



# Shelter NSW submission to the City of Parramatta

## *Draft Affordable Rental Housing Policy*

27 May 2024



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

<b>Affordable and diverse homes</b> Housing supply and demand Tenure forms and rights Housing types and sizes	<b>Accessible, well-located housing</b> Proximity to jobs and services Access to public transport Accessibility and adaptability	<b>Appropriate, high-quality development</b> Amenity and aesthetics Energy and environment Standards and maintenance
<b>Productive cities and regions</b> Access to jobs and services Housing costs and consumption Financial and economic stability	<b>Poverty-free communities</b> Housing stress and homelessness Physical and mental health Education access and attainment	<b>Protected neighbourhoods</b> Energy use and consumption Urban heat 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. Ahead of the NSW 2023 State election, Shelter NSW developed a comprehensive policy platform. Central to that platform was our call for a better deal for renters.

Shelter NSW

2023 - 2027  
Priorities for NSW

A secure home for all

- 1** | **Restore the social housing safety net to 5% by 2027, 10% by 2040. Build/acquire 5,000 dwellings per year**  
 Includes maintenance, upgrades + 3 youth foyers
- 2** | **Increase Specialist Homelessness annual funding by 20%**  
 Move beyond crisis. Focus on women, aged and First Nations
- 3** | **Make the planning system deliver Affordable Rental Housing for lower income people**  
 Rezoning targets: 10 – 30/45%
- 4** | **Build more accessible & climate ready dwellings**  
 Minimum standards set & met for rental dwellings
- 5** | **Support Renters and Renting**  
 Remove *No Grounds Evictions*  
 Create a *Home at Last* service  
 Create a standing hardship fund & protocol for times of crisis  
 Get the balance right between housing for tourists and housing for locals



# 1. Shelter NSW comments on the City of Parramatta Draft Affordable Rental Policy

Shelter NSW congratulates the City of Parramatta ('the City') on its commitment to increasing its portfolio of affordable rental housing in the LGA. We have reviewed the Draft Affordable Rental Policy currently on exhibition and offer the following brief comments regarding various parts of the policy (using Council's numbering).

## Planning Agreements

- **Section 3.9.1 - need for critical infrastructure**

We do have concerns regarding point 3.9.1 where the dedication of affordable housing can be waived in locations where public infrastructure is seen to be more critical. For over a decade, public infrastructure in PCC has taken precedence over affordable housing contributions, based on this we at Shelter are concerned that this point might further erode, the application of affordable rental housing contributions in the LGA growth precincts.

- **Section 3.9.7 - displacement of existing housing options**

Shelter NSW fully supports the requirement of a higher percentage of affordable housing, when other low-cost housing options are being displaced.

## Tenant eligibility for affordable rental housing

Shelter NSW makes the general comment that given the role of Community Housing Providers in rent-setting and application management (Section 5.5) Council should ensure that its policy objectives and rent-setting requirements are being complied with.

- **Section 3.18.2 - priority being given to applicants who have been in the LGA for over two years.**

Shelter is concerned that this may exclude essential workers who can't currently afford to live in the LGA. It seems that if they're living in the LGA at the time of their application that should be enough.

## Section 3.20 Rental prices for Affordable Rental Housing

Shelter takes the position that any affordable rental units acquired through the Planning system should abide by the Housing SEPP (2021) definition. This requires that rent is set at no more than 30% of household income.

Shelter NSW notes that the 20% discount to market rent value is a metric that may have been applicable when market rents were reasonable, but this is no longer the case. Given that, we recommend that the application of the 30% of household be the key rent-setting approach. In the case where Council retains a market rent metric it should be 'no less than 20% of market rent'.

## 2. Other resources

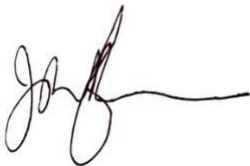
Given the focus of Council we would like to bring a recent publication to the attention of Council staff. Late last year Shelter NSW commissioned the following report: "[What an Inclusionary Housing Policy Should Be](#)". We hope that it will provide some practical assistance to Council as it expands its affordable housing program.

Naturally we would be happy to offer any general assistance we can to Council staff.

### Thank you for reviewing our submission

Shelter NSW appreciates the opportunity to comment on this important operational document. We hope that our brief comments and insights will assist Council in realising goals for an expanded Affordable Rental Housing program within the growing City of Parramatta.

Sincerely Yours,



CEO, Shelter NSW

John Engeler