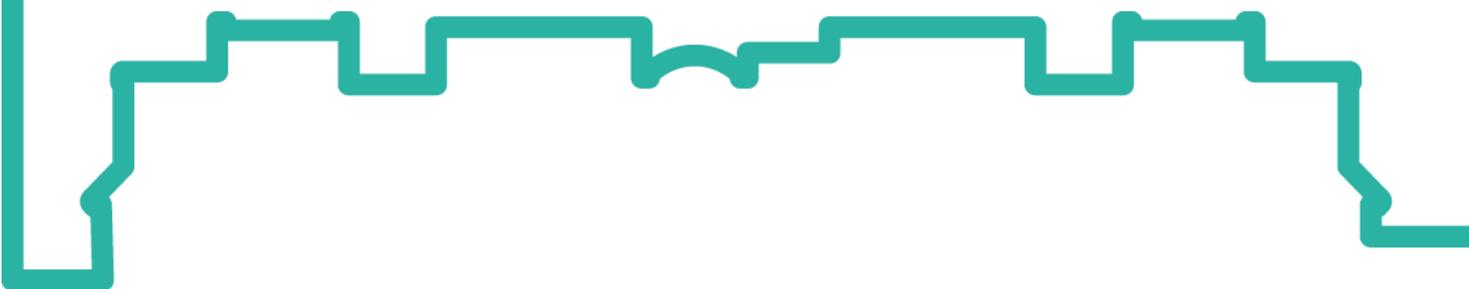




Public Exhibition of the TfNSW Rezoning Proposal for the Paint Shop sub-precinct of Redfern North Eveleigh

SHELTER NSW SUBMISSION

25 August 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 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.

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 and towns as low-income households are displaced. We advocate solutions that aim to make the housing system work towards delivering a fairer housing system for all.

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, Tenants' Union of NSW and Shelter NSW. It acts as a point of liaison between NSW Government agencies and community members regarding the development of the broader Waterloo and Redfern.

Shelter NSW welcomes the opportunity to make a submission (albeit within a very short period of public exhibition) and thanks the Department of Planning and Transport for NSW for the opportunity.

Executive Summary

The NSW Government ('the Government') is proposing to redevelop the Redfern North Eveleigh area to create a mixed-use and innovation precinct. The Redfern North Eveleigh Precinct comprises three sub-precincts, one of which is known as the 'paint shop' sub-precinct which has been master planned by Transport for NSW (TfNSW).

The planned urban renewal of the Redfern North Eveleigh Precinct and the upgrade of nearby Redfern Station is, we understand, intended to support the development of a larger technical and innovation district, known as 'Tech Central' encompassing neighbourhoods such as Sydney CBD (Haymarket, Ultimo, Surry Hills, Camperdown, Darlington North Eveleigh

and South Eveleigh). The NSW Government has expressed its vision for the broader precinct renewal: *aimed at creating a connected destination for living and working in an inclusive, active and sustainable place for everyone, where communities gather.*¹

The sub-precinct proposal would see the loss of valuable public land and a vastly denser, (predominantly) commercial and residential precinct: between 103,700 - 109,500 square metres of gross floor area (GFA) for employment and community facility floor space; between 33,100 – 39,000 square metres of GFA for residential accommodation, providing for over 381 – 450 new homes. Rob Stokes MP, Minister for Cities, Infrastructure and Active Transport has elaborated the housing requirement: *15 per cent of the apartments in the area will be deemed affordable or social housing, while a further 15 per cent are earmarked for so-called diverse housing ranging from student to build-to-rent accommodation.*²

The proposal to redevelop the Paint Shop Precinct is assessed as a State Significant Development (SSD). Putting aside the technicalities of this planning nomenclature we agree. This site, in this suburb, in this part of Sydney and NSW is significant. There is lot at stake for the current and future communities of Sydney's inner city whether they be residents, workers, students, business owners, institutions or combinations of these cohorts.

The proposed development is on NSW public land; in a suburb, local government area (LGA) and community with a strong tradition of providing low-cost housing to people who need it. It is home to a long-standing and resilient Aboriginal community. As such, we believe the NSW Government has the responsibility and opportunity to build an exemplar community – one where people from all walks of life, cultures, ages and incomes can prosper; living in well-built and designed homes, buildings and public spaces. This vision we contend, is worthy of direct Government investment, innovative thinking and whole-of-government planning rather than the narrow zero-sum game of project-driven 'financial feasibility' we tend to see (the latter forcing many stakeholders commenting on proposals like this to argue on the margins of planning and technical policy).

The City of Sydney (The City) has identified that the LGA requires 14,000 additional affordable and social dwellings by 2036 (10,856 affordable rental dwellings, 1,975 social dwellings). The City has a broader housing target of 56,000 dwellings by 2036³, most of which is planned to occur in urban renewal areas and on NSW Government sites⁴.

Notwithstanding the commitment to deliver 15% 'diverse' dwellings which may include Build-to-Rent and student accommodation,⁵ this proposal could see as few as 55 - 65 additional

¹ NSW Government (July 2022), *Explanation of Intended Effect – Paint Shop Precinct* at p4 accessed 25 August 2022 [Dept of Planning portal](#)

² O'Sullivan, M (26 July 2022), *Redevelopment plans for historic Sydney rail workshops unveiled* Sydney Morning Herald accessed from [SMH website](#)

³ City of Sydney (March 2020) *City Plan 2036- Local Strategic Planning Statement* at p44 accessed from City of Sydney [City of Sydney website](#)

⁴ Op. cit. p 61

⁵ Shelter NSW commends the NSW Government for committing to greater diversity of dwellings, it does note however, that Build-to-Rent and student housing are not, by definition, on in practice so far in Sydney, 'affordable' for lower income people

social/ affordable housing dwellings delivered on the site over the predicted decades of its development. How can that be regarded as a reasonable contribution by the NSW Government on behalf of the people of NSW?

Given the proposed loss of a major public land asset; the lack of commitment to a substantial increase in social housing and affordable housing (available to quite different housing populations) and the capacity of Government to exercise its considerable power to do more, we contend that the proposal fails to stack up.

On this basis Shelter NSW cannot support the proposal in its current form.

At Shelter NSW, we also advocate for Affordable Rental Housing - in addition to social housing, not instead of it. It responds to an important group that is often overlooked – financially stressed renters in the insecure, private residential housing market (renters who otherwise generally don't qualify for social housing). And it also caters for important key workers, including many from the government's own workforces who are best placed if they live and work in the same area. Currently, these key workers (including from the Aboriginal community) are being displaced from the city and the communities they serve. We believe the Government has the opportunity to assure more affordable homes in the broader Tech Central area for lower-income workers and for the thousands of students (local and overseas) who attend the many, local educational institutions.

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 in the City of Sydney LGA – commensurate with a large and growing unmet demand and the capacity of Government to drive a better outcome in the broader public interest.

As we noted in our 2021 submission regarding Sydney's proposed 'aerotropolis' precinct plans⁶, there needs to be a realistic assessment of the socio-economic demographics of any planned workforce that a precinct like this is aimed to attract and retain. Not all workers in sectors such as the broader 'tech', education, medical and broader service sector are well paid. In fact, many of these sectors employ a large number of people on modest incomes, under casual or insecure employment contracts.

If it is to be privatised, this site needs to work smarter and harder for the people of NSW. It also needs to work harder to support the vision of Tech Central, which we support:

The vision for Tech Central is for it to be a place where universities, start-ups, scale-ups, high-tech giants and the community collaborate to solve problems, socialise and spark ideas that change our world. It will also be a place where centring First Nations voices, low carbon living, green spaces, and easy transport and digital connections combine to support resilience, amenity, inclusivity, vitality and growth.⁷

⁶ Shelter NSW (2021) Submission regarding the Draft Aerotropolis Precinct Plan accessed [Shelter NSW website](#)

⁷ EIE op. cit at p 4

This proposal is being put by TfNSW, a body that is, by definition concerned with ‘transport; and not ‘housing’. We do recognise the effort and commitment being made to prioritise the delivery of some form of ‘affordable’ and ‘diverse’ housing on this site. This is commendable. We also commend the Government for its commitment to ensuring the precinct will be Net Zero by 2050 and its commitment to achieving certification under a range of sustainability rating systems. This will serve to reduce energy bills for residents and businesses alike and generally increase the long-term resilience of the community.

Shelter NSW often comments on proposals made by the Government’s Land and Housing Corporation (LAHC). We are openly critical of the public/private partnership ‘Communities Plus’ model whereby LAHC sells valuable public land and dwellings in order to fund the modest expansion of social housing stock across the state. While this Paint Shop Precinct proposal is not encumbered with that particular business model, we assume a similar requirement is at play. Shelter NSW has recently released research, calling on the NSW Government to rethink its traditional approach to public housing estate renewal. We suggest the same research has relevance for this proposal. We call on the NSW Government to take a more innovative and long-term commercial approach to its public land renewal program – to optimise the meeting of multiple social policy goals, to preserve valuable public land assets and deliver more housing affordable to people on lower-incomes.⁸

The vision of Tech Central is not dissimilar to international examples which sadly, have become case studies as to what happens when the soaring rhetoric of creative, technical innovation hubs is not matched by the necessary investment required to enable ordinary people to live and work in these corridors⁹. The most notorious example of this is in the Bay Area, San Francisco where Google issued a *mea culpa* of sorts in 2019 and eventually devoted \$1bn to grow the pool of purpose-built affordable homes in the region¹⁰. Our hope for the eventual Tech Central is that it becomes a case study for a truly vibrant, inclusive and diverse community where all sorts of people and households can work, live and play.

In this submission we will be calling on the NSW Government to:

- **increase its commitment to social and affordable housing in the Paint Shop Precinct to one third social housing and one third affordable housing (rental and home ownership)**, where the latter includes Affordable Rental housing (owned and managed by the Community Housing sector); affordable Build-to-Rent; affordable Student Housing and Shared Equity home ownership targeted at certain cohorts.

⁸ Murray,C. & Phibbs,P. (2021) *Reimagining the economics of public housing estate at Waterloo – a report for Shelter NSW* [access via shelternsw](#)

⁹ 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/>

¹⁰ 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/>

- **commit at least 10% of (this larger) social and affordable housing stock to the Aboriginal community**
- **ensure lower-income residents (overwhelmingly renters) whether in social, affordable or private dwellings are a key focus of future precinct, building and dwelling design considerations** (taking account of the overlaying housing diversity and adaptability needs that arise from disability, cultural considerations, family size and the desire to age in place).
- **apply a more innovative commercial, funding and tendering model to the development of this site reducing the need to sell a large tract of valuable public land to private developers.**

Scope and approach of our submission

- **Our submission is for the attention of the NSW Government (not just TfNSW and the Department of Planning).**
- **Given the focus of Shelter NSW, this submission will primarily focus on the social/affordable and diverse housing provisions described in the proposal.** We note however, that our affiliated community and resident organisations (within *Groundswell*, for example) as well as many local residents will provide valuable insight into factors such as public space, density, transport access, heritage protection, amenity and overall design.
- **Over time the planning for the broader Redfern-Waterloo area has moved from the broader area to smaller and smaller elements.** This planning proposal for example, only considers one (of three) sub-precincts. Similarly, there are other active proposals and developments for Government-led sites at the nearby 600 Elizabeth Street Redfern, Waterloo South and in nearby suburbs such as South Eveleigh and Glebe. While we appreciate that this may be easier for planners, financiers and future developers we do think this approach has restricted a more fulsome consideration of the cumulative opportunities and risks presented by smaller proposals such as these.

In this submission we will often refer to data and considerations for the broader Sydney LGA as we believe it provides the most helpful overview of the broader plans for the local area. We will also draw on relevant material commissioned by the Government in support of proposals for other neighbouring precincts such as those in Waterloo (Waterloo South and Waterloo Metro Quarter).

1. The stock of Social and Affordable needs to grow in the City of Sydney

In the decade 2006 – 2016, the City of Sydney reports 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%. Unless significant numbers of new social dwellings are delivered as the city's population grows, we can expect the proportion of social dwellings to continue to decline.

According to the City of Sydney Housing Audit¹¹ 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).

Other evidence of unmet need for housing across NSW and Sydney:

- **Demand for social housing.** According to the Government's own social housing waitlist data ¹² there was on June 30, 2021, 626 approved applications on the general social housing waiting list and 267 on the priority list in the 'inner city'. Wait times for one bedroom or studio time are one to ten years with wait times for two-bedroom units extending to ten plus years.
- **People seeking homelessness services being turned away.** As detailed in our Shelter NSW Pre Budget Submission¹³, close to 50% of the over 47,000 people seeking accommodation assistance from the Specialist Homelessness Sector (SHS) in NSW during 2020-21 were turned away¹⁴. This has steadily worsened since 2015-16 where 15,471 or 34.2% had the same experience. Over the last decade, each year, at least 45,000 people present at SHS services seeking help (with Aboriginal & Torres Strait Islander people consistently overrepresented at nearly a third of all SHS clients). Many of these SHS services operate in the City of Sydney and report the lack of medium-long-term social housing as a key barrier to resolving client needs.
- **(NRAS) Commonwealth scheme ending.** The National Rental Assistance Scheme (NRAS)¹⁵ is expiring across the country ¹⁶: 906 have already expired in NSW with a further 5,639 properties due to expire by 2026. Many of these properties will be in the City of Sydney.

¹¹ City of Sydney (1 June 2020), *Housing for All – Local Housing Strategy – Technical Report* at p 46

¹² Department of Communities and Justice [Expected waiting times | Family & Community Services \(nsw.gov.au\)](#) accessed 27 April 2022. Allocation zone CS01. Note each application represents a household.

¹³ Shelter NSW (2022) *Prebudget Submission to NSW Department of Treasury* available at www.shelternsw.org.au

¹⁴ Productivity Commission (2021) *Annual Report on Housing and Homelessness*

¹⁵ This is a Commonwealth & State program. Eligible NRAS applicants from low-moderate incomes attract a contribution for each approved home; rent is set at least 20% below the prevailing market rates

¹⁶ Commonwealth Government (June 2021) [nras-quarterly-report-30-jun-2021.pdf \(dss.gov.au\)](#) at p3

- **Rental Stress (households paying more than 30% of income on rent) is chronic and widespread in the inner city.** According to a March 2020 report prepared for the Department of Planning, Industry and Environment on housing diversity and affordability in the nearby Waterloo South area¹⁷, 43% of the renter households within the study area were experiencing rental stress (that is, paying 30% or more of their household income on their rental repayment). Importantly, the report notes that *the housing affordability challenge in Sydney is affecting more than just the socially disadvantaged or low-income earners.... Households on very low or low incomes cannot afford to rent a 1- or 2-bedroom apartment in the Sydney LGA. Households on a moderate income could afford a 1 bedroom but not a 2-bedroom apartment* and, as a red flag for social harmony and equity (we think) *only more affluent households will be able to afford 2- or 3-bedroom dwellings.... If left unabated the housing affordability gap will continue to widen.*

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 required relevant Councils including the City of Sydney to prepare a 20-year local housing strategy. The City of Sydney released that plan¹⁸ identifying the following targets, reflecting overall City targets: that of all private housing, 7.5 per cent will be affordable housing and 7.5 per cent will be social housing;

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

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

¹⁷ HillPDA Consulting (March 2020), *Waterloo South – Housing diversity and Affordability*, prepared for the Department of Planning, Industry and Environment at p 56

¹⁸ City of Sydney (2020) *Housing for All – Local Housing Strategy* access [Local Housing Strategy](#)

1.1 Key and Essential Workers suffering acute housing stress across Sydney – especially in the inner city

Recent research by Gilbert, Nasreen and Gurran¹⁹ 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. 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 brackets. 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. (Refer *Appendix A* for more detail)

Community sector organisations operating in the inner city have noted to Shelter NSW that their effectiveness is greatly enhanced by having its workers deeply involved, at best, living within or close to the communities they serve. We can reasonably extrapolate this to apply to the broader public sector (police, teachers, nurses). The reality for those occupational groups however, is 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 or the Blue Mountains enduring lengthy commutes into the inner city each day or night depending on rosters.

Not all workers in the new broader Tech Central precinct will be on above-average wages able to compete for local housing stock. For instance, cleaners, delivery drivers, and hospitality workers currently in Chippendale are experiencing ‘severe to extreme’ rental affordability constraints for 1-to-2 bedroom dwellings²⁰. Other key workers such as university admin officers, medical researchers, and data analysts earning median wages are facing ‘unaffordable’ renting constraints for 2-to-3 bedroom dwellings in Chippendale, Redfern, and Haymarket²¹. Residential vacancy rates for the latest reporting period are below 1 percent for Redfern and Chippendale. This is representative of a consistent downward trend for these postcodes since the second half of 2020²².

¹⁹ 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.

²⁰ SGS Economics & Planning. (November 2021). *Rental Affordability Index* [interactive map]. Retrieved from <https://www.sgsep.com.au/projects/rental-affordability-index>

²¹ SGS Economics & Planning. (November 2021). *Rental Affordability Index* [interactive map]. Retrieved from <https://www.sgsep.com.au/projects/rental-affordability-index>

²² SQM Research. (July 2022). *Residential Vacancy Rates by Postcode*. Retrieved from https://sqmresearch.com.au/graph_vacancy.php?t=1

Time and again we have seen international examples of government agencies and vested interests spruiking major tech precincts; ultimately unsupported with the necessary parallel investment in social infrastructure (including affordable housing). Over time these precincts have seen the subsequent loss of long-term local populations and key precinct workers from these innovation zones²³. 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 region²⁴. 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 housing²⁵. 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 District²⁶.

1.2 Aboriginal people are currently well-represented in Redfern - Waterloo – action required to sustain that

The Redfern-Waterloo 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. According to a report prepared for the Department of Planning²⁷ the neighbouring Waterloo Precinct has a significant Aboriginal and Torres Strait Islander population. In 2016, 6.2% identified as Aboriginal and/or Torres Strait Islander, a far higher proportion than the 1.2% for the City of Sydney. Additionally, this group has a high concentration of middle-aged adults with evidence of young families, with a high proportion of children aged 10 to 14 years. Shelter NSW endorses the position of the City of Sydney²⁸, in its *Housing for All: Local Housing Strategy (2020)*:

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

²³ 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>

²⁴ 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/>

²⁵ 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>

²⁶ Renewal SA. (n.d.). *Tonsley*. Retrieved from <https://renewalsa.sa.gov.au/projects/tonsley/>

²⁷ HillIPDA Consulting (March 2020), *Waterloo South – Housing diversity and Affordability*, op.cit. at p 33

²⁸ Ibid.

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

In other Waterloo precinct consultations²⁹ concerns expressed by Aboriginal people have been documented. These include concerns 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 should be targeted to Aboriginal people who are being forced out of the area.*

Shelter NSW supports the campaign [Aboriginal Affordable Housing Campaign](#) which calls for 10% of any housing developed on Government land be devoted to Aboriginal people and for affordable housing programs.

1.3 'Diverse housing' may not be affordable – but it could be.

We commend the NSW Government and specifically Minister Stokes for advancing the case for more 'diverse' housing. We support any innovation that might encourage a greater range of housing to meet the current and changing needs of the people of Sydney. We are concerned though, that without the necessary requirements, such innovative housing offerings will only be accessible to those at the upper end of income scales. A quick review of current Build-to-Rent offerings for example, indicates it is a 'boutique' product commanding premium prices.

In January 2019, Shelter NSW made comment on the *Waterloo Metro Quarter (WMQ) State Significant Precinct (SSP) Over Station Development*, a three-tower development which included a proposal for a substantial amount of student housing.³⁰ In our submission we recognised the need for more student housing in the Sydney LGA, but noted with concern the lack of requirement that student housing actually be 'affordable'. We echo those concerns in this submission. While it is true that student housing can be classified as 'different', as 'diverse', we recommend an explicit requirement that it be affordable for students on lower-income. Please refer to Appendix B for an extract of material we supplied in 2019 to support this position.

This is why we have bundled student housing and indeed Build-to-Rent, another example of 'diverse' housing, within our broader recommendation for more 'affordable housing'. We have gone a step further to recommend that the one third of total dwellings we recommend be affordable also include dwellings offered for sale under shared equity arrangements such as the program currently being piloted by the NSW Government³¹ to support single parents, older people and government key workers into home ownership.

²⁹ Ibid at p162

³⁰ Shelter NSW (2019), Submission regarding the SSD Waterloo Metro Quarter available via [Shelter NSW website](#)

³¹ NSW Government accessed 25 August 2022 from the [NSW Government website](#)

Recommendations:

- **increase the commitment to social and affordable housing in the Paint Shop Precinct to one third social housing and one third affordable housing (rental and home ownership)**, where the latter includes Affordable Rental housing (owned and managed by the Community Housing sector); affordable Build-to-Rent; affordable Student Housing and Shared Equity home ownership targeted at certain cohorts.
- **commit at least 10% of social and affordable housing to the Aboriginal community**

2. Supporting a future hi-rise Paint shop Precinct Community with many lower-income renters

According to AHURI research by Easthope et al³², 10% of the Australian population lives in an apartment (and increasing), mainly in capital cities (85%). Our interest at Shelter NSW is with the 39% of households living in high-density apartments from lower income households.³³ And while we are not against high rise living *per se* we note the research finds that these lower-income households are, *over-represented compared to other dwelling types* and are *disproportionally affected by challenges associated with apartment living*. Importantly these researchers have noted that, *“it’s not just the buildings, high-density neighbourhoods make life worse for the poor”*^{34 35}

At Shelter NSW, our focus is on people from the bottom two quintiles of household income Australia-wide. We are concerned that the failure to provide enough social and affordable housing across the inner city of Sydney will see many thousands of lower income renters exposed to the insecurity and unaffordability of the private rental market as illustrated in the 2022 *Anglicare Rental Affordability Snapshot*³⁶.

³² Easthope, H., Crommelin, L., Troy, L., Davison, G., Nethercote, M., Foster, S., van den Nouweland, R., Kleeman, A., Randolph, B., and Horne, R. (2020) *Improving outcomes for apartment residents and neighbourhoods*, AHURI Final Report 329, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/finalreports/329>, doi: 10.18408/ahuri-7120701

[Improving outcomes for apartment residents and neighbourhoods—Executive Summary \(ahuri.edu.au\)](https://www.ahuri.edu.au/research/finalreports/329)

³³ Easthope, H., Troy, L. & Crommelin, L. (2017) AHURi research funded by Shelter NSW *Equitable Density: The place for lower-income and disadvantage households in a dense city* sourced from UNSW City Futures Research Centre:

<https://cityfutures.adg.unsw.edu.au/research/projects/equitable-density-place-lower-income-and-disadvantage-households-dense-city/>

³⁴ Easthope, H., Troy, L. & Crommelin, L. (2017) *It’s not just the buildings, high-density neighbourhoods make life worse for the poor* (theconversation.com) article in The Conversation published 22 August, 2017 accessed 28/4/22

³⁵ Easthope, H., Troy, L. & Crommelin, L. (2017) *This is why apartment living is different for the poor* (theconversation.com) article in The Conversation published 21 August, 2017 accessed 28/4/22

³⁶ Accessed 28/4/22 <https://www.anglicare.asn.au/research-advocacy/rental-affordability/>

Beyond issues of affordability, we are also concerned that this development, effectively outsourced to the private sector, will not directly address the needs and concerns of future lower-income renters. And not just as ribbons are cut, but over time as the precinct and community itself ages and changes. As Easthope et al note ³⁷ *underpinning the high-density development of Australian cities is a policy orthodoxy that privileges market-led housing delivery and a reduced government role in direct housing provision and management... policy interventions directed at lower-income apartment residents have been limited.* They also note the narrow focus of developers, often catering more for investors when designing new apartment buildings leading to limited variation in apartment designs and sizes available.

Recommendations

- **Ensure lower-income residents (overwhelmingly renters) whether in social, affordable or private dwellings are a key focus of future precinct, building and dwelling design considerations** (taking account of the overlaying housing diversity and adaptability needs that arise from disability, cultural considerations, family size and the desire to age in place).

3. Need for a more innovative and commercial business model applied to public land renewal

Earlier this year Shelter NSW released research calling on the NSW Government to rethink its traditional approach to supplying social housing across the state – an approach that we assert, is holding back its key housing agency (LAHC) and compromising the delivery of enough social housing to make a material difference to the housing crisis in NSW³⁸. In our public commentary ³⁹ we have observed that the *Communities Plus* model has become so entrenched (we believe) it has stymied creative thinking about how its public housing renewal projects could be delivered for the greater public good. We surmise that this approach is not confined to LAHC.

This research more generally challenges the perceived (self-imposed) requirement of Government to sell public land assets in order to fund outcomes such as social housing. Rather, it asserts that retaining and leveraging public land could actually deliver more social housing in the long-term. It explores by way of illustration for Waterloo South, an alternative *model whereby 50% of new dwellings are public housing, 25% are retained by LAHC as build-to-*

³⁷ Easthope et al (2020) op. cit. Executive Summary at p3

³⁸ Murray, C. & Phibbs, P. (2021) https://shelternsw.org.au/news_items/reimagining-the-economics-of-public-housing-estate-renewal-and-the-role-of-government-new-research/

³⁹ Morton, R (March 5 2022) The Saturday Paper [Exclusive-leaked-documents-show-public-housing-plan-halved](#) (paywalled)

rent housing at market prices, and 25% are sold by LAHC to the private market ... using low-cost leverage to generate positive cashflow and maximises exposure to long-term capital gains for LAHC.

In a similar sense, Professor Bill Randolph and Dr Laurence Troy⁴⁰ in their submission to the Waterloo South Independent Advisory Group (IAG) have asked why the adoption of a private sector model, *as the only mechanism through which either plan is enacted* has not been debated? They make a strong case for a Not-for-Profit renewal of Waterloo South as a clear and viable alternative to the public-private partnership development model pursued under the current *Communities Plus* scheme. Under their proposal, delivery of a substantial component of Affordable Housing by the Community Housing sector would open new possibilities for the commercial, financial and operational delivery of the project.

We offer this research again, arguing that it has broader relevance for the overall Redfern North Eveleigh precinct urban renewal approach.

Recommendations

- **Apply a more innovative commercial and funding model to the development of this site and broader precinct** reducing the need for the NSW Government to sell a large tract of valuable public land to private developers, enabling a far greater proportion social and affordable housing on the site.
- **If necessary, apply additional targeted Government funds to ensure sufficient social and affordable housing is actually delivered on the Paint Shop sub-precinct** balanced against funding that is already required to support homelessness services and other costs that emerge due to a lack of social housing within the inner city (within the areas of domestic violence response; health; and corrections)⁴¹.

⁴⁰ Randolph,B. & Troy,L. (2021):

[Appendix A Submission to the Waterloo South Independent Assessment Panel.pdf](#)

⁴¹ As an aside, the Waterloo South Independent Expert Panel noted in its report at p55 that *the Redfern-Waterloo Affordable Housing Fund holds \$24m and is potentially available to contribute towards affordable housing on this site.*

Appendix A - Key workers and the rental crisis

Although there is no commonly accepted definition for ‘key worker’ industries in Australia⁴², 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. For instance, the following Table⁴³ makes it clear that in Greater Sydney, few LGAs are ‘affordable’ to rent in for critical workers such as laundry attendants, delivery drivers, early career emergency workers, and childcare educators:

Table 2: Number of LGAs with affordable median rent—Sydney

| | Weekly wage | Annual Equivalent (full-time) | Indicative salary for | Affordable median rent (number of LGAs) | | |
|--------------|-------------|-------------------------------|--|---|------------|------------|
| | | | | 1 bedroom | 2 bedrooms | 3 bedrooms |
| Q2 (low) | \$ 790 | \$ 41,080 | Laundry worker | 2 | 0 | 0 |
| Q2 (low-mid) | \$ 960 | \$ 49,920 | Commercial cleaners, delivery drivers, fire and emergency workers (early career) | 11 | 0 | 0 |
| Q2 (mid) | \$ 1,150 | \$ 59,800 | Enrolled nurse, ICT Support technicians, child carer, | 17 | 6 | 0 |
| Q2 (high) | \$ 1,350 | \$ 70,200 | Social worker, aged and disability carer, community welfare worker | 23 | 18 | 5 |
| Q3 (low) | \$ 1,500 | \$ 78,000 | RN/midwife (early career), tram and train driver | 27 | 19 | 12 |
| Q3 (mid) | \$ 1,850 | \$ 96,200 | Teacher (early career) | 39 | 28 | 20 |

Source: Authors; salary and rental price information derived from Australian Government 2020 and NSW Department of Communities and Justice 2020.

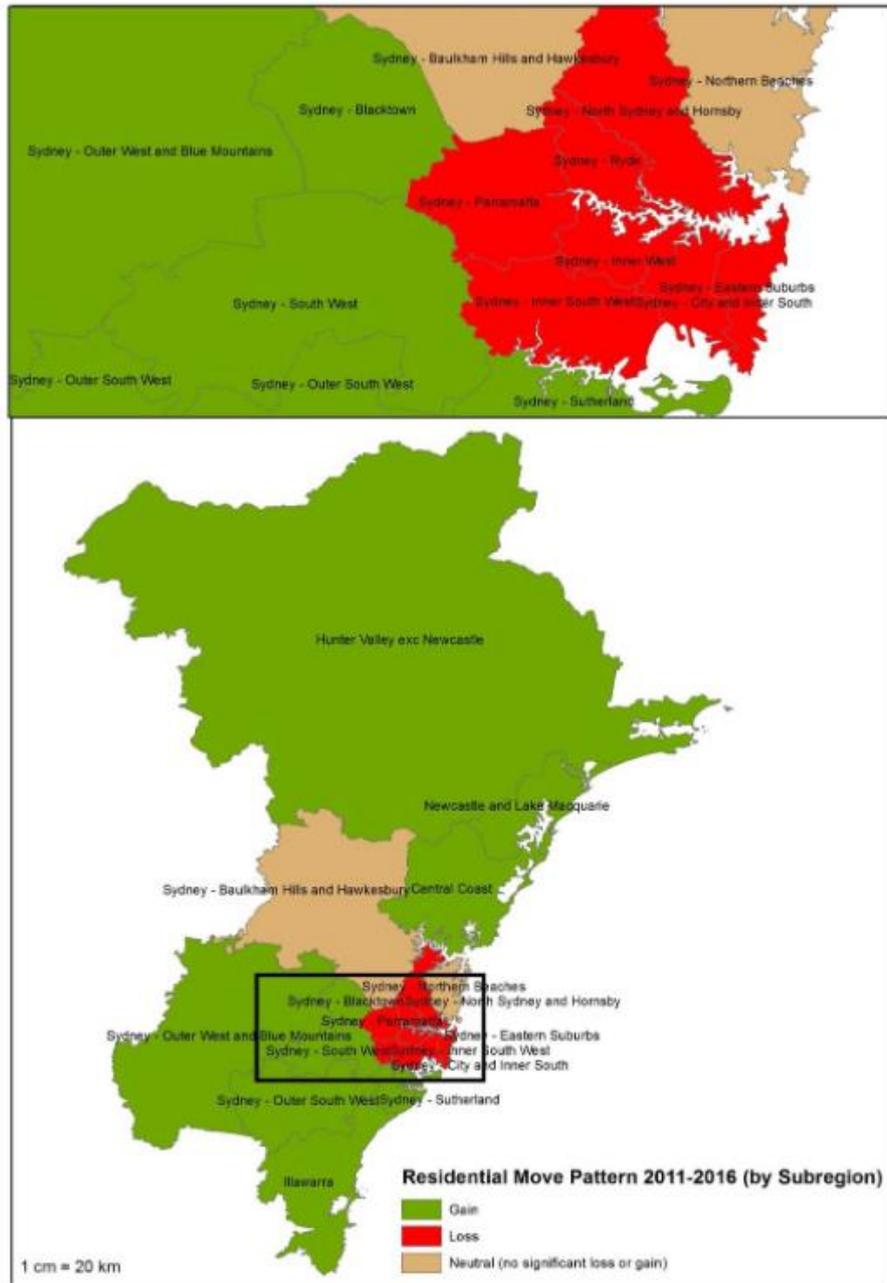
Note: There were 43 LGAs included in our analysis.

⁴² 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>

⁴³ Ibid, p. 31

Of particular concern is the 2011-to-2016 trend of key workers, such as nurses and aged care workers, needing to move further afield from their places of employment (i.e., inner city key workers needing to move to outer suburbs)⁴⁴. This trend is likely to have worsened since 2016, as the cost of renting has increased by 10+ per cent across Sydney in the past 12 months alone⁴⁵:

Figure 27: Key workers residing in each subregion in 2016 relative to 2011—Sydney



Source: Authors; data derived from ABS 2016q.

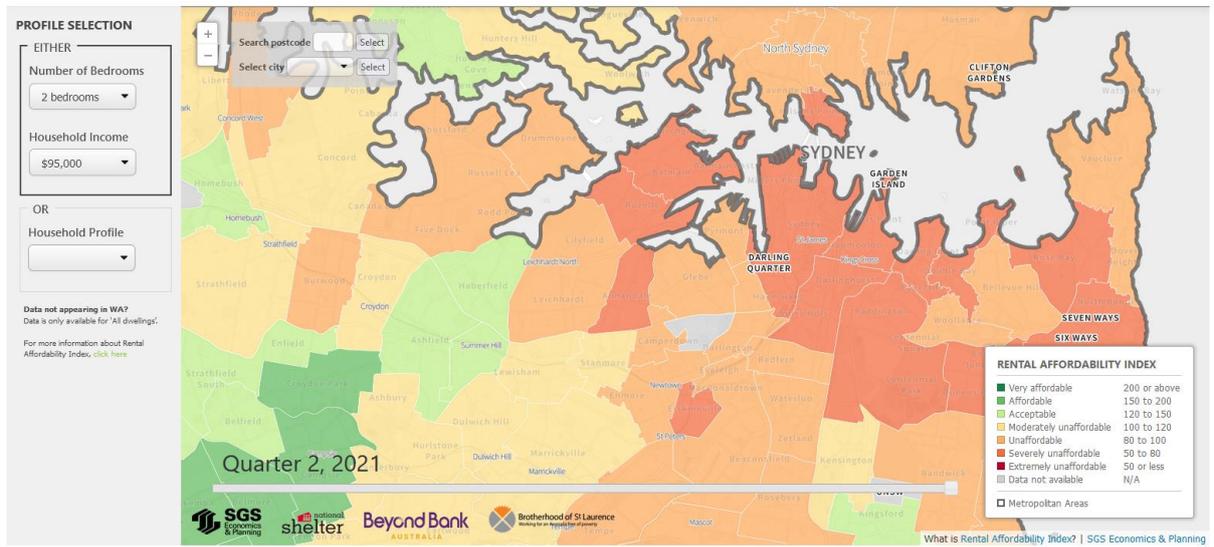
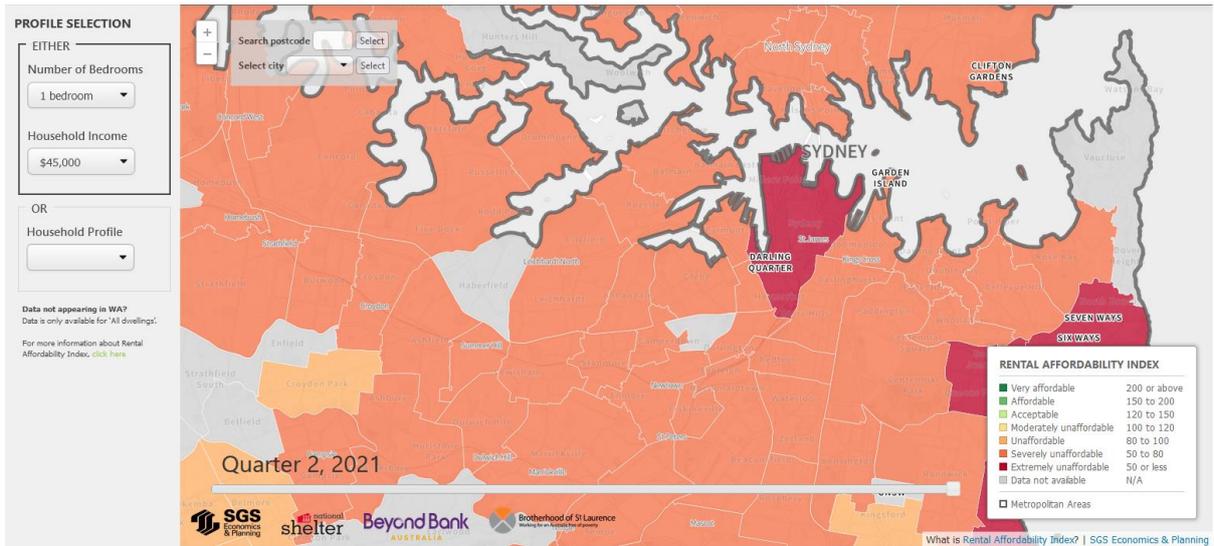
⁴⁴ Ibid, pp. 64-65

⁴⁵ SQM Research. (April 2022). *Weekly rents: Sydney*. Retrieved from <https://sqmresearch.com.au/weekly-rents.php?region=nsw-Sydney&type=c&t=1>

Abundant affordable, below-market rental housing is necessary to reverse the trend of key workers having to commute long distances to perform jobs – or having to altogether abandon performing critical work in affluent suburbs. The latest *SGS Economics Rental Affordability Index*⁴⁶ found low to middle income key workers in the following locations face “unaffordable to severely unaffordable” renting constraints:

| Suburb, postcode | Household profile | Annual income | Rental affordability Index (50 or less = extremely unaffordable, 200 or more = very affordable) |
|------------------|---|--|---|
| Redfern, 2016 | Single-income, single-person, 1-bedroom dwelling | \$45,000 (akin to full-time laundry worker) | 80 (severely unaffordable) |
| | Dual-income couple, no dependents, 2-bedroom dwelling | \$95,000 (akin to 2x full-time early career emergency workers) | 88 (unaffordable) |
| Waterloo, 2017 | Single-income, single-person, 1-bedroom dwelling | \$45,000 (akin to full-time laundry worker) | 52 (severely unaffordable) |
| | Dual-income couple, no dependents, 2-bedroom dwelling | \$95,000 (akin to 2x full-time early career emergency workers) | 84 (unaffordable) |
| Alexandria, 2015 | Single-income, single-person, 1-bedroom dwelling | \$45,000 (akin to full-time laundry worker) | 54 (severely unaffordable) |
| | Dual-income couple, no dependents, 2-bedroom dwelling | \$95,000 (akin to 2x full-time early career emergency workers) | 84 (unaffordable) |
| Glebe, 2037 | Single-income, single-person, 1-bedroom dwelling | \$45,000 (akin to full-time laundry worker) | 60 (severely unaffordable) |
| | Dual-income couple, no dependents, 2-bedroom dwelling | \$95,000 (akin to 2x full-time early career emergency workers) | 81 (unaffordable) |

⁴⁶ SGS Economics. (November 2021). *Rental Affordability Index: Key Findings*. Retrieved from <https://www.sgsep.com.au/sgs-lab/rental-affordability-index> [interactive map]

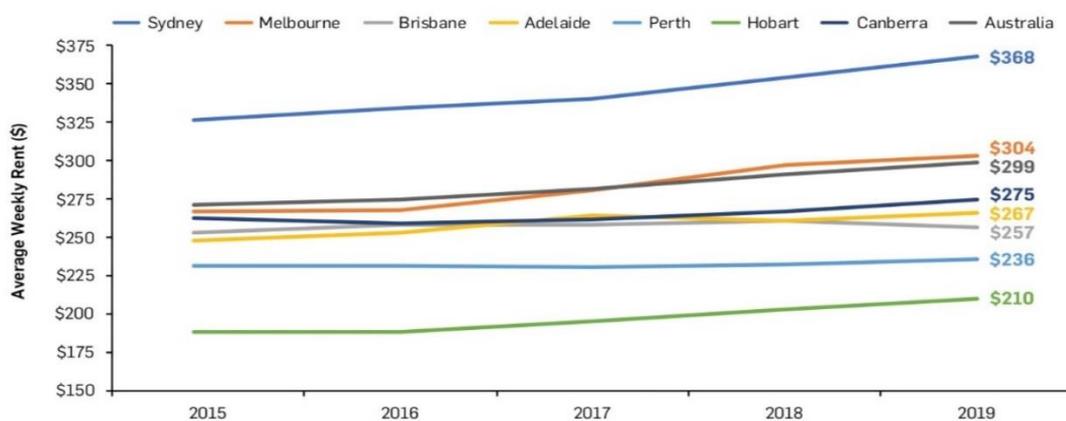


Appendix B – Student income profile and the need for truly affordable housing (extract from Shelter NSW 2020 submission regarding the Waterloo Metro Quarter Over Station Development)

Shelter NSW accepts that there is demand for student housing in the Sydney LGA and endorses the position that affordable student housing is in high demand.

In its *Student Accommodation – mid year market update 2019*⁴⁷ Urbis provides a student rental rate analysis. It notes, in relation to the figure below: *Sydney records the highest average weekly fees reflecting the high cost of living compared to other capital cities*

CHART 2.1 - AVERAGE WEEKLY RENTS
AUSTRALIA 2015 - 2019



Anecdotally, a quick review of local student accommodation rental sites reinforces our position that commercial student accommodation cannot be considered ‘affordable’.

For example, the Iglu student housing provider was on December 1, 2020, advertising a ‘standard studio apartment’ in Redfern as being ‘available now’ and ‘from \$529 per week’. A single room in a 4-share student apartment (4 bedrooms, 4 bathrooms) was advertised as \$449 per week.

In considering the rental affordability of student housing it is useful to be reminded about the income profile of students. In August 2018, Universities Australia published its 2017 *Student Finances Survey*. In section 2.1 it sets out Student Income and notes that in 2017, the median income for all domestic undergraduate students was \$20,900, whereas international undergraduate students were \$18,300 (‘very-low’ income earners within the general Australia context). The Universities Australia analysis goes further, (in

⁴⁷ Urbis (2019) *Student Accommodation – mid year market update 2019* at p 13 accessed from [Urbis Mid-Year-Market-Update-Condensed-Version-18092019.pdf](#)

section 2.4) to examine the *Overall Estimated Annual Income Compared to Expenditure*. It concludes that a substantial proportion (over 30 per cent) of students at all degree levels estimated their income was *less* than their estimated expenses. This figure is amplified for Indigenous students (43.3 per cent) and international students (49.2 per cent).

Table 2.1 from the Universities Australia research is copied here for more detail:

Table 2.1: Median annual student income from 2006-2017

| Student median income <i>(Rounded to nearest 100s)</i> | 2006 | 2012 | 2017 |
|--|-------------|-------------|-------------|
| Domestic undergraduate | | | |
| All domestic undergraduates | \$18,900 | \$20,400 | \$20,900 |
| Full-time | \$16,600 | \$18,300 | \$18,300 |
| Part-time | \$41,500 | \$34,700 | \$33,900 |
| Domestic postgraduate coursework | | | |
| All domestic PGCW | No data | \$40,600 | \$41,000 |
| Full-time | \$15,100 | \$23,000 | \$23,600 |
| Part-time | \$60,400 | \$52,000 | \$55,100 |
| Higher-degree research | | | |
| All domestic HDR | No data | \$36,900 | \$39,600 |
| Full-time | \$38,200 | \$35,600 | \$36,800 |
| Part-time | \$55,000 | \$48,100 | \$50,000 |
| International | | | |
| Undergraduate | No data | \$19,700 | \$19,200 |
| Postgraduate Coursework | No data | \$33,700 | \$21,900 |
| HDR | No data | \$29,900 | \$30,000 |

International students are keenly sought after, by education providers as well as state and federal governments. These students however, are often vulnerable in the housing market.

In its July 2019 article, *No Place Like Home - Addressing Exploitation of International Students in Sydney's Housing Market* the UNSW Human Rights Clinic describes the precarious life held

by international students in Australia and Sydney, specifically.

In its executive summary it states:

Sydney... has very limited dedicated student accommodation on campus or within commercial Purpose Built Student Accommodation (PBSA). As a result, most international students in Sydney rely on private rentals. Cost and other barriers render the formal rental market inaccessible to most international students. Instead, most live in share houses, boarding houses and other insecure arrangements in the marginal rental sector, which they find online. International students are therefore highly vulnerable to deceptive and exploitative conduct both when finding a place to live, and as tenants.

And in the conclusion, it states the following, and then calls on all levels of government to *Increase Access to Adequate Affordable Housing*:

A considerable proportion of international students in Sydney (and other Australian cities) do not currently enjoy the basic human right to live in a place that is legally and physically secure, affordable, accessible, habitable, and has the facilities necessary for its occupants to live in security, peace and with dignity

Shelter NSW joins with other agencies and education sector stakeholders in calling for more affordable student housing to cater for a diverse range of students.