

Submissions on the White Paper – New Planning System for NSW & Draft Metropolitan Strategy for Sydney to 2031

June 2013

The Tenants' Union of NSW (TU) is the State's peak non-government organisation for people living in rental housing. We are a specialist community legal centre with our own legal practice in residential tenancies law, and are the primary resource body for the statewide network of local Tenants Advice and Advocacy Services (TAASs). We are uniquely placed to observe and understand the impacts of housing, planning and urban renewal policies on low-income residents of New South Wales.

We welcome the opportunity to comment on both the 'White Paper - A New Planning System for NSW' and the 'Draft Metropolitan Strategy for Sydney to 2031'. We do not propose to make detailed submissions, but focus our remarks on the implications of the proposed New Planning System, and the Draft Metropolitan Strategy, for low income households in areas of high demand for housing.

We submit that, without considered targets for affordable housing built into the planning system, and a commitment to additional investment in the construction of new social housing, these implications will be to the detriment of the housing system in New South Wales. They will present particular difficulties for low income households currently living in areas of high demand for housing.

There is a strong focus on urban renewal in both the proposed New Planning System and the Draft Metropolitan Strategy for Sydney. This suggests that areas of established housing will be considered for redevelopment – existing homes will be

demolished, and the former inhabitants will need to consider their options for rehousing.

Without adequate targets for affordable housing or a commitment to invest in the construction of new social housing across a range of locations, there are three types of household who stand to be adversely affected by this strong focus on urban renewal: low income owner-occupiers, low income tenants in the private rental market, and tenants in social housing.

Low income owner-occupiers

Low income owner-occupiers may have lived in their home for many years – indeed, perhaps even generations – and have deep links to the local area. They may also have no assets other than their home and, if they felt compelled to relocate to make way for an urban renewal project, they may not be able to afford to purchase again in the same area. This is a real possibility, as such homes are likely to be old and may not command the same price as a newly built home in the area – particularly the type of well-appointed new home that might be expected in an urban renewal project in an area of high demand.

These residents may be faced with the choice between buying again outside of their area, or renting locally. Buying and moving may mean losing their social and cultural links and connections to local services. Renting would mean at least some time spent in the private rental market, which offers very little security of tenure. These persons could apply for social housing, but may be ineligible because of the income and/or assets criteria; even if eligible, waiting times for most types of social housing dwellings in the inner and middle rings of Sydney are between five and 10 years, or more than 10 years.¹

For a group that has enjoyed low housing costs and high security, and might have expected to continue doing so, these may appear to be a very unsatisfactory set of housing options indeed.

Low income tenants in the private rental market

We acknowledge that the supply of rental accommodation in New South Wales would probably – eventually – be increased as a result of urban renewal projects. Nonetheless, we are concerned that when areas that are in high demand are earmarked for redevelopment, low income tenants in the private rental market would face an unsatisfactory set of housing options similar to those faced by low income owner-occupiers.

Unlike owner-occupiers, these residents do not enjoy secure tenure. When their neighbourhoods are earmarked for redevelopment, they are likely to have their tenancies terminated without any opportunity for their circumstances – such as their reliance on medical services that are locally available – to be considered by an independent arbiter such as the Consumer, Trader & Tenancy Tribunal.

¹ Housing NSW Housing Pathways Expected Waiting Times Overview – June 2012, accessed 28 June 2013 at <http://www.housingpathways.nsw.gov.au/How+to+Apply/Expected+Waiting+Times/>

It is unlikely that these residents would be able to continue to rent affordably in the local area, whether during the redevelopment, or after its completion – as new premises will almost certainly rent for substantially more. They would therefore have to move away, or perhaps try to remain in the locality, paying an unaffordable rent while waiting for social housing.

Tenants in social housing

By comparison, tenants in social housing enjoy somewhat better security and affordability than their counterparts in the private rental market. But there is a strong likelihood that areas with a high concentration of properties owned by social housing landlords – such as the NSW Land & Housing Corporation, or an increasing cohort of large Community Housing Providers with strong incentives to engage in ‘development activities’ – will be some of the first to be considered for urban renewal.

Tenants in social housing will have a greater range of options than low income residents in private housing. There is a greater likelihood that they will, ultimately, be able to remain securely housed in the area at an affordable rent. But the manner in which these neighbourhoods are relocated and resettled will have an enormous bearing on the success of any urban renewal project, especially from a social impact perspective.

The redevelopment of social housing stock is not a new concept. Communities across Sydney can draw on countless examples of tenants’ experience of relocation and resettlement during urban renewal and estate redevelopment projects. Even in the best of circumstances, where tenants are kept well informed of their options, are consulted on key issues of concern to them, and whose interests are kept at the forefront of redevelopment plans, the process of relocation and resettlement can present difficulties for all concerned.

Such difficulties include placing additional stress on the private rental market as properties are head-leased by social housing landlords during urban renewal projects, thus reducing the amount of available rental housing for a period of time; and an often drawn out state of restlessness for tenants as they are moved into temporary housing, to await advice on how and when they may take possession of their new home on the completion of the urban renewal project.

Implications for the housing system in New South Wales

The social housing system is stuck in a state of no net growth, and has been for more than a decade. Given that the population is growing, no net growth means the social housing system is in relative decline. As indicated by the waiting times cited above, the social housing system is no longer directed towards serving people who simply

