



# Making affordable housing a priority:

The St Vincent de Paul Society NSW's Submission to the Central Coast Council's *Draft Affordable and Alternative Housing Strategy*.

## 1. *Introduction*

The St Vincent de Paul Society NSW welcomes this opportunity to respond to the Central Coast Council's *Draft Affordable and Alternative Housing Strategy* (Draft Strategy).

Our vision is for a local government area where people from all socio-economic backgrounds can live in accessible, safe, affordable, stable and enabling homes. It is a vision for a place where each neighbourhood is home to communities who are economically, socially and culturally diverse, rather than a collection of enclaves segregated by wealth. Our Regional Councils in Gosford and Wyong therefore strongly support the Council's vision, outlined in the Strategy, for a 'fair and inclusive region, where everyone has access to affordable and sustainable housing'.

We commend the Council for developing the Draft Strategy, and for its commitment to social and affordable housing. However, we believe the Council has the potential to make a more significant contribution to alleviating the affordability crisis. This includes through bolder commitments to leveraging change within the Council's own sphere of influence, and stronger efforts to lobby the State Government for the changes needed to bring about large-scale improvements to housing affordability and security.

Our recommendations are:

1. Dedicated affordable housing partnerships on council-owned sites should be well-located with respect to transport and services, and tailored to the needs of specific cohorts of people experiencing or at-risk of homelessness on the Central Coast.
2. Consideration should be given to a housing first approach to homelessness in the developments to occur on council-owned land. The Central Coast Council should ensure that any accommodation for people who have formerly been homeless is accompanied by long-term tenant support services, with key performance indicators for these projects to include long-term tenant outcomes.
3. Any tendering process or preferred partnering arrangement should incorporate strategies to maximise the potential for Aboriginal led organisations to participate.
4. The Central Coast Council should commit to ensuring at least 30% of any new residential developments on council-owned land be set aside for affordable housing in perpetuity.
5. The Central Coast Council should support the NSW Government's proposal to include all local government areas in State Environmental Planning Policy No. 70, and under this policy, should look to develop affordable housing contribution schemes in suitable areas across the LGA.
6. The Central Coast Council should ensure not-for-profit housing providers play a central role in the management of affordable housing.
7. The Central Coast Council should consider waiving or reducing section 94 contributions for social and affordable housing projects.
8. The Central Coast Council should appoint an affordable housing advocate/mentor to social housing projects to facilitate the planning and approval process.
9. The Central Coast Council should adopt an indicative target for reducing the number of people experiencing homelessness in the LGA of 25% by 2021, using the 2016 Census as a baseline.

10. The Council should make annual reports against the key performance indicators and the indicative targets publicly available.
11. The Central Coast Council should commit to adequately resourcing the Affordable and Alternative Housing Strategy.
12. The Central Coast Council should advocate to the NSW Government for an increase in resources to build more social housing dwellings on the Central Coast.
13. The Central Coast Council should advocate to the NSW Government to introduce legislation requiring at least 15% of new residential developments be set aside for affordable housing, and 30% for developments on Government-owned land.
14. The Central Coast Council should call on the NSW Government to remove the no grounds eviction clause from NSW rental laws.

We look forward to working with Council to ensure everyone can live with dignity in our Central Coast community

## 2. *About the St Vincent de Paul Society NSW*

The St Vincent de Paul Society assists some of the most disadvantaged and marginalised members of the community. With over 20,000 members, volunteers and staff state wide, we aspire for a more compassionate and equitable society where everyone can live with dignity.

Over the past two years, Members of the Society have campaigned vigorously for more affordable housing. We have worked to provide clear policy recommendations that fulfil our Member's visions for a more inclusive society.

In November 2016, we launched the *Right to Home* campaign, calling on parliament to legislate inclusionary zoning targets. The support from the community has been overwhelming. In just a few months, more than 16,000 people signed our petition asking that at least fifteen percent of new developments be set aside for affordable housing. This petition echoes the repeated calls for new inclusionary zoning requirements to be adopted in NSW,<sup>1</sup> with at least fifteen percent of new developments comprising affordable housing considered an appropriate target by a large coalition of faith-based organisations, welfare groups, academics and unions.<sup>2</sup> The petition was presented and debated in the NSW parliament, and the NSW Opposition subsequently committed to allocating 15% of developments on private land to affordable housing, and 25% of developments on public land.

On the Central Coast, the St Vincent de Paul Society is divided into two Regions (Gosford and Wyong). Each region consists of eleven Conferences. The Conferences consist of 103 Members who undertake visits to the homes of people in need of the Society's assistance. This has provided us with a unique opportunity to observe the conditions under which our clients live and the affordability of their housing.

Our Conferences have been active in assisting marginalised and disadvantaged people in NSW for more than 130 years and have operated on the Central Coast for 97 years. For the vast majority of the people who seek our assistance the lack of affordable housing is now a key concern. We therefore applaud the Central Coast Council for developing this Strategy to address the growing need for affordable housing in our area.

---

<sup>1</sup> See for instance the ['Open letter to the NSW Premier and Planning Minister'](#) of August 2016 signed by Wendy Hayhurst (CEO, NSW Federation of Housing Associations), Katherine McKernan (CEO, Homelessness NSW), Professor Peter Phibbs (Faculty of Architecture, Design and Planning), Professor Bill Randolph (Director, City Futures, UNSW), Dr Tim Williams (CEO, Committee for Sydney).

<sup>2</sup> See for instance [Open letter to the Premier](#) of November 2016 endorsed by Anglicare, Baptist Churches NSW & ACT, BaptistCare, Catholic Archdiocese of Sydney, Catholic Diocese of Parramatta, CatholicCare Sydney, Churches Housing, Inner South West Community Development Organisation, Jewish House, Marist 180, Mission Australia, National Tertiary Education Union, NSW Branch, National Zakat Foundation, Rail, Tram and Bus Union, NSW Branch, Settlement Services International Shelter NSW, St Vincent de Paul Society NSW, Sydney Alliance, Tenants Union, United Muslim Women's Association, United Voice, NSW Branch, Uniting, Uniting Church Synod NSW & ACT, Y-Foundations, Youth Action. See also Homelessness NSW, [Submission to the Greater Sydney Commission](#)'s draft District Plans [accessed 24/03/2017].

### 3. Context

The lack of social and affordable housing properties available for people on lower incomes has been well documented. This has far-reaching consequences for people who are experiencing housing stress and homelessness, as well as for the services that support these people. Some of the statistics below are well-known, but worth stressing in the context of the systemic failures that have had the effect of encouraging speculation in the housing sector rather than delivering homes that people can afford to live in:

- **There are approximately 60,000 people waiting for social housing in NSW**, with wait times exceeding ten years on average in areas of highest need such as the Central Coast.<sup>3</sup> In the Central Coast waitlist times are 5 or more years across all Allocation Zones and in many areas are at 10 years. To maintain the (occupied) social housing stock at its current 4.8% share of (occupied) dwelling stock in NSW, an additional 2,000 dwellings are needed each year.<sup>4</sup> In the meantime, the lack of social housing properties means that thousands of people are left struggling in the private rental sector. On the Central Coast we have greater demand, as a percentage of population, than in Greater Sydney, with less social and affordable housing available.
- **Less than 1% of rental homes in Greater Sydney and the Central Coast Region are appropriate and affordable for households on Government income support payments.**<sup>5</sup> Almost 94% of the people assisted by our members receive some form of Centrelink payment with the three most commonly reported primary income sources being the Disability Support Pension, Newstart and Parenting Payment. Of the clients assisted by our members:
  - 41% live in private rental accommodation
  - 36% live in social housing.
  - 17% are homeless or in temporary accommodation.<sup>6</sup>

*These statistics also apply to the Central Coast where an additional 7,300 households will be in need of affordably priced housing between 2016-2036 (JS and associates 2018).*

- The lack of social and affordable housing also affects specialist homelessness service delivery. In 2016/17 approximately 74,000 clients were supported by homelessness services (43% increase since 2013/14, 6% increase since 2015/16). Two in every five clients did not receive crisis or other accommodation despite requesting it.<sup>7</sup> Evidence has shown that the effectiveness of specialist homelessness services is largely dependent on the availability of housing that is affordable for people on lower-incomes<sup>8</sup> – housing that is also stable, well-located (close to jobs, public transport, educational, health and other services), appropriate (for family size, disability, ageing, cultural and other needs), safe and enabling.

*“It is not uncommon to find a family living in a converted garage, unlined, poor heating and hence a large electricity bill but paying unaffordable rent.” (Woy Woy Conference, the St Vincent de Paul Society. 2018)*

St Vincent de Paul Society sees the people behind these statistics every day. For the men and women who struggle to make ends meet, the lack of affordable housing means living in indecent conditions, having to commute long hours to work and in the most tragic of cases staying at home with a violent partner. This shortage is the result of systemic failures that is shaking social cohesion.

In light of these statistics, we believe that affordable housing should be front and centre of the Council’s housing plans.

<sup>3</sup> In 2018 FACS NSW reported there were 55, 949 people on waitlist. However, for the first time this figure excludes “temporarily suspended applications”.

<sup>4</sup> Judy Yates, 2015, [Addressing the Housing Affordability Crisis: Basis for an estimated need of 100,000 social housing dwelling in NSW over the next two decades](#), University of Sydney [accessed 24/03/2017].

<sup>5</sup> See [Anglicare, 2016 Rental Affordability Snapshot, April 2016](#) [accessed 24/03/2017].

<sup>6</sup> St Vincent de Paul Society NSW, *Snapshot of assistance provided by the Conferences in Q1 2016-17*.

<sup>7</sup> Homelessness NSW (2018) [State Election Platform 2018-19](#).

<sup>8</sup> NSW Department of Family and Community Services, [Homelessness Action Plan Evaluation Strategy Evidence Note No. 7](#) [accessed 24/03/2017].

#### 4. *Council's Strategic Themes*

The section below addresses each of the strategic themes identified in the Draft Strategy. Our comments aim to strengthen Council's ability to reduce the experience of housing stress and homelessness on the Central Coast. We are primarily concerned with making sure that the people we assist, who overwhelmingly rent in the social or private housing sector, become a priority for the Central Coast Council.

##### *Affordable Housing Development and Management Partnerships*

We strongly support the proposal to dedicate at least three Council-owned sites for affordable housing partnerships. To maximise the potential for this strategy to reduce the level of need, the Council should ensure:

- These sites are well-located with regard to transport, employment opportunities *and* services (schools, health etc).
- Developments meet the needs of specific cohorts of people experiencing housing stress or homelessness in the Central Coast. This will necessitate consultation with both service providers, and with people to whom the housing will be targeted.
- Consideration be given to a housing first approach to homelessness, rather than prioritising temporary or transitional accommodation.
- Any accommodation for people who have formerly been homeless is accompanied by long-term tenant support services.
- The key performance indicators for these projects should include long-term tenant outcomes such as household income changes, school outcomes/qualifications.
- Any tendering process or preferred partnering arrangement incorporates strategies to maximise the potential for Aboriginal providers to participate.

**Recommendation 1:** Dedicated affordable housing partnerships on council-owned sites should be well-located with respect to transport and services, and tailored to the needs of specific cohorts of people experiencing or at risk of homelessness on the Central Coast.

**Recommendation 2:** Consideration should be given to a housing first approach to homelessness in the developments to occur on council-owned land. The Central Coast Council should ensure that any accommodation for people who have formerly been homeless is accompanied by long-term tenant support services, with key performance indicators for these projects to include long-term tenant outcomes.

**Recommendation 3:** Any tendering process or preferred partnering arrangement should incorporate strategies to maximise the potential for Aboriginal providers to participate.

As well as dedicating a number of sites specifically to affordable housing partnerships, we recommend Council ensure at least 30% of any new dwellings on council-owned land be set aside for affordable housing in perpetuity.

**Recommendation 4:** The Central Coast Council should commit to ensuring at least 30% of any new residential developments on council-owned land be set aside for affordable housing in perpetuity.

##### *Planning mechanisms and strategies*

**Inclusionary zoning:** We contend that direct market intervention is needed in order to meet the growing need for social and affordable housing. There is now good evidence that increased supply is an

inadequate solution to the scale of the problem we are facing. Large property developing groups operating in New South Wales are used to inclusionary zoning requirements above fifteen per cent in other jurisdictions, which have not substantially shaken their business model. In South Australia for instance, the state's Housing Plan and fifteen per cent target delivered 1,223 affordable home in 2013 alone, with a further 2,793 affordable homes committed to be built in future developments.<sup>9</sup>

New York City is another example of a successful housing policy that includes an inclusionary zoning scheme. The *Housing New York* plan has financed 62,506 affordable homes since its inception in 2014 - breaking records for most new construction financed for a consecutive three years with 20,854 total homes financed. The New York administration is ahead of schedule to reach its goal of creating or preserving 200,000 units of affordable housing in ten years.<sup>10</sup>

Part of New York City's success is due to a pioneering program to make affordable housing mandatory and permanent wherever new housing capacity is approved through land use actions.<sup>11</sup> The program allows the New York City Council to legislate up to four options that developers can choose between in providing affordable housing:

- Option 1: 25% set aside at an average of 60% Area Median Income (AMI)
- Option 2: 30% set aside at an average of 80% AMI
- Option 3: 20% set aside at an average of 40% AMI
- Option 4: 30% set aside at an average of 115% AMI (available in limited areas)

Vinnie's Right to Home campaign has seen thousands of people across NSW join our call to the Government to legislate clear inclusionary zoning requirements. We would like to see the NSW Government introduce a requirement that at least 15% of new residential developments are set aside for affordable housing, and 30% for developments on Government-owned land. This applies to land owned by State and Local Governments.

In the absence of such a requirement, we recommend the Council make use of the NSW Government's State Environmental Planning Policy No. 70 (SEPP 70). We note that the NSW Government recently proposed amending SEPP 70 to include all local government areas and strongly support this proposal. Should it proceed, we recommend the Central Coast Council look to develop affordable housing contribution schemes in suitable areas across the LGA in addition to lobbying the State Government for an affordable housing levy within the forthcoming Gosford Town Centre SEPP. As per our recommendation on inclusionary zoning, the contribution rate should be increased to at least 15% of total Ground Floor Area.

**Recommendation 5:** The Central Coast Council should support the NSW Government's proposal to include all local government areas in State Environmental Planning Policy No. 70, and under this policy, should look to develop affordable housing contribution schemes in suitable areas across the LGA.

Where affordable housing is provided, the role of community housing providers should be central. This would help ensure new units of housing are properly managed and permanently affordable for people on very low and low incomes. Evidence has shown that community housing providers deliver positive outcomes and high levels of satisfaction for tenants.<sup>12</sup>

**Recommendation 6:** The Central Coast Council should ensure not-for-profit housing providers play a central role in the management of affordable housing.

**Section 94 contributions:** The Council could provide additional support for affordable housing by waiving or reducing section 94 contributions for social and affordable housing projects. The purpose of

<sup>9</sup> See [AHURI, Increasing the supply of affordable housing for low income tenants](#).

<sup>10</sup> See [Housing New York Three Years of Progress](#) [accessed 24/03/2017].

<sup>11</sup> See Housing New York, [Mandatory inclusionary Zoning \(MIZ\)](#) [accessed 24/03/2017].

<sup>12</sup> The NSW Federation of Housing Associations found that on average, 84% of community housing tenants were overall satisfied. See [Community Housing Tenant Satisfaction Benchmark](#), November 2014.

these contributions is to support the provision of public services and facilities. Given affordable housing is already a public service there is a case for linking a reduction in fees to the proportion of social or affordable housing provided. A number of councils across Sydney already do this.

**Recommendation 7:** The Central Coast Council should consider waiving or reducing section 94 contributions for social and affordable housing projects.

**Affordable housing application advocate/mentor:** The planning process can be difficult, costly, and time-consuming to navigate. If the Council were to allocate a senior planning officer (or higher) as an affordable housing advocate/mentor to oversee social and affordable housing project applications this would help facilitate the progress of plans through planning and approval processes. The advocate/mentor could help troubleshoot issues as they arose, and support liaison with key stakeholders such as utility providers.

**Recommendation 8:** The Council should appoint an affordable housing advocate/mentor to social housing projects to facilitate the planning and approval process.

### ***Prevention and Intervention to reduce homelessness***

We note that the Draft Strategy does not propose an indicative target for reducing homelessness in the Central Coast LGA. We believe a short-to-medium term target would help mobilise resources to reduce homelessness and would give sharper focus to the efforts of non-government organisations, businesses, government agencies and individuals who share the goal of ending homelessness in NSW. The St Vincent de Paul Society is part of the Act to End Street Sleeping Taskforce which aims to reduce street sleeping by 25% by 2020 in the City of Sydney. We recommend the Central Coast Council adopt a similar target for a reduction in the number of people sleeping rough or living in temporary or crisis accommodation.

**Recommendation 9:** The Central Coast Council should adopt an indicative target for reducing the number of people experiencing homelessness in the LGA of 25% by 2021, using the 2016 Census as a baseline.

### ***Administration and Maintenance + Monitoring and Evaluation***

We support the draft strategy's emphasis on transparent reporting and accountability. We would like to clarify that as part of this commitment, annual reports against key performance indicators and the indicative targets will be made publicly available.

In addition, we recommend the Council explicitly commit to adequately resourcing all the proposed strategies, in addition to committing to adequate responsive, recurrent and planned maintenance.

**Recommendation 10:** The Central Coast Council should make annual reports against the Key Performance Indicators and the indicative targets publicly available.

**Recommendation 11:** The Central Coast Council should commit to adequately resourcing the Draft Strategy.

## ***5. State and Federal policy levers***

The St Vincent de Paul Society acknowledges that fixing the disconnection between rents and income levels, and more broadly reverting growing inequalities, is an enormous task that requires change across all levels of Government. We have outlined the policies we think are needed in numerous submissions.<sup>13</sup> We are pleased that the Central Coast's Draft Strategy recognises the importance of advocating to the

<sup>13</sup> This includes: St Vincent de Paul Society submission to the NSW Department of FACS in response to Foundations for Change: Homeliness in NSW, 2016; [Homelessness services: considerations for funding and policy reform, August 2016](#); Submission to the Productivity Commission Inquiry into Human Services: Identifying sectors for reform, August 2016; [Submission to Senate Economics Committee regarding the Inquiry into Affordable Housing, 2014](#); [Submission on 'Social Housing in NSW: A Discussion Paper for Input and Comment', 2015](#); Submission to the Legislative Council Select Committee on Social, Public and Affordable Housing, Inquiry into Social, Public and Affordable Housing, 2014.

State Government, as the housing affordability issues on the Central Coast are not isolated. The situation on the Central Coast is directly related to the lack of affordable housing across the Sydney region.

The following are critical areas of advocacy for the Central Coast Council to raise with the State Government:

**Funding social housing:** While the draft Strategy identifies a number of areas in which increased State Government resourcing is required to meet the growing level of need, it does not explicitly mention the need for direct investment in building more social housing dwellings. Research commissioned by the Community Housing Industry Association suggests that NSW needs an additional 5000 social housing dwellings a year for the next 10 years to return social housing stock to a 6% share of total dwellings.<sup>14</sup>

**Recommendation 12:** The Central Coast Council should advocate to the NSW Government for an increase in resources to build more social housing dwellings on the Central Coast.

**Mandating inclusionary zoning:** As outlined above, Vinnies has been calling on the NSW Government to introduce legislation requiring that at least 15% of new residential developments are set aside for affordable housing, and 30% for developments on Government-owned land. We recommend the Central Coast Council add its voice to these calls.

We further note that at the Local Government NSW Conference in October 2018, Local Government NSW resolved:

- To support the development of affordable housing targets of 25% on government owned land, and the establishment within 12 months of an effective mechanism of inclusionary zoning for privately developed land that responds to local need and context;
- To lobby the NSW Government on the issue of affordable housing, expressing the above view; and
- To develop strategies to support local councils in NSW in increasing affordable housing in their local government areas.

**Recommendation 13:** The Central Coast Council should advocate to the NSW Government to introduce legislation requiring at least 15% of new residential developments be set aside for affordable housing, and 30% for developments on Government-owned land.

**Improving private rental:** The Draft Strategy recognises that access to the private rental market can play an important role in preventing or alleviating homelessness. Linked to access is the need for security. Currently, tenants can be evicted from their homes for any reason. This not only undermines their security, but also makes it harder for them to assert their rights – such as asking for repairs – because they fear it may result in eviction. We therefore recommend that Central Coast Council support the calls to remove the no grounds eviction clause from NSW rental laws.

**Recommendation 14:** The Central Coast Council should call on the NSW Government to remove the no grounds eviction clause from NSW rental laws.

## 6. Conclusion

The St Vincent de Paul Society is pleased to endorse the Central Coast Council's initiative to have a strategic plan to improve access to affordable and alternate housing. Our recommendations are based on our experience working with people experiencing housing stress and homelessness. The Society would like to work with Council to achieve a more equitable society in which every person can realise their right to a home.

<sup>14</sup> Everybody's Home. Social and Affordable Housing Projections for Australia. Accessed 14 November 2018 at [https://everybodyshome.com.au/wp-content/uploads/2018/04/EH\\_researchreport\\_190418-1.pdf](https://everybodyshome.com.au/wp-content/uploads/2018/04/EH_researchreport_190418-1.pdf)