Moss Vale.

Across the Metropolis, numerous governance structures and decision-makers exist; the GCC, Urban Development Programs, Joint Regional Organisations, Western Parkland City Authority, Planning Panels, DPE Southern Planning Team, DPE Hunter Planning Team, and local Councils to name a few. Shelter NSW is interested to know how the vision of 6 cities will be delivered across these various bodies in such a way that duplication is avoided and transparency in decision-making is promoted. Further, **how will Region Shaper 1 (embedding First Nations in goal-setting for the Metropolis) be honoured** by the various agencies and decision-makers across the Metropolis?

3b. Recommendations

- Name the LGAs that will be subject to the GCC's vision for a 6 cities Metropolis
- Recognise the role that the Southern Highlands (Wingecarribee LGA) will play in delivering on the vision of the 6 cities Metropolis and identify housing and workforce opportunities/challenges which will need to be strategically managed by GCC in partnership with Wingecarribee Council
- Outline existing versus proposed governance structures and decision-making bodies for the Metropolis
- Honour Region Shaper 1 by centring First Nations authority and aspirations across all governance and decision-making structures.

4. Region Shaper 3: Housing supply, diversity, and affordability

4a. Housing supply

“Increasing housing supply”, as a broad-brush call to action, lacks nuance. We need targeted housing supply delivery, in the right place at the right time which suits occupant needs and affordability requirements.

Development application approvals and completions for housing supply have fluctuated relative to the Greater Sydney annual target since 2016³⁶. **Housing typology, distribution across districts, and increasing infill housing over greenfield development, however, is the bigger challenge**³⁷ in ensuring housing supply is diverse, accessible, and meeting household needs and incomes. This is likely to be a substantial issue for the Metropolis, as regional cities will need to grapple with the balance of housing that should be delivered in existing neighbourhoods over sprawl into agriculturally and ecologically important lands.

Urban Growth boundaries will need to be established with ‘last-resort’ criteria on how and why such boundaries can be encroached. This is vital for infrastructure planning and provision, as well as maintaining natural resources and regional/rural character in line with many Local Strategic Planning Statements that have been prepared by various regional Councils. GCC will need to take a leadership role, providing mentorship and data to set expectations with local Councils for outlining and maintaining Urban Growth boundaries.

In addition to housing typology and location, **non-market housing needs to be a bigger slice of the overall housing supply pie and housing supply targets.** Indeed, any goals

³⁶ Property Council Australia. (June 2022, p. 14). *Greater Sydney Housing Analysis: Sydney and Western Sydney regions*. Retrieved from https://www.propertycouncil.com.au/downloads/PDF/PCA_Regional%20NSW%20Housing%20Analysis_Greater%20Sydney.pdf

³⁷ Ibid, p. 11

to increase infill housing and housing typology diversity need to specifically make reference to proportions of such housing that will be set aside as social or Affordable Rental Housing. This holds true especially for areas projected to have a shortage of land/dwellings compared to population growth by 2041; **housing typology diversity delivered in the private market alone will not deliver proportional shelter requirements**, particularly for low-income renters from all walks of life.

Another factor that is lost in the discussion of “increasing housing supply”, is **the attrition rate of housing stock to short term rental markets such as Airbnb**. Goals to increase housing supply may be scuppered by new and existing housing stock being diverted at fluctuating rates to the STRA market. As previously outlined under the **Context** section of this submission, ‘unoccupied’ dwellings in high amenity tourist locations such as Shoalhaven are almost 25% of total housing stock. We are not aware of specific monitoring of this issue by the Department of Planning & Environment and implore GCC to consider this metric when establishing any Urban Development Program to monitor land/housing supply in the expanded Metropolis.

Regional councils, unlike Greater Sydney councils, must go through the process of opting-in to the fairly generous (to investors) 180-day annual cap for regulating whole-home STRAs through a planning proposal. The cap can be no lower than 180 days (potentially excluding Byron Bay). The justification for the 180-day arbitrary threshold has not been communicated to the public.

In the longer term, the preference for day cap mechanisms to limit non-hosted STRAs in the legislation should be phased out. Research internationally³⁸ has shown that **annual day-caps for STRA use are less efficient in returning dwellings to the long-term rental market than policies limiting the total number of STRAs per suburb**. We suggest that the total number of non owner-occupied hosted STRAs should be capped per LGA in accordance with local studies into the maximum allowable number of STRAs that can occur without adverse impact on the long-term rental market in each location. This approach is being investigated in Tasmania³⁹, as state government and local councils try to address the housing crisis in Hobart and other high amenity locations as a result of Airbnb and other holiday accommodation platforms.

Furthermore, total STRA volume caps for LGAs should be guided by density caps (e.g. no more than x number of non-hosted STRAs per y square metres/suburb), to ensure hollowing out of high amenity neighbourhoods for STRA use does not occur. Local research and evidence for density caps will be required. **The sociospatial disadvantages of STRA use are well documented globally⁴⁰, in that local residents are generally**

³⁸ Frenken, K & Schor, J. (2019). Putting the sharing economy into perspective. In *A research agenda for sustainable consumption governance*. Edward Elgar Publishing ; Temperton, J. (February 13, 2020). *Airbnb has devoured London – and here’s the data that proves it*. <https://www.wired.co.uk/article/airbnb-london-short-term-rentals>

³⁹ Tasmania Government. (n.d.). *Tasmanian Planning Reform: Short stay accommodation*. <https://planningreform.tas.gov.au/short-stay-accommodation-act-2019>

⁴⁰ Shabrina, Z et al (2021). Airbnb and its potential impact on the London housing market. <https://doi.org/10.1177/0042098020970865> ; Cocola-Gant, A & Gago, A. (2019). Airbnb, buy-to-let investment and tourism-driven displacement: A case study in Lisbon. <https://doi.org/10.1177/0308518X19869012>

pushed further afield from their areas of employment and community facilities, with significant burdens on planning for transport, open space, schools, and other physical and social infrastructure. Density caps that are tipped more favourably to STRA uses in certain neighbourhoods will allow better infrastructure planning, more creative precinct planning, and more holistic leisure experiences in line with tourism goals of cities and regions.

The concept of STRA volumes and density caps harmonises well with the NSW Government's apparent desire to foster more socially diverse neighbourhoods, and so it is hoped these recommendations will be seriously considered.

4a. Recommendations

- Include 'Housing supply' sub-category targets for: housing diversity in typology (non "dwelling house"), location (infill over greenfield), and affordability (dedicated social and Affordable Housing)
- Establish consistent criteria and application of Urban Growth Boundaries for all new LGAs in the Metropolis. Application of such Boundaries shall also include 'last-resort' criteria on how and why these Boundaries can be encroached
- Provide leadership in this area (Urban Growth Boundary setting), offering timely data and mentorship in enforcing and monitoring performance of Boundaries with respect to broader housing targets
- Ensure any Urban Development Program tasked with monitoring the pipeline of land and housing incorporates a metric for tracking housing stock attrition rates due to conversion of dwellings to STRA
- Opt-all LGAs in the Metropolis into the Housing SEPP 180-day non-hosted STRA cap without requiring individual Councils to submit Planning Proposals to this effect
- Work with Councils and DPE in lowering the STRA cap even further (90 or even 60 days) where significant, chronic housing stress is demonstrably linked to dwelling conversions from the long-term rental to short-term letting market
- Expand legislative reforms on STRA by pivoting to reliance on volume and density caps rather than annual day caps (e.g. no more than x number of non-hosted STRAs per y square metres/suburb), to ensure hollowing out of high amenity neighbourhoods for STRA use does not occur. Local research and evidence for density caps will be required.

4b. Housing diversity

Table 1 in the Discussion Paper perfectly demonstrates the challenges ahead in balancing the delivery of detached, single occupancy dwellings and multi-unit dwellings across the Metropolis:

Table 1: Dwelling completions by city

City	Dwelling completions (2016–2021)	New dwellings (2016–2021)	
		% detached	% multi unit
Lower Hunter and Greater Newcastle	21,031	55%	45%
Central Coast	7,201	50%	50%
Illawarra-Shoalhaven	11,652	59%	41%
Western Parkland	40,470	68%	32%
Central River	73,210	33%	67%
Eastern Harbour	67,559	4%	96%

We advocate for infill development to be a primary housing and urban renewal option in regional towns and cities. Greenfield estate development has long been on the Americanised trajectory of sprawling, detached, single-storey ‘McMansions’ with limited footpath infrastructure, heavy car reliance, and no minimum estate-wide targets for universally accessible design. Poorly designed suburban sprawl estates are incompatible with an ageing population, agricultural land protection, provision of cost-effective infrastructure, and climate change more generally. The lack of diversified housing in regional centres is at odds with ABS data indicating the number of people per household in regional locations is more conducive to 1-to-2 bedroom dwellings⁴¹.

Our submission to the Regional Housing Taskforce⁴² in September 2021 included the recommendation for land use zoning typologies to be reimaged for regional and rural settings, with diminishing prevalence of land zones that promote sprawl in LEPs. In this vein, **we believe the GCC should assess the viability of certain land zone typologies** (R2 and R5 zones at urban fringes when compared to R1, RU-, and Enviro zones) and increase preference for other land zone typologies (R3 and Mixed Use near commercial cores and employment hubs) in LEPs. This work should underpin Region Shaper 3.1.

Social and affordable infill housing delivered in proximity to transport hubs and strategic centres aligns with the Connected Cities Region Shaper. Given the ageing profile of social housing tenants and the need to deter sociospatial disadvantage, **it is not enough to relegate the bulk of new social housing builds in far-flung greenfield locations with limited access to transport, health, and community services.** Infill development

⁴¹ Australian Bureau of Statistics. (2011-2016). Census of Population and Housing (Enumerated). Compiled and presented in profile.id, retrieved from <https://profile.id.com.au/australia/population?WebID=180>

⁴² Shelter NSW. (September 2021). *Regional Housing Taskforce submission*. Retrieved from <https://shelternsw.org.au/wp-content/uploads/2021/09/Regional-Housing-Taskforce-Shelter-NSW-submission.pdf>

opportunities must be explored in conjunction with Land and Housing Corporation, Aboriginal Housing Office, and community housing providers, with incentives offered to private developers to dedicate Affordable Rental Housing in these infill sites (either through Planning Agreements or Affordable Housing Contributions Schemes).

Shelter NSW therefore supports the intent of Region Shaper 3.5 in championing infill development targets with proportions suggested for affordable housing in key transport hubs or strategic centres. We suggest higher targets for non “dwelling houses” and affordable housing be incorporated into Regional and City Plans (refer suggested wording below).

4b. Recommendations

- Consider applying parts/whole of the draft *Design and Place SEPP* to the Metropolis – especially in relation to urban design targets/panels for greenfield development in meeting ecologically sustainable development goals and universal accessibility principles
- Enhance Region Shaper 3.1 with a commitment to reviewing viability of certain land zone typologies (R2 and R5) to further the objectives of infill and mixed use development and adhering to Urban Growth Boundaries
- Amend Region Shaper 3.5(a) to link to a specific region-wide non “dwelling house” target
 - recommended wording: *new housing delivered within 800m of a strategic centre or transport hub shall be predominantly (meaning more than 60%) non “dwelling houses” per the SILEP Dictionary definition and indeed be delivered as multi-dwelling housing, residential flat buildings, shop top housing, boarding houses, and other residential accommodation types that are non single-occupancy, detached in built form*
- Consider amending the Housing SEPP to make specific reference to dwelling targets within 800m of transport hubs
- Add clarity to Region Shaper 3.5(b) by naming a target for Affordable Housing in proximity to strategic centres and transport hubs
 - recommended wording: *15 percent of any housing delivered within 800m of a strategic centre or transport hub shall be Affordable Housing (rental or shared equity product)*
- Create an additional Region Shaper dot point for ensuring new social housing acquisition/construction predominantly occurs in well-located, mixed use, infill neighbourhoods rather than in greenfield sprawl estates.

4c. Social and Affordable Housing

Affordable Housing

The term 'Affordable Housing' is defined in the NSW planning system as:

*Housing for very low income households, low income households or moderate income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument.*⁴³

Affordable Housing is not necessarily public or community housing ('public' and 'community' housing both come under the umbrella of 'social' housing⁴⁴). Affordable Housing can be funded (and delivered) by local Councils, particularly where private development must contribute funds/land/dwellings for the purposes of Affordable Housing. National Shelter advocates⁴⁵ for inclusionary zoning of this nature to be implemented alongside density bonuses and other planning concessions to ensure such schemes deliver significant gains in Affordable Rental Housing stock.

Affordable Housing is nearly always Affordable Rental Housing. We acknowledge, however, the program being rolled out in 2023 for 'shared equity' home ownership, eligible to certain cohorts such as older people, single parents, and some public sector workers⁴⁶. We refer to this in our submission as another type of Affordable Housing product.

A greater variety of households may be eligible for Affordable Rental Housing than social housing. Indeed, income brackets for Affordable Rental Housing eligibility tends to include key workers such as teachers, nurses, aged care workers, trade apprentices, and other industry workers who are essential to local communities. Providing more housing opportunities for these working cohorts is therefore imperative to advancing any region's economic growth goals.

Affordable Rental Housing, delivered through an Affordable Housing Contributions Scheme ('AHCS'), is affordable in perpetuity as part of that Scheme delivered by or on behalf of local Councils. Changes to housing products in the Housing SEPP have made boarding houses affordable in perpetuity and other typologies (such as "infill affordable housing") must be affordable for at least 15 years⁴⁷.

⁴³ NSW Government. (current version December 1, 2021). *Environmental Planning and Assessment Act 1979 No 203*, s1.4 Definitions. Retrieved from <https://legislation.nsw.gov.au/view/whole/html/inforce/current/act-1979-203>

⁴⁴ NSW Government. (current version November 26, 2021). *State Environmental Planning Policy (Housing) 2021*, Dictionary="social housing provider". Retrieved from <https://legislation.nsw.gov.au/view/whole/html/inforce/current/epi-2021-0714>

⁴⁵ National Shelter. (2019). *Inclusionary Zoning report*. Retrieved from <http://shelter.org.au/site/wp-content/uploads/190325-Inclusionary-Zoning-Report-V6-Final.pdf>

⁴⁶ NSW Government. (18 August 2022). Shared Equity Scheme. Retrieved from <https://www.nsw.gov.au/housing-and-construction/shared-equity-scheme>

⁴⁷ NSW Government. (12 August 2022, cl. 21 & 26). *State Environmental Planning Policy (Housing) 2021*. Retrieved from <https://legislation.nsw.gov.au/view/whole/html/2022-08-12/epi-2021-0714>

The NSW Department of Planning & Environment can and should assist local Councils in scoping out the viability of creating Affordable Housing Contributions Schemes or Affordable Housing Planning Agreement Policies.

The Regional NSW Housing Taskforce initial findings report⁴⁸ acknowledges that using the Department's viability tool for Affordable Housing Contributions Schemes can be cumbersome and that more training for regional planners is required to ensure the tool can be practically used. Additionally, the Department has a ministerial direction and practice note setting out the need for an underlying local Planning Agreement policy to be in place before negotiating any planning agreements⁴⁹. It is not known whether specific guidance and resources are provided by the Department to local Councils on crafting policies for Affordable Housing Planning Agreements.

The GCC must step-up and practically aid all Councils in the Metropolis in developing Affordable Housing Contributions Schemes. Rather than delaying this process through back-and-forth viability testing at various rates, the GCC and the Department of Planning & Environment should set the minimum contributions rate for local Councils to work toward (ie 10-15 percent) and waive requirements for local Councils to justify contribution rates that sit within this range.

The existence of the *Six Cities Discussion Paper* itself may drive speculative investment of land that could potentially be upzoned and as such, there must be no delay in implementing inclusionary zoning principles across the Metropolis.

Social housing

The intent of both public and community housing (as subsets of social housing) is to accommodate people on very low, low, and moderate incomes. **Social housing renewal, construction, acquisition, and augmentation is a State responsibility.**

Social housing stock has been in real decline for most LGAs in the proposed Metropolis area for at least a decade (refer Table 2 in **Context** section of this submission). Public housing has moved away from being a valued part of the housing mix in the 1950s – housing workers and welfare recipients alike – to being a highly rationed form of housing for very vulnerable populations with complex needs⁵⁰.

Shelter NSW does appreciate that redevelopment of existing public housing estates offers the opportunity to develop better-designed and constructed dwellings – with a great opportunity to improve the quality of life and cost-of-living for its tenants. However, the

⁴⁸ Fielding, G. (September 2021, pp. 35 & 36). *Regional Housing Taskforce: Initial Findings Report*. Retrieved from <https://www.planningportal.nsw.gov.au/regional-housing>

⁴⁹ NSW Government. (February 28, 2019). *Ministerial Direction: Environmental Planning and Assessment (Planning Agreements) Direction 2018*. Retrieved from <https://www.planning.nsw.gov.au/-/media/Files/DPE/Directions/ministerial-direction-s7-9-environmental-planning-and-assessment-planning-agreements-2019-06-11.pdf?la=en> ; NSW Government. (February 2021). *Planning Agreements: Practice note*. Retrieved from <https://www.planning.nsw.gov.au/-/media/Files/DPE/Practice-notes/practice-note-planning-agreements-2021-02.pdf?la=en>

⁵⁰ Pawson, H., Milligan, V., & Yates, J. (2020, p. 104). *Housing Policy in Australia: A case for system reform*. (P. Macmillan, Ed.) Singapore: Springer Nature. doi:<https://doi.org/10.1007/978-981-15-0780-9>

tenancy transfer processes connected with public housing renewal projects are very disruptive to the lives of existing tenants. **The disruption starts earlier than bureaucrats tend to realise, as talk and gossip surrounds the future of estates.** Some residents are employed and wonder how renewal will affect their employment. Some are highly engaged in community networks of the suburb and their neighbourhood and wonder what will happen when they move. Many worry about how they will maintain practical access to support services they have come to rely on. Some are houseproud and wonder how their personal investment in their homes will be recognised and compensated.

With the benefit of having observed the progress and impact of a number of 'Communities Plus' renewal projects (more on this later), 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. We have heard directly from public housing tenants who have or are already part of an estate renewal project in parts of Greater Sydney. They have told us what works well, and what does not – for residents and the overall project.

Shelter NSW recognises that the level of engagement we are advocating for requires partnership between the Department of Planning & Environment, Land and Housing Corporation ('LAHC'), the Department of Communities and Justice ('DCJ'), AHO, Community Housing Providers, and Aboriginal Community Housing Providers.

We offer the [Compact for Renewal](#)⁵¹ as a template for how the NSW Government might best engage with public housing communities in the Metropolis, before significant change is afoot.

As for the public housing redevelopment process itself in NSW, **it remains the case that these long-standing housing assets are currently located on wholly-owned public land.** Publicly-owned land is a vitally important community asset which needs to be retained in public ownership as long as possible for intergenerational equity.

We understand that the Government tends to apply a 70 private/30 social housing proportion model to redevelopment of public housing estates. This involves selling all or part of a public housing site to private developers who commit to building new social housing for the Government's social housing developer, LAHC. This reflects LAHC's self-funding model of development – where rental income and LAHC owned property asset sales pay for new public housing construction⁵².

⁵¹ Shelter NSW, Tenants Union of NSW, and City Futures Research Centre UNSW. (June 2017). *A Compact for Renewal: What tenants want from renewal*. Retrieved from <https://shelternsw.org.au/wp-content/uploads/2020/11/2017-A-compact-for-renewal-what-tenants-want-from-renewal-2017.pdf>

⁵² NSW LAHC. (November 2021, p. 8). Local Area Analyses – Coffs Harbour. Retrieved from https://www.dpie.nsw.gov.au/_data/assets/pdf_file/0005/481820/5-LAHC-Coffs-Harbour-LGA-Analysis.pdf

We observe that whilst the NSW Government appears to have ceased actively branding its social housing estate renewal programs as ‘Communities Plus’⁵³ projects, its general business model of selling public land to private developers in exchange for typically just 30% of social housing dwellings (and no requirement for Affordable Rental Housing) in the resultant denser estate remains under the *Future Directions for Social Housing Strategy*.

Darcy and Rogers⁵⁴ 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, on the contrary, that each housing estate has its own unique profile, within its own local context (whether it be a suburb or town). **How can a standard ratio be applied to every public housing estate being renewed?** As to the social engineering goals of creating an ideal ‘social mix’, we wonder why below-market Affordable Rental Housing is not included as a necessary part of the social mix, as an intermediary between government-owned housing and private dwellings? Darcy and Rogers further report that rather than the mix of housing type and tenure, it is the mix of ages, incomes and family types amongst social housing tenants and the delivery of other community programs that are more important in securing positive outcomes for low-income households.

Shelter NSW has released an important piece of research⁵⁵ that calls on people interested in sound public policy to reimagine the economics of public housing. While the paper looks at the proposals for the large Waterloo South social housing estate renewal project as a case study, it has broader applications that we implore the GCC to consider.

The paper, [Reimagining the economics of public housing at Waterloo](#), observes that in NSW, investment in new public housing has been considered as a cost only. **But even lay people would see housing (including public housing) as an asset that generates a return over time** in the form of rental income and capital gains. Murray & Phibbs argue that:

ignoring these asset returns is a key economic issue with the LAHC self-fund development model... [it] privatises long-term returns on real estate assets, which are the source of value that funds public housing redevelopment.

Murray & Phibbs’ Paper calls for more elegant economic and financial designs. This would include mimicking private sector behaviour, such as using leverage during

⁵³ NSW DCJ. (n.d.). *Communities Plus*. Retrieved from <https://www.facs.nsw.gov.au/reforms/future-directions/initiatives/communities-plus>

⁵⁴ Darcy, M. & Rogers, D. (October 2019). *Finding the Right mix in Public Housing Redevelopment: Review of Literature and Research Findings*. USYD The Henry Halloran Trust. Retrieved from <https://www.sydney.edu.au/content/dam/corporate/documents/henry-halloran-trust/hht-social-mix-discussion-paper.pdf>

⁵⁵ Murray, C. & Phibbs, P. (2021). *Reimagining the economics of public housing at Waterloo*. Retrieved from https://shelternsw.org.au/wp-content/uploads/2022/03/Reimagining-the-economics-of-public-housing-at-Waterloo_FINAL.pdf

redevelopment periods, retaining market risk and return during the development process, and retaining long-term ownership of as much of the real estate asset base as possible.

With specific reference to Waterloo Estate renewal, the Paper explores a model whereby 50% of new dwellings are social housing, 25% are retained by LAHC as build-to-rent housing at market prices, and 25% are sold by LAHC to the private market. This scenario uses low-cost leverage to generate positive cashflow, and maximises exposure to long-term capital gains for LAHC.

In short, **we do not agree with the 70 private/30 social 'Communities Plus' blanket-approach applied to public housing estates in NSW.** Further, we assert that differing residential social mix proportions may be suitable for other government-owned and Crown land not linked to existing public housing estates, so long as more-land-than-not is retained in public ownership for future generations' benefit. We suggest that a 'floor' rather than a 'ceiling' be outlined in Regional and City Plans, for delivering social and Affordable Housing targets on government-owned land.

We are strong advocates for Affordable Rental Housing **in addition to social housing, not instead of it.** Affordable Rental Housing is an important tenure type that should complement renewal projects. This type of housing and tenure responds to a vital group of households that are often overlooked – financially stressed renters in the insecure, private residential housing market (renters who otherwise generally do not qualify for social housing). It also caters for important key workers such as aged care workers and early childhood educators who are increasingly falling into rental stress and housing precarity with all-time-low national rental vacancy rates⁵⁶.

4c. Recommendations

- Provide practical assistance to all local Councils in the Metropolis to develop/implement Affordable Housing Contributions Schemes and Affordable Housing Contributions Policies and, by extension, add Affordable Housing clauses into LEPs
- Set an acceptable AHCS contribution rate for all Councils in the Metropolis to work toward (ie 10-15 percent) being enshrined in the Housing SEPP and/or LEPs, with the Department of Planning & Environment waiving cumbersome viability justifications for contribution rates that sit within this range
- With reference to financial leveraging described in *Reimagining the economics of public housing*:

⁵⁶ 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. Retrieved from <https://www.ahuri.edu.au/research/final-reports/355> ; Domain Research House. (2 September 2022). *Vacancy Rates: Key Findings*. Retrieved from <https://www.domain.com.au/research/vacancy-rates-august-2022-1164176/>

- commit to a higher target for social and Affordable Housing in Region Shaper 3.7
- remove references to “up to 30%” and instead state “at least 30%”
- distinguish between “social” and “Affordable Housing” targets to ensure both are not combined into the same target group
- recommended wording for Region Shaper 3.7: *In residential components on government land that has not historically been used for public housing, The City Plans will set a target for **at least** 30% social housing, 15% Affordable Housing (rental or shared equity product), and 15% government-owned dwellings (other, such as build-to-rent or key worker housing).*
- Where the NSW Government is redeveloping existing, long-standing public housing estates, an additional commitment shall be made to:
 - preserve public land and public housing (i.e. more than half of land should remain in public ownership),
 - substantially increase the number of social housing dwellings on a site,
 - provide at least 15% Affordable Housing (rental or shared equity product), and
 - stage development so as to minimise the displacement of tenants
- Formally adopt the *Compact for Renewal* for how to best engage with current and long-standing social housing tenants in areas slated for renewal or major renovations requiring tenant relocations and transfers.

4d. Social housing targets

As of June 2021, there are approximately 159,000 social housing dwellings in NSW⁵⁷. **We assert that more than double that amount of social housing will be needed in the Metropolis alone by 2041.**

Numerical social housing targets should be outlined in the Plan and closely track the significant population that will be captured by the metropolis of 6 cities. For instance, as 80% of the State’s population will reside somewhere within the metropolis by 2041 per the Department of Planning & Environment’s (‘DPE’) own projections⁵⁸, **close to 80% of social housing properties in NSW should be delivered in the metropolis region.**

We advocate for restoring 5% all of housing stock in LGAs to being social housing properties, with **a Metropolis-wide goal of 10% of all housing stock being set aside as social housing by 2041.** Again, under this scenario and utilising data provided by DPE on population projections and implied dwelling demand, this 10% stock ask would materially result in more than 75% of all social housing properties (333,000 dwellings) in the State

⁵⁷ Australian Institute of Health and Welfare. (2021). *Housing Assistance in NSW*. Retrieved from <https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/state-and-territory-summary-data>

⁵⁸ NSW Department of Planning & Environment. (2022). *GCC Six Cities 2022 CPA Population and Dwelling projections*. Retrieved from <https://www.planning.nsw.gov.au/Research-and-Demography/Population-Projections/Explore-the-data>

being delivered in the Metropolis of 6 cities by 2041 – refer [Appendix A](#). Although 330,000 social housing dwellings in the Metropolis sounds like an insurmountable figure as it is more than double the current stock available in NSW, it is a very restrained proportion of the total implied dwelling demand for all housing stock estimated by 2041 in the 6 cities Metropolis (i.e. more than 3.3million homes).

Advocacy bodies such as St Vincent De Paul Society, Homelessness NSW, CHIA NSW, and Sydney Alliance have consistently asked for 5,000 additional social housing properties be acquired/built in NSW for a decade to meet population projections alone. We reiterate this ask and note of that 50,000 figure, **approximately 40,000 additional social housing properties should be delivered in the Metropolis of 6 cities by 2033.**

Given the known social housing waitlist and projected population figures for the Metropolis, **we are curious to know how the Government will meet social housing demand if not through existing public land holdings?** Land represents a considerable cost that significantly impacts the viability of social and Affordable Housing developments. Opportunities exist across Government including LAHC, Transport Asset Holding Entity, Landcom, TAFE, School Infrastructure NSW, Crown Lands, and others to support delivery of the homes NSW needs. This land-use attitudinal shift of existing holdings requires a reconsideration of the requirements of financial return and **a greater focus on social return on investment.**

Aboriginal housing targets are needed. An adequate supply of culturally-appropriate housing for Aboriginal households and families is invariably linked to success of Region Shaper 1 for First Nations economic and social aspirations in the Metropolis.

The private rental market routinely discriminates against First Nations applicants, and this is particularly the case when rental vacancy rates are at all-time lows as currently being experienced in regional NSW.

Aboriginal people are strongly represented⁵⁹ in the LGAs of Shoalhaven (6.5%), Shellharbour (5.0%), Central Coast (4.9%), Lake Macquarie (5.5%), Cessnock (10.2%), Newcastle (4.4%), Maitland (7.5%), and Port Stephens (6.5%) and as such, these locations need to strongly deliver social housing specifically for Aboriginal households.

4d. Recommendations

- Conduct an audit of State-owned land (held by entities such as LAHC, Transport Asset Holding Entity, Landcom, TAFE, School Infrastructure NSW, Crown Lands) to be repurposed or activated for social housing delivery
- Add a new Region Shaper (3.8) for a minimum of 5% of all housing stock in LGAs being social housing properties with a Metropolis-wide target of 10% of all housing stock being social housing
- Mandate at least 5% of social housing stock in Shoalhaven, Shellharbour, Central Coast, Lake Macquarie, Newcastle, and Port Stephens LGAs being dedicated

⁵⁹ ABS Census. (2021). *Search by area*. Retrieved from <https://www.abs.gov.au/census/find-census-data/search-by-area>

Aboriginal housing delivered by Aboriginal Community Housing Providers or AHO. A minimum of 10% social housing stock as dedicated Aboriginal housing should be considered for Cessnock and Maitland LGAs

- Require social housing stock to be commensurate with population projections, such that more than 75% of all social housing stock in NSW will be accommodated in the Metropolis of 6 cities by 2041
- Commit to ensuring 40,000 additional social housing properties are acquired/built in the Metropolis by 2033
- Aim for more than 300,000 social housing properties being located within the Metropolis by 2041.

4e. Affordable Housing targets

The National Rental Assistance Scheme is ending, with approximately 1000 properties already expired and a further 5600 properties to be taken out of circulation by 2026 when the Scheme ends⁶⁰. **In-perpetuity Affordable Housing is needed more than ever** to accommodate not just key workers but also those tenants who are no longer supported by NRAS accommodation.

Although there is no commonly accepted definition for 'key worker' industries in Australia⁶¹, research by AHURI to date has demonstrated that **workers in lower paid (yet essential) professions are increasingly being priced out of the very same suburbs and LGAs in which they are required to work**. These include teachers, nurses, community support workers, early childhood educators, aged care workers, ambulance and emergency officers, delivery personnel, and cleaners. These are the very workers needed to support the vision of a 6 cities Metropolis.

Plans which outline significant economic productivity and industrial hub goals – such as those which will be underpinned by the Six Cities Paper – **need to outline commensurate increases in social infrastructure (including non-market housing)** to ensure sustainable and fair cities evolve. In having to compete with those on higher-incomes from knowledge and tech industries for instance, individuals and families on ordinary incomes adapt by either paying more than they can afford, compromising the quality or independence of their living situation, or by moving elsewhere and commuting. We have already observed this effect during the pandemic with e-changers in places such as Gosford, Wyong, and Wollongong. The displacement and/or overcrowding imperative then faced by low-income households deepens sociospatial disadvantage. It is the most-pressing negative externality that arises from Plans that purport to increase

⁶⁰ Department of Social Services (Cth). (June 2021). NRAS. Retrieved from https://www.dss.gov.au/sites/default/files/documents/08_2021/nras-quarterly-report-30-jun-2021.pdf

⁶¹ Gilbert, C., Nasreen, Z. and Gurran, N. (May 2021). *Housing key workers: scoping challenges, aspirations, and policy responses for Australian cities*. AHURI Final Report No. 355. Retrieved from <https://www.ahuri.edu.au/research/final-reports/355>

liveability/vitality without a simultaneous increase in the provision of non-market or alternative-market housing options.

Time and again we have seen international examples of government agencies and vested interests spruiking major innovation precincts, ultimately unsupported with the necessary parallel investment in social infrastructure; social infrastructure including Affordable Housing, which in NSW, is eligible to moderate income households working in aforementioned key worker positions. Over time these precincts have seen the subsequent loss of long-term local populations and key precinct workers from these innovation zones⁶². This is counterproductive to the aspirations of many public officials wishing to imbue these precincts with a sense of vitality and diversity, and in many cases stifles the success of these precincts. The most notorious example of this is in the Bay Area, San Francisco where Google issued a *mea culpa* of sorts in 2019 and devoted \$1bn to grow the pool of purpose-built affordable homes in the region⁶³. By contrast, Tonsley in South Australia had inclusionary zoning at the outset for its tech renewal precinct in the order of a 15 percent contribution rate for affordable housing⁶⁴. The Tonsley Innovation District sought to attract knowledge-based industries and start-ups with high-speed internet connectivity and big education anchors, with social infrastructure (housing for workers) a key promotional point of the District⁶⁵.

There needs to be a realistic assessment of the socioeconomic demographics of any existing and planned workforce that investment-precincts aim to attract and retain. References in the Six Cities Paper to investment in universities and higher-education hubs do not acknowledge the types of incomes that are available to service workers in these industries; many employed in these sectors are people on modest incomes, under casual or insecure employment contracts⁶⁶.

4e. Recommendations

- Upgrade Region Shaper 3.6 to align with best practice contribution rates for Affordable Rental Housing, being 15 percent rather than 10 percent on rezonings
- Expand scope of Region Shaper 3.6 for not just rezonings which deliver “housing uplift” but any major rezoning activity which would generate significant commercial/industrial investment (or changes to planning rules for floor area and height of building controls in E-, B-, IN- zones) and induce local/regional demand for housing by new or augmented workforces.

⁶² Dowling, R, Maalsen, S, Emmanuel, L, and Wolifson, P. (August 2020, p.13 and 17-19). *AHURI Final Report No. 333: Affordable housing in innovation-led employment strategies*. Retrieved from <https://www.ahuri.edu.au/research/final-reports/333>

⁶³ Pichai, S. (18 June 2019). \$1 billion for 20,000 Bay Area Homes. Retrieved from <https://blog.google/inside-google/company-announcements/1-billion-investment-bay-area-housing/>

⁶⁴ Dowling, R, Maalsen, S, Emmanuel, L, and Wolifson, P. (August 2020, p. 21). *AHURI Final Report No. 333: Affordable housing in innovation-led employment strategies*. Retrieved from <https://www.ahuri.edu.au/research/final-reports/333>

⁶⁵ Renewal SA. (n.d.). *Tonsley*. Retrieved from <https://renewalsa.sa.gov.au/projects/tonsley/>

⁶⁶ Cahill, D in Australian Financial Review. *Wage theft is Australian universities' dirty little secret*. Retrieved from <https://www.afr.com/work-and-careers/education/wage-theft-is-australian-universities-dirty-little-secret-20211015-p590eg>

5. Summary of recommendations

The recommendations peppered throughout this submission are collated below. Shelter NSW recommends the Greater Cities Commission:

1. Engage in significant, meaningful listening campaigns with citizen groups and regular community members across the proposed Metropolis prior to any further advancement of Regional and City Plans
2. Undertake educational tours and workshops with regional Councils and citizen groups about the practicalities of implementing the 6 cities Metropolis
3. Utilise baseline feedback sought during the recent exhibition periods of draft *Hunter Regional Plan 2041* and *Central Coast Regional Plan 2041*
4. Enter good faith discussions with other government agencies and Departments about broader reforms to systemic issues which are hindering the vision of a thriving 6 cities Metropolis
5. Name the LGAs that will be subject to the GCC's vision for a 6 cities Metropolis
6. Recognise the role that the Southern Highlands (Wingecarribee LGA) will play in delivering on the vision of the 6 cities Metropolis and identify housing and workforce opportunities/challenges which will need to be strategically managed by GCC in partnership with Wingecarribee Council
7. Outline existing versus proposed governance structures and decision-making bodies for the Metropolis
8. Honour Region Shaper 1 by centring First Nations authority and aspirations across all governance and decision-making structures
9. Include 'Housing supply' sub-category targets for: housing diversity in typology (non "dwelling house"), location (infill over greenfield), and affordability (dedicated social and Affordable Housing)
10. Establish consistent criteria and application of Urban Growth Boundaries for all new LGAs in the Metropolis. Application of such Boundaries shall also include 'last-resort' criteria on how and why these Boundaries can be encroached
11. Provide leadership in this area (Urban Growth Boundary setting), offering timely data and mentorship in enforcing and monitoring performance of Boundaries with respect to broader housing targets
12. Ensure any Urban Development Program tasked with monitoring the pipeline of land and housing incorporates a metric for tracking housing stock attrition rates due to conversion of dwellings to STRA

13. Opt-all LGAs in the Metropolis into the Housing SEPP 180-day non-hosted STRA cap without requiring individual Councils to submit Planning Proposals to this effect
14. Work with Councils and DPE in lowering the STRA cap even further (90 or even 60 days) where significant, chronic housing stress is demonstrably linked to dwelling conversions from the long-term rental to short-term letting market
15. Expand legislative reforms on STRA by pivoting to reliance on volume and density caps rather than annual day caps (e.g. no more than x number of non-hosted STRAs per y square metres/suburb), to ensure hollowing out of high amenity neighbourhoods for STRA use does not occur. Local research and evidence for density caps will be required
16. Consider applying parts/whole of the draft *Design and Place SEPP* to the Metropolis – especially in relation to urban design targets/panels for greenfield development in meeting ecologically sustainable development goals and universal accessibility principles
17. Enhance Region Shaper 3.1 with a commitment to reviewing viability of certain land zone typologies (R2 and R5) to further the objectives of infill and mixed use development and adhering to Urban Growth Boundaries
18. Amend Region Shaper 3.5(a) to link to a specific region-wide non “dwelling house” target
 - a. recommended wording: *new housing delivered within 800m of a strategic centre or transport hub shall be predominantly (meaning more than 60%) non “dwelling houses” per the SILEP Dictionary definition and indeed be delivered as multi-dwelling housing, residential flat buildings, shop top housing, boarding houses, and other residential accommodation types that are non single-occupancy, detached in built form*
19. Consider amending the Housing SEPP to make specific reference to dwelling targets within 800m of transport hubs
20. Add clarity to Region Shaper 3.5(b) by naming a target for Affordable Housing in proximity to strategic centres and transport hubs
 - a. recommended wording: *15 percent of any housing delivered within 800m of a strategic centre or transport hub shall be Affordable Housing (rental or shared equity product)*
21. Create an additional Region Shaper dot point for ensuring new social housing acquisition/construction predominantly occurs in well-located, mixed use, infill neighbourhoods rather than in greenfield sprawl estates
22. Provide practical assistance to all local Councils in the Metropolis to develop/implement Affordable Housing Contributions Schemes and Affordable

Housing Contributions Policies and, by extension, add Affordable Housing clauses into LEPs

23. Set an acceptable AHCS contribution rate for all Councils in the Metropolis to work toward (ie 10-15 percent) being enshrined in the Housing SEPP and/or LEPs, with the Department of Planning & Environment waiving cumbersome viability justifications for contribution rates that sit within this range
24. With reference to financial leveraging described in *Reimagining the economics of public housing*:
 - a. commit to a higher target for social and Affordable Housing in Region Shaper 3.7
 - b. remove references to “up to 30%” and instead state “at least 30%”
 - c. distinguish between “social” and “Affordable Housing” targets to ensure both are not combined into the same target group
 - d. recommended wording for Region Shaper 3.7: *In residential components on government land that has not historically been used for public housing, The City Plans will set a target for **at least** 30% social housing, 15% Affordable Housing (rental or shared equity product), and 15% government-owned dwellings (other, such as build-to-rent or key worker housing)*
25. Where the NSW Government is redeveloping existing, long-standing public housing estates, an additional commitment shall be made to:
 - a. preserve public land and public housing (i.e. more than half of land should remain in public ownership),
 - b. substantially increase the number of social housing dwellings on a site,
 - c. provide at least 15% Affordable Housing (rental or shared equity product), and
 - d. stage development so as to minimise the displacement of tenants
26. Formally adopt the *Compact for Renewal* for how to best engage with current and long-standing social housing tenants in areas slated for renewal or major renovations requiring tenant relocations and transfers
27. Conduct an audit of State-owned land (held by entities such as LAHC, Transport Asset Holding Entity, Landcom, TAFE, School Infrastructure NSW, Crown Lands) to be repurposed or activated for social housing delivery
28. Add a new Region Shaper (3.8) for a minimum of 5% of all housing stock in LGAs being social housing properties with a Metropolis-wide target of 10% of all housing stock being social housing

29. Mandate at least 5% of social housing stock in Shoalhaven, Shellharbour, Central Coast, Lake Macquarie, Newcastle, and Port Stephens LGAs being dedicated Aboriginal housing delivered by Aboriginal Community Housing Providers or AHO. A minimum of 10% social housing stock as dedicated Aboriginal housing should be considered for Cessnock and Maitland LGAs
30. Require social housing stock to be commensurate with population projections, such that more than 75% of all social housing stock in NSW will be accommodated in the Metropolis of 6 cities by 2041
31. Commit to ensuring 40,000 additional social housing properties are acquired/built in the Metropolis by 2033
32. Aim for more than 300,000 social housing properties being located within the Metropolis by 2041
33. Upgrade Region Shaper 3.6 to align with best practice contribution rates for Affordable Rental Housing, being 15 percent rather than 10 percent on rezonings
34. Expand scope of Region Shaper 3.6 for not just rezonings which deliver “housing uplift” but any major rezoning activity which would generate significant commercial/industrial investment (or changes to planning rules for floor area and height of building controls in E-, B-, IN- zones) and induce local/regional demand for housing by new or augmented workforces.

Appendix A – DPE population and implied dwelling demand projections to 2041

*DPE data (https://www.planning.nsw.gov.au/Research-and-Demography/Population-Projections/Explore-the-data)				*Shelter asks			
Year	Location	Residency type		Implied dwelling demand (no. of total dwellings required to house projected population, all tenure types)	Restoring 5% of all housing stock as social housing	10% of all housing stock as social housing	Approximate social housing household size (average no. of persons per social housing property when social housing constitutes 10% of all housing stock)
		No. of people in private dwellings	No. of people in non-private dwellings				
2022	Central Coast City	344176	4774	160288	8014	16029	
2041		396844	7772	191696	9585	19170	2.47
2022	Central River City	1818002	24646	665989	33299	66599	
2041		2308682	44098	898789	44939	89879	2.04
2022	Eastern Harbour City	1947294	56452	873595	43680	87359	
2041		2192874	83713	1042892	52145	104289	1.25
2022	Illawarra-Shoalhaven City	423422	8685	199785	9989	19979	
2041		545030	14068	265264	13263	26526	1.89
2022	Lower Hunter & Greater Newcastle City	598307	11913	269828	13491	26983	
2041		754018	20386	353608	17680	35361	1.73
2022	Western Parkland City	1131836	13557	410292	20515	41029	
2041		1481311	26323	572168	28608	57217	2.17
2022	Remainder of NSW outside of 6 cities	1743560	45963	864604	43230	86460	
2041		1931824	65884	1005058	50253	100506	1.53
Total percentage of NSW social housing dwellings that will be delivered in metropolis of 6 cities region per Shelter's 10% of all housing stock ask by 2041							76.8
Total number of social housing dwellings in the metropolis of 6 cities region per Shelter's 10% of all housing stock ask by 2041							332442