
Inner East Sydney Regional Housing Strategy

Housing Issues + Key Principles

November 2005

Contents

Executive Summary	5-10
1. Introduction	
1.1 Local Government Housing Initiatives Program	12
1.2 Aims of LGHIP Inner East Sydney Project	12
1.3 Project Framework	13
2 What is Affordable Housing	
2.1 Who Needs Affordable Housing	14
2.2 Why Are Councils Involved in Affordable Housing Initiatives	15
3 Population and Housing Profile: A Snapshot	
3.1 About the Study Area	16
3.2 Population Characteristics	16
3.3 Household Composition	19
3.4 Household Size	20
3.5 Employment and Income	21
3.6 Dwelling Stock and Housing Tenure	22
3.7 Average Housing Costs	24
3.8 Occupancy & Vacancy Rates	25
3.9 Local Migration Characteristics of Study Area	
Residents: 1996-2001	25
3.10 Homeless People	30
4 Social Housing Sector	
4.1 Changes in the Social Housing Policy Environment	35
4.2 Public Housing	35
4.3 Community Housing	38
4.4 Indigenous Housing	38
4.5 Crisis & Emergency Accommodation	39
5 Housing Affordability and Cost	
5.1 Housing Costs within the Study Area	40
5.2 Housing Need Indicators	45
5.3 Housing stress	47
5.4 Mismatches in Housing Size and Supply	49
6 Major Regional Housing Issues	
6.1 Continuing loss of Boarding Houses and Impact on the Homeless	52
6.2 Continuing Loss of Affordable Rental Housing Stock	53
6.3 Supported Accommodation for the Long Term or Itinerant Homeless	54
6.4 Need to Improve Access to Affordable Housing for People with Physical Mobility Issues	54
6.5 Need for a Sustainable Affordable Housing Service Delivery and Property Management Framework	54
6.6 Partnerships with the NSW Department of Housing	55
6.7 Provide Adequate Resources to Council Staff to Research and Implement Local and Regional Housing Initiatives	55
6.8 Ageing Dwelling Stock and Low Amenity in Private Housing Precincts	56

7	Existing Local Affordable Housing Initiatives	
7.1	Botany Bay Council	57
7.2	Marrickville Council	57
7.3	Randwick City Council	58
7.4	City of Sydney	59
7.5	Waverley Council	60
7.6	Observation and Discussion	61
8	Key Drivers and the Dynamics of the Regional Housing Market	
8.1	Key Drivers and Market Dynamics	63
8.2	Impact of High Housing Costs on the Regional Community	66
9	Conclusions and The Way Forward	68
9.1	Key Principles	70
10	Implementation Plan	
10.1	Key Steps	71
10.2	Relationship of Regional Housing Strategy to Councils' Plans	71
10.3	Outcomes of Key Work Area Projects	71
10.4	Examples of Affordable Housing Strategies and Actions	72

List of Tables

1. Population and geographic characteristics
2. Popular countries of birth of overseas born residents
3. Living arrangements
4. Unemployment rates, comparison between gender & rate of change from 1996
5. Average family incomes for different family household types
6. Number of occupied dwellings
7. Proportion of occupied dwellings of each major type
8. Housing tenure
9. Average housing costs by LGAs
10. Occupancy and vacancy rates
11. Migration from/into LGAs
12. Number of telephone calls made to HPIC
13. Breakdown of the age groups and gender of people assisted
14. Top five self-reported client characteristics
15. Top five primary reasons provided by client for homelessness
16. Public housing stock and bedroom size profile
17. Applicants allocated housing in 2000/2001
18. Properties managed by community housing sector
19. Housing for Aboriginal and Torres Strait Islander People
20. Weekly rents for new bonds lodged in 2001
21. Weekly rents for new bonds lodged in 2001
22. Number of CRA clients by LGAs
23. Renters low to moderate income earners in housing stress
24. Low-moderate income home purchasers in housing stress
25. Low-moderate income renters in housing stress by household type
26. Low-moderate income home purchasers in housing stress by household type
27. Number of private rental dwellings leased for less than \$250 per week

List of Figures

1. Map of the Study Area
2. Pie charts showing age groupings of five LGAs
3. Household size
4. Public housing stock profile
5. Proportion of dwelling stock that could be affordably rented
6. Increase/decline of affordable rental accommodation over 5 year period
7. Pie chart showing LGAs share of affordable rental dwellings
8. Proportion of dwelling stock that could be affordably purchased
9. Increase/decline of dwelling stock that could be affordably purchased
10. CRA recipients by family type
11. Household size (No. of persons)
12. Dwelling Size (No. of bedrooms)

References 79

Acknowledgement 80

Executive Summary

Introduction

In 2003, a group of five 'inner east' Sydney local government councils responsible for managing the inner eastern side of the Sydney Metropolitan Area were jointly awarded a Local Government Housing Initiatives Program grant to employ a Regional Housing Coordinator (RHC). The role of RHC was to examine housing affordability issues in the five Local Government Areas (LGAs) of City of Sydney, Randwick, Marrickville, Waverley and Botany Bay, and to help coordinate the development of a regional approach aimed at supporting and increasing affordable housing in the Study Area. The required outcomes of the project are:

- An improved understanding of housing affordability issues and their impact on residents from a regional perspective.
- Identification and completion of specific key housing related tasks aimed at supporting council officers.
- Development of a regional approach to address some of the more critical housing issues in the Study Area over a three to five year timeframe.

Key Findings

Population and Housing Characteristics

- The Study Area has a population of nearly 446,000 people living in some 182,000 dwellings, representing an average 2.4 persons per household. It has a culturally diverse population with 50% born overseas. Population numbers are fairly stable in that the changes in growth or decline since 1996 are comparatively minor. The exception is City of Sydney, whose growth rate between 1996 and 2001 has tripled.
- The Study Area is one of Sydney's most populated urban areas with a substantial proportion of its housing being in medium to high density forms. It is well served with facilities, services and public transport, and is located near beaches, the Sydney CBD and major employment nodes.
- The largest group of households are those living as married couples with or without children. Both Botany and Randwick LGAs have relatively larger proportions of children under 12 years while City of Sydney has the smallest proportion. Botany Bay, Randwick and Waverley LGAs also have higher proportions of people aged over 55 years. Over the next 10 years or beyond, the proportion of 'elderly' residents is expected to increase significantly and is likely to result in a greater demand for housing that is accessible and appropriate for those who prefer independent living.
- The proportion of people living alone is also significantly high when compared to the average figure for Sydney. Many of the lone householders are older women, which will have future planning implications where security and aged support services are concerned.
- The Study Area as a whole has a relatively balanced mix of dwelling types: houses (including attached) and medium density and high rise flats. However residential flats are not evenly distributed throughout the Study Area. City of Sydney and Waverley LGAs have by far the biggest share. In terms of housing tenure, there is a relatively even mix of home owners (including purchasers) and private renters in Marrickville, Randwick and Waverley LGAs. More than half of all households in Botany Bay LGA are homeowners and purchasers. In contrast, City of Sydney LGA has a significantly higher proportion of households renting in the private sector.

- In relation to the size of dwellings (defined by the number of bedrooms) there is a significant shortage of one bedroom dwellings in the Study Area. About 30% of all households in the inner east live alone, yet the average supply of one bedroom dwellings in the Study Area amounts to only 17% of all dwelling supply.
- Single bedroom dwellings are generally more affordable to rent or purchase than two or more bedroom dwellings.
- The average weekly income of families living in the inner east is generally above Sydney's average weekly income. This is not surprising considering the very high housing costs in the Study Area. Families have to have higher income levels to be able to comfortably service their mortgage repayments or weekly rents.
- Nearly 75,000 residents in the Study Area have moved homes between the five year period of 1996 and 2001, with the biggest proportion of movement occurring in the LGAs of Randwick, City of Sydney and Marrickville.
- Analyses of the profiles of people who have moved from the Study Area during this period indicate that the top destinations were usually suburbs within their existing or adjoining Statistical Division (SD). For example, a high proportion of residents who have left Randwick and City of Sydney LGAs moved to suburbs within the Inner Sydney SD (Botany Bay, Marrickville, Leichhardt and City of Sydney LGAs). Residents who moved from Waverley LGA overwhelmingly moved 'elsewhere' within the Eastern Suburbs SD (Randwick and Woollahra LGAs).

Housing Costs and Affordability

- The cost of renting in the Study Area is significantly higher than elsewhere in the Sydney Metropolitan Area. For example, the median weekly rents (2001 figures) for two bedroom flats in Waverley and Randwick are \$350 and \$320, respectively. By way of comparison, the equivalent median rents in Parramatta and Strathfield LGAs are \$215 and \$280, respectively.
- The pool of affordable housing for households on low to moderate income is shrinking in the Study Area. It is a 'Catch-22' situation; as less people are able to purchase their own homes, they are forced to rent, even though it is not necessarily a cheaper option, unless they move further away towards the middle and outer ring suburbs of Sydney. Waverley, Randwick and City of Sydney have been the hardest hit in terms of declining rental affordability. For example, only 30% of all dwellings rented in 2001 in Waverley were estimated to be affordable for low-moderate income residents, and it is unlikely that all of these were let out to people on lower incomes.
- Nearly 22,000 households in the Study Area receive a rental subsidy provided by the Commonwealth through Centrelink offices. This subsidy is called Rent Assistance and is paid to eligible people who rent accommodation, particularly from the private sector. This is also the only form of on-going monetary assistance for people on the public housing waiting list. The City of Sydney and Marrickville LGAs have the biggest share of the Rent Assistance subsidy. Unfortunately, the amount paid to a household entitled to this subsidy is not sufficient given the very high Sydney rent levels. A study conducted in 2001 found that single persons with one or two children who were eligible to receive the Rent Assistance subsidy could only afford one bedroom flats in 20% of Sydney locations (keeping housing costs to 30% of their income). Attempts by social housing advocates and welfare groups to lobby the Commonwealth Government to increase the maximum subsidy payable to recipients living in major Australian cities, have so far been unsuccessful.

- The private rental sector cannot exclusively be relied upon to meet the housing needs of wage earning individuals and families on lower incomes. While this may have been possible some twenty years ago, now however, high housing costs in the Study Area, together with the substantially curtailed new public housing construction program, has resulted in many families falling short of the housing assistance safety net.

Impacts on Local Residents

- Families who earn less than the Sydney median household income of \$51,428 pa (or \$989 per week),¹ but continue to live in the area for a range of reasons, face a grim financial situation. This is because a large portion of their income goes to paying for their housing costs, with insufficient income remaining to cover daily expenses such as food, clothing, utilities and transport expenses. For example, childcare workers earn a weekly wage of around \$500 and less. Weekly rent for a one bedroom unit at the bottom end of the market in Randwick LGA costs \$230. Therefore the proportion of wage taken up by rent amounts to 46%, leaving very little to cover the other basic household expenses. People in this situation, who are obliged to pay more than 30% of their gross income on housing (rent or mortgage payments), are deemed to be in housing stress.
- There are an estimated 18,300 households (of the 182,000) in the Study Area, on low-moderate incomes in housing stress. The number of lower income home purchasers in housing stress is estimated to be about 2,900. An overwhelming majority of residents in housing stress are those renting their homes from the private sector. Renters in housing stress come from all walks of life. They include residents and their families on the public housing register as well as residents employed in low to moderate paying professions such as childcare workers, skilled carers working in aged care facilities, and customer service employees. They also include residents employed as part time workers in a wide range of commercial and industrial businesses. Many of these residents have either lived in the Study Area all their lives or have established support networks in the local community.
- The failure of the housing market to provide for this particular group of people has broader implications for the sustainability of town centres within the Study Area, including the quality of their social and cultural environments. It will result in the inner city area being predominantly populated by wealthier households. In the longer term, this condition may not be sustainable since vibrant cities need lower income workers, such as hospitality workers, cleaners and shift workers. Such diversity does not come from a homogeneously high income population profile.
- On Census night 2001, close to 6,100 people were counted as being homeless in the Study Area, of which nearly 350 were defined as 'rough sleepers'. The others were found to be staying on a short term basis with friends, families, hostel/refuges and boarding houses. Another indicator used to measure the extent of homelessness is the number of telephone calls received by the Homeless Persons Information Centre. The HPIC is a statewide telephone information and referral service for people who are homeless or at risk of being homeless. It found that nearly 20,500 telephone calls were made by residents living in the Study Area over a 12 month period. The majority of callers had called from City of Sydney LGA. Nearly 930 calls were made from Marrickville LGA; nearly 600 calls from Waverley LGA; 534 calls from Randwick LGA; and nearly 90 calls from Botany Bay.

¹Based on 2001 figure, Sydney Statistical Division.

- At the Sub-Regional level, 65% of all callers seeking assistance from HPIC were male. The percentage of female callers assisted by HPIC was also significant as homelessness used to be associated with the male gender. HPIC has reported an increase in the number of female callers seeking emergency accommodation, a finding that is consistent with the results of a client survey conducted by the Supported Accommodation Assistance Program (SAAP)², which found that half of the total clients in NSW in the 2002-03 financial year were female.³
- The three most frequent reasons cited by HPIC callers for their homelessness were: 'itinerant/long term homeless', 'family breakdown' and 'crisis eviction'. When telephone calls from City of Sydney LGA were excluded from the count, the most common reasons cited by first time callers to HPIC were, in the order of frequency: 'crisis eviction' (346 callers), 'family break down' (282 callers) and 'itinerant/long term homeless' (227 callers). It is not surprising, given the high costs associated with renting in the Study Area, that the most frequent reason for homelessness was eviction. Most eviction occurs because of financial difficulties in paying rents, however, personal problems and other issues as outlined in the report, were also considered to be contributory factors.
- Due to the high number of call made from within the City of Sydney LGA, it is worth mentioning that the typical inner city caller to HPIC is male; aged 30-50; on a disability support pension; has had or currently has a substance abuse problem; and self-reports he is a long term homeless person.

Major Affordable Housing Challenges

- Based on analysis of a range of data on population, affordability, housing market trends, and councils' housing studies, the major housing issues include:
 - The continuing loss of boarding houses and its impact on people with very low incomes as well as homeless people.
 - The large number of chronic or itinerant homeless people requiring accommodation with built in support, to assist in maintaining longer term tenancies.
 - The continuing loss of affordable rental housing from the Study Area market.
 - An increasing demand for affordable housing with level access (housing for people who have physical and mobility disabilities, including the aged).
 - The continuing shortage of affordable and smaller sized dwellings, such as one bedroom flats.
- At present, there is a lack of uniformity in the application of housing policies and initiatives in the Study Area. Each of the five councils' approach in encouraging affordable housing is shaped by its historical and political environment; while some are still tentative, others remain strongly committed. However, most felt that their ability to directly contribute to the supply of affordable housing stock in their LGAs was, until recently, hampered by the limitations of the State Government's planning policy for the collection of Section 94 contributions. When a special state environmental planning instrument (SEPP No.70) was introduced it enabled only a handful of local councils to impose an affordable housing levy as a condition of consent. For other local councils not mentioned in the SEPP 70, their ability to levy for affordable housing under Section 94 was removed in 2002.

² SAAP, jointly funded by Commonwealth and State Governments, provides funds for crisis services to homeless people around the country. In NSW, there are currently 397 organisations operating, of which 161 are located within the Sydney metropolitan area.

³ National Data Collection's NSW Annual Report 2002-03, SAAP.

- New planning provisions introduced in August 2005 allow councils in NSW to enter into voluntary planning agreements with developers to provide affordable housing stock, or else a monetary contribution in lieu. However, the legislation is recent and it is too early to make an assessment as to its effectiveness.
- There are of course other means, apart from Section 94 contributions and planning agreements, which can be used to encourage the private market sector to provide affordable housing. A popular recommendation is the granting of planning concessions to developers in exchange for a component of on-site affordable housing units, similar to the program developed by Waverley Council. However, not all councils are prepared to grant planning concessions in exchange for affordable housing. There is the concern that by varying development standards, any adverse impact on the amenity of the surrounding neighbourhood may cause a community backlash against council's affordable housing initiatives.
- Seeking to influence the housing market to construct affordable housing stock without having to make concessions would be difficult to achieve and contradicts the development industry standard mantra of 'maximum return on investment'. So, if Planning Agreements under the new provisions are to be negotiated, it will be necessary for councils to offer sufficient incentives to make it worthwhile for developers to voluntarily enter into such an arrangement. An opportune time for this to occur is when a rezoning application is submitted as part of the development process.
- It is obvious that there are no clear-cut solutions to resolving the complex issue of affordable housing provision. However, it is important to approach the development of local affordable housing strategies sensitively, and at a level that is commensurate with council's resources and political environment. It is also important that strategies that are to be adopted or agreed to by councils in the Study Area are achievable.
- Specific support projects/tasks aimed at supplementing the affordable housing knowledge of council staff, and assisting to implement new approaches, were completed as part of this Study Area's LGHIP project. These included:
 - Development of a RHS Tables & Graphs Template to simplify the process of updating and reproducing the table and graphs used in this strategy document, using recent data.
 - Research and recommendation of a preferred rental housing management model, including development of a resource kit (containing preferred management structures, rent and allocation policies for use by councils in administering its affordable rental housing program).
 - Development of a Strategic Partnership Agreement between Randwick Council and Department of Housing.
 - 'Community Renewal – Hillsdale', involving the regeneration of a run-down private sector housing precinct. The aim of this project is to develop an ideas document for council officers to implement.
 - Development of Best Practice Notes/Templates for councils to implement. The Practice Notes recommend a policy and practice framework for the optimal use of planning agreements by councils in relation to the funding or provision of affordable housing within the Study Area.

The Way Forward: Key Principles

- Over the next five years, the councils will each work at their own pace towards implementing affordable housing strategies to address local priorities. Five key principles have been devised, to be used as a regional guide to inform the development of these strategies.

- This approach recognises the different stages each of the Inner East Councils are at with their affordable housing programs. More importantly, it is designed to allow the councils to develop or progress their housing initiatives according to the level of available resources and community support.
- The five Key Principles are:
 1. Working to retain the supply, and where possible, create and target new supply of affordable housing for people on low to moderate incomes. House prices and private sector rents are increasingly out of reach for many families, and homelessness levels are rising.
 2. Working to help employees who are important to our local economies to afford a place to live close to their workplace and families. These workers include low to moderate paid essential workers in the public, private and voluntary sectors who make a vital contribution to our local economies.
 3. Ensuring that new housing developments are appropriate to the needs of the future population, and that we recognise the importance of creating sustainable mixed neighbourhoods, well served by adequate transport and social and community housing infrastructure.⁴
 4. Participating in local community renewal programs, recognising the intricate connections between housing affordability, people experiencing disadvantage, quality of tenancy and property management, and the impact these factors have on the neighbourhood environment, and thus quality of life for local residents.
 5. Working more cooperatively with other councils within the Study Area, and government agencies to pool resources (including financial and staff expertise) to become more coordinated in the development of regional and local housing policies, as well as in the sharing of information about housing needs.

Implementation Plan

- Over the next five years, officers from participating councils will take the following steps to progress the outcomes of this Project:
 - Convene a Senior Officer Liaison Group comprising representatives of the core regional forum, to monitor progress, identify joint resource opportunities, share housing information, and discuss housing issues of note. In the longer term, it is envisaged that the Liaison Group will be in a position to define and set performance indicators to measure progress of initiatives implemented within the Study Area.
 - Seek their council's support for the five key principles as the first and initial stage of the implementation process.
 - Annually investigate the feasibility of incorporating, where appropriate, recommended strategies/tools into council's work programs/budgets.
 - Over the next five years from 2006, aim to commence at least one strategy in support of each the five key principles. Some ideas and suggestions of actions and strategies that may be appropriate for its use are set out in Section 10.

⁴ Housing is simply more than a shelter, it includes 'affordable access' through adequate, safe and timely infrastructure provision, particularly in transport. The lack of an adequate public transport system across the metropolitan area is partly the reason why the population of City of Sydney Council has substantially grown. The increased demand for inner city housing drives up the housing cost and forces low income earners to bear the 'cost' of Sydney's inadequate public transportation infrastructure.

The Study Area



Figure 1

1.0 Introduction: About this Project

1.1 Local Government Housing Initiatives Program

The Local Government Housing Initiatives Program (LGHIP) was established in 1980s by the State Government to promote and facilitate local government participation in assessing and monitoring local housing demand, and developing initiatives to address housing needs. A current focus of the LGHIP is to encourage local governments to consider broader regional housing issues in the planning process. This is to be achieved by sub-regional groupings of councils in the greater metropolitan region collaborating to develop affordable housing strategies for implementation.

1.2 Aims of the LGHIP Inner East Project

In 2003, a group of five 'inner east' Sydney local government councils responsible for managing the inner eastern side of the Sydney Metropolitan Area were jointly awarded a grant to employ a Regional Housing Coordinator (RHC) to prepare a Regional Housing Strategy and Implementation Plan. It is envisaged that the contents of the Regional Housing Strategy will be used collectively by the participating councils, to encourage and promote the provision of affordable housing in their respective Local Government Areas (LGAs). The LGHIP Inner East Project is one of only two projects in New South Wales that was funded at the sub-regional level.⁵

The participating councils contributed (monetary and in-kind) toward the overall costs of the project. These five Inner East Councils are:

- City of Botany Bay Council
- Marrickville Council
- Randwick City Council
- City of Sydney Council
- Waverley Council.

The aims of this project are to:

- Gain a better understanding of housing affordability issues and its impact on residents from a regional perspective.
- Identify and undertake a program of support strategies (key work areas) aimed at strengthening the affordable housing expertise of council officers.
- Develop a set of key principles to help councils focus on some of the more critical housing issues in the Study Area.
- Develop a list of actions or strategies, which these inner east councils may select from to implement over a five year timeframe.

A Regional Housing Forum, comprising senior officers from the Inner East Councils, Department of Housing (DOH) and Department of Planning (DOP), is responsible for the management and administration of this LGHIP project.

The former South City of Sydney Council was the original participant of the LGHIP Inner East Project. The northern ward of the former South Sydney Council was amalgamated into the City of Sydney Council in May 2003. The two councils were fully amalgamated in February 2004 to become the City of Sydney Council⁶. The suburbs of Glebe and Forest Lodge, formerly part of Leichhardt LGA, also became a part of the new City of Sydney LGA.

⁵ Manly and Warringah Councils were the participants of the other sub-regional level LGHIP project.

⁶ Parts of Leichhardt Council such as the suburbs of Glebe and Forest Lodge were also included within the new City of Sydney boundaries.

1.3 Project Framework

The project is divided into three distinct stages. The first stage involves the preparation of a document to capture information about the Study Area's housing needs and affordability issues. It identifies a number of key work areas or projects essential in bolstering affordable housing expertise and knowledge within the Inner East Councils. The outcomes of this stage of the project are presented in Sections 3.0 to 8.0. This stage of the project was completed at the end of 2004.

The second stage involves the carrying out of key work projects. Some examples of the key work projects were the development of a Strategic Partnership Agreement between Randwick Council and the NSW Department of Housing, coordination of the Hillsdale Community Renewal Project undertaken by consultants, and the preparation of an Affordable Housing Rental Management Resource Kit. The details and outcomes of key work area projects are presented in a separate document Volume One: Key Work Area Projects.

The third and final stage of the project involves the development of a set of key principles to guide councils when preparing affordable housing strategies and other relevant planning documents or instruments. A plan of implementation is prepared to provide information on how councils will progress the outcomes of the Inner East Sydney LGHIP – Sections 9.0 and 10.0.

2.0 What is Affordable Housing?

The National Housing Strategy Issues Paper 2 (1991) defines affordable housing as follows:

“Households can be said to afford their housing costs if those costs do not extract an unreasonable share of the household budget, leaving the household with sufficient income to meet other needs such as food, clothing, transport, medical care, education etc.”

Accordingly, it suggests the use of the following household income to housing cost parameters:

- For low income renters, not more than 25% of household income should be spent on rent.
- For moderate income renters, not more than 30% of household income should be spent on rent.
- For low income purchasers, not more than 30% of their gross household income should be spent on mortgage repayments.

For the purposes of the LGHIP project, households earning less than or equal to the Sydney median income and spending more than 30% of their gross weekly household income on rent or home purchase are defined to be in ‘housing stress’.

2.1 Who Needs Affordable Housing?

While people living on pensions and benefits are the most susceptible, people on low to moderate incomes (the working poor) also need to be able to access affordable housing. An increasing number of children of aged parents are being priced out of their local area in search of more affordable housing further away from places of employment and established families. This has the undesirable effect of severing long term links with their support networks and ageing family members.

Other people who need ‘affordable’ as opposed to ‘social’ housing are:⁷

- Employees earning low to moderate incomes (working poor), who provide essential services to the local community. They are often not eligible for any government housing assistance, but in many areas may be finding it increasingly difficult to live close to their place of work.
- Families where couples are divorced or separated and there is a need to find two affordable and smaller dwellings. These may only be available outside the local area, disrupting schooling and relationships with family and support networks.
- Job seekers trying to meet mortgage repayments.
- Elderly retirees, who are asset rich but income poor and would prefer to find smaller accommodation at an affordable price within their locality.

⁷ Local Government and Shires Association of NSW, May 2000, “Affordable Housing for your Community: A Guide to the role of Local Government”.

2.2 Why Are Local Government Councils Involved In Affordable Housing Initiatives?

Councils who do not want the process of inner city gentrification to diminish the colourful and social diversity of their local communities, continue to play a significant role in supporting and encouraging affordable housing in their neighbourhoods. To this end, a range of initiatives aimed at retaining or generating affordable housing stock has been incorporated into some council's planning instruments. A review of housing need studies prepared by local councils within the Inner East Sub-Region, namely the former South Sydney, Randwick, Marrickville, and Waverley City Councils have demonstrated a commitment to a more prominent role in influencing the provision of affordable housing in the Study Area.

The following extract from the *Draft South Sydney Affordable Housing Strategy*⁸ captures the rationale, which is shared by many local councils, for taking on a more active role in the promotion of affordable housing in their respective LGAs:

Local government plays a key role in planning and regulating the private housing market. It is the level of government most accessible to the local community and therefore retains unique knowledge of its local area. It is also best placed to facilitate whole-of-government responses to housing outcomes....

Where there is a shortage of available housing, families are forced to move elsewhere, away from established social networks and further from employment and services. This can create a high degree of tension within the household, often resulting in serious social problems. Overall, this has a negative effect on social diversity within (a council area), as it restricts the range of households that can live in the area based primarily on income and total wealth.

Research from London shows that social polarisation and residential segregation resulting from gentrification can lead to complex problems in the functioning of a large city, such as a lack of 'key workers'. When the cost of housing rises to the point that people working in essential public services like schools, hospitals, the police force, fire service and local councils can no longer afford to live near their places of employment, the provision of these services can begin to suffer. A reduction in the stock of affordable housing also affects the community as a whole. When whole communities become polarised into either rich or poor, the variety of skills required to service communities, from cleaners, to doctors are not readily available.

...These pressing policy issues can reduce the long-term sustainability of a community as it becomes divided by wealth and loses its heterogeneity, particularly in terms of household income, employment profile, age distribution and household type.

⁸ Draft South Sydney Affordable Housing Strategy 2003-2006, pp. 11 & 12.

3.0 Population and Housing Profile: A Snapshot

3.1 About the Study Area

Because of its location within the Sydney Metropolitan Region, the Inner East Study Area is one of the more sought after residential areas. Its suburbs are well serviced by public transport, and conveniently located to major shopping centres, hospitals, education establishments (private and public), beaches, sporting facilities and a wide range of specialist services. The eastern coastline's open spaces and beaches attract high volumes of day visitors and tourists alike, particularly in the warmer months.

With a geographic cover of some 111 square kilometres, and a population of some 445,686 people, the Study Area is administered by five local government councils: Botany Bay, City of Sydney, Randwick, Marrickville and Waverley. While also located in the inner-east of Sydney, Woollahra Council was not part of this LGHIP project. For the purpose of this project, the terms 'Study Area' and 'Inner East Councils' are used interchangeably to describe the participating councils.

These Inner East Local Councils⁹ are members of the Southern Sydney Regional Organisation of Councils (SSROC). The SSROC publishes a 'Social Profile' on a regular basis for its eleven local government members following a Census survey conducted by the Australian Bureau of Statistics. Much of the data on population and household characteristics used in this document was taken from the SSROC's 2004 Social Profile, compiled from the 2001 Census. Whilst the tables in the SSROC document have been restyled and modified to suit this document's format, the source data remains unchanged. The Census 2001 data on population and household characteristics for the newly amalgamated City of Sydney were supplied by council staff.

Information on housing affordability was provided by government sources at both state and federal levels, namely NSW Department of Planning, NSW Department of Housing, and Department of Family and Community Services (Commonwealth).

3.2 Population Characteristics

The Study Area is one of Sydney's more densely populated areas. The Local Government Area (LGA) with the biggest share of population in the Study Area is City of Sydney (34%), followed by Randwick (27%) which is also the largest LGA in terms of land area. Although Botany Bay LGA has the smallest population, it is the third largest geographic area in the Study Area. This is due to the presence of an international airport, a major shipping port and industrial related activities, long established in the LGA.

Waverley is by far the most densely populated LGA with an estimated 6,563 people per square kilometre. This is followed by City of Sydney with 5,750 people per square kilometre. As can be seen in the following table, the population density of residents (people/square km) in the Study Area is *at least* five times higher than that for Sydney as a whole. Waverley LGA's population density is nearly 20 times higher than the average for the whole of Sydney. The population in the inner east appears to be fairly stable, in that the changes in growth or decline since 1996 are comparatively minor.

However the exception is City of Sydney LGA whose population saw an unprecedented annual growth rate of 4.9%, which is more than triple that for Sydney as a whole. The increase in the number of residential flat buildings in Ultimo/Pymont, South Sydney and the CBD has been the stimulus for the higher than average population growth rate. Waverley and Marrickville LGAs have had a fall in population since 1996.

⁹ The former South Sydney Council was a SSROC member. The City of Sydney is a member of Inner Metropolitan Regional Organisation of Councils (IMROC)

Table 1 Population and geographic characteristics

LGAs	Population 2001	% of Study Area	Annual growth (%)	Increase in No. since '96	People / square km	Size of land area (Sq km)
Botany Bay	35,897	8	+0.7	1,195	1,624	22.1
Marrickville	73,431	16.4	-0.7	-2581	4,450	16.5
Randwick	121,497	27.2	+0.4	2,592	3,227	36.4
City of Sydney	153,200	34.3	+4.9	32,319	5,750	26.7
Waverley	61,661	13.8	-0.2	-696	6,563	9.4
Sub-Region	445,686	-	-	-	-	111.1
Sydney Metro	3,997,321	-	1.3	-	329	12,144

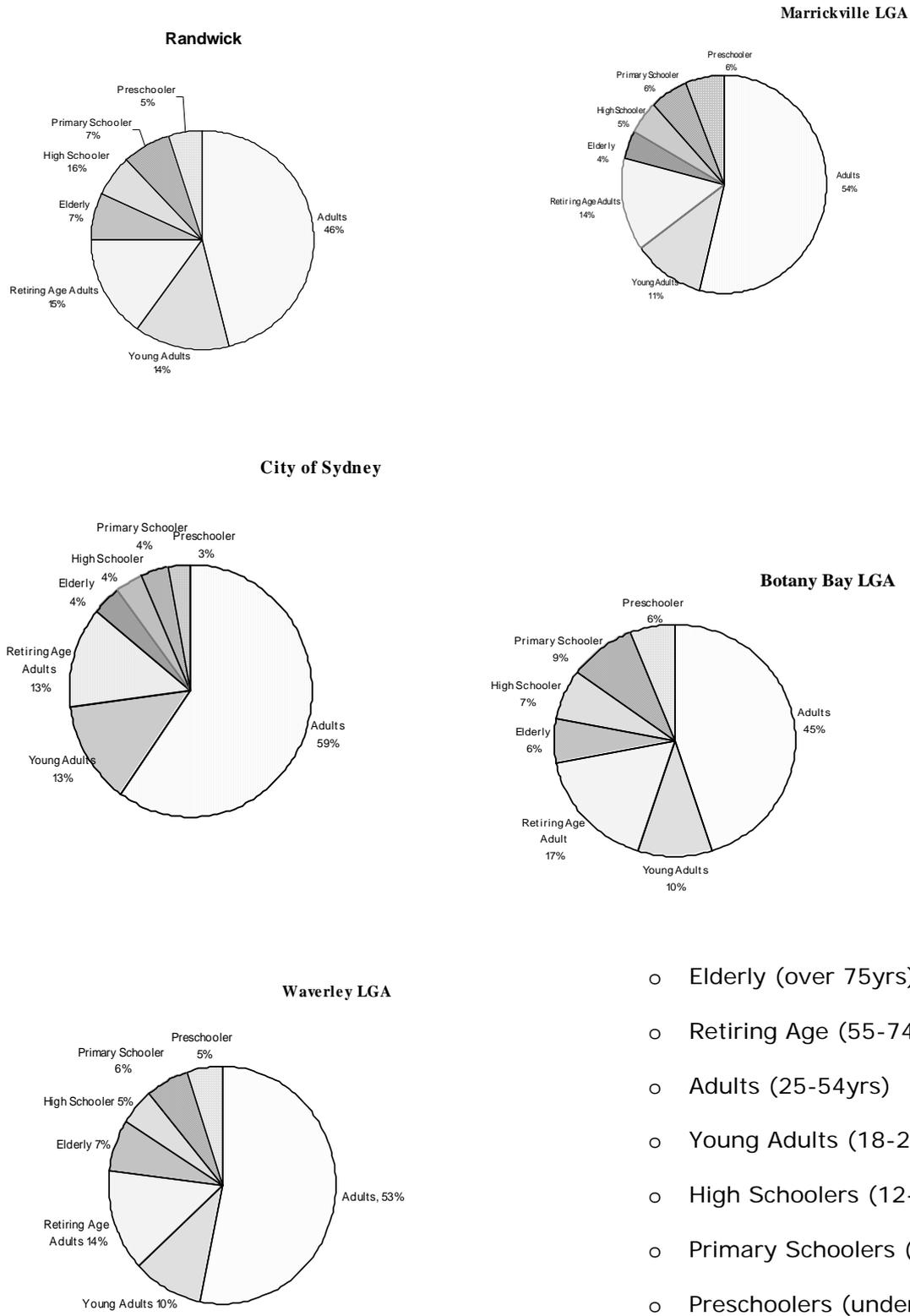
Data source: SSROC Social Profile, City Sydney Portrait

In the Study Area, there were 5,103 persons of Aboriginal or Torres Strait Islander background. The largest numbers of indigenous communities live in City of Sydney LGA (2,007 persons), closely followed by Randwick LGA (1,350 persons). It is also one of the more culturally diverse areas in metropolitan Sydney. Nearly half of its residents were overseas-born. The most common countries of birth of overseas-born residents were:

Table 2 Common countries of birth of overseas born residents

Country of Birth	LGAs with the highest proportion
United Kingdom	City of Sydney
New Zealand	Waverley, City of Sydney
Greece	Marrickville
Lebanon	Marrickville
Vietnam	City of Sydney, Marrickville
Hong Kong	Randwick
Indonesia	Randwick, Botany Bay
Philippines	Botany Bay

Data source: SSROC Social Profile, City Sydney Portrait



- Elderly (over 75yrs)
- Retiring Age (55-74yrs)
- Adults (25-54yrs)
- Young Adults (18-24yrs)
- High Schoolers (12-17yrs)
- Primary Schoolers (5-11yrs)
- Preschoolers (under 4yrs)

Data source: SSROC Social Profile, City Sydney Portrait

Figure 2

Age Groupings

The pie charts on the previous page show the various age groups that make up the population within each of the five LGAs. They show that the largest demographic group in the Study Area are people in their prime working age or 'adults'. The City of Sydney has the largest proportion of 'adults' at 57% and together with the 'young adult' age group, they make up nearly three quarters of the total population in the LGA. Both Botany and Randwick LGAs have relatively larger proportions of children under 12 years old while City of Sydney has the smallest proportion (7%).

Botany Bay, Randwick and Waverley also have higher proportions of people aged over 55 years. Over the next 10 years and beyond, the proportion of 'elderly' residents is expected to increase and exert a greater demand for housing that is accessible and appropriate for those who prefer¹⁰, and are capable of, independent living. For the aged and elderly residents renting in the private sector, their choices may be limited, particularly in Waverley and Randwick, where walk-up flats make up over 33% of each LGA's total housing stock and are being increasingly strata subdivided and purchased by owner occupiers.

3.3 Household Composition

The LGHIP Study Area's population of 445,686 people live in some 181,788 dwellings, averaging 2.4 persons per household.¹¹ The most common type of living arrangements is as married couples (with and without children), representing a Sub-Regional average of 30.5% of all households.

Table 3 shows that people living alone are more common in the Study Area than in Sydney as a whole. In this particular category, City of Sydney and Waverley LGAs have the highest proportions, at 22% and 14% of their respective LGA total. Women tend to out-number men in this category and this may be due to the larger number of older women out-living their spouses. According to SSROC figures,¹² there were 137 women living alone for every 100 men in Randwick LGA. For Waverley, Botany Bay, and Marrickville the figures are 135, 125, and 105 per 100 males, respectively.

Another group of households overwhelmingly headed by females are single parents, with an average of 5.5 single mothers for every single father in the Study Area.

Table 3 also shows that Botany Bay has the largest proportion of single parents at 5% of its total households, as well as the biggest proportion of independent (or adult) children still living in the family home.

With the exception of Botany Bay, the Study Area has a relatively higher proportion of people living in a shared or group household arrangement compared to Sydney as a whole. This is not surprising given the combination of higher housing costs and the proximity of these LGAs to major employment nodes and tertiary institutions. City of Sydney in particular has the highest proportion of people living in this type of arrangement, at 16%, compared with Sydney's average of only 4%.

¹⁰ A significant proportion of older people continue to live independently; 77% of people aged over 60 in NSW live in their own homes, according to an Older Persons Housing Strategy brochure 'Multi-unit housing for older people – a developers guide' produced by DUAP (now DIPNR).

¹¹ Figure taken from the Housing Tenure table for Sub-Regional total.

¹² SSROC Social Profile 2001, Community Analyst, Demography, *Living Arrangement* p.1.

Table 3 Living arrangements

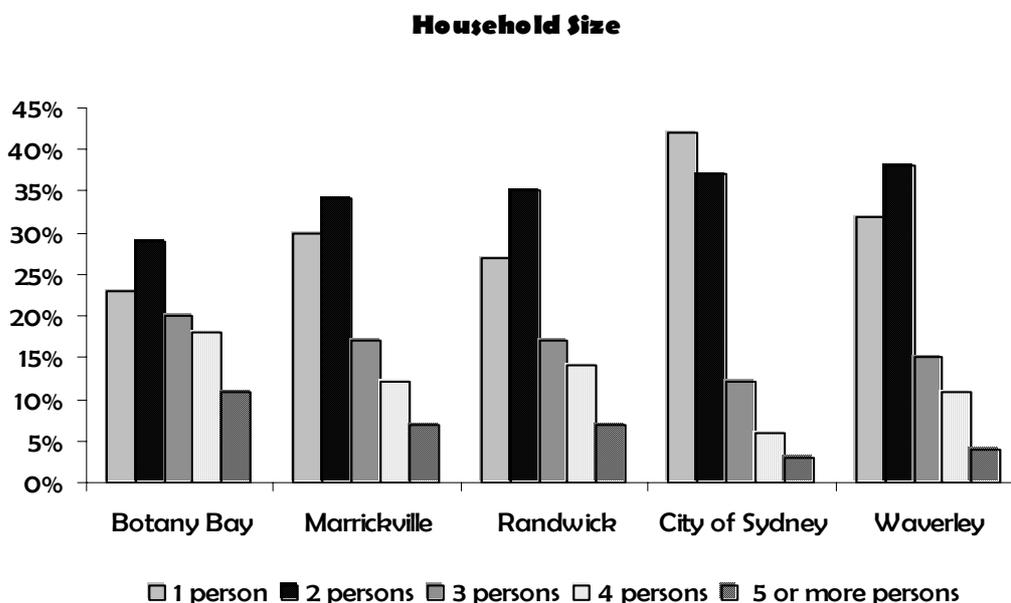
LGA	Proportion of people in each living arrangement (%)									
	Married couples	Defacto couple	Single parent	Child u./ 15	Student 15-24	Indep child	Relation/ odger	Group H'hold	Lives alone	Visitor
Botany Bay	39	4	5	18	5	9	5	3	9	3
Marrickville	30	10	4	14	4	7	5	10	12	4
Randwick	33	7	4	14	4	6	6	10	11	5
City of Sydney	20	14	4	7	2	3	6	17	22	4
Waverley	30	10	4	13	4	4	4	11	14	6
Sydney Metro	39	5	4	20	5	8	4	4	8	3

Data source: SSROC Social Profile, City Sydney Portrait

3.4 Household Size

As highlighted in the graph below, people living on their own and those living as part of a two person household are by far the most common living arrangement in the Study Area. Sydney City, in particular, has the biggest proportion of lone person households, at 42% of total households in the LGA, nearly twice the average figure for Sydney as a whole (22%).¹³ Waverley LGA has the biggest proportion of two person households in the Study Area (38% of its total households).

In relation to larger households, Botany Bay has by far the biggest proportion of households consisting of four or more persons (11%). In contrast, the City of Sydney and Waverley LGAs have the smallest proportions at 3% and 4 % respectively.



Data source: SSROC Social Profile, City Sydney Portrait

Figure 3

¹³ The City of Sydney Portrait (15 July 2001), *The households in the City of Sydney*, p.6.

3.5 Employment and Income

Employment

Marrickville and City of Sydney LGAs have higher rates of unemployment among men and women living in the Study Area. Although Marrickville has the highest rate of male unemployment among the five Inner East LGAs, at 8.1%, this figure is an improvement on the 1996 Census figure. City of Sydney has the highest rate of female unemployment at 6.3% but similar to Marrickville, the 2001 figure is an improvement on the 1996 rate of 7.9%. The remaining Inner East LGAs registered an increase in unemployment rates from the 1996 Census figure, as shown in the table below.

Table 4: Unemployment rates, comparison between gender and rate of change from 1996

Unemployment Rates	Unemployment Rate within LGA			
	Men (%)	Change from '96	Women (%)	Change from '96
Botany Bay	6.6	up 1%	5.2	up .4%
Marrickville	8.1	down 0.2%	5.7	up 0.2 %
Randwick	6.0	up 1.3%	4.7	up 1.6%
City of Sydney	7.2	Down 2.5%	6.3%	Down 1.6%
Sydney Metro	6.6	up 1.0%	5.5	up 2.0%

Data source: SSROC Social Profile, City Sydney Portrait

According to SSROC's Social Profile 2004¹⁴, full time workers represent only 4 in every 10 people living within the SSROC boundaries. Part time work is found to be most common for men living in Randwick, Marrickville and the southern section of Sydney City¹⁵ LGAs.

Average Incomes

The average weekly income of families living in the Study Area is generally above the Sydney average. The exception applies to residents of Botany Bay LGA where the average income level falls below the average figure for Sydney across all family/household types.

Families with children living in Marrickville LGA, and families with children and one parent living in City of Sydney LGA are the other family types with weekly incomes less than the Sydney average. Couples with children living in Waverley LGA have the highest average incomes, followed by couples with children living in Randwick LGA. The average weekly income for single parent families varies from \$913 in Waverley to \$788 in Marrickville, and down to as low as \$644 in City of Sydney LGA.

In an attempt to measure the extent of families living in the Inner East Sub-Region who are struggling to make ends meet, a hypothetical poverty line was applied to average weekly household incomes. The last column of the following table shows that:

- Botany Bay LGA has the highest percentage of low income families without children. This higher than average figure may be due to the fact that Botany has a stable, home-owning (38%) and retired population on a fixed pension.
- Single parent families are the least financially well off of all family household types in all the LGAs.
- A comparatively high 32% of all single parent families living in City of Sydney are in poverty, compared with only 19% in Waverley, and 26% in the Sydney Metro area as a whole. This figure may be attributed to the higher proportion of single parent families living in public housing within Sydney City¹⁶.

¹⁴ SSROC Social Profile, Community Analyst: *Employment*, p.1.

¹⁵ Refers to the area within the former South Sydney LGA.

¹⁶ There are six relatively large public housing estates in the LGA.

Table 5 Average family incomes for different types of family households

LGAs	Families with children (\$)	Families no children (\$)	One parent families (\$)	Percentage of Low Income Families*		
				Families with Children (%)	Families no children (%)	Single families (%)
Botany Bay	1337	979	775	5	25	23
Marrickville	1393	1387	788	5	15	26
Randwick	1654	1331	855	3	15	23
City of Sydney	1423	1662	644	4	9	32
Waverley	1759	1514	913	2	9	19
Sydney Metro	1486	1053	781	4	17	26

Notes: Average weekly income for the family is derived by multiplying the proportion in each income band by the mid point of the band, using \$100 pw for the lowest and \$2,500 for the highest, ignoring unstated.

*Definition of low income families and family 'poverty line' – families receiving less than 50% of male average weekly earnings (\$394) (source: SSROC Social Profile, Community Analyst, Family incomes p.1, paragraph 5). A different figure was used to derive the percentages for City of Sydney- \$400 was used instead of \$394.

In summary, single parent families are the most disadvantaged group compared with the other family household categories. With the exception of Waverley LGA, nearly a quarter of all single parent families in the Study Area are defined as 'low income'. City of Sydney has the biggest share of this particular population group due in part to the high proportion of single parent households living in public housing estates in the LGA.

3.6 Dwelling Stock and Housing Tenure

The Inner East Sub-Region has some 181,788 occupied dwellings, a net increase of about 11,500 dwellings from the 1996 figure (170,242 dwellings). City of Sydney experienced the highest growth rate (29%) of occupied dwellings, well above the average figure for Sydney (8.3%). This unusually high growth rate is due to the construction boom of high-rise apartment buildings in inner city localities such as Darlinghurst/Kings Cross, Haymarket, Ultimo/Pymont, Moore Park and Green Square.

Dwelling Stock Types

Table 7 below shows that the Study Area as a whole has a relatively balanced mix of houses and residential flats. However, these residential flat buildings are not evenly distributed. By far the biggest share of the Study Area's residential flat buildings is located in City of Sydney and Waverley LGAs. Some 69% of all housing in City of Sydney is located in residential flat buildings, while Waverley has 61%.

Randwick LGA also has a high proportion of residential flat buildings (51%), but unlike Waverley and City of Sydney LGAs, nearly a third of its dwelling stock are detached houses. Botany Bay LGA shares similar housing type characteristics with Randwick LGA, except that it has a higher proportion of detached houses (43% compared with 30% in Randwick). Marrickville LGA has a relatively balanced mix of detached and attached houses, and flats.

It is interesting to note in Table 6 the number of unconventional structures (outdoor shacks, boats and caravans) that are being used as permanent accommodation. In Randwick LGA, three dwellings in the form of either a caravan or a boat are used as permanent dwellings. More significantly, a total of 328 households or persons in the Study Area have identified themselves as living in shacks or outdoors, which is tantamount to or on the verge of homelessness. Of this total, about 95% were living within the City of Sydney boundaries on the night of the Census survey. More information about homelessness in the Study Area is provided in Section 3.10.

Table 6 Number of occupied dwellings

LGAs	Houses*	Flats/ Units#	Granny flats	Flats above shops	Caravans & boats	Shack/ outdoor	Type not known/ stated	LGA Total
Botany Bay	7611	5279	18	104	0	4	97	13,113
Marrickville	18201	10449	303	775	0	3	210	29,941
Randwick	22025	24541	196	495	3	5	602	47,867
City of Sydney	18186	43440	187	346	0	307	1071	63,537
Waverley	9980	16698	89	198	0	9	356	27,330
Sub-Region	76,003	100,407	793	1,918	3	328	2,336	181,788
Sydney Metro	1,069,515	337,769	5749	6228	4965	703	13,465	-

Data source: SSROC Social Profile, City Sydney Portrait

*Includes attached and separate dwellings and #Includes walk-ups and high-rise

Table 7 Proportion of occupied dwellings of each major type

LGAs	Houses		Flats/ Units		Others
	Detached	Attached*	Walk-ups#	High-rise	
Botany Bay	43%	15%	30%	10%	2%
Marrickville	34%	27%	31%	4%	4%
Randwick	30%	16%	34%	17%	3%
City of Sydney	3%	26%	17%	52%	3%
Waverley	18%	19%	37%	24%	2%
Sydney Metro	63%	11%	15%	8%	3%

*Includes semi, row/ terrace & townhouse and # Walk-ups were 1-3 storeys buildings

Data source: SSROC Social Profile, City Sydney Portrait

Housing Tenure

The proportion of dwellings owned as compared to being purchased or rented often provides a good indicator of community wealth, age and stability. Botany Bay has the highest proportion of residents owning their homes, followed closely by Randwick and Waverley LGAs. This is usually an indication of older, wealthier and more stable communities.

Marrickville has the highest proportion (20%) of residents who are purchasing their homes. This typically suggests a younger community with newer residents. Botany Bay also has a comparatively higher proportion of home purchasers (17%), suggesting again that a younger generation of households is buying into the LGA.

A higher proportion of residents renting in the private sector are indicative of the prevalence of low-medium income earners and/or the prevalence of younger population age groups (18–39 years) living in the LGA. City of Sydney has the highest proportion of residents renting from the private sector at 41%. It is followed closely by Waverley (39%), Marrickville (38%) and Randwick (35%).

Table 8 Housing tenure

LGA	Fully owned %	Being Purchased %	Private Rental %	Public Housing % (No.)
Botany Bay	38	17	25	11 (1,696)
Marrickville	29	20	38	3 (817)
Randwick	35	14	35	7 (4,047)
City of Sydney	16	13	41	12 (7,304)
Waverley	33	13	39	1 (376)
Sub-Region Total	-	-	-	- (14,240)
Sydney Metro	39	24	24	5.5 (72,724)

Data source: SSROC Social Profile, City Sydney Portrait

In relation to renting from the public or social housing sector, the 2001 Census stated that there were a total of 14,240 dwellings in the Study Area, with the biggest proportion situated in the City of Sydney. These dwellings are largely in the form of high rise and medium density apartment buildings located within public housing precincts, such as Redfern, Surry Hills and Waterloo. Other major public housing precincts can be found in Woolloomooloo, Glebe, Millers Point in Sydney City; Coral Sea Estate, Maroubra, Matraville and South Coogee in Randwick LGA; Daceyville and Eastlakes in Botany LGA; and South Marrickville in Marrickville LGA.

3.7 Average Housing Costs

Table 9 shows that residents living in the Inner East LGAs have considerably higher than average mortgage repayments when compared with the average figure for Sydney as a whole. The highest average weekly mortgage repayments are made by residents living in City of Sydney at \$452 per week, followed closely by Waverley and Randwick. Although the LGAs of Botany and Marrickville have the lowest average weekly mortgage repayments in the Study Area, the amount of \$339 is nonetheless higher than the average figure for Sydney as a whole (\$316).

Table 9 also shows that on average, private renters spend less money per week on their housing than home purchasers. This is not surprising since home purchasers are keen to make larger repayments to reduce the amount of interest paid on home loans. Sydney City, followed by Waverley has the highest average rental at \$348 and \$347 per week respectively, which is considerably higher than the Sydney average of \$275 per week. The average weekly rental payments for residents living in Randwick (\$326) are also well above the Sydney average. The average weekly rental payments in Marrickville and Botany Bay LGAs (both at \$255) are considerably lower than the average for Sydney as a whole.

Residents who are public or social housing tenants pay considerably lower rents than private sector tenants. The average weekly rent ranges from as low as \$76 per week in Waverley, to \$90 per week in Botany Bay. However, the average rental amount of public housing as shown in the table is not an indication of the value of rental properties per se. This amount reflects more the size of the public tenant's household and family income. Public rents are based on a maximum of 25% of the household income. City of Sydney has a higher proportion of single people living in public housing, which is the likely explanation for its lower average weekly public rentals compared with the rest of the Inner East Sub-Region. Botany Bay has a larger pool of family accommodation and this brings in a higher average rental income for the public housing landlord.

Table 9 Average housing costs by LGAs

LGA	Buyers	Private rental	Public rental
	Mortgage payment \$ per week	\$ per week	\$ per week
Botany Bay	339	255	90
Marrickville	339	255	85
Randwick	375	326	85
City of Sydney	452	348	82
Waverley	389	347	76
Sydney Metro	316	275	88

Data source: SSROC Social Profile, City Sydney Portrait

3.8 Occupancy and Vacancy Rates

The average number of people living in a dwelling has been consistently falling in the Sydney metropolitan area due to a range of demographic factors such as higher divorce rates, people living longer and having fewer or no children at all. This has resulted in an increased rate of household formation, and to cater to this growth, more dwellings are required to house the same number of people over time. The occupancy rates for all dwellings in the Inner East Sub-Region are less than the metropolitan average of 2.7 persons, with the exception of Botany Bay. In the 'all dwellings' category in Table 10, City of Sydney has the lowest occupancy rate (1.9 persons per dwelling), followed closely by Waverley at 2.1 persons per dwelling. Occupancy rates for separate houses tend to be higher than for attached houses. Flats/units have the lowest occupancy rates, particularly in City of Sydney and Waverley LGAs.

Vacancy rates tend to be higher in communities with high proportions of rental or newly built housing, as well as in wealthier communities (where people are on holidays). These characteristics appear to be consistent with the housing and population profiles of City of Sydney (newly built, wealthier communities) and Waverley (wealthier communities) LGAs as they each register higher vacancy rates of 10.2% and 9.1% respectively.

Table 10 Occupancy and vacancy rates

LGA	Occupancy rates (people per dwelling)			All dwellings	Vacancy rates % of dwellings ¹⁷
	Separate houses	Attached houses	Flats/units		
Botany Bay	3.0	2.6	2.4	2.7	4.7%
Marrickville	2.9	2.3	1.9	2.3	6.7%
Randwick	3.0	2.6	1.9	2.4	6.9%
City of Sydney	2.7	2.3	1.7	1.9	10.2%
Waverley	2.9	2.5	1.8	2.1	9.1%
SSROC	3.0	2.3	2.0	2.5	7.1%
Sydney	3.0	2.4	1.9	2.7	7.0%

Data source: SSROC Social Profile, City Sydney Portrait

3.9 Local Migration Characteristics of Study Area Residents: 1996-2001

The migration characteristics of residents were also examined to get a better understanding of where in Sydney departing residents have moved to, and where the new residents have come from. The data used to construct the profile is based on where residents lived in 1996 and then where they had moved to by 2001. In total, nearly 75,000 people moved homes between the five year census period, with the biggest movement occurring within the three LGAs of Randwick, City of Sydney and Marrickville.

Table 11 Migration from/into LGAs

LGAs	No. of Departures ¹⁸	No. of Arrivals
Randwick	18,761	15,014
City of Sydney	18,333	22,301
Marrickville	18,915	13,554
Botany Bay	6,619	5,176
Waverley	12,250	8,777
Totals	74,878	64,822

Note: Glebe and Forest Lodge not included as part of City of Sydney figures. Data for City of Sydney was derived by adding up the figures for the former South Sydney of City and City of Sydney LGAs.

¹⁷ These vacancy rates were based on ABS Census data and the figures included dwellings that were vacant on Census night, holiday homes, vacant dwelling awaiting sales, or renovation etc. As such, the vacancy figures are higher than those provided by other sources such as the Rent Report, which only reported on the vacancy rates of rental properties.

¹⁸ Totals for LGAs were taken from the 'Relationship in household' table.

Over the same period, the Inner East Sub-Region received nearly 65,000 new residents, with the number of new arrivals into City of Sydney outstripping the number of departing residents. A full report, including special tables purchased from the Australian Bureau of Statistics was provided to the Inner East Councils. The following is a summary of the more salient points raised in the report.

Randwick LGA

- Almost 18,342 people who lived in Randwick LGA in 1996, had moved elsewhere in Sydney by 2001.
- The largest group of people were aged between 20 to 44 years.
- They were accompanied by a total of 1,902 children under 15 years¹⁹.
- 40% were husband and wife in either a registered or a defacto marriage.
- 61% were either living on their own or as part of a two persons household.
- The top three destinations were:
 1. Inner Sydney Statistical Division (SD) (Botany Bay, Marrickville, Leichhardt and City of Sydney LGAs).
 2. St George-Sutherland SD (Hurstville, Kogarah, Rockdale and Sutherland LGAs).
 3. 'Elsewhere' within the Eastern Suburbs SD (Randwick, Woollahra and Waverley LGAs).
- More than 40% of residents who moved to Inner Sydney SD and 'elsewhere' in the Eastern Suburbs were 'tenants' or had been renting their homes in 1996.
- Residents who moved to the SDs of Inner Sydney, Eastern Suburbs, Inner Western Sydney, Lower North Sydney and St George-Sutherland had weekly personal incomes²⁰ ranging from \$800 to more than \$1,500 per week.
- Those who moved further away from Sydney CBD had lower prevailing incomes.
- Almost 15,000 people moved to Randwick LGA between the years 1996-2001.
- The top two sources of 'arrivals' were:
 1. Inner Sydney SD.
 2. Other LGAs in the Eastern Suburbs SD.
- The largest group of people were aged between 20-39 years.
- 44% were part of a couple in either a registered or a defacto marriage.
- Group households and lone person households were also present in significant numbers.
- More than 50% of 'arrivals' were tenants in 2001.

City of Sydney

- Almost 18,800 people who lived in City of Sydney in 1996, including the former LGA of South Sydney City, had moved elsewhere in Sydney by 2001.
- They were accompanied by a total of 1,339 children under 15 years.
- Their ages were pre-eminently between 25 and 44 years. However, the single largest group were those in the 30 to 35 age bracket, representing just under a quarter of the 18,800 people.

¹⁹ This figure is part of the total number of people who had moved from Randwick.

²⁰ Due to technical reasons in the way information was tabulated by the ABS, data on combined household incomes could not be obtained. Instead, personal weekly income was used and this amount only showed the individual incomes of each person on the survey form. It does not add up the combined incomes of family members such as the working husband and wife.

- 48% were husband and wife in either a registered or a defacto marriage. Lone person households and group household members were the second and third largest groups (14% and 12% of the total, respectively).
- 67% were either living on their own or as part of a two persons household.
- The top three destinations were:
 1. 'Elsewhere' within Inner Sydney SD.
 2. Eastern Suburbs SD.
 3. Lower Northern Sydney SD (Hunters Hill, Lane Cove, Mosman, North Sydney, Ryde and Willoughby). Far smaller numbers have moved to this SD.
- More than 50% of residents who moved to 'elsewhere' in the Inner Sydney SD and the Eastern Suburbs were 'tenants'.
- Generally speaking, higher incomes are associated with movements to the inner and middle-ring suburbs of Sydney. People with lower incomes are associated with the outer ring suburbs of Sydney.
- Almost 22,300 people moved to City of Sydney LGA between the years 1996-2001.
- The top two sources of 'arrivals' were:
 1. Eastern Suburbs SD.
 2. Elsewhere in Inner Sydney SD.
- The largest group of people were aged between 20-39 years.
- 41% were part of a couple in either a registered or a defacto marriage.
- Lone person households and group households were also present in significant numbers.
- Almost 60% of 'arrivals' were tenants in 2001.

Marrickville LGA

- Nearly 18,900 people, who lived in Marrickville LGA in 1996, had moved elsewhere in Sydney by 2001.
- Their ages were pre-eminently between 25 and 44 years.
- They were accompanied by a total of 2,501 (8%) children under 15 years; of which the single largest group were in the 5 to 9 age bracket (1,555).
- 49% were husband and wife in either a registered or a defacto marriage. Children under 15 years formed the second largest group (13%).
- 54% were either living on their own or as part of a two persons household.
- The top two destinations for those who moved away were:
 1. Canterbury-Bankstown SD (LGAs of Bankstown and Canterbury).
 2. Inner Sydney SD.
- The destinations for people who left Marrickville LGA are very different from those who moved away from Sydney City, Waverley and Randwick LGAs. The move from Marrickville to Canterbury LGA accounted for over 26% of all departures, which is by far the largest proportion.
- Moves to the Inner Sydney SD represented only 16% and were largely people in the high personal income brackets (\$1,000 or more per week). It is interesting to note that the SDs of Eastern Suburbs and Lower North Sydney were of far lesser importance for people in the higher income brackets.
- While St George-Sutherland and Inner Western Sydney SDs also featured in the database as destinations, the numbers involved were half that of the people who departed for the SDs of Canterbury and Bankstown.

- About 41% of the total households in Marrickville LGA are tenants (Table 8 – Housing Tenure). However, the migration data shows that only 36% of people who moved to the Canterbury Bankstown SD were tenants. Hence there is some indication that these moves were associated with shifting from rented to owner-occupied housing. Almost 13,500 people moved to Marrickville LGA between the years 1996-2001.
- The top two sources of 'arrivals' were:
 1. Elsewhere in Inner Sydney SD.
 2. Eastern Suburbs SD.
- The largest group of people were predominantly aged between 20-39 years.
- Couples in either a registered or a defacto marriage constitute the biggest household group.
- Lone person households and group households are also present in significant numbers.
- 56% of 'arrivals' were tenants in 2001.

Botany Bay LGA

- Almost 6,619 people who lived in Botany Bay LGA in 1996, had moved elsewhere in Sydney by 2001. Although this total represents considerably less than half the number of people who left Randwick, City of Sydney or Marrickville LGAs over the same period, it is commensurate with the size of the LGA's total population of nearly 36,000 (Table 1).
- The largest group of people were aged between 24 to 44 years.
- They were accompanied by a considerable number of children under the age of 15 years (1,030 or 16%). It is interesting to note that the number of young people between 15 to 19 years old who left was substantially higher than for the other LGAs.
- 49% were husband and wife in either a registered or a defacto marriage.
- Lone parents are present in far higher proportions, more than for Randwick or City of Sydney LGAs.
- 48% were either living on their own or as part of a two person household, a figure that is significantly lower than the other LGAs in the Study Area.
- The top two destinations were overwhelmingly:
 1. Eastern Suburbs SD.
 2. St George-Sutherland.
- All other destinations were of far lesser importance, at one third or less of these two destinations.
- More than 40% of residents who moved to the SDs of Eastern Suburbs and St George-Sutherland were either homeowners or purchasers. Of the smaller number of people moving to 'elsewhere' in the Inner Sydney SD, a high proportion were 'tenants' or had been renting their homes in 1996.
- The majority of the residents who departed from the LGA fall into two personal income groups: \$200-300 per week and \$800-\$1,499 per week.
- Surprisingly, the Eastern Suburbs SD is an important destination for those on lower incomes, while the SD of St George-Sutherland is one for those on higher incomes. Nevertheless there is still a reasonably broad spread of personal income levels amongst the people in the workforce who have departed from Botany Bay.
- Almost 5,200 people moved to Botany Bay LGA between the years 1996-2001.
- The largest source of 'arrivals' were predominantly from the LGAs of Randwick, Waverley and Woollahra. Contributions from other SDs were substantially smaller.
- Fairly diverse age groups. Arrivals seem likely to include families with children of all ages.

- 40% of all arrivals were part of a couple in either a registered or a defacto marriage. Children under 15 years, lone persons and lone parent households were also present in considerable numbers.
- Unlike the other LGAs, Botany Bay LGA is marked by a wider range of household sizes among its new 'arrivals'. Even four person households amounted to an estimated 16% of all new households.
- 48% of 'arrivals' were tenants in 2001.

Waverley LGA

- Almost 12,300 people who lived in Waverley LGA in 1996, had moved elsewhere in Sydney by 2001.
- Again the most common age groups were people between 25 and 39 years old, but a lower number of children were involved in the move (1,181 or 9%).
- 49% were husband and wife in either a registered or a defacto marriage.
- 65% were either living on their own or as part of a two person household.
- The top three destinations were:
 1. Overwhelmingly 'elsewhere' in the Eastern Suburbs SD (representing 41% of 12,300).
 2. Inner Sydney SD (23%).
 3. Lower Northern Sydney SD (of far less importance – 8%).
- Moves from Waverley LGA to elsewhere in the Eastern Suburbs SD involved a substantial proportion of children under the age of 15 years (606 or 50% of children in this age group). This would suggest that the Eastern Suburbs is the preferred residential location for families with young or school aged children.
- The SDs of Inner Sydney and 'elsewhere' in Eastern Suburbs were popular destinations for lone person households.
- The majority of people who have moved to Inner Sydney SD and 'elsewhere' in the Eastern Suburbs were 'tenants' or had been renting their homes in 1996. The moves do not seem to reflect a change in tenure.
- The majority of people who had moved to 'elsewhere' in the Eastern Suburbs and Inner Sydney SDs fall within the higher personal income brackets (more than \$1,500 per week).
- Generally speaking those who moved further away from Sydney CBD had lower prevailing incomes.
- Almost 8,800 people moved to Waverley LGA between the years 1996-2001.
- The top two sources of 'arrivals' were:
 1. Predominantly other LGAs in the Eastern Suburbs SD.
 2. Inner Sydney SD.
- Ages of people moving into the LGA were remarkably concentrated, between 25-39 years. There were also considerable numbers of 20-24 year olds, and 40-44 year olds. Significant numbers of young children (less than 9 years) also moved into Waverley.
- 43% were part of a couple in either a registered or a defacto marriage.
- Group households and lone person households were also present in significant numbers.
- 60% of 'arrivals' were tenants in 2001.

3.10 Homeless People

This sub-heading refers to residents who do not have secure, long term and/or adequate accommodation. They are the homeless who either live in improvised dwellings (shacks, doorways, squats, overhead bridges); 'crash out' on a temporary basis at a friend/relative's home; live in emergency accommodation such as hostels and refuges and boarding houses on a short term basis; and people who are medium to long term boarding house tenants due to the lack of cheaper alternative accommodation.²¹

The extent of homelessness in the Study Area is hard to measure as homeless people are constantly on the move in search of safe shelter, food and other basic necessities. Nonetheless, it is possible to get an idea of the scale of this issue by drawing on information provided by the Australian Bureau of Statistics and the Homeless Persons Information Centre (HPIC).

Counting the Homeless 2001: New South Wales is a research report published by the Australian Bureau of Statistics²². It contains new information on the social characteristics of the population in NSW, and the geographical distribution of homeless people, particularly 'rough sleepers'.²³ More importantly, it counts the actual number of persons who are defined as being homeless over the study period. This information could not be easily incorporated into the standard table format used in this document because different geographic location categories were used to collate their data.²⁴ Nonetheless, sufficient information was available from the body of the report and its appendices to provide a relatively accurate number of homeless persons in the Study Area.

On Census night 2001, close to 26,780 persons were counted as being homeless in NSW. Of this, 15,456 or nearly 60% were from within the Sydney metropolitan area, including the growth corridors of Gosford-Wyong. The survey found there were some 4,680 homeless persons in the City Core²⁵ and a further 1,378 homeless persons in the Eastern Suburbs²⁶, presenting a total of 6,059 homeless persons in the Study Area. It is common to find higher rates of homelessness in capital cities (as in the case of Melbourne, Adelaide and Brisbane) because of the availability of accommodation and support services. The City Core has only 7% of metropolitan Sydney's population but 30% of its homeless people.

Of the 6,059 homeless persons in the Study Area, 6% (or 350 persons) were living in improvised dwellings or sleeping rough, 21% (1,266) with friends or relatives, 56% (3,419) in boarding houses as long and short term residents, and 17% (1,024) in short term supported accommodation.²⁷ The fact that the majority of homeless people rely on boarding houses for accommodation highlights the important role boarding houses play where other more traditional housing accommodation fails.

²¹ These three forms of homelessness are formally classified as Primary, Secondary and Tertiary homelessness. 'Primary' defines people who do not have conventional accommodation eg live on the street, in parks, squats, and cars for temporary shelter. 'Secondary' includes people who move frequently from one form of temporary shelter to another. These include people staying in another household, in emergency or short term accommodation provided by government funded organisations, and in boarding houses for less than 12 weeks. 'Tertiary' refers to people who live in boarding houses on a longer term (more than 13 weeks). They do not have a separate bedroom or living room, and share kitchen and bathroom facilities with others. They have no security of tenure provided by a lease. They fall within the 'homeless' definition because their accommodation does not have the characteristics identified in the minimum community standard.

²² Chamberlain, C & Mackenzie, D, 2003, "*Australian Census Analytical Program: Counting the Homeless 2001*", Australian Bureau of Statistics.

²³ The term 'rough sleeper' is used to define a homeless person who sleeps on the streets or in parks.

²⁴ The four categories used in this report were 'City Core', 'Inner City Ring', 'Outer City Ring' and 'Growth Corridors'. The 'City Core' is defined by the LGAs of Botany Bay, Marrickville, Leichhardt, former South Sydney and Sydney City.

²⁵ Chamberlain, C & Mackenzie, D, 2003, "*Australian Census Analytical Program: Counting the Homeless 2001*, ABS," p.42.

²⁶ *ibid*, Appendix 1, p.75; Eastern Suburbs is comprised of Randwick Waverley and Woollahra LGAs.

²⁷ *ibid*, p.75.

The HPIC, provided by the City of Sydney Council, is a statewide telephone information and referral service for people who are homeless or at risk of being homeless. It provides assessments and referrals for clients seeking accommodation and support services within NSW, and operates everyday of the year. The telephone call data collected by this service has assisted in the construction of a user profile and provides an estimate of the number of NSW residents who have no one else to turn to for help, and consider themselves either at risk of or are homeless.

Table 12 shows a total of 20,417 telephone calls were made to HPIC from within the Study Area over a period of twelve months. The majority of telephone calls received by HPIC were made by people calling from within the City of Sydney LGA at the time. This inflated figure of 18,274 is in part due to homeless people arriving from elsewhere into this LGA for a number of reasons, including the availability of free food and shelter provided by community organisations and church groups. A further 929 telephone calls to HPIC were made by people calling from within Marrickville LGA, followed by Waverley (593 calls), Randwick (534 calls) and Botany (87 calls). The total number of persons²⁸ calling from within the five LGAs and estimated to have received assistance, including household members (eg children, partners and relatives) amounted to some 16,073 persons.

Table 12 No. of telephone calls made to HPIC over 12 months

LGA	Calls received by HPIC		Total No. of persons and household members
	No.	%	
Botany Bay	87	0.4	111
Marrickville	929	5	957
Randwick	534	3	601
City of Sydney	18,274 ²⁹	89	13,823
Waverley	593	2.5	581
Total LGAs	20,417		16,073

Source: HPIC based on data for a 12 month period 2002/03

According to HPIC, the number of calls received has increased substantially, pointing to more frequent 'episodes' or incidences of homelessness. In 1998, an individual or group made an average of 1.5 calls to HPIC. In 2003, this has increased to an average of 3.3 calls. The increased frequency of telephone calls was predominantly made by people ringing from inner city locations (currently City of Sydney LGA).

The relatively new trend of increased frequency of calls is reflected in Table 12's figures for City of Sydney. There were more calls received by HPIC than the total number of persons registered as being assisted by the service. In other words, of the total number of calls received by HPIC, 4,344 were repeat callers. Four explanations were offered by HPIC in its report³⁰, which came to the conclusion that the frequent callers were long term or chronic homeless people who received only short term accommodation from agencies to which they were referred³¹. HPIC callers from outside the City of Sydney LGA (eg Botany, Randwick, Marrickville and Waverley) were more likely to receive longer term accommodation options and were less likely to volunteer personal information that might prevent them from living independently.

Table 13 shows the age groups and gender of people seeking help from the HPIC. At the Study Area level, 65% of all people assisted were male. The percentage of females assisted by HPIC was also significant because homelessness used to be associated with the male gender. HPIC has reported an increase in the number of females seeking emergency accommodation. This finding is consistent with the results of a client survey conducted by

²⁸ The total number of persons was obtained by adding up the number of people assisted in each LGA in Table 12.

²⁹ Figure includes callers who had arrive from elsewhere and made calls from a location within the LGA.

³⁰ City of Sydney Homeless Persons Information Centre 2004, "Homelessness in Inner City Sydney: HPIC data trends and homelessness service usage in inner city Sydney 1998-2003", pp 6-7.

³¹ Ibid, p.4.

the Supported Accommodation Assistance Program (SAAP)³², whereby it was reported that half of the total clients in NSW in the 2002-03 financial year were female.³³

It is interesting to note that there were more female callers than male callers in the LGAs of Randwick and Botany. These LGAs also have the highest proportion of under 18 year olds (as part of family groups). By far the largest group of clients assisted by HPIC in Botany were male callers with under 18 year old family dependents, and female callers in the 18 to 30 years age group. The largest group of callers from Randwick LGA were females between the ages of 31 and 50 years. For City of Sydney, Waverley and Marrickville, the largest group of callers within each of the LGAs were males between the ages of 31 and 50 years.

Table 13 Breakdown of the age groups and gender of people assisted

LGAs	Botany Bay	Randwick	City of Sydney	Marrickville	Waverley
Age of female callers					
Over 65	0 (0%)	<1 (0%)	50 (0%)	9 (1%)	<5 (0%)
51 - 65	9 (7%)	26 (4%)	276 (2%)	16 (2%)	14 (2%)
31 - 50	16 (13%)	124 (20%)	2,144 (14%)	134 (13%)	99 (16%)
18 - 30	19 (16%)	83 (13%)	1,570 (10%)	126 (13%)	72 (12%)
Under 18 (as part of family groups)	18 (15%)	106 (17%)	388 (3%)	118 (12%)	41 (7%)
Adults DOB unknown	<5 (0%)	18 (3%)	173 (1%)	28 (3%)	24 (4%)
<i>Sub-total</i>	<i>64 (62% female)</i>	<i>358 (60% female)</i>	<i>4,601 (33% female)</i>	<i>431 (44% female)</i>	<i>251 (43% female)</i>

Age of male callers					
Over 65	<5 (0%)	<5 (0%)	250 (2%)	6 (1%)	<5 (0%)
51 - 65	<5 (0%)	16 (3%)	988 (6%)	42 (4.2%)	31 (5%)
31 - 50	10(8%)	64 (10%)	5,466 (35%)	220 (22%)	114 (19%)
18 - 30	8 (7%)	55 (9%)	1,910 (12%)	127 (13%)	108 (18%)
Under 18 (as part of family groups)	20(17%)	92 (15%)	378 (2%)	111 (11%)	56 (9%)
Adults DOB unknown	<5 (0%)	13 (2%)	230 (2%)	20 (2%)	17 (3%)
<i>Sub-total</i>	<i>47 (38% male)</i>	<i>243 (40% male)</i>	<i>9,222 (67% male)</i>	<i>526 (55% male)</i>	<i>330 (57% male)</i>
Grand total	111 persons	601 persons	13,823 persons	957 persons	581 persons
Male = 65%					
Female = 35%					

Source: HPIC 2003-03

Not all the clients volunteer information to HPIC about the problems associated with their homelessness. For those who did provide this information, the results are summarised in Table 14 below. The top five most commonly recorded client characteristics in the Study Area are listed in the first column and the figures show the number of responses volunteered for each of the characteristics, as well as where the caller lived at the time.

³² SAAP, jointly funded by Commonwealth and State Governments, provides funds for crisis services to homeless people around the country. In NSW, there are currently 397 organisations operating, of which 161 are located within the Sydney metropolitan area.

³³ National Data Collection's NSW Annual Report 2002-03, SAAP.

Table 14 Top five self-reported client characteristics

	Botany Bay	Randwick	City of Sydney	Marrickville	Waverley
Past drugs/alcohol	6	105	5108	197	135
Drugs/alcohol	11	81	7204	196	94
Mental/psychiatric illness	15	176	6770	258	175
Single parent	16	146	760	166	60
Physical disability	12	125	4935	221	108

Note: The information from this table was supplied by the callers themselves and has not been verified. Also, callers can report more than one characteristic.

A mental or psychiatric illness is the single most cited category in the Study Area as a whole. It is either the first or second most cited characteristic in all of the five LGAs. More detailed analysis of the table shows that single parenthood and/or mental illness are the two most frequently reported characteristics in the LGAs of Botany Bay and Randwick. Mental illness and/or current addiction to drugs/alcohol was most cited by callers from City of Sydney. Callers from Waverley most commonly cited mental illness and/or a past addiction to drugs/alcohol. In the case of Marrickville LGA, the most common characteristics of callers were mental illness and physical disability.

It is noteworthy that one of the five most common characteristics of HPIC callers is physical disability. In the Study Area, approximately 5,400 first time callers reported that they have a physical disability. It is not clear why this is the case and further research will yield some answers. However, a possible explanation is that the more affordable forms of rental housing such as older style walk-up apartments and dwellings with stairs leading to front doors are not readily accessible to people with physical disabilities. As such, if they had to vacate their usual accommodation, their housing options are not only limited by where they can afford to rent but also by the capacity of a dwelling to meet their disability requirements. This issue raises potential planning implications, ones which local councils can help address through local planning initiatives aimed at improving disability access.

HPIC callers are usually asked to provide reasons as to what they believe to be the main reason for their homelessness.

Table 15 Top five primary reasons provided by client for homelessness

Reasons	Botany	Randwick	City of Sydney	Marrickville	Waverley
Crisis eviction	9	97	1134	141	99
Domestic violence	19	50	389	47	39
Family breakdown	20	73	1208	123	66
Interpersonal conflict	1	11	716	53	32
Itinerant/long term	2	42	4704	100	83

According to Table 15, the most reported reasons for homelessness for each of the five LGAs were:

- Botany - domestic violence and family breakdown
- Randwick - crisis eviction and family breakdown
- Marrickville - crisis eviction and family breakdown
- City of Sydney- itinerant/long term homelessness
- Waverley – crisis eviction and itinerant/long term homelessness

The three most frequent reasons cited by residents from within the Study Area were; 'itinerant/long term homelessness', 'family breakdown' and 'crisis eviction'. When residents from City of Sydney were excluded from the count, the most common reasons cited by first time callers to HPIC were, in the order of frequency; 'crisis eviction' (346 callers), 'family break down' (282 callers) and 'itinerant/long term homeless' (227 callers).

Given the high costs associated with renting in the Study Area, it is not surprising that the most frequent reason given for homelessness was eviction. Most eviction occurs because of financial difficulties in paying rents, and the personal problems or issues outlined in Table 14 may have been contributory factors.

Due to the high numbers of callers from within the City of Sydney, it is worth mentioning that the typical inner city caller to HPIC is male, aged 30-50, on a disability support pension, has had or currently has a substance abuse problem, and self-reports he is a long term homeless person. They are also more likely to request free overnight shelter beds and remain long term homeless and frequent HPIC callers. In contrast, HPIC callers from elsewhere in NSW are more likely to be on a sole parent pension, and have become homeless because of an eviction or a family break down. They are more likely to report that they had spent the previous night with friends or family, and are more likely to be assisted in securing longer term accommodation.

4.0 The Social Housing Sector

4.1 Changes in the Social Housing Policy Environment

Since 1945, the Federal Government has provided capital funding to the states to subsidise the costs of constructing and operating a public housing service for low income people under the Commonwealth State Housing Agreement (CSHA). The early 1990s saw significant reductions in the housing capital budget allocated to the states in relative terms. This fiscal policy trend is expected to continue indefinitely at this stage.

Low income households who are on the public housing waiting list and currently renting in the private sector are the worst affected by the budgetary cuts to CSHA funding. For many low income families, public housing is a safety net. The funding cuts have limited the capacity of the Housing Department to buy or build properties to add to existing public rental dwelling stock. The Department of Housing is now obliged to target its supply of housing to families who have the greatest need and to those who qualify for priority housing.

This section gives a brief overview of the roles and characteristics of the 'social' housing sector - a term now commonly used in discussions about affordable housing, to describe all government subsidised rental housing. It includes:

- Public housing (owned and managed by the NSW Department of Housing)
- Community housing (owned or leased by non-government organisations and local government)
- Indigenous or Aboriginal housing (owned or managed by both the State Government and community organisations)
- Crisis and emergency accommodation (usually provided by non-Government organisations).

Apart from providing accommodation, the social housing sector also concentrates its efforts on linking support services to households in need, to ensure successful tenancy results. For example, the City of Sydney Council in partnership with the Department of Housing initiated a support and 'outreach' service for people who are sleeping rough and have complex needs. The aim of this project is to help this particular group of people move from the street into long term accommodation.

It is important to acknowledge the presence of the major social housing players other than the public housing authority since they complete the picture of affordable housing supply in the Study Area.

At the time of writing this part of the Strategy, the NSW Government announced that the Department of Housing will be making changes to the public housing system. These changes are intended to ensure a more equitable system, and will include the abolition of life time tenancies. Other significant changes involve how much some people will pay to live in public housing, how the Department maintains its properties, responsibility for the costs of water usage and how often the Department determines the correct rent payable for its homes. As details were not available at the time of writing, this section was based on the prevailing public housing circumstances.

4.2 Public Housing

Public housing is the term given to describe housing that is directly owned or provided by the Department of Housing. Public housing tenants pay no more than 25% of their income towards rent. The Department of Housing has a policy of providing housing to people with the greatest need. This includes households for which the private rental sector is unsuitable or unobtainable and people who are homeless or at risk of homelessness.³⁴

³⁴ *Department of Housing Annual Report 2000/2001*, p.6.

Dwelling Stock Profile

According to information received from the Department of Housing, it has a total of 14,494³⁵ public housing dwellings in the Inner East Sub-Region. As mentioned elsewhere in this document, City of Sydney and Randwick LGAs have the highest number of public dwelling units within their boundaries. The dwelling stock number provided by the public housing authority is different to that reported in the 2001 Census (see Table 8). There was under-reporting in the 2001 Census of about 254 dwellings by the local community. In terms of dwelling stock type, only 2.9% of all the public housing in the Study Area is detached cottages. Flats and apartments make up the majority of dwelling stock type. The remaining 11.6% comprise attached and semi-detached dwellings such as terraces, townhouses and villas.

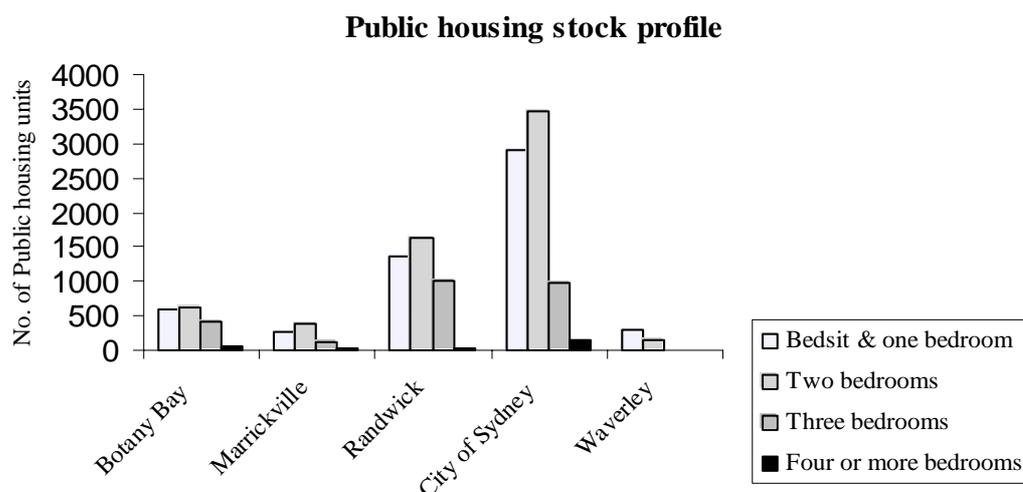
Table 16 Public housing stock and bedroom size profile

	Bed-sit & one bedroom	Two bedrooms	Three bedrooms	Four or more bedrooms
Botany Bay	587	636	411	62
Marrickville	273	392	128	24
Randwick	1373	1633	999	42
City of Sydney	2896	3466	980	159
Waverley	288	140	2	3
	5,417 (37%)	6,267 (43%)	2,520(17%)	290 (2%)

DIPNR Toolkit, Table D1 Public Housing Stock by bedrooms – 2001. Excludes housing stock in Glebe and Forest Lodge.

In terms of dwelling size, about 43% of the total stock is two bedroom dwellings. Bed-sit or studio apartments and one bedroom dwellings make up a further 37% of the Study Area’s public housing dwelling stock. Most of the one bedroom units were built specifically for aged and disabled clients. By and large, bed-sit accommodation is situated in high rise or walk-up apartment blocks within larger and older style public housing neighbourhoods. The following graph illustrates the different public housing stock numbers and dwelling sizes in each of the inner east LGAs.

Figure 4



Source: Housing Data and Advisory Services, DOH 2001. Excludes housing stock in Glebe and Forest Lodge.

³⁵ DIPNR Toolkit, Table D1, 2001 - information provided by DOH Data & Analysis Services.

Number of Applicants on Waiting List

Demand for public housing continues to be high in NSW with more than 90,000 applicants³⁶ on the housing register (previously called 'waiting list'). Detailed information about the number of households or applicants from the Study Area who are on the housing register is not readily available to help build a more accurate picture of 'expressed' housing need. It is estimated that as of June 2000, there were some 28,000 households who applied to be housed in the Central Sydney Region of the Department of Housing.³⁷ The allocation zones with the biggest share of applicants included all of the five Inner East LGAs. The Inner Sydney allocation zone had the highest numbers of applicants, followed closely by the Northern Beaches, Inner West and Eastern Suburbs allocation zones. More than half of all these applicants were single persons waiting for one bedroom accommodation.

Unpredictable Waiting Times

In the past, applicants on the waiting list were given an estimate of how long they would have to wait for accommodation. This is no longer the case as the waiting times have become too unpredictable and there are limited opportunities to increase public housing stock in the Study Area.

The availability of dwellings is dependant on the turnover rate of existing tenants, and the number of priority approved applicants whose housing needs take precedent³⁸ over the general applicants on the waiting list. The Department of Housing's limited capacity to accommodate general applicants can be seen in Table 11. In the financial year 2000/2001, only 1,094 applicants were allocated public housing accommodation in the Study Area. In other words, out of a possible 14,494 public housing stock in the Study Area, the Department was only able to relet just under 1100 dwellings, and 71% of these dwellings were allocated to priority approved applicants.

Table 17 Applicants allocated housing in 2000/2001³⁹

LGA of Applicants	Non Priority	Priority	Total
Botany	26	98	124
Marrickville	70	128	198
Randwick	46	143	189
City of Sydney	141	359	500
Waverley	35	48	83
TOTAL	318	776	1094

Source: Data and Advisory Services. DOH. Excludes housing stock in Glebe and Forest Lodge

It is therefore not unusual for an applicant to have to wait more than 15, even 20 years for public housing in the Study Area. The capacity of the Department of Housing to assist those who are on low incomes but do not meet eligibility criteria for priority housing (a program for people with special/complex needs or medical problems) has declined considerably. Many of these households have no other option but to seek accommodation in the private rental sector. The Department of Housing offers one-off financial assistance such as Rent Start (state funded) to help low income people overcome financial barriers in establishing new tenancies in the private sector, including cash payments for rental and

³⁶ Department of Housing, Annual Report 2001/2002, p.6.

³⁷ The Central Sydney Region is bounded by the northern LGAs of Pittwater/Warringah, Strathfield to the west, and Sutherland Shire to the south and the eastern seaboard to the east.

³⁸ Three separate groups of applicants will be housed ahead of other clients on the Housing Register. These are priority housing applicants, elderly clients and priority housing transfer (available to tenants). When a vacancy occurs and there is no suitable client approved under one of these three groups, the dwelling will be allocated on a wait turn basis to the next appropriate applicant on the housing register.

³⁹ Source: DIPNR Toolkit, Table F8, 2000/01 – data provided by DOH Data & Analysis Services.

utility bonds. There is also a subsidy program for priority housing eligible clients to continue to live in a private rental dwelling until a suitable public housing dwelling becomes available.

Although the reduction of Commonwealth (CSHA) funding has substantially affected the Department of Housing's capacity to provide subsidised rental accommodation and related services to low income families, it remains committed to maintaining public housing stock numbers in the Study Area. The Department of Housing is keen to work in partnership with Inner East Councils to provide an appropriate mix of affordable housing to low income resident households.

4.3 Community Housing

The community housing sector is an alternative social housing provider funded by the State Government through the Office of Community Housing⁴⁰. Although the Office of Community Housing (OCH) is part of the Department of Housing, its role is to oversee and support the provision of crisis and long term housing managed by community housing organisations across NSW.

Community housing organisations are also referred to as housing associations. These are non-profit organisations providing housing to local residents who are on low incomes and/or waiting for public housing. Housing associations are usually managed by a Board of Directors elected for their special skills and expertise. Tenants are encouraged to become involved in the management of their housing by participating in this process. A small team of staff with skills in community housing is employed by the organisation to carry out property and tenancy management tasks.

To date, there are 1,236 properties in the Study Area either owned or managed by the community housing sector. The table below shows Marrickville has the biggest share of community housing accommodation, followed by City of Sydney.

Table 18 Properties managed by community housing sector

LGA	Capital properties+	Long Term Leasehold properties*	Short* term leasehold properties	Total
Botany	63	0	25	88
Marrickville	232	16	265	512
Randwick	103	1	111	215
City of Sydney	208	0	125	333
Waverley	37	1	76	114
Total	643	18	602	1262

Table provided by Office of Community Housing (OCH) July 2004, and Toolkit Table 5. Does not include Glebe and Forest Lodge data.

+ Capital properties are owned by the social housing sector eg housing associations.

* Short and Long Term leases are dwellings leased from other organisations, including the private rental sector, and include accommodation funded by Crisis Accommodation Program and Burdekin Housing Program for people with a mental illness.

4.4 Indigenous Housing

The Aboriginal Housing Office (AHO) is a separate statutory authority established in July 1998. Based in Parramatta, the AHO operated with a Board of Management that reports directly to the Minister for Housing. It owns and provides (through local public housing offices) long term rental accommodation to Aboriginal or Torres Strait Islander tenants. It also oversees and supports the provision of long term housing managed by Aboriginal community housing providers across NSW. Aboriginal and Torres Strait Islander applicants may choose between mainstream public housing (managed by the Department of Housing) and housing managed by the AHO and Aboriginal housing providers.

⁴⁰ The Office of Community Housing (OCH) is a division of the Department of Housing.

To date, the AHO has some 219 families in the Study Area renting its properties. The same mainstream public housing assessment, allocation and rent procedures apply to Aboriginal or Torres Strait Islander applicants. Until an alternative process is set up, tenants of AHO properties are managed, via a service agreement, by the Department of Housing⁴¹. The AHO also supports Aboriginal housing associations to provide affordable housing to the local communities. These organisations manage a total of 143 properties in the Study Area.

Table 19 Housing for Aboriginal and Torres Strait Islander peoples

LGA	Properties owned and managed by AHO	Properties managed by Aboriginal community housing organisations
Botany	25	11
Marrickville	81	45
Randwick	63	37
City of Sydney	50	50
Waverley	0	0
Total	219	143

Figures do not include Glebe and Forest Lodge.

Source: Properties managed by community housing organisations were provided by Office of Aboriginal Housing, (2004). DOH provided data on properties owned by the AHO.

4.5 Crisis and Emergency Accommodation

The Crisis Accommodation Program, operated through the OCH, provides short to medium term accommodation through refuges, and other dwellings for homeless people and people in housing crisis. This program is closely aligned with the Supported Accommodation Assistance Program ('SAAP') operated by the Department of Community Services (DOCS), which provides funding for staffing, and support services for homeless people. Accommodation or overnight shelters are provided through community organisations such as the Sydney City Mission, the Salvation Army and St Vincent de Paul.

⁴¹ *Office of Aboriginal Housing Strategic Plan 2001/02, 2003/04, p.21.*

5.0 Housing Affordability and Cost

The previous sections provided information about the Study Area's population and housing characteristics. They also described the current housing circumstances of the Study Area's residents across the two major housing sectors – private and social housing.

This section will discuss the cost of housing within the Study Area in terms of its affordability to residents earning between low to moderate incomes.⁴² Low to moderate income residents in the Study Area in effect make up 50% of all adults who are either wage/salary earners or recipients of social security benefits. An attempt will also be made to quantify the number of households in housing stress, a condition that is fast becoming an issue of concern for all levels of government and housing advocates.

'Housing stress' is a word used to describe a condition where a household earning less than or equal to the Sydney median income (\$51,428 pa in 2001) is spending more than 30% of their gross weekly household income on housing costs. Initially, this condition was used to describe a group of people who were on low incomes. In recent times, research has found that housing affordability as a concern, is no longer confined to the unemployed and under-employed people. It is also affecting the 'working poor' and even middle-income households, suggesting that housing affordability problems might be 'climbing the income ladder'.

5.1 Housing Costs within the Study Area

Private Rental

The proportion of private renters has been growing, despite declining affordability in rental levels. This trend is unlikely to reverse, as there are no cheaper housing alternatives for private renters unless they move further away from their place of employment or established local networks.

The *NSW Housing Indicators Report* has found that the proportion of dwellings that are affordable to low income households is declining to the extent that only 30% of Sydney-wide rental stock (leased in December quarter 1999) was affordable to low income households. In the previous year, the figure was 31%. However, as it does not automatically follow that all affordable lettings were leased by low income households, the actual pool of affordable rental housing available to low-income households would be lower than the estimated 30% of Sydney's rental dwelling units.

The following Tables 20 and 21 show the relative costs of renting houses and apartments in the Study Area in terms of first quartiles and median rent per week. The median rent is the mid-point of a numerically ordered range of weekly rents for a particular dwelling size (eg two bedroom houses).

The first quartile represents the bottom twenty five percent (cheaper end) of the range of weekly rents. The cheapest two bedroom houses for rent in the Study Area in 2001 were located in Marrickville (\$280 per week), while the most expensive was in Waverley (\$425 per week). Table 20 shows that Waverley also has the most expensive median rents for three bedroom houses, followed by Randwick (\$420).

⁴² Definition of low-moderate income; households earning **less than** the Sydney Statistical Division (SD) **median** income. For example, in 1996, this amount was \$39,624 pa or \$762 pw gross. In 2001, the median income was \$51,428 pa or \$989 pw.

The median is the value that divides a set of ordered numbers (in this case \$income) equally into a bottom and top half. This mid point is the median. The first quartile and third quartile represents the 25th and 75th percentiles in the scale of ordered numbers.

Table 20 Weekly rents for new bonds lodged in 2001

Houses	Rents for 2 bedroom houses		Rents for 3 bedroom houses	
	1 st Quartile (\$)	Median (\$)	1 st Quartile (\$)	Median (\$)
Botany Bay	-	-	323	365
Marrickville	280	310	315	350
Randwick	300	340	380	420
City of Sydney				
o southern area*	290	310	310	390
o city core area #	-	-	-	-
Waverley	380	425	505	550

* southern area refers to suburbs located within the former South Sydney LGA as at 2001

city core area refers to the City of Sydney boundaries pre-amalgamation 2001

Table 21 Weekly rents for new bonds lodged in 2001

Units/Flats	Rents for 1 bedroom units/flats		Rents for 2 bedroom flats/units	
	1 st Quartile (\$)	Median (\$)	1 st Quartile (\$)	Median (\$)
Botany Bay	170	190	210	220
Marrickville	150	180	200	230
Randwick	230	260	290	320
City of Sydney				
o southern area	230	280	330	380
o city core area	310	350	400	470
Waverley	240	265	300	350

Source: DIPNR Toolkit

Generally speaking, renting apartments, units or flats is cheaper than renting a house. The cheapest weekly rentals for one and two bedroom flats were found in Marrickville and Botany LGAs (\$150 - \$230 per week) while rental units with higher median rents were located in the City of Sydney (\$380 - \$470 per week), Waverley (\$350 per week) and Randwick (\$320 per week). By way of comparison, the equivalent median rents in Kogarah, Parramatta and Strathfield LGAs were \$235, \$215 and \$280 per week, respectively.

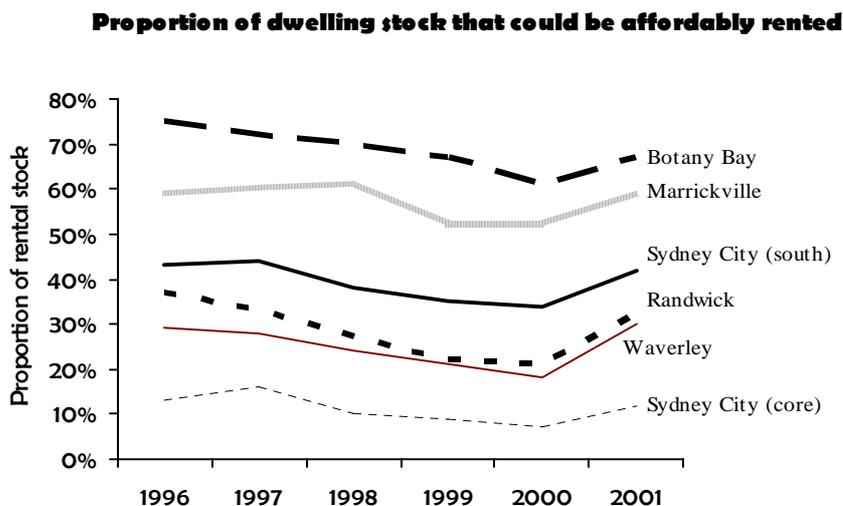
For a family on a moderate weekly income of \$989 (gross)⁴³ and paying median level rents of \$210 to \$330 per week for a two bedroom unit in the Study Area, this represents a considerable sum of money relative to the size of the weekly pay packet.

So how unaffordable is housing to residents on low to moderate incomes in the Study Area? The graph⁴⁴ below shows the proportion of affordable rental dwellings that was estimated to be available within each LGA. In 2001, about 67% of rental housing stock (for which new rental bonds were lodged) located in Botany Bay could affordably be rented by low to moderate income earners. Marrickville had 59% while Randwick and Waverley hover around the 30% and 32% mark respectively. There is a substantial difference in the costs of renting between the 'core' and southern areas of City of Sydney. Only 12% of the rental dwelling stock in the 'core area' is affordable to low-moderate income families, compared with 42% in the 'southern area'.

⁴³ Moderate income is defined in 2001 as \$989 per week or \$51,428 per year gross.

⁴⁴ The following graphs show the proportions/numbers of dwellings that could affordably be rented by low-moderate income families based on data obtained from three separate sources: Valuer Generals Office - properties purchased; NSW Department of Fair Trading - new bonds lodged; ABS publication 6302.0 - indexation of median income to 2000. Figures for 2001 based on median income at 2001 census; based on properties rented or purchased in the region during the December Quarter 1996-2001, and median annual income for Sydney Statistical Division indexed to the December quarter for each of these years.

Figure 5

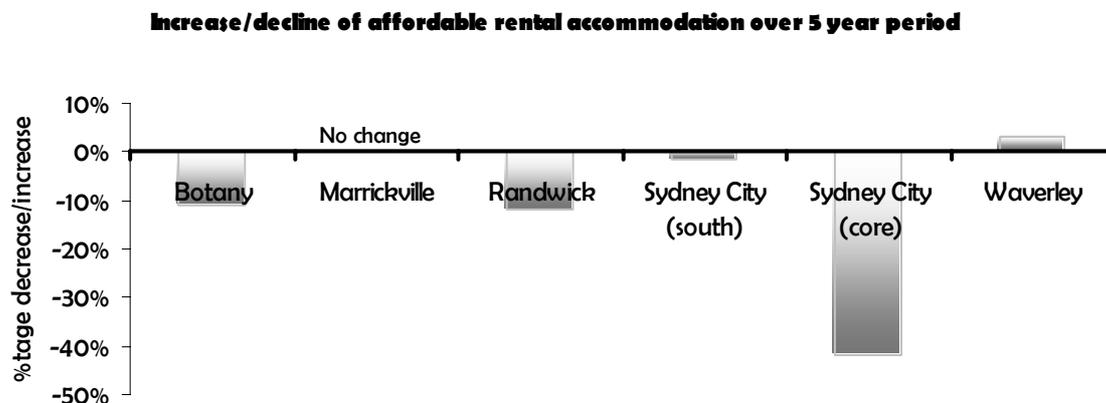


Source: DOH Housing Data and Advisory Services, in DIPNR Tool kit (Table F5)

It is interesting to note in the above graph that the supply of affordable rental stock experienced a gradual decline towards the year 2000⁴⁵, before turning back up rather steeply during the third quarter. This may have been due to the impact of the 2000 Sydney Olympic Games event on the private rental sector.

The graph below shows the extent of change in the pool of affordable rental housing stock within each of the LGAs in the Study Area over a five year period from 1996 to 2001. The pool of affordable housing stock had shrunk in Botany Bay over the five year period from 1996. The extent of this loss is in the vicinity of 11%. Randwick also had a large loss; 12% of its pool of affordable rental stock over the same period. There was little or no change in Marrickville and the southern area of Sydney City, while Waverley experienced a 4% increase in its stock of dwellings that could affordably be rented by low-moderate income families. The core area of City of Sydney suffered a sizeable loss of affordable accommodation; more than 40% of its affordable dwelling stock between 1996 and 2001.

Figure 6



Source: Housing Data and Advisory Services, DOH.

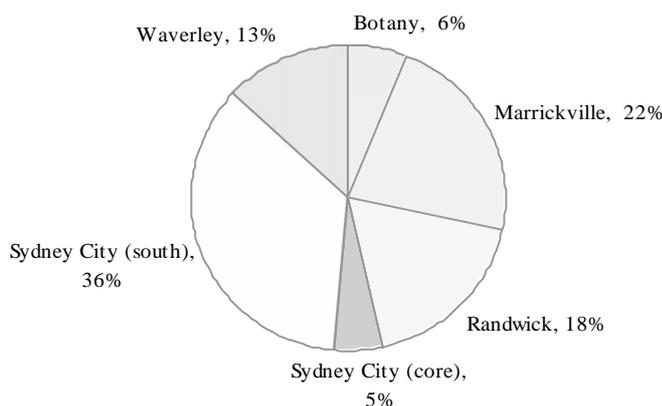
⁴⁵ Year 2000 was the year of the Sydney Olympics whereby the event was held in September, which is equivalent to the third quarter of the year.

So far the data presented in the graphs and tables in this section have focused on the percentages and totals within each of the inner east LGHIP LGAs. The pie chart below presents a different perspective by showing the comparative proportion of affordable housing located in the five LGAs (expressed as a percentage of the Study Area’s total).

It shows that out of the total 4,053 affordable private rental dwellings that came on the market or have had new bonds lodged in 2001, City of Sydney(south) has the biggest share, with 36% (or 1,405) of the Study Area’s affordable dwellings. In contrast, the city core, located in the northern side of the LGA has the smallest share, with 5% (or 222 dwellings), a condition that is commensurate with its very high median weekly rents. Botany has only 6% (or 257) of the Study Area’s total affordable rental dwellings, second to City of Sydney(core) but this could be attributed to its low turnover or vacancy rate of 4.7% (Table 10). Once again, the considerable difference in housing costs between the core and southern areas of City of Sydney highlight the need for a more even geographic distribution of affordable housing dwellings within the LGA.

Figure 7

LGA’s Share of Sub-Region’s Affordable Rental Dwellings (2001)



Home Purchase

Much has been written in academic research papers and other authoritative reports, about the sharp falls in home purchasing rates over the past decade.⁴⁶ House prices have more than doubled over the past ten years, a trend which is Australia-wide. According to the Reserve Bank of Australia, low inflation rates and taxation conditions have made it attractive for existing homeowners to finance investment residential properties. It found ‘...that investors have been contributing disproportionately to the increase in housing demand over recent years, with the effect that affordability, especially for first-home buyers, has been reduced.’

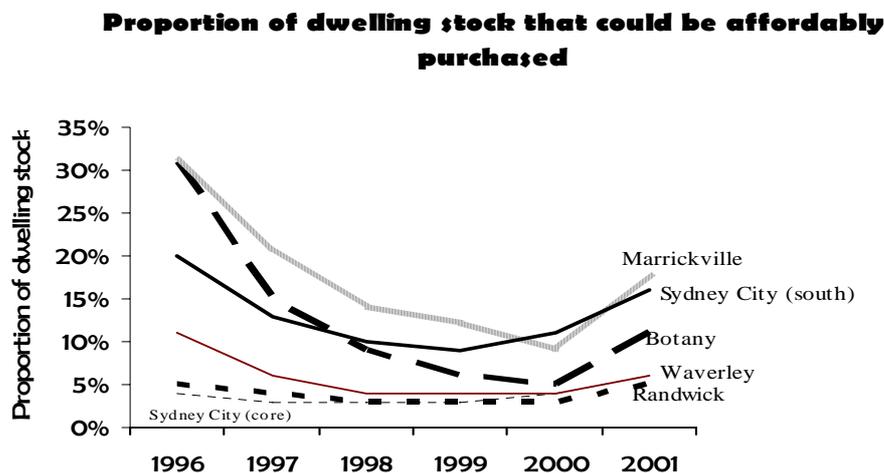
Who exactly are the major investors of rental housing? A survey conducted by the Australian Bureau of Statistics in the 1990s made it possible for this question to be answered. Berry,⁴⁷ found that ‘the majority of rental properties are owned by individuals or couples, and the remainder by small partnerships and companies. Three-quarters of individual landlords own only one rental dwelling, and a further 16 per cent own two dwellings. Three quarters of landlords are also home owners.’

⁴⁶ Reserve Bank of Australia, “Submission to the Productivity Commission of Inquiry on First Home Ownership, 2001-2004”.

⁴⁷ Mike Berry 2003, AHURI paper 30021 “New approaches to expanding the supply of affordable housing in Australia: an increasing role for the private sector”, p.10.

The line graph below shows the proportion of dwellings in the Study Area estimated to be affordable to prospective homeowners on low and moderate incomes. Between 1996-2001, the pool of dwellings that could affordably be purchased in Botany Bay and Marrickville shrunk considerably. These LGAs were previously considered to have relatively affordable house prices given their inner-ring location.

Figure 8

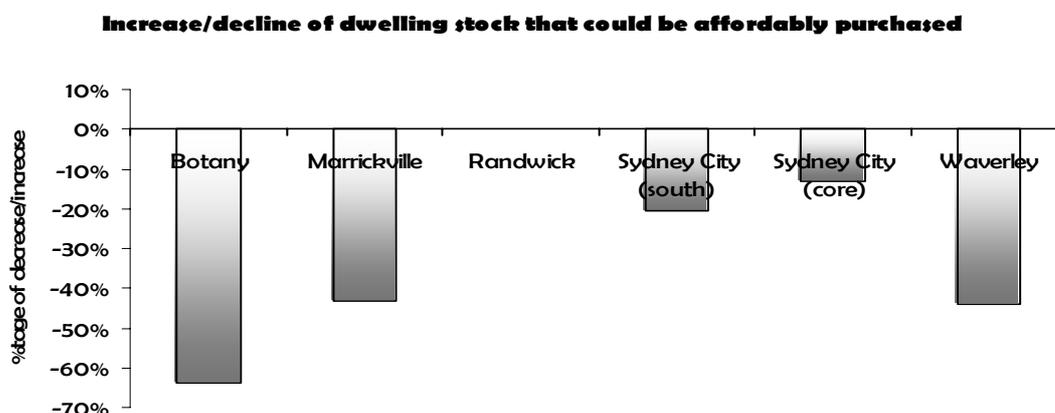


Source: Housing Data and Advisory Services, DOH.

Randwick and City of Sydney(core) continue to be consistently unaffordable for low to moderate income households, a trend which is shared by Waverley. The trend for City of Sydney(south) was interesting in that it experienced a gradual decline until mid 1999 when the pool of dwellings that can be affordably purchased started to increase again. The timing appears to coincide with a medium density housing supply boom in the LGA.

The graph below shows the extent of change over a five year period from 1996 to 2001 within each of the five LGAs. All the Inner East LGAs continue to experience a loss of affordable housing stock in varying degrees. Botany Bay by far had the biggest drop in its supply of dwellings that could affordably be purchased by low to moderate income households over a five year period. Marrickville LGA was not far behind, in that over 30% of total dwelling stock was considered to be affordable in 1996. This proportion however, has decreased further to the 17 percentage point, placing both Botany and Marrickville LGAs in the category of 'declining housing affordability markets'.

Figure 9



Source: Housing Data and Advisory Services, DOH

5.2 Housing Need Indicators

How do we measure the extent of people who have a need for affordable housing? This section uses two types of housing need indicators to estimate the number of families living in the Study Area with a need for affordable housing.

Commonwealth Rent Assistance Program

The Commonwealth through its Centrelink offices provides rent assistance to people who rent in the private rental market, in community housing, and in other renting situations. State public housing tenants are not eligible⁴⁸ and the recipients of this non-taxable cash payment are overwhelmingly private sector renters. Housing advocates have long argued that the rate of rent assistance paid to recipients living in more expensive areas such as Melbourne and Sydney is insufficient to alleviate housing stress.

The number of residents who rent in the private sector and receive rent assistance⁴⁹ is a useful indicator for estimating the number of households in need of affordable rental housing. This is most likely the only form of on-going housing subsidy⁵⁰ applicants on the public housing register are able to rely on. It is considered to be more accurate in giving a picture of expressed housing need in a given area than would a DOH waiting list since the data includes recipients on the public housing wait list as well as households who qualify, but for a range of reasons have decided not to apply.

Table 22 below shows that nearly 22,000 households in the Study Area receive a rental subsidy. The City of Sydney LGA has the biggest share with 32%, followed by Marrickville LGA with a 25% share.

Table 22 Number of CRA clients by LGAs

LGA	Number	As a proportion of all LGAs
Botany Bay	2,405	11%
Marrickville	6,070	28%
Randwick	3,596	16%
City of Sydney	7,100	32%
Waverley	2,719	12%
LGA Total	21,890	100.00%

Data drawn down on 5 March 2004

Glebe and Forest Lodge not included as part of City of Sydney figures.

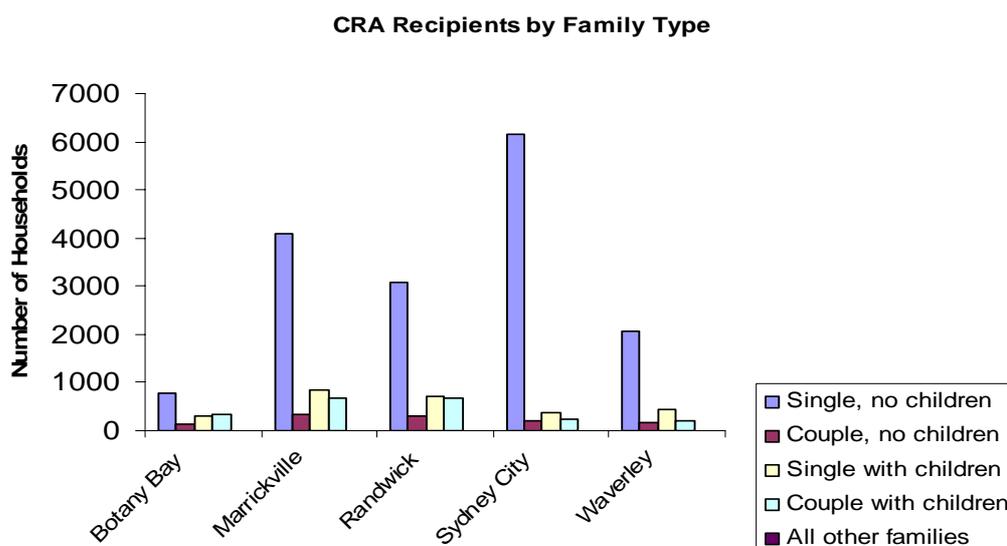
As shown in the graph below, rental subsidy recipients are predominantly single people with no children. This particular group makes up 72% of all recipients living in the Study Area. The second largest group with 12%, is single parents with dependant children, the majority of who live in Randwick and Marrickville LGAs.

⁴⁸ To be eligible, a person must be getting a Centrelink payment or Family Tax Benefit (more than the base rate of Family Tax Benefit Part A.

⁴⁹ Rent Assistance is a non-taxable, untied cash payment to people who get social security or other income-support benefits from the Commonwealth government and who rent accommodation (including from the private sector) – Shelter NSW: “Rent assistance to private and community sector tenants, a background paper, January 2002”, Shelter Briefs, p.4.

⁵⁰ In 2000, the average subsidy in Sydney was \$63.29 per fortnight.

Figure 10



Source: DIPNR Toolkit Table F9 Commonwealth Rent Assistance recipients by family type (2001).
Glebe and Forest Lodge not included as part of City of Sydney figures.
'All other families' category failed to register on the graph due to the small numbers involved.

It is interesting to note on Table 16 that whilst Waverley has one of the Study Area's highest rental costs, it also has the smallest share of people receiving a rental subsidy. A likely explanation is that fewer households living in the eastern suburbs qualify for rent assistance under this subsidy program. If they did, the amount of subsidy paid would not be sufficient to alleviate the high costs involved in renting in the private rental sector. In this context it would not be unreasonable to say that low income household renters have been 'priced out' of the locality.

The formula used to calculate a household's rent subsidy entitlement is an on-going issue of concern for advocacy organisations such as the National Council of Social Security (NCOSS) and Shelter NSW Inc. One of the major concerns relates to the fact that the maximum level of subsidy is capped and the amount paid to a household varies according to the family's circumstances (whether they are single, partnered, number of dependant children, and sharing accommodation with others or not). The calculation does not take into account the regional differences in rents. For example, in March 2000, the average rent assistance subsidy in Sydney was \$63.20 a fortnight.⁵¹

In other words, a family living in, say, Penrith or Campbelltown, would be entitled to the same amount of subsidy as a family (with similar circumstances) living in Randwick, even though rents are considerably higher in inner city locations. In 2000, Berry and Hall⁵² found that single persons with one or two children and eligible to receive rent assistance, could afford only one bedroom flats in 20% of Sydney locations (keeping housing costs to 30% of their income). No other dwelling types were affordable to this group in any local government area in Sydney. So far, attempts to lobby the Commonwealth Government to increase the maximum subsidy payable to recipients living in major Australian cities have been unsuccessful. Hulse⁵³ noted that two countries with equivalent subsidy schemes –New Zealand and the United States of America – provide rental subsidies that vary by region (NZ) and local area (USA).

⁵¹ Shelter NSW; "Rent Assistance to private and community sector tenants; A background paper," Shelter Briefs January 2002, p. 22, 11.

⁵² Berry, Mike and Jon Hall 2001, "Policy options for stimulating private sector investment in affordable housing across Australia", AHURI, p. 70.

⁵³ Hulse (2001, pg 12) referred to in "Rent assistance to private and community sector tenants; A background paper," Shelter Briefs January 2002, p.28.

5.3 Housing Stress

As stated previously, households earning less than or equal to the Sydney median income and spending more than 30% of their gross weekly household income on rent or home purchase are defined to be in 'housing stress'. In 2001, the median income for Sydney was \$989 per week or \$51,428 per year.

Tables 23 and 24 below show the number of households estimated to be in housing stress, looking specifically at the circumstances of this group of residents renting in the private sector, and those who are purchasing their homes.

According to Table 23, approximately 24,228 households earning low-moderate incomes were living in private rental accommodation in 2001. Of this total, some 18,292 were estimated to be in housing stress. Randwick, Waverley and City of Sydney(south) have the highest proportion of low-moderate income earners in housing stress. With the exception of Marrickville, all the LGAs in the Inner East have higher percentages of low-moderate renters in housing stress than the figure for Sydney Metropolitan as a whole. However, this does not mean the situation in Marrickville is more favourable. On the contrary, the number of families living in Marrickville (3,401) in housing stress is greater than in Waverley (2,904) and Botany (1,108) LGAs.

Table 23 Renters low to moderate income earners estimated to be in housing stress

LGA	Total low-mod renters	No. in hsg stress	% in hsg stress
Botany Bay	1,624	1,108	68.2
Marrickville	5,395	3,401	63
Randwick	6,040	5,016	83
City of Sydney(south)	6,427	4,789	74.5
City of Sydney(core)	1,242	1,074	86.4
Waverley	3,500	2,904	83
Sub-Region Total	24,228	18,292	-
Sydney Metro	147,336	98,294	66.7

Source: Centre for Affordable Housing, from Table 1.1 entitled 'Low and moderate income Private Renters and those in housing stress Sydney GMR 1996-2001.
Note: Glebe and Forest Lodge not included as part of City of Sydney figures.

Table 24 Low-moderate income home purchasers in housing stress

LGA	Total low-mod buyers	No. in hsg Stress	% in hsg stress
Botany Bay	560	341	60.9
Marrickville	1254	713	56.8
Randwick	1213	738	60.8
City of Sydney(south)	1207	749	62.1
City of Sydney(core)	149	81	55.3
Waverley	601	362	60.3
Sub-Region total	4,984	2,984	-
Sydney Metro	80,875	43,762	54.1

Source: Centre for Affordable Housing, from Table 1.1 entitled 'Low and moderate income Home purchasers and those in housing stress', Sydney GMR 1996-2001.

Note: Glebe and Forest Lodge not included as part of City of Sydney figures.

So what are the types of households most exposed to housing stress? Table 25 shows that people with low-moderate incomes who live on their own are most susceptible to housing stress, since they are by far the largest household type. In the Study Area, there are nearly 10,762 single persons renting in the private sector (56%) who are in housing stress.

The next largest group of people are those living in shared or group housing, an estimated 2,905 households. Group household situations are usually comprised of single persons sharing housing costs so that they can live where they choose to be. Even though single persons make up the majority of households in housing stress from renting in the private sector, other family households in housing stress are equally significant.

In the case of low-moderate home purchasers, the largest household type in housing stress is also the single person household group (Table 26). The total number of home purchasers in housing stress is considerably less than those renting their homes in the private sector. There is a marked difference between housing stress suffered by home purchasers and private renters. The home purchaser is fulfilling a 'desire' to own a shelter whereas the renter is fulfilling a 'need' for shelter since purchasing is not a financially feasible option.

Table 25 Low-moderate income⁵⁴ renters in housing stress by household type

LGA	Total number of low-moderate income private renters in stress					
	Single parent with kids	Couples with kids	Couples only	Other h'hld	Single person	Group h'hld
	No.	No.	No.	No.	No.	No.
Botany	170	385	131	6	322	51
Marrickville	436	617	389	19	1882	455
Randwick	596	66	546	27	2978	922
City of Sydney(south)	169	140	413	6	3130	702
City of Sydney(core)	41	42	147	6	640	269
Waverley	405	373	454	15	1810	506
Sub-Region total	1,817	1,623	2,080	79	10,762	2,905

Households in housing stress: Households earning up to the SSD median income and paying more than 30% of their income in housing costs.

Glebe and Forest Lodge not included as part of City of Sydney figures.

Source: DIPNR Toolkit from 1996 data.

Table 26 Low-moderate income home purchasers in housing stress by household type

LGA	Total number of low-moderate income home purchasers in stress					
	Single parent with kids	Couples with kids	Couples only	Other h'hld	Single person	Group h'hld
	No.	No.	No.	No.	No.	No.
Botany	37	135	35	3	76	6
Marrickville	90	196	73	9	345	29
Randwick	98	236	68	0	271	9
City of Sydney(south)	49	130	60	0	448	28
City of Sydney(core)	16	65	127	3	153	29
Waverley	63	112	36	0	221	16
Sub-Region total	353	874	399	15	1,514	117

Households in housing stress: Households earning up to the SSD median income and paying more than 30% of their income in housing costs.

Glebe and Forest Lodge not included as part of City of Sydney figures

Source: DIPNR Toolkit from 1996 data.

⁵⁴ Low-moderate income: Households earning less than the Sydney Statistical Division (SSC) median income in 1996 (\$762 per week or \$39,624 pa).

5.4 Mismatches in Housing Size and Supply

Traditionally, developers were reluctant to build one bedroom dwellings, as they were not perceived to be financially profitable for a range of reasons, including costly development standards imposed by councils. The cost to build one bedroom dwellings is only marginally less than to build developments containing two or more bedrooms and therefore the profit margins were not considered to be 'worth the effort'.

Generally speaking, the weekly rental for one bedroom units is not as expensive as two bedroom units. This is demonstrated in Table 14, which provides first quartile and median weekly rents for one and two bedroom flats/units. In 2001 the difference in median rentals between one and two bedrooms units varied from \$30 to \$120 per week depending on the LGA.

Therefore, the availability of smaller sized accommodation (in terms of studio or one bedroom) plays a significant role in the provision of more affordable housing. Increasing the supply of cheaper one bedroom or studio apartments in well-located suburbs could help reduce the number of one and two person households in housing stress.

In the inner east, reluctance on the part of developers to construct one bedroom dwellings appears to be waning. Recent developments in residential zones within and around the Sydney CBD such as Potts Point, Surry Hills, Ultimo, Pyrmont, Moore Park and Green Square have produced a healthier mix of one bedroom and two bedroom dwellings. Randwick Council has also noted an increasing level of interest by developers to provide more studio and one bedroom units within a proposed development.

An attempt was made to gauge the extent of mismatches in accommodation requirements against the available supply⁵⁵. This comparison is undertaken by studying the existing profile of dwelling stock supply (in terms of the number of bedrooms) and the household size profile (number of people) in the community over the same period (Census 2001).

The analysis found that the demand for accommodation is polarised, in that there is a shortage of smaller and larger sized dwellings (four or more persons).

However the biggest need by far, is for smaller sized dwellings. The extent of mismatches in housing size and supply is illustrated in the following graphs.

⁵⁵ This method of analysis serves to provide only an *indication* of the supply-need gaps. In compiling the graphs, it was assumed that one person households will live in strata or one bedroom dwellings, and two person households in two bedroom dwellings etc. It was not possible for the purposes of this exercise to take into account real life situations such as overcrowding (forced) and under-occupancy (by choice). However, given the increasing number of lone or single person households in the community, and in the absence of alternative information, the results of this analysis in relation to the shortfall of smaller sized dwellings is considered to be particularly useful.

Figure 11

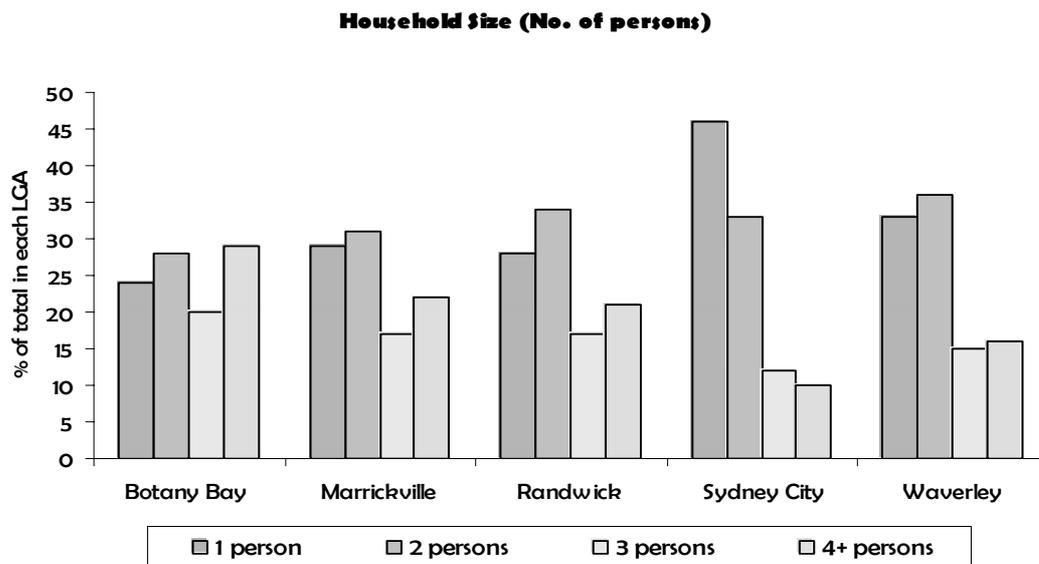
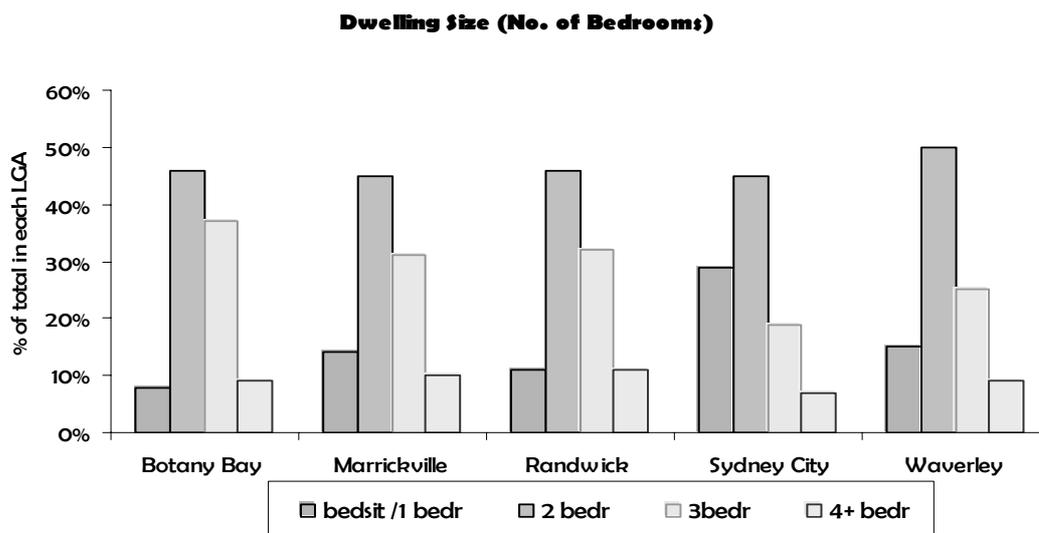


Figure 12



The results of this graphed analysis are best summarised as thus:

Botany Bay LGA

- Shortage of smaller sized dwellings; one person households make up 24% of all households in LGA but supply of smaller sized dwellings (studio and one bedroom dwellings) represents only 14% of total dwellings in LGA.
- Shortage of larger sized dwellings (containing four or more bedrooms); four or more person households make up 29% of all households in the LGA but supply of larger sized dwellings (four or more bedrooms) represents only 9% of its total dwelling stock.

Marrickville LGA

- Shortage of smaller sized dwellings; one person households make up 30% of all households in LGA but supply of smaller sized dwellings (studio and one bedroom dwellings) represents only 15% of total dwellings in LGA.
- Shortage of larger sized dwellings (containing four or more bedrooms); four or more person households make up 29% of all households in the LGA but supply of larger sized dwellings (four or more bedrooms) represents only 9% of its total dwelling stock.

Randwick LGA

- Shortage of smaller sized dwellings; one person households make up 28% of all households in LGA but supply of smaller sized dwellings (studio and one bedroom dwellings) represents only 11% of total dwellings in LGA.
- Shortage of larger sized dwellings (containing four or more bedrooms); four or more person households make up 21% of all households in the LGA but supply of larger sized dwellings (four or more bedrooms) represents only 11% of its total dwelling stock.

City of Sydney

- Shortage of smaller sized dwellings; one person households make up 46% of all households in LGA but supply of smaller sized dwellings (studio and one bedroom dwellings) represents 29% of total dwellings in LGA.
- Supply of larger sized dwellings is reasonably matched to demand; four or more person households make up 10% of all households in the LGA and supply of larger sized dwellings (four or more bedrooms) represents 7% of its total dwelling stock.

Waverley LGA

- Shortage of smaller sized dwellings; one person households make up 33% of all households in LGA but supply of smaller sized dwellings (studio and one bedroom dwellings) represents only 15% of total dwellings in LGA.
- Supply of larger sized dwellings is reasonably matched to demand; four or more person households make up 16% of all households in the LGA and supply of larger sized dwellings (four or more bedrooms) represents 9% of its total dwelling stock.

In summary, all the LGAs have a shortfall of smaller sized dwelling stock when matched against the proportion of lone or single person households in their respective LGAs. Botany Bay, Marrickville and Randwick appear to have a supply shortfall of larger sized dwellings (in terms of number of bedrooms provided). This condition is most evident in Botany LGA. In relation to Sydney City, although the LGA has substantially higher proportions of smaller sized dwellings than the other Inner East LGAs, and remains the Study Area's biggest contributor of smaller sized dwellings, there is still a supply shortfall when compared against demand (proportion of one person households). The supply of larger sized dwellings is reasonably well matched to demand since the market demand for dwellings with more than four bedrooms in the inner city is substantially lower than elsewhere in the Study Area.

6.0 Major Housing Issues in the Study Area

The previous section built a picture of the Study Area's affordable housing environment from various data sources and showed that the need for affordable housing is not just confined to people on very low incomes. Housing stress as a condition also affects families on moderate incomes, especially the 'working poor' (people employed in low paid jobs).

The purpose of this section is to document the more specific major housing issues confronting the Inner East Councils, using information sourced from discussions with representative council officers and from a review of their housing related studies prepared by, or on behalf of, the councils within the Study Area.

6.1 Continuing Loss of Boarding Houses and Impact on the Homeless

Boarding houses traditionally provide lower cost and accessible accommodation for many people who cannot afford the more conventional form of private rental accommodation. They are also referred to as 'last resort housing' for people on very low incomes, including some marginalised groups. A boarding house survey conducted in a number of LGAs has found that tenants are no longer typically elderly single men. It found that '...a significant and growing proportion of residents are young singles aged 20 to 29 and around a quarter of all residents are women.'⁵⁶

A survey of boarding houses in Marrickville LGA⁵⁷ showed a relatively high number of persons whose accommodation type was previously in the private rental sector. This suggests that people are being forced out of private rental housing into boarding house accommodation through lack of cheaper housing options. The majority of residents receive low to very low incomes and a significant number of residents have some form of physical or mental disability.

Boarding house closures have been linked to increased demand for night shelter and increased levels of homelessness.⁵⁸ The significant role boarding houses play in preventing more people moving into insecure sleeping arrangements (sleeping rough) cannot be understated. This is confirmed in a report on homelessness⁵⁹, which found that more than 55% of all the homeless in the Study Area were living in boarding houses at the time.

Over the past decade, the number of boarding houses has substantially declined for a range of reasons including non-commercial viability of its operations. Legislation such as State Environmental Planning Policy (SEPP) No. 10 and the provision of one-off financial subsidies were introduced in an attempt to stave off further loss. However, SEPP No.10, aimed at stemming the loss of low cost residential flat buildings and boarding houses, has only been successful in slowing down the rate of loss. Only a handful of applications to date have been refused, to redevelop the site or convert it into a use other than a boarding house.

A number of councils such as Marrickville, Waverley, City of Sydney Council and Randwick City have introduced planning mechanisms to attract new boarding house developments. But so far, the take-up rate at 2001 on new developments has been limited to only two in the Marrickville LGA.⁶⁰ Clearly there is still scope to investigate new ways of encouraging investment in boarding house style developments in the LGAs within the Study Area. The newly introduced Boarding Houses DCP by the City of Sydney in 2005 is one such innovation. Containing best practice information for new developments, as well as information on grants and subsidies, the DCP is considered to be an effective document for encouraging new boarding house developments.

⁵⁶ Davidson, A., Phibbs, P., & Cox, G., (1998) "Inner Sydney Boarding House Report, April 1998.

⁵⁷ Marrickville Council (1998), "Marrickville Boarding House Survey: Report of the Findings", p.2.

⁵⁸ National Shelter, *National Overview of Boarding Houses in Australia* in "Australia's Private Rental Housing Market: Processes and Policies". Australian Housing and Urban Research Institute, Working Paper No. 9, 1997.

⁵⁹ Australian Bureau of Statistics, "Counting the Homeless 2001, NSW".

⁶⁰ Info provided by DIPNR.

6.2 Continuing Loss of Affordable Rental Housing Stock

One of the more critical regional housing issues facing councils in the inner east is the loss of what used to be affordable housing through gentrification processes and the inability of the private rental market to house low to moderate income earners on reasonable (affordable) rent levels. New dwellings built on redevelopment sites tend to cater to higher income households and 'empty nesters'⁶¹. These dwellings and apartment buildings characteristically have swimming pools, sauna and gym facilities and a live in caretaker or 'concierge', making them unaffordable for people on low incomes to purchase or rent.

Over the past decade or so, Sydney has experienced a gradual decline of low cost residential flat buildings. Many walk-up residential flat buildings located in the eastern suburbs with a water view have been gentrified, particularly along the urban coastline. The typical three storey walk-up flats that were constructed in the 1960s-70s by developers on speculation for short term gains⁶² were a source of low cost rental accommodation for students and workers.

A more recent example of residential flat buildings being lost, are the brick-constructed block of four apartments (two upstairs and two downstairs) commonly found in the Waverley and Randwick LGAs. Often used as rental flats on the one title, many have since been strata-subdivided, renovated and individually sold off to owner-occupiers, thereby further reducing the pool of affordable rental housing. The high profile television lifestyle program 'The Block' (involving four sets of couples renovating and auctioning off exactly this type of residential flat building), while improving amenity, is not an encouraging development from an affordable housing viewpoint. This type of program idealises the ease in which profits can be made by turning an ordinary apartment building into designer abodes.

Notwithstanding the above, as the pool of affordable housing continues to shrink in the Inner East Sub-Region, the effect will be to force residents on low-moderate incomes to move away from established family and social networks and places of employment, and also prevent some people from moving into the area.

The exodus of low-moderate income earners will also affect councils in the Study Area via a loss of certain services such as local neighbourhood shops, local schools and reduced funding levels for aged related services. Key workers in the essential services sector will equally be affected, such as shop assistants, cleaners, health and community care workers, teachers, childcare workers and bus drivers etc.

Cottrell⁶³, in her Eastern Suburbs study of key workers, found that there were more key worker-type jobs in the Eastern Suburbs than the number of people employed in these positions, and that the area will continue to be affected by out-migration of younger key workers who cannot afford the high housing costs in this location.

⁶¹ Empty nester is a term used to describe retiring age singles or couples whose children have left the family permanently, and who have traded their larger homes for well-appointed top-end apartments in the inner ring suburbs.

⁶² Refers to the residential flat buildings built during the property boom in the 1950s-70s by speculative developers. A significant number of these flat buildings were constructed in the Eastern Suburbs, particularly in Randwick and Waverley LGAs. The activities of these speculative builders are documented in Graeme Max Neutze book, *People and Property in Randwick: Post-war changes in the population and their dwellings in an eastern suburb of Sydney*.

⁶³ Cotterell, R, in Judith Yates, p. 6, "Are occupational choices affecting housing choices?" A Paper prepared for the Australian Social Policy Conference, UNSW, 20-22 July 2005.

6.3 Supported Accommodation for Long Term or Itinerant Homeless

As documented in Section 3.10 of this report, people defined as long term homeless tended to have complex health problems as contributing causes for their homeless circumstances. Many suffer from a mental illness, and in a majority of cases, require some level of human support services to help them maintain successful and longer term tenancies. There appears to be a shortage of long term supported accommodation for this particular target group, compared to the availability of overnight or emergency hostel beds in inner-city locations. This shortage is reflected in the number of persons making frequent calls to the HPIC seeking referrals for short term accommodation. The majority of repeat calls were made by people from within the City of Sydney LGA. Discussions held with staff members assisting homeless people have indicated that boarding house style accommodation would be more suited to this group of people, provided that they have their own cooking and bathroom facilities. The most important component of this accommodation type is the provision of built in support services to the tenants.

6.4 Need to Improve Access to Affordable Housing for People with Physical Disabilities or Mobility Issues

This issue relates to people with a physical disability who find it increasingly difficult to secure affordable accommodation with level access. Included in this category are elderly people who have become too frail to negotiate stairs leading to their apartments.

In the Study Area, approximately 5,400 first time callers reported to the HPIC that they were homeless because of a physical disability. A likely explanation is that the more affordable rental housing tends to be walk-up apartments, and unless accommodation is on the ground floor, such dwellings are not accessible for those with physical disabilities.

An issue of concern for the Department of Housing (DOH) is an increasing number of ageing residents requiring rehousing because of their limited capacity to negotiate stairs. Many of its long term tenants are aged and are seeking rehousing into more accessible accommodation, such as ground floor units. Given that the majority of public housing stock in the Study Area is walk-up apartments, the DOH has had to substantially revise its existing policies to meet its clients' needs, and to plan for future increase in the demand for accessible dwellings.

Whilst this is not yet a critical issue for the Study Area as a whole (perhaps with the exception of Marrickville LGA), it may be pertinent for councils to now consider introducing strategies aimed at either influencing the housing market or increasing community awareness to this issue.

6.5 Need for a Sustainable Affordable Housing Service Delivery and Property Management System

A number of councils either have or are about to receive dwelling units provided by Section 94 of the Environmental Planning and Assessment Act before its provisions to levy for affordable housing ceased to apply. Currently, State Environmental Planning Policy No.70 – Affordable Housing (Revised Schemes) only provides for levies to be raised in Green Square, City West (Ultimo/Pymont) and Willoughby LGA.

Waverley Council has some 39 affordable dwellings (both council owned and privately owned and rent capped) and has engaged the local community housing association to manage its property portfolio. Randwick is due to receive the first of a number of

dwellings⁶⁴ over the next twelve to eighteen months and is seeking a sustainable and reliable service delivery framework to manage its dwelling portfolio.

A major requirement for councils involved in the provision of affordable housing is to ensure that staff is not responsible for the day to day activities of managing the rental program. Instead, a property and tenancy management framework is required, one that will be accountable and tailored to the requirements of councils' affordable housing policies and procedures. It is therefore an opportune time to investigate viable housing management delivery structures, to be used by councils for managing a small portfolio of affordable housing stock. This framework includes a resource kit with a range of housing management tools such as cash flow and rent setting models.

6.6 Partnerships with the NSW Department of Housing

It is the goal of the Inner East Councils to develop a better relationship with the NSW Department of Housing ('DOH'), since, unquestionably, collaboration yields more effective outcomes. Acquiring a better understanding of each other's objectives by participating in the planning processes could lead to positive developments in social housing partnerships, including identification of gaps in service delivery and improved targeting of public works/services expenditure. A number of 'entry points' in which strategic alliances between DOH and councils can be fostered are:

- The redevelopment of public housing estates.
- The development of Study Area and LGA-wide strategic plans and rezoning projects.
- The resolution of on-going operational issues such as fire safety in buildings; garbage services; and nuisance and annoyance resolution.
- Community renewal projects in social housing neighbourhoods.
- The resolution of complex housing issues for which state government agencies are responsible, but because local communities are affected, require local council input.

Examples of issues that require a collaborative management approach from different levels of both government and community agencies are homelessness and in the joint purchasing of properties for social rental housing purposes. Strategic partnership is a popular method for ensuring the best utilisation of limited resources to resolve complex issues involving a number of responsible agencies.

6.7 Provide Adequate Resources to Council Staff to Research and Implement Local and Regional Housing Initiatives

The Inner East Councils have identified the need for a more consistent approach in the use of appropriate databases to assist in the preparation (and updating) of housing strategies and policies. Many councils commission external consultants to prepare such studies on an infrequent needs basis (resources permitting). However, these studies are quickly made redundant with the emergence of new Census data every five years.

For this reason, council officers suggested that a manual, setting out the key steps involved in the collation/selection of relevant housing data, analytical interpretation and presentation, would be a useful resource document. It would mean that in-house staff could develop its own affordable housing studies or prepare specific research work on a needs basis.

It is also considered that the availability of the manual would facilitate:

⁶⁴ Ownership to these dwellings will be transferred to Randwick Council for affordable housing rental purposes. The dwellings were the result of successful negotiations between developer and Council as part of residential development master planning processes.

- A more consistent approach in the reporting of housing issues.
- A greater level of information exchange between LGHIP Inner East Councils on regional housing matters.
- Identification of emerging local trends as the result of a consistent approach in the use of data sources and selected indicators.

It is understood that such a manual is in development, funded by the Centre for Affordable Housing.

6.8 Ageing Dwelling Stock and Low Amenity in Private Sector Housing Precincts

In some neighbourhoods of Sydney, the gun-barrel like residential flat developments that were built between the 1960s and 1970s are coming towards the end of their life cycles and are falling into disrepair. As a result of the poor visual amenity of these neighbourhoods and the physical condition of the apartment blocks, they have turned into 'poor housing' precincts, and a source of rental housing to disadvantaged households.

The suburb of Hillsdale located in Botany Bay LGA is a typical point in case. Comprising 1,820 dwellings, about 47% are private rental housing, 2% public housing and 42% either owned or in the process of being purchased. Other issues that characterise this problem are:

- Low socio economic status of residents
- Inappropriate design and fire safety issues
- Poor maintenance of landscaped and communal areas
- Community safety
- Landlord neglect/insufficient funds to upgrade building by low income owners.

Old and badly maintained homes in the private sector are of particular concern since they usually house vulnerable residents such as the elderly and those on low incomes. Many owners cannot afford to repair their properties. They may, for instance, be in low income or pensioner households and have difficulty accessing the equity in their homes. Others are landlords, often with houses in multiple locations who do not need to update their properties to make a profit.

The issue of poorly maintained private sector housing is not confined to Sydney. It occurs in many major cities such as in the United Kingdom, Canada and the United States. However in the United Kingdom, where the condition of housing stock has become a significant issue, the government has in place a number of funded urban renewal programs to improve dwelling conditions in the private and social housing sector.

There are many reasons why councils should encourage and support investment in improving the quality and sustainability of older private sector housing. Investment in private sector renewal can contribute towards achieving over-arching goals such as neighbourhood renewal and balanced housing markets. It can also meet a range of other regional priorities such as affordability, key worker housing, homelessness and provision of human support services/infrastructure.

Both the State and Commonwealth Governments should be responsible for and take a lead role in addressing this issue. Local councils have a responsibility to better understand the local conditions and issues and provide support to state/federal agencies where this problem is greatest and where an effective plan of action is proposed.

Where Hillsdale is concerned, there is a need to investigate and identify appropriate mechanisms that can be used to encourage property owners and residents to improve their housing environment. There is also a need to understand how intervention strategies can be introduced without substantially reducing dwelling affordability for families who are renting and on low incomes.

7.0 Existing Local Affordable Housing Initiatives

The previous section described the major housing issues confronting the Inner East Councils. The purpose of this section is to broadly list the range of affordable housing initiatives that are currently in place in each of the five LGAs. The loss of affordable housing through gentrification processes and the limited ability of the private rental market to accommodate the needs of low to moderate income families at affordable levels, represent the biggest challenges confronting the five Inner East Councils.

It is hoped that the information provided may highlight opportunities to help inform the formulation of future affordable housing strategies at both regional and local levels.

7.1 Botany Bay

The City of Botany Bay Social Plan 2002: A project of the City of Botany Bay in Partnership with the Community contains an affordable housing section suggesting a number of ways in which the LGA could become involved.⁶⁵ However, the elected council has determined that the LGA has an adequate supply of affordable housing stock and, as such, does not consider it appropriate at this stage to adopt local initiatives to further encourage supply. The council is, however, keen to improve the amenity and building condition of older private housing precincts within the suburb of Hillsdale. As such, a study was undertaken as part of the LGHIP key work area, to identify the nature of the issues, if any, confronting residents, as well as recommending some mechanisms for council to assist residents and property owners to participate in revitalising their neighbourhood.

Botany Bay Council is a joint funding partner of the LGHIP Inner East Regional Housing Strategy project.

7.2 Marrickville

The 1998 *Marrickville Housing Needs Study: Housing affordability and appropriateness in Marrickville*, recommended a list of local level initiatives to encourage both affordable and supported housing. Where possible, these initiatives were incorporated into local planning instruments and community development service-delivery social plans.

Strategies that were incorporated into the council's planning instruments include:⁶⁶

- A more rigorous and consistent application of SEPP 10, including the development of specific criteria for assessment.
- SEPP 10-like objectives and controls, included in its LEP/Urban Housing DCP.
- Specific provisions contained in its LEP requiring an assessment of the impact of development on the loss of affordable housing to be considered as part of the development process.
- The permissible use of boarding houses in all residential and business zonings included in its LEP.
- Townhouse developments made permissible in residential 2(a) zones included in its LEP, subject to compliance with minimum site requirements.
- Requirements for adaptable housing (10% of residential flat buildings) included in its LEP. Since its application in 2002, 153 dwelling units have been approved.
- The provision of 'shop top' housing incorporated in its LEP. As the result of this initiative, one 'shop top' development has since been presented with a prestigious Excellence in Design Award from the Premier of NSW.

⁶⁵ The City of Botany Bay Social Plan 2002: A project of the City of Botany Bay in Partnership with the Community, pp. 34-38.

⁶⁶ Marrickville Council, 1998, *Marrickville Housing Needs Study: Housing affordability and appropriateness in Marrickville*, pp. 55-57, including personal communication with council officer.

Other non-statutory strategies or initiatives aimed at strengthening disadvantaged residential communities and ensuring sustainable outcomes include:

- The South Marrickville Social Capital Project. This project provides a much needed forum for local service providers (government and non-government) to develop a strategic and coordinated approach in the planning and delivery of services to the local community living in South Marrickville.
- A Community Centre, constructed by Marrickville Council, to accommodate a range of outreach support services.
- Active information provision and advocacy strategies, particularly for residents living in boarding houses and their not-for-profit providers.

The council has worked closely with a number of community organisations including the Boarders and Lodgers Action Group, and the Newtown Neighbourhood Centre. It has also written letters of support to local members of Parliament on the issue of providing for and protecting residents living in boarding houses. Specific and recent projects that fall under this initiative include:

- Starting Again – Re-Entry and Transition Program. The aim of this program is to support ex-offenders with their transition back into their local community. Services provided include housing, employment, education, health and a mentoring buddy system. This is a multi-agency program and the council provides invaluable leadership and a support role in sponsoring and coordinating the activities of this program.
- Boarders and Lodgers Project. Undertaken in 2002, the aim of the project was to identify the service needs of residents living in rooming houses in the LGA, and develop an appropriate service model for residents. Newtown Neighbourhood Centre, with funding from the Department of Ageing Disability and Home Care, was responsible for the project and the council provided considerable support through active participation in advisory committee meetings. More importantly, the outcomes of the report were used by council, to plan and deliver more appropriate services for residents living in boarding and lodging accommodation.

Marrickville Council is also a joint funding partner of the LGHIP Inner East Regional Housing Strategy project.

7.3 Randwick

Strategies that were incorporated into the council's planning instruments include⁶⁷:

- Dwelling houses including dual-occupancy and semi-detached housing, are permissible in 2(a) zones subject to compliance with development standards.
- Studio dwellings (bed-sit units), which fall within the definition of the council's DCP multi-unit housing, are permissible in all residential zones except 2(a) zones, and all business zones (if attached to or involved with other uses which are permissible in the zone), with consent.
- The provision for a clear distinction between 'backpackers accommodation' and 'boarding houses'. Boarding houses are permissible with consent in all residential and business zones and Special Uses 5 zone. Backpacker accommodation is only permissible in the 3A (general) business zone with consent.
- The recent inclusion of specific clauses in the LEP to strengthen the council's grounds for refusing applications which would result in a loss of boarding house stock. For example, provisions requiring council to assess the

⁶⁷ BBC Consulting Planners on behalf of Randwick Council, 1995, 'Randwick Housing Affordability and Access Study', pp. 22-28.

accumulative impact of losses, and the need to retain boarding houses within a local area.

- Recent introduction of an affordable housing LEP aimed at encouraging the provision of affordable housing within the LGA.
- Planning provisions for all town centre reviews and major redevelopment sites have introduced requirements for a diversity of housing and residential flat units. These planning provisions are now applicable to Kensington and Maroubra town centres, and the Bundock Street and Prince Henry Hospital development sites.

Other non-statutory initiatives aimed at encouraging provision of affordable housing include:

- Implementation of Negotiated Planning Agreements. This is essentially a collaboration with developers to contribute to the supply of affordable dwelling units (built) as part of the master planning process involving large development sites. To date a total of fifteen dwellings have been agreed to.
- Collaboration with a social housing provider (with the support of the DOH) to construct an affordable housing project, on a partnership basis. This will make use of S94 contributions previously collected to mitigate against the loss of affordable housing.
- Identification of affordable housing as a key issue requiring actions in the draft Randwick City Plan 2005 (20 year strategic plan).

Strategies or initiatives aimed at strengthening disadvantaged residential communities to ensure sustainable outcomes include participating with the local residents of South Coogee public housing estate to provide better targeting of services.

Within Randwick Council, there is a corporate culture of encouraging staff to attend seminars and talks about affordable housing issues, as a means of improving skills and knowledge. Officers regularly attend the Affordable Housing Network convened by Shelter NSW to gather and contribute information on housing issues.

Randwick Council is a joint funding partner of the LGHIP Inner East Regional Housing Strategy project.

7.4 City of Sydney

Prior to its amalgamation with the City of Sydney in February 2004, South Sydney Council had in place a range of initiatives and planning mechanisms aimed at improving affordable housing choice and dwelling stock. It is understood that these initiatives are intact and continue to apply within the southern area of the current LGA boundaries. It is also understood that work is currently underway to review and update the draft *South Sydney Affordable Housing Strategy* to ensure that it addresses housing need issues within the whole LGA and identifies a range of options for increasing housing choice.

The following is a list of major initiatives that currently apply to the southern and city core areas of the City of Sydney LGA. Statutory mechanisms include:

- The Green Square Affordable Housing Program, implemented through the Green Square LEP and DCP. This program sets out, among other requirements, provisions to enable the council to apply a 3% inclusionary zoning requirement for affordable housing purposes. Developers are given the choice of paying an equivalent cash contribution or else provide built dwellings to an equivalent value. The aim of the program is to ensure the development of at least 350 units of affordable housing for local low income people. The City West Housing Company is the social housing provider responsible for the development of this affordable housing.

- The City West Affordable Housing Program, implemented by the City West Housing Company. This program aims to provide at least 600 units of affordable housing for low income people in the Pyrmont/Ultimo area. The enabling legislation is the Sydney Regional Environmental Plan No. 26 – City West.
- Introduction of a new DCP for Boarding Houses, containing best practice information for developments, including information about grants and subsidies, to encourage new boarding houses and the retention of existing ones.
- Joint state/local government partnership to protect the rights of boarding house residents and to provide certainty to owners. This initiative involves the council, and the Departments of Fair Trading, Planning and Housing.

Non-statutory initiatives include:

- Identification of affordable housing as a key issue within the draft *City of Sydney Social Plan 2005*, and an associated action plan outlining council's proposed measures to address housing needs.
- Provision of financial assistance and in-kind support to community housing associations. Beneficiaries of financial assistance have included CRASH Sydney, Rentwatchers NSW and the Newtown Neighbourhood Centre.

The City has implemented a number of important homelessness initiatives, and continues to do so, with the most recent being the Inner City Homelessness Support and Outreach Service (ICHSOS). This service will be established in early 2006 and is jointly funded by the City of Sydney and the NSW Department of Housing (which is the lead agency for the State Government's Partnership Against Homelessness). The new service will replace the City's existing street outreach service, which it has funded since 2000 and the Department's outreach service, HATSOS, which it has provided since 2003. ICHSOS will provide street outreach services and assist homeless people to access appropriate health, support and welfare services as well as obtain and sustain long term housing.

Advocacy and research initiatives include:

- Funding of a boarding house project, auspiced by the Inner City Legal Centres to identify best practice approaches for retaining accommodation in boarding houses.
- Joint preparation of an *Affordable Housing Position Paper* (2001) with the SSROC.
- Preparation of *South Sydney Housing Needs Study* (2002), which is currently being used to inform the preparation of a housing study applying to the amalgamated City of Sydney LGA.

City of Sydney Council is a joint funding partner of the LGHIP Inner East Regional Housing Strategy project.

7.5 Waverley

Waverley Council is one of the State's more active and progressive local government contributors of affordable housing. Its commitment to provide for and promote affordable housing is reflected in its planning programs and statutory instruments. These mechanisms were initiated some fifteen years ago when the LGA experienced a significant loss of affordable and appropriate housing stock. Its long term residents were in the process of being 'priced out' of the locality and in response, the council adopted an 'interventionist' strategy based on a three-pronged approach of 'retaining, replacing and providing affordable rental housing stock'.⁶⁸ The following are some major statutory and non-statutory mechanisms used by council.

⁶⁸ Craig Wyse, 2000, *Waverley Council's Approach to Affordable Housing: UTS Affordable Housing Symposium*, p. 2.

Strategies that were incorporated into the council's planning instruments include:

- Introduced objectives and controls in its LEP to mitigate against further losses in the supply of low cost housing as well as the implementation of a more rigorous and consistent application of SEPP 10.
- Specific aims contained in its LEP 1996 and a separate division on affordable housing. This legally requires the council to undertake a thorough assessment of the impacts the development has on the supply of low cost housing and local residents.
- The required payment of a S.94 contribution for affordable housing as part of the development application-approval process for the loss of affordable housing as well as financial assistance for the relocation of existing tenants when necessary. (However the practice of imposing a cash contribution levy on developers has since ceased.)
- The adoption of negotiated planning agreements as a supplementary means of replacing dwelling stock lost through redevelopment activity. Council has applied negotiated planning agreements under the provisions of Section 80A(1) of the *Environmental Planning and Assessment Act, 1979*. This states that consent may be granted, subject to a number of conditions that will reflect the aims and objectives of a council's planning instrument, for example, an LEP. Such agreements are enforced through the granting of development consents.
- The practice of granting development incentives (density bonus scheme) to developers in exchange for provision of affordable housing stock on the development site (voluntary). This practice is enshrined in council's Multi-Unit Development Control Plans (DCP) which specifies that an increase in floor space ratios and a variation in planning standards such as parking requirements, height and landscaping, may be granted where environmental standards and the amenity of an area is not jeopardised. In return for permitting a variation in planning requirements, council requires a component of affordable housing within the development, managed through its rental housing program. An Affordable Housing Calculator was developed to calculate the anticipated benefits.

Non-statutory initiatives include:

- The longstanding policy of council to contribute at least 30% of the cost of joint venture community housing projects undertaken with the State Government or not-for-profit organisations. Council's contribution is considerably more than the minimum requirement for joint venture capital programs, therefore providing greater certainty in achieving project outcomes.
- Employment of a Strategic Planning Officer whose duties include affordable housing policy development and overseeing the council's density bonus scheme.
- The use of a system to monitor the loss of affordable housing stock in the LGA. This information is then used to strengthen developer agreements and implementation of the Section 94 levy.
- The employment of an affordable housing management structure to allocate and deliver a rental housing program to low income residents.

Waverley Council is a joint funding partner of the LGHIP Inner East Regional Housing Strategy project.

7.6 Observation and Discussion

At present, there is a variety of approaches and a lack of uniformity in the application of housing policies and initiatives within the Study Area. Waverley Council has a well developed set of affordable housing policies, which include an affordable rental housing

program administered by housing associations on its behalf. Waverley Council's rental housing program has been very effective in utilising a density bonus scheme to increase new supply.

The City of Sydney Council's planning powers to impose Section 94 contributions is restricted to developments within the suburbs of Ultimo-Pyrmont and Green Square, and the contributions collected are used by the local housing association to increase its rental housing portfolio. Other councils such as Randwick and Marrickville have LEPs to encourage boarding houses and affordable housing in their LGAs, although the effects of these recent measures have yet to be assessed.

It would appear that each of the five councils' approaches in encouraging affordable housing is shaped by its historical and political environment. The fact that they each have different 'ways of seeing' is a positive strength, and will be useful in the development of regional level housing strategies.

The idea of levying a contribution on developers is not unreasonable if supported by information showing the connection between redevelopment activities and loss of housing stock. However, only a handful of councils have the power under SEPP 70 to levy for affordable housing in development consents. The absence of political support to make the necessary amendments to the planning legislation, enabling councils located in high cost and high needs LGAs to levy affordable housing contributions, was a vexed issue for many metropolitan councils.

Recently, in August 2005, the EP&A Act was amended to allow councils to enter into Planning Agreements with developers on a voluntary basis to make an affordable housing contribution as part of the development approval process. While the voluntary planning agreement process is not the same as Section 94 contributions (which is a compulsory levy), it will at least serve to formalise Waverley Council's density bonus scheme and Randwick Council's negotiated agreement methodology applicable to large development sites requiring master plans.

There are of course other means, apart from voluntary planning agreements that can be used to encourage the private market to increase the supply of affordable housing. Changes to planning controls within planning instruments have been explored in many housing studies commissioned by councils⁶⁹. Suggested provisions include:

- Taking away minimum allotment sizes, and using a merit based assessment method.
- Removing minimum dwelling sizes to encourage smaller dwellings.
- Reducing car-parking space requirements in areas well serviced by public transport and/or shopping centres.

It is envisaged that in order to encourage developers to enter into Planning Agreements on a voluntary basis, some planning concessions will be necessary. However, some councils may be reluctant to do so, probably driven in part by concerns that by lowering development standards, any adverse impacts on the amenity of the surrounding neighbourhood may cause a community backlash against its affordable housing initiatives.

It is obvious that there are no clear-cut solutions to resolving the complex issue of affordable housing provision. As such, it is important to approach the development of local strategies sensitively, and at a level that is commensurate with the council's resources and political environment.⁷⁰

⁶⁷ Examples include housing studies prepared by IMROC and SSROC, Randwick City Council and Marrickville Council.

⁷⁰ It is understood that Canada Bay Council is currently negotiating for a number of key worker housing units on a development site. The dwellings are intended to house low-wage local hospital employees.

8.0 The Regional Housing Market

8.1 Key Drivers and Market Dynamics

The Sydney property market is a popular conversation topic amongst Sydneysiders. Conversations on who bought what and where, the profits and the losses, speculations on the next boom suburbs, and the astronomical rentals for 'inner city broom cupboards' are often heard at cafes and parties. The heightened level of interest in the property market may in part be due to a strong (and cultural) desire by Sydneysiders to own and invest in residential properties.

Financial institutions and the real estate sector have described the property market movement on the investment graph as a boom and bust cycle that lasts about seven years. In broad terms the previous boom occurred in the 1980s and then suffered a 'property crash' at the dawn of the 1990s. The upswing began again in the mid 1990s, and while it may have been a bit hesitant at first, from 1996 onwards the median house price increased at an average annual rate of 12 percent, with prices for apartments and flats increasing at almost the same rate.⁷¹ This may have been driven up by the Howard Government's decision in 1996 to halve the capital gains tax payable on investments before applying tax at marginal income tax rates. At the peak of this boom around the year 2000, house prices showed annual rates of increase of around 20 per cent. In other words, the median house price in 2000 was 2.3 times that in early 1996, and 2.5 times that in early 1990.⁷² The Sydney property market is currently somewhere in the middle of a 'correction' cycle although the real estate industry continues to promote a positive outlook in the weekly property sections of major and local newspapers.

Whilst some investors and industry players have attributed the current bust condition to the ill-fated vendor's tax policies⁷³, most hold the view that it was the right conditions for pricing adjustments given the overheated state of the market which could not possibly have been sustainable.

The boom bust cycle described above is not a recent phenomenon. The Reserve Bank has noted in its submission to the Productivity Commission of Inquiry that the market showed pronounced cycles, including upward surges in the early and late 1970s, and a particularly sharp increase in the late 1980s. However, what was unusual about the mid 1990s property boom, was the extended time prices remained at the top of the cycle.

The Sydney property market is influenced by economic conditions (international and local), as well as by labour and social trends that affect Australia as part of the global economy. It is also affected by micro-factors such as the supply of housing stock and the characteristics of investment activity within the property market. Understanding some of the key drivers and dynamics of the housing market will help explain why prices have behaved in a particular way.

The Reserve Bank of Australia in its submission to the Productivity Commission Inquiry on First Home Ownership provided a well considered explanation as to why house prices have risen substantially over the last decade or so, to the point that the market has become unaffordable to many more families (and particularly younger people) living in capital cities such as Sydney.

According to the Reserve Bank, the major reason for the significant rise of house prices relative to incomes in the last twenty years was the substantial fall in interest rates on mortgages. The low interest rates have enabled purchasers (including first-time home buyers) to maximise their loans and buy more expensive properties.

⁷¹ Reserve Bank of Australia 2001-2005, Submission to Productivity Commission Inquiry on First Home Ownership, p. 9.

⁷² Ibid.

⁷³ The NSW Government does not hold this view.

Investor demand for rental properties also played an important role in driving up property prices. The evidence for this was seen in the proportion of dollars lent by banks to investors and to home buyers. Owner-occupiers moving to more expensive and better houses was also seen by the Reserve Bank as an important but lesser influence on prices when compared with investor activity.

Investing in rental property became popular for the following reasons:

- The desire of investors to earn capital gains from investing in rental property.
- The ease of obtaining finance to enter this activity.
- The taxation treatment of investments in residential property.
- Distrust in alternative investment sectors, such as industrial shares.

The Reserve Bank remarked on the unshakeable (and intrinsically Australian) investor faith in the property market. In spite of the fact that house prices had fallen in some developed countries, and at times had fallen in real terms in Australia, investors still failed to shake off this belief. And although high property prices resulted in yield rates of around the 3.5 percent mark, an extremely low rate of return when compared with yields from other sectors, property investors remained undaunted.

In relation to the second point, competition in the banking and finance sectors has made borrowing from financial institutions very accessible. In previous decades, investment in rental property was only affordable to the wealthy and the well connected, due to the difficulty in obtaining finance. However, investors are now able to secure loans from financial institutions for investment purposes by offering their own homes as collateral, and do not have to pay up-front cash if they have a reasonable amount of equity in their homes.

In relation to the third point, because the top marginal tax rate cuts in early at a relatively low income (\$62,501, 2003 figure), there is a very large pool of taxpayers keen to lighten their tax burden. As a result of the way investments in rental property are taxed (including negative gearing arrangements), it is still considered worthwhile by many to hold on to a low-yielding property.

In relation to the final point, it is generally acknowledged that investing in stock market shares is not as popular amongst Sydneysiders as owning 'bricks and mortar'. It is not that investments in shares yielded a poorer growth rate over time when compared to properties, but rather that the evidence of shares ownership is less 'concrete' or real. The 'dot.com crash' in March 2000, which resulted in an unprecedented loss in the value of IT stocks from share markets around the world, may also have reinforced the cultural preference for investing in real estate.

For more than a decade, Sydney's population has been undergoing significant changes in its social and demographic make-up. Although Sydney's population has stabilised, the number of households requiring housing has grown. An increasing number of people are living alone, for a range of reasons including family break-ups, and women marrying later, or not at all.

Investor demand for rental property together with the growth in the number of households requiring additional dwellings, provides a convincing argument that housing supply has failed to keep up with the underlying demand. In other words, competition between investors and owner-occupiers for the best available properties has pushed house prices up to unaffordable levels.

This appears to be particularly relevant for the Study Area as its supply of green-field sites for housing purposes is almost exhausted. Redevelopment opportunities are limited and any sites that become available command premium prices, causing the sale price of newly constructed dwellings to be largely unaffordable to all but higher income households. This constitutes a failure of the housing market to cater to the needs of a broader market base.

However, the Productivity Commission concluded that it was the favourable taxation treatment on investment properties, together with the growth in real household incomes in a buoyant economy, that have been the key drivers of house price inflation.

Yates explains in her research report that economic change associated with labour market reforms has resulted in a big income gap between people employed in the new age economy (knowledge based) sector and low paid service workers⁷⁴. In turn, this has created ‘spatial polarisation’ in the housing markets. The Study Area and the adjoining LGA of Woollahra provide clear examples of very desirable and centrally located suburbs, populated only by families on very high incomes.

Housing affordability is not only confined to the home purchaser market. Although a significant proportion of dwellings in the Study Area are private rental housing stock, the cost of renting is considerably higher than elsewhere in NSW. Market rents in the private sector are determined by similar pricing considerations such as location and property size, so it goes without saying that higher priced suburbs command higher weekly rents.

It is not conclusive whether increasing the market supply of rental accommodation will in fact result in a decrease in rent levels. On the one hand, there is evidence to suggest that the high growth rate in apartment buildings in recent years, particularly in the City of Sydney LGA, has somewhat stabilised rental costs, even though the actual rent levels remain comparatively high in the metropolitan context⁷⁵.

On the other hand, Yates et al⁷⁶ found only high rent stock increased as a proportion of all rental dwellings within the Sydney Metropolitan Area. In the same period, 1996 to 2001, the Sydney Metropolitan Area continued to lose low-cost rent stock. Added to this is Yates’ study findings that much of the low-cost rent stock that did exist was occupied by households on higher incomes, painting a grim prospect for low income families who cannot afford to purchase their own homes. The table below provides the evidence to support this point⁷⁷.

Table 27 Number of private rental dwellings leased for less than \$250 per week

LGA	Percentage of dwellings renting for less than \$250/week and occupied by families on incomes greater than \$1,000/week	Total no. of private rental dwellings renting for less than \$250/week
Botany Bay	33%	2,000
Marrickville	29%	6,127
Randwick	34%	3,490
City of Sydney(south)	27%	5,095
City of Sydney(core)	32%	402
Waverley	30%	1,993

Figures calculated from ABS Census data, 2001.

The table shows the proportion of low rent private sector dwellings (defined as less than \$250 per week) let out to families on high incomes (defined as over \$1,000 per week). On average, about 30% of the Study Area’s low rental dwelling stock is occupied by households earning a weekly income of more than \$1,000 per week. This suggests that the private rental sector cannot exclusively be relied upon to meet the housing needs of individuals and families on lower incomes. This may have been possible more than twenty years ago when housing costs were considerably lower in relation to household incomes. Now, however,

⁷⁴ Include retail sales workers, hospitality workers, cleaners, health care workers and the like, whose services tend to be person to person.

⁷⁵ Information provided by Department of Housing on Housing Markets – Schematic of Analysis (internal document) for Inner South East Sydney.

⁷⁶ Judith Yates, Maryann Wolf, and Margaret Reynolds, 2004. “Changes in the supply of and need for low rent dwellings in the private rental market”, AHURI, p. 36.

⁷⁷ Judith Yates and Margaret Reynolds. “Low Cost Rental Study”, October 2003. A study produced for the NSW Department of Housing in conjunction with research supported by AHURI.

high housing costs, particularly in the Study Area, are affecting an increasing number of families on even moderate incomes.

The capacity of the State's public housing authority to assist more families has been curtailed due to shrinking federal funding. The Department of Housing is now channelling its shrinking resources to housing families on very low incomes or with complex needs. As such, the restricted role played by it and the private rental market has resulted in more families on low and moderate incomes (particularly if they have young dependants) falling through the crevices. The market failure to meet the broader housing needs of the community highlights the need to introduce some market intervention measures, an example of which is a targeted and affordable housing supply program.

8.1 Impact of High Housing Costs on the Regional Community

"Central Sydney is being starved of basic-wage workers—those who clean offices and hotel rooms, wait on tables, work in kitchens—because they cannot afford to live within reasonable travelling distances from the City."

(O'Malley, Sydney Morning Herald, 2nd June 2005)

"...like ideally you'd love to work in suburbs that you're in, for me, on the wage that I am on, buying in Waverley [laughs] you'd be flat out buying a bench in the park sort of thing, for that."

"So if you're only going to work to earn the pay to buy the food to gain the strength to go back to work, it becomes a pointless occupation. You're better off to leave Sydney, which a lot of my acquaintances have done...."

(Survey respondents⁷⁸)

The failure of the housing market to provide for this particular group of people has broader implications for the sustainability of town centres within the Study Area, including the quality of their social and cultural environments.

As shown in Yates' recent research paper⁷⁹, the issue of key workers or service workers on basic wages travelling long distances into the inner city area for employment, is a growing concern, particularly as Sydney continues to experience rising transportation costs and an unreliable and ageing suburban train network. The worst possible repercussion is that employers are unable to retain a reliable pool of staff and factory workers, particularly, those working night shifts, weekends or other non-standard hours.

Yates acknowledges that this is part of a broader problem "...of general income and spatial polarisation", involving the rapid growth and concentration of high income workers driving real estate market prices in centrally located and high amenity locations.

In Sydney's case, these dynamic urban processes have widened the price gaps between central and outer residential locations. Yates also found that for Sydney as a whole, the supply of low rent housing has decreased and the bulk of that which remains is located well away from the city centre. According to Yates, "The implications of a lack of appropriate affordable housing are that many workers either pay a high proportion of their incomes in meeting their housing costs and/or travel long distances in order to work in their chosen location. Neither of these options is likely to be particularly sustainable...high commuting

⁷⁸ Michael Darcy, Judith Stubbs, Julia Perry, and Hazel Blunden. "Moving to Work, Moving from Work: housing, travel, cost and key workers in Sydney". Australian Social Policy Conference, UNSW July 2005, pp. 7&10.

⁷⁹ Judith Yates, "Are occupational choices affecting housing choices?" A (draft) Paper prepared for the Australian Social Policy Conference 2005, UNSW 20-22 July 2005, p.18 & 2.

costs, particularly if they are not compensated for...are likely to lead to a search for new employment closer to the place of residence".⁸⁰

The consequence of very high housing costs will result in the inner city area being predominantly populated by the young, the affluent and those without children.⁸¹ Yates questions whether this condition, if allowed to carry on un-mitigated, is sustainable in the long run. Richard Florida⁸², an American professor in regional economic development, states that vibrant cities need hospitality workers; they need cleaners; they need workers who work at all times of the day or night. Such diversity does not come from a homogeneously high income population profile

A report entitled, 'Moving to Work, Moving from Work: housing, travel, cost and key workers in Sydney'⁸³ brings the impact of high housing costs (rental and purchase) closer to home and presents it on a more human scale. The study explores employees' experiences of the relationship between housing and work, including those working in the eastern suburbs. This report provides very interesting insights, including some evidence of a potential withdrawal of labour from areas with limited supply of affordable housing.

A selection of quotes from the report:

- *When asked for the main reason for living where they did, purchasers considered affordability as an important factor. For renters however, being close to work was the most commonly cited reason.*
- *Renters are most likely to be in housing stress, and purchasers have a fair degree of housing stress.*
- *People who wish to own their homes are sacrificing proximity to their workplaces to do so.*
- *While other factors may be stronger in the initial choice of where to buy, or for some renters, where to rent, once there the inconvenience is likely to influence how happy people are in their job location.*
- *For all tenure types, but particularly purchasers, they are more likely to prefer to work closer to their home, than to move closer to their work place.*

Housing affordability is not simply a housing problem. It has wide ranging implications and affects the community at large in many ways, including the viability of the local economy. We have seen the ugly side of spatial polarisation at work only last year in the outer Sydney suburb of Macquarie Fields⁸⁴.

For this reason, housing affordability cannot be sidelined as solely a Federal or State government problem. There are many ways local councils and their communities can become involved in creating and sustaining the viability, diversity and vibrancy of the Study Area. Some of these roles, including ideas and examples of mechanisms used to promote affordable housing at the local level, are raised in Section 10 of this document.

⁸⁰ *ibid* p.18.

⁸¹ Judith Yates, "Are occupational choices affecting housing choices? A (draft) Paper prepared for the Australian Social Policy Conference 2005, UNSW 20-22 July 2005, p.18.

⁸² Quoted in Judith Yates, *ibid.* p.19.

⁸³ Michael Darcy, Judith Stubbs, Julia Perry, and Hazel Blunden. "Moving to Work, Moving from Work: housing, travel, cost and key workers in Sydney". Australian Social Policy Conference, UNSW July 2005.

⁸⁴ Riots broke out in February 2005 after two teenagers were killed in a car crash while being pursued by police.

9.0 Conclusions and The Way Forward

The earlier part of this document raised a broad range of housing and housing related issues within the Study Area. A critical recurring theme is the lack of affordable housing for households on low and middle incomes. Many households on moderate incomes or less cannot afford to rent in the inner city and eastern suburbs, and have moved away to more affordable locations. For the remaining households, a significant proportion will continue to experience housing stress or may be forced into sub-standard housing (in terms of size and condition) in exchange for more affordable rents.

The consequences of poor rental and home purchase affordability are substantial but the two most obvious consequences are:

- Local residents with established ties may be driven further away from the Study Area in search of more affordable housing. This has a tendency to weaken the connection, sense and the strength of the community fabric.
- Employers experience difficulties in retaining low paid workers. The costs of recruiting and training new employees, and in turn the possible failure to meet service standards or production deadlines, may ultimately affect the financial viability of local businesses.⁸⁵

Another major issue identified for the Study Area, is the growing demand for housing stock that is appropriate for an ageing and less mobile population. An increasing number of older residents⁸⁶ living in rental properties have become frail and experience difficulties finding affordable properties with level or lift access. In the medium term, this situation may become critical due to the prevalence of walk-up apartment building stock, the ageing profile of residents, and the lack of new developments with lifts built for the low end of the market. Nevertheless with a significant amount of funding being redirected to community-based care packages (ageing in home), demand for housing appropriately designed for people who are ageing and frail residents is expected to increase.

Another major issue worth reiterating is the high volume of homeless persons gravitating towards the inner city. The City of Sydney LGA will continue to be the drawcard for Sydney's homeless people partly because of the presence and availability of support services, safety and shelter, and partly because of the anonymity a capital city provides for this section of the population.

In order to manage some of the more critical issues identified in this document, there is a need to:

- Ensure residents most vulnerable to housing stress, particularly those living in private sector rental dwellings, continue to have access to security of tenure and a decent standard of accommodation, without being priced out of their neighbourhoods.
- Encourage the development industry to build residential projects targeting a broader market segment, and retain lower income residents within areas of high housing demand and high prices.
- Plan effectively to meet the growing housing needs of an ageing and less mobile population.
- Work with state government agencies to provide appropriate accommodation to people who are homeless and require support to help retain their tenancy.

⁸⁵ Judith Yates, 2005, "Are occupational choices affecting housing choice?" p. 18. Paper prepared for the Australian Social Policy Conference 2005: A quarter of a century of social change, U.N.S.W 20-22 July 2005.

⁸⁶ Anecdotal evidence received from the Homeless Persons Information Centre and Department of Housing staff.

The preparation of a Regional Housing Strategy for Inner East Sydney was a challenging project, as it was only one of two to be undertaken in NSW (Manly Warringah being the other project). As such, there was limited local experience to draw on.

Secondly, the housing issues in the Study Area are complex, as they are heavily influenced by private sector housing investment interests, which in turn, are influenced by Federal and State level financial and investment policies.

Thirdly, at the time of writing, the strategies were formulated in the absence of any specific metropolitan level policies addressing affordable housing. The bottom-up approach, whilst considered to be liberating, has also proved to be a challenging one for the Inner East Councils. Added to this layer of complexity is the fact that the participating councils have different levels of commitment, expertise and resource to tackle housing issues in their own LGAs.

Therefore it is presently difficult for all five participating councils to jointly agree to a set of strategies and actions. The City of Sydney, for example, is in the process of reviewing its policies and planning instruments. It is also in the early stages of developing an LGA-wide affordable housing strategy. For some years now, the City has directed resources to assisting homeless people within the inner City area. Although affordable housing is essential to a good housing outcome for most homeless people, many of the problems associated with chronic homelessness in the inner city relate to appropriate mental health care, drug and alcohol recovery options, disability and other health services. In many instances this kind of support will be needed to ensure successful housing outcomes.

It is understood Marrickville Council is in a similar position in that it has yet to define an affordable housing policy framework for the council's consideration. The officers have kept the Marrickville Councillors informed on the emerging State Government legislative and policy developments over the last several years, as well as the progress of the Inner East Region LGHIP project. An Affordable Housing Councillors Conference was held in the mid part of 2005, and the outcomes will be used to inform the preparation of a new affordable housing policy.

Botany Bay Council's priority is to assist local residents living in disadvantaged neighbourhoods in poor physical condition. In this regard, a report was funded by the LGHIP project to provide the council with information to support and engage the residents of Hillsdale to become involved in revitalising their neighbourhood.

At the other end of the spectrum, Waverley Council has implemented an affordable rental housing program for many years now, including planning instruments supporting its affordable housing objectives. As such, Waverley Council has already adopted many actions recommended to other councils.

Randwick City Council has also progressively implemented a number of affordable housing initiatives over the last few years. Through its master planning process, the council has successfully negotiated with a range of developers on a number of affordable housing units to be provided within development sites, and transferred to council's ownership. Randwick City Council is currently establishing an affordable rental housing program and management framework.

Nonetheless the five Inner East Councils agree unequivocally that affordable housing provision plays a vital role in growing and maintaining sustainable communities. Therefore this project should be seen as the beginning of a process that may lead to the future agreement of a set of regional housing strategies.

As borne out by the results of recent studies on key workers, increasing, regulating and targeting the supply of housing that is affordable to lower and moderate income groups will attract and ensure a stronger labour force which in turn will encourage and sustain local businesses. It will also play an important role in maintaining the wealth of cultural and social diversity as exemplified by the Study Area today.

Hence, a set of key principles has been developed by the Inner East Councils, to guide the development of their respective local level affordable housing strategies and related planning instruments.

9.1 Key Principles

The five Key Principles developed by the Inner East Councils are:

1. Working to retain the supply, and where possible, create and target new supply of affordable housing for people on low to moderate incomes. House prices and private sector rents are increasingly out of reach for many families, and homelessness levels are rising.
2. Working to help employees who are important to our local economies to afford a place to live close to their workplace and families. These workers include low to moderate paid essential workers in the public, private and voluntary sectors who make a vital contribution to our local economies.
3. Ensuring that new housing developments are appropriate to the needs of the future population, and that we recognise the importance of creating sustainable mixed neighbourhoods, well served by adequate transport and social and community housing infrastructure.⁸⁷
4. Participating in local community renewal programs, recognising the intricate connections between housing affordability, people experiencing disadvantage, quality of tenancy and property management, and the impact these factors have on the neighbourhood environment, and thus quality of life for local residents.
5. Working more cooperatively with other councils within the Study Area, and government agencies to pool resources (including financial and staff expertise) to become more coordinated in the development of regional and local housing policies, as well as in the sharing of information about housing needs.

⁸⁷ Housing is simply more than a shelter, it includes 'affordable access' through adequate, safe and timely infrastructure provision, particularly in transport. The lack of an adequate public transport system across the metropolitan area is partly the reason why the population of City of Sydney Council has substantially grown. The increased demand for inner city housing drives up the housing cost and forces low income earners to bear the 'cost' of Sydney's inadequate public transportation infrastructure.

10.0 Implementation Plan

10.1 Key Steps

Over the next five years, officers from participating councils will take the following steps to progress the outcomes of this Project.

- Convene a Senior Officer Liaison Group comprising representatives of the core regional forum, to monitor progress, identify joint resource opportunities, share housing information, and discuss housing issues of note. In the longer term, it is envisaged that the Liaison Group will be in a position to define and set performance indicators to measure progress of initiatives implemented within the Study Area.
- Seek council's support for or acknowledgement of the five key principles as the first and initial stage of the implementation process.
- Annually investigate the feasibility of incorporating, where appropriate, recommended strategies/tools into council's work programs/budgets.
- Over the next five years from 2006, aim to commenced at least one strategy in support of each the five key principles. Some ideas and suggestions of actions and strategies that may be appropriate for its use are set out in section 10.1. Councils are of course not limited to just these examples and are encouraged to develop strategies appropriate to their local circumstances.

10.2 Relationship of Regional Housing Strategy to Councils' Plans

As part of their day to day responsibilities, councils prepare strategic plans, policies and planning instruments to regulate and improve the built environment within their own boundaries. Some of the LGHIP Inner East Councils have their own affordable housing strategies. The Regional Housing Strategy may be used as an over-arching guiding document or as an addition to a council's own Affordable Housing Strategy. It may be used to guide the preparation of housing related planning instruments such as DCPs or LEPs, as well as a resource document to support councils in the development of their own affordable housing programs.

10.3 Outcomes of Key Work Area Projects

Specific support projects/tasks aimed at supplementing the affordable housing knowledge of council staff, and assisting to implement new approaches, were undertaken in addition to the preparation of the Regional Housing Strategy. These were:

- Development of a RHS Tables & Graphs Template to simplify the process of updating and reproducing the housing needs/affordability tables and graphs used in this strategy document. The template is provided in writeable CD format together with information on where to obtain the data and how to present the information.
- Research and recommendation of a preferred rental housing management model, including development of a Resource Kit, containing preferred management structures, rent and allocation policies. The Kit provides Council staff with information needed to establish its affordable rental housing program. It contains the different types of legal and non-legal documentation needed to set up an operating system for Council to engage a housing association engaged to manage its affordable rental housing stock. The Resource Kit is available in CD format and can be seen in Volume One: Key Work Area Projects.

- Development of a Strategic Partnership Agreement between Randwick Council and Department of Housing. This project was completed in October and formally ratified in November 2005. A copy of this document is included in Volume One: Key Work Area Projects. The Agreement aims to:
 - Improve planning and coordination of service provision for social housing communities living in Randwick LGA.
 - Undertake early liaison with each other to minimise duplication and improve delivery of services.
 - Support the community renewal improvement works undertaken by the NSW Department of Housing within its housing precincts.
- ‘Community Renewal – Hillsdale’, involving the regeneration of a run-down private sector housing precinct. The aims of this project are to identify (if any) issues of concerns within the neighbourhood, and recommend specific and practical mechanisms for implementation as part of the improvement works. A copy of the consultant’s report is presented in Volume One: Key Work Area Projects.
- Development of Best Practice Notes/Templates for council’s to implement. The Practice Notes prepared by a consultant recommends a policy and practice framework for the optimal use of planning agreements by councils in relation to the funding or provision of affordable housing within the Study Area.

10.4 Examples of Affordable Housing Strategies and Actions

Grouped under each of the five key principles are a number of recommended tools or strategies councils can implement to progress the key themes. Forum members developed the tools or strategies as a resource for council officers to generate ideas when preparing their local strategies. Therefore councils are not limited to only those contained in this section and may prefer to develop its own affordable housing strategies.⁸⁸

Key Principle 1: Working to retain the supply, and where possible, create and target new supply of affordable housing for people on low to moderate incomes. House prices and private sector rents are increasingly out of reach for many families, and homelessness levels are rising.

Examples of some strategies/action/tools

1. When preparing or reviewing Council’s local plans, policies and other strategic corporate documents, ensure that:
 - Provisions are consistent with the key principles and the contents of the Regional Strategy.
 - Opportunities to increase affordable housing are maintained or enhanced, for example:
 - require a range of dwelling types and sizes (housing mix) to be provided for within multi unit housing/new development precincts to meet the needs of households in various stages of its life cycle.

⁸⁸ A half day workshop, held in May 2005, commenced the third and final stage of the LGHIP project – development of an appropriate framework to address some of the more critical housing issues within the Study Area. The ideas and strategies developed at this formal workshop and at forum meetings held over the two year period were further refined by forum members for inclusion as recommended tools/strategies.

- restricting on-site car-parking in appropriate locations (eg. close to public transport nodes and shopping centres), for all, or a proportion of, new housing.
 - consider incentives in exchange for more affordable apartment designs, such as reduction in parking space requirements in buildings in situations where pools/sauna and gyms are not provided.
 - permitting boarding houses in all residential and mixed use zones.
 - permitting shop-top residential uses in retail/business zone above street level.
2. Investigate the feasibility of assigning a staff member to address housing issues. This position will assist and be responsible for implementing Council's housing policies, plans and program. For example:
 - Two Councils sharing the cost of a housing officer position.
 - Integrate housing role into the job description of social or community planners.
 3. To encourage the supply of and reduce the potential loss of Boarding Houses, examine the feasibility of:
 - Introducing financial assistance packages such as provision of rate rebates to quality standard/affordable boarding houses
 - Participating in joint venture development partnerships with government or community housing sectors, eg. demonstration singles living unit development model. (Refer to City of Sydney Council's Boarding House DCP 2005).
 - Liaising with the State Government to consider ways of improving or replacing SEPP 10, and retain of build new boarding houses without unduly disadvantaging owners.
 4. Liaise with State Government to require all new developments (commercial and retail) over a certain dollar value in the metropolitan region to contribute a fixed percentage levy, to fund affordable housing projects and rental program, to be collected by Councils and managed by local community housing associations.
 5. Prepare local housing plans that contain clear statements about how and for what funding collected will be spent.
 6. Use negotiated planning agreements to replace a proportion of affordable housing stock lost as a result of development activity.
 7. Develop housing joint venture partnerships with government and community based agencies to maximise the use of any funds collected from planning agreements.

Key Principle 2: Working to help employees and others who are important to our local economies to afford a place to live close to their workplace and families. These workers include low to moderate paid essential workers in the public, private and voluntary sectors who make a vital contribution to our local economies.

Examples of some strategies/action/tools

1. Develop and implement an affordable rental housing program for residents on low-moderate incomes, utilising capital and funds obtained from S94 levies or planning agreements. Typical tasks include:

- Utilise the information developed by consultant (Lindsay Taylor Lawyers) to help councils set out a strategic policy and practice framework for the optimal use of planning agreements in relation to the funding or provision of affordable housing within the Study Area.
 - Preparation of policies and procedures for council's endorsement.
 - Reviewing council's property assets and identify suitable premises for affordable housing development or for leasing to local housing association at cost rent for a specified period for affordable rental housing purposes.
 - Consider implementation of a density bonus scheme (Waverley Council methodology).
 - Consider implementation of Randwick Council's affordable housing provision methodology on sites requiring the preparation of Masterplans.
2. Build the capacity of local housing associations to deliver and manage affordable housing stock in the sub-Region. Some examples of capacity building initiatives that may be examined by Councils are:
- Engage a housing association to manage Council's affordable rental housing program at a fee for service basis. A Resource Kit was prepared as part of this project to help councils establish the program's operational structure (Volume One: Key Work Area Projects).
 - Develop satisfactory arrangements for pooling funds obtained through SEPP 10 processes for joint purchase of boarding houses, residential flat buildings and hostels, and managed on a council's behalf by local housing associations at a fee for service basis.
3. To encourage community housing providers to increase its supply of affordable housing stock in the locality, examine the feasibility of granting a financial concession/incentives package to registered housing associations. Possible types of incentives for consideration include:
- Approving a monetary grant to the housing association, equivalent to the value of rates payable on leasehold properties rented by the association. The housing association directly benefits from this rates rebate system, which may encourage the housing association to increase its number of leasehold dwelling stock in the locality.⁸⁹
 - Exemption from payment of developer levies when applying for development approval to construct own affordable housing projects.

Key Principle 3: Ensuring that new housing developments are appropriate to the needs of the future population, and that we recognise the importance of creating sustainable mixed neighbourhoods, well served by adequate transport and social and community housing infrastructure.

Examples of some strategies/action/tools

1. In LEP reviews, consider extending mixed use zoning permitting residential uses in well located and serviced commercial and light industrial areas.

⁸⁹ The organisation typically pays a market rent to lease a property from the private rental sector. It then leases the property out to its clients, charging a lower weekly rent. The difference between the rent paid by the housing association and that collected from their tenants is subsidised by the Office of Community Housing (CSHA funds). The property owner recovers the outgoings, including property rates from the housing association as lessor. Payment of the grant would mean that the organisation gets to benefit from the rates exemption which it has paid to the property owner as part of the weekly rents. This financial method may be a feasible option for Councils who have decided not to establish an affordable housing rental program (for a variety of reasons).

2. On major redevelopment sites, incorporate a clause in LEPs/DCPs to require consideration of a housing mix on the site that meets local needs.
3. Investigate the potential for a joint partnership between Councils, housing associations and private developers to build affordable and fully adaptable housing developments to promote good housing design principles.
4. Support the introduction of Australian Building Standards for accessible and adaptable housing, to be incorporated within council's planning instruments or policies. Examples of such provisions may include:
 - Increasing the proportion of adaptable dwellings in all new residential and mixed use developments to enable residents to age in place. The proportion of adaptable dwellings required to be provided should reflect the proportion of aged population estimated to be living in the community.
 - Requiring lifts to be installed within new residential developments that are multistorey and/or contain nine or more units.
5. Explore the feasibility of introducing alternative standards or performance requirements such as those proposed by the Australian Network for Universal Housing Design (ANUHD):
 - There is a clearly discernable accessible path of travel from the front boundary or car park and throughout the entry level of the dwelling.
 - The entry level has a living and food preparation area, bathroom, WC and bedroom, all of which can be used by a person in a wheelchair.
 - All rooms, when furnished or fitted out, allow for adequate circulation space for a person using a wheelchair.
 - All doorways and corridors are wide enough to allow a person using a wheelchair to manoeuvre into and out of rooms.
 - Door furniture, switches, controls and outlets are within reach of and can be used by all.
 - There is potential for future adaptation to a dwelling with two or more levels for vertical access by a person using a wheelchair.
 - Walls and ceilings are reinforced where assistive devices may be attached.
6. Lead by example with practical models, such as:
 - Developing a demonstration model of adaptable design (or other appropriate design principles) as part of any council's social/ affordable housing projects (using negotiated affordable housing funds)
 - Promote best practice by including adaptable housing design principles (or other relevant design principles) as an award category as part of Council's excellence in housing design awards
7. Introduce a policy of showing newly constructed or refurbished adaptable dwellings on strata plans and S149 certificates, to prevent the inadvertent loss of adaptable design properties through renovation works, as well as a reminder to subsequent owners that the dwelling can cater to the needs of frail, older or household residents and visitors with a disability.
8. Examine the means and practicality of requiring residents proposing renovation works on existing dwellings to incorporate adaptable housing or universal housing design principles.

Key Principle 4: Participating in local community renewal programs, recognising the intricate connections between housing affordability, people experiencing disadvantage, quality of tenancy and property management, and the impact these factors have on the neighbourhood environment, and thus quality of life for local residents.

Examples of some strategies/action/tools

1. Work with public and social housing agencies to achieve community renewal objectives such as improvements to dwelling condition, physical environment and housing concentration while maintaining net supply of public/social housing dwelling stock within the Sub- Region. Examples of some community building strategies/processes include:
 - Taking on the role of coordinating interagency meetings (comprising representatives from local human service support agencies).
 - Providing a meeting venue and administrative support.
 - Contribute towards funding of studies/research grants.
 - Develop better understanding and tools required to support private sector community renewal work.
2. Consider formal partnership agreements with key State Government agencies, as well as with local councils, based on the model implemented under the LGHIP Inner East project.
 - The purpose of partnership protocols is to develop ways to work more effectively and efficiently within existing budgetary constraints. It aims to achieve better housing outcomes through a formal and on-going structure for improved communication, planning, and service delivery initiatives within the LGA.
 - A Resource Kit developed by the NSW Department of Housing (DOH) entitled 'State /Local Government Partnership Protocols Across Australia', was distributed to council officers to assist in this process.
3. Facilitate, initiate or participate in urban renewal processes in disadvantaged local neighbourhoods (private rental housing) with low residential amenity and poor dwelling conditions through a range of intervention actions such as:
 - Provision of community data and social profiles
 - Commissioning research reports or community consultation processes to ascertain local issues and community priorities.
 - Consider the methodology and ideas recommended in the Hillsdale Community Renewal Project Report and apply these to not only Hillsdale, but also other localities in general with similar conditions.
 - Liaise with Marrickville Council regarding their methods used to create effective partnerships and shared vision with local human services agencies, and in the delivery of community based services to local residents.
 - Support local community agencies to secure funding for programs that will improve local residents financial circumstances and avoid housing stress (eg training and employment initiatives)
4. Continue to investigate and understand the issue of homelessness in the LGA, promote awareness within council staff and local community, and advocate for increased funding from Federal and State Governments.
 - The Homeless Person Information Centre (HPIC) maintains an excellent database on homeless people who have sought its assistance.

- Pooling of funds on a sub-regional level to undertake studies to help staff develop a better understanding of the different user groups of boarding houses. The outcomes of such studies will help provide useful information in assessing SEPP 10 development applications and in facilitating any joint venture projects proposed by housing associations and related community housing providers.
- Work with officers from the City of Sydney Council (HPIC) to develop a better understanding of the role of boarding houses in meeting the accommodation needs of this target group.
- Jointly work together to develop a regional level approach to better support homelessness initiatives funded by government agencies, an example of which is the Partnership Against Homelessness project currently being implemented within the LGA of Sydney City.
- Liaise with the City Outreach Service to meet jointly with councils to discuss its services and opportunities of working together to address homeless issues.

Key Principle 5: Working more cooperatively with other councils within the Study Area, and government agencies to pool resources (including financial and staff expertise) to become more coordinated in the development of regional and local housing policies, as well as in the sharing of information about housing needs.

Examples of some strategies/action/tools

1. Work with other local councils in the sub-region to achieve greater alignment of affordable housing provisions. For example,
 - Consider adopting the density bonus scheme that is currently operating in Waverley LGA to increase the supply of affordable dwellings, and applying the business system developed by Waverley Council to support its implementation.
 - Working with the Department of Housing and Office of Community Housing, and local Housing Associations when Council is developing its affordable housing rental program or developing ideas for joint venture partnership to build and/or operate housing developments.
 - Working with local councils and DOH when using the affordable housing Resource Kit (developed by the Centre for Affordable Housing) to prepare affordable housing strategies and local plans.
2. Advocate to the State Government (Premier and Minister for Planning) to incorporate appropriate affordable housing policy and housing design principles (eg adaptable or universal) in any metropolitan wide housing strategy to more effectively support housing initiatives undertaken at the sub-regional and local policy levels. Examples of such action include:
 - Writing to the Premier under the auspice of SSROC
 - Writing to the Minister or Premier as an individual or a collection of Councils.
 - Request SSROC to lobby other Regional Organisations of Councils such as IMROC and WSROC to make similar requests.
3. Work with building and development industry to raise awareness about future demand/benefit of housing types not presently regarded as 'conventional' investment options, such as:

- The DOH Single living housing units (within the context of a Boarding House development)⁹⁰
 - Adaptable or Universal Housing Design principles whereby the dwelling interior is designed in a way that can easily and economically be converted for use/visited by frail aged people or people with physical (and mobility) disabilities.
4. Examine the potential and feasibility of Council resource sharing between councils and DOP or DOH) in the management of Council’s Affordable Rental Housing Programs. Some ideas for resource sharing between organisations include:
- Joint Expression of Interest processes to select housing manager
 - Shared tenancy and property management/administration costs
 - Joint allocation/housing policies
 - Joint housing register
 - Pooling capital
5. Assist local community groups and state government agencies in their efforts to maximise provision of support services and accommodation for marginalised high needs groups. Some of these examples include:
- Actively participate in services planning forums/consultations convened by government support service agencies (DOCS, Area Mental Health, Department of Ageing and Disability and Home Care) to develop strategic plans and funding priorities.
 - Convening an annual housing forum with local groups involved in the provision/delivery of support services and/or accommodation to share information and identify any emerging issues.
 - Assisting community groups in their funding applications by providing support information such as population statistics and housing needs data.
6. Work with other councils within the Study Area to develop a regional approach in supporting homelessness initiatives led by state government agencies, and in turn encouraging them to consult more closely with local housing providers/support agencies and councils on local initiatives.

~ ~ ~ ~ ~

⁹⁰ The Single Living Units (SLU) model was developed by the Department of Housing (DOH) and is different from a typical boarding house model in that the SLU are furnished boarding house, bedsit or one bedroom stock allocated to people who are homeless or at risk of homelessness. The residents are provided with a level of support tailored to their specific needs and managed by a community housing association. The Department of Housing is keen to enter into joint venture partnerships with local councils to increase the supply of housing for this particular group of people.

References

National Data Collection's NSW Annual Report 2002-03, SAAP

Local Government and Shires Association of NSW, May 2000, "Affordable Housing for your Community: A Guide to the role of Local Government".

South Sydney Council, *Draft South Sydney Affordable Housing Strategy 2003-2006*

Southern Sydney Regional Organisations of Councils *Social Profile 2001*

City of Sydney Council, *The City of Sydney Portrait (15 July 2001)*

Chamberlain, C & Mackenzie, D, 2003, "Australian Census Analytical Program: Counting the Homeless 2001", Australian Bureau of Statistics

City of Sydney Homeless Persons Information Centre 2004, "Homelessness in Inner City Sydney: HPIC data trends and homelessness service usage in inner city Sydney 1998-2003",

National Data Collection's NSW *Annual Report 2002-03*, SAAP

Office of Aboriginal Housing *Strategic Plan 2001/02, 2003/04*

Reserve Bank of Australia, "Submission to the Productivity Commission of Inquiry on First Home Ownership, 2001-2004"

Berry, Mike, 2003, AHURI paper 30021 "New approaches to expanding the supply of affordable housing in Australia: an increasing role for the private sector",

Berry, Mike and Jon Hall 2001, "Policy options for stimulating private sector investment in affordable housing across Australia", AHURI, p. 70.

Shelter Briefs January Shelter NSW; "Rent Assistance to private and community sector tenants; A background paper," Shelter Briefs January 2002.

Davidson, A., Phibbs, P., & Cox, G., (1997) "Inner Sydney Boarding House Survey – Report to Department of Planning", Urban and Regional Planning Program, University of Sydney

Marrickville Council (1998), "Marrickville Boarding House Survey: Report of the Findings"

National Shelter, "*National Overview of Boarding Houses in Australia* in Australia's Private Rental Housing Market: Processes and Policies". Australian Housing and Urban Research Institute, Working Paper No. 9, 1997

Australian Bureau of Statistics, "Counting the Homeless 2001, NSW"

The City of Botany Bay Social Plan 2002: A project of the City of Botany Bay in Partnership with the Community.

Marrickville Council, 1998, *Marrickville Housing Needs Study: Housing affordability and appropriateness in Marrickville*

BBC Consulting Planners on behalf of Randwick Council, 1995, *Randwick Housing Affordability and Access Study*.

Michael Darcy, Judith Stubbs, Julia Perry, and Hazel Blunden. "Moving to Work, Moving from Work: housing, travel, cost and key workers in Sydney". Australian Social Policy Conference, UNSW July 2005,

Judith Yates, "Are occupational choices affecting housing choices?" A (draft) Paper prepared for the Australian Social Policy Conference 2005, UNSW 20-22 July 2005

Judith Yates and Margaret Reynolds. "Low Cost Rental Study", October 2003. A study produced for the NSW Department of Housing in conjunction with research supported by AHURI

Judith Yates, Maryann Wolf, and Margaret Reynolds, 2004. "Changes in the supply of and need for low rent dwellings in the private rental market", AHURI,

Acknowledgement

The key LGHIP Inner East Sydney forum members were:

Karen Armstrong	Randwick City Council
George Bramis	Waverley Council
Vince Connell	Marrickville Council
Rohen Connors	NSW Department of Planning
Philippa Davis	NSW Department of Housing
Nicholas Knesevic	City of Sydney
Debbie Knight	NSW Department of Housing, Sydney Central Division
Paul Shepherd	Botany Bay Council

This report was compiled and written by Teresa Mok (Regional Housing Coordinator) with assistance from the LGHIP Inner East Forum members. Thanks are also due to the following agencies and individuals for their invaluable assistance and/or supply of data used in this report.

Southern Sydney Regional Organisation of Councils
Martin Burgess, Department of Family and Community Services
Aboriginal Housing Office
Homeless Persons Information Centre
Shan Shanmugamany, NSW Department of Housing
Daniel Thorpe (formerly Social Planner South Sydney Council)
Office of Community Housing
NSW Department of Planning
Shan Shanmugamany, NSW Department of Housing