

**Submission to the Department of Infrastructure,
Planning and Natural Resources**

Metropolitan Strategy



November 2004

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About NCOSS

The Council of Social Service of NSW (NCOSS) is an independent non-government organisation (NGO) and is the peak body for the non-government human services sector in NSW. NCOSS works with its members on behalf of disadvantaged people and communities towards achieving social justice in New South Wales.

It was established in 1935 and is part of a national network of Councils of Social Service, which operate in each State and Territory and at Commonwealth level.

NCOSS membership is composed of community organisations and interested individuals. Affiliate members include local government councils, business organisations and Government agencies. Through current membership forums, NCOSS represents more than 7,000 community organisations and over 100,000 consumers and individuals.

Member organisations are diverse; including unfunded self-help groups, children's services, youth services emergency relief agencies, chronic illness and community care organisations, family support agencies, housing and homeless services, mental health, alcohol and other drug organisations, local indigenous community organisations, church groups, and a range of population-specific consumer advocacy agencies.

Introduction

NCOSS welcomes the opportunity to comment on the Metropolitan Strategy Discussion Paper and looks forward to working with the Department of Infrastructure, Planning and Natural Resources (DIPNR) and other stakeholders to develop a vision and plan for Sydney that delivers economic, environmental and social sustainability over the next 30 years.

The submission is based on the debate and discussion held at the NCOSS two day forum "Bursting at the seams" held in November 2004. It also incorporates dialogue with peak bodies, community networks and specific NGO forums, including the Forum of Non-Government Agencies (FONGA).

This submission is divided into several sections. The first provides feedback on the discussion paper. The submission then provides more detailed analysis on a number of key issues that need to be addressed by the Metropolitan Strategy. This section of the submission includes a series of recommendations. The submission then turns to discuss the watershed issues of funding and governance models. The final part of the submission identifies potential benchmarks that could be included in the final strategy to ensure the plan has an effective compliance and evaluation process at its core.

Section one – feedback on the Metropolitan Strategy Discussion Paper

General

NCOSS is concerned that the discussion paper lacks specificity regarding the proposed vision for Sydney. Whilst we appreciate that DIPNR does not want to dictate the terms of the final strategy and is keen to consult, there is always a balance that needs to be struck so that community can effectively engage in debate. The current lack of clarity regarding both vision and detail Sydney detracts from this process.

There are no clear statements of intent around fundamental principles for social, environmental and economic sustainability; rather some descriptive, generalized statements are made at page 10.

It is vital that equity considerations underpin the metropolitan strategy – social sustainability is reliant upon increasing equity and tackling poverty and disadvantage. Yet the document is largely silent on these concepts.

Land use is intrinsically tied to current patterns of disadvantage. To minimize the likelihood of further entrenching patterns of poverty and social exclusion, equity considerations must permeate the whole strategy. Social sustainability must be prioritized in clear statement of vision, throughout the principle directions, the subsequent detailed policies and action plans, through to the institutional arrangements to deliver the strategies results.

Equity must not be relegated to a specific directions statement, but be clearly stated within all nine directions. The strategy must be 'poverty proofed' so that all aspects of the strategy, including implementation and evaluation are measured against principles of equity.

Just as bio diversity is central to environmental sustainability so is social diversity to community well being. This includes access and equity for culturally and linguistically diverse communities, people with disabilities, Aboriginal and Torres Strait Islander peoples and the bi-sexual, gay, lesbian and transgender communities. Unfortunately the discussion paper makes very little reference to diversity, access or equity. This is a missed opportunity, both in terms of identifying one the greatest assets of our city, but also in terms of future planning and economic sustainability. For example, the promotion of universal housing design to facilitate better outcomes for people with disability will, at the same time, produce stock that will useable by our ageing population over time. Investing now will deliver long-term savings.

It also disappointing that throughout the document, no acknowledgement of the traditional owners of the land is made. Nor is there any discussion about how the Metropolitan strategy will align with the Aboriginal and Torres Strait Islander community's ways of doing business about their country. No indication is given regarding DIPNR's strategy for engaging with community leaders on land use and sustainability issues. This contrasts with the draft South East Queensland Strategy that includes 'Engaging Aboriginal and Torres Strait Islander Peoples' as a specific goal, with an associated desired regional outcome of active involvement of that community in planning and decision making processes.ⁱ

There is no clear discussion of the role of non-government organisations in the implementation of the strategy, even though we are effectively the third sector of the economy. By failing to adequately address non-government issues, the strategy loses both legitimacy and potential traction in communities. It also loses a key potential ally in efforts to deliver a socially sustainable Sydney.

Direction statements:

The nine directions statements are somewhat vague, and in some cases omit key matters for consideration. Significant omissions from the direction statements include no reference to arts, culture, diversity, access, affordability, social sustainability, community engagement and sense of place, recreation, or communities outside the identified centres.

Specific gaps in each of the directions are detailed below.

Direction 1 – Balanced growth within natural resource constraints:

There is no clear statement regarding the setting of benchmarks for balanced growth, for example benchmarks around maintaining and improving bio diversity. Nor is there a clear statement that at a certain point Sydney will have reached its population limit within current resources. There is no clear recognition that the supply of greenfield sites is finite and rapidly being developed.

Priority actions and ideas:

As expected, much of the detail is yet to be worked out however we note the strong concerns of the non-government human services sector that price as the principle means of demand management is inequitable and contributes to fuel poverty.

More discussion around utilities is detailed later in this submission.

NCOSS welcomes the affirmation of the 30% new areas development, 70% renewal of existing areas split to address the population growth in general

Direction 2 – Strengthen the regions

NCOSS welcomes the inclusion of wording that clearly states the independence of the Illawarra and Hunter, however the wording is vague as to how the inter-relationships between the regions and Sydney will be managed in the future, particularly given the population pressures in the northern Illawarra and central coast as Sydney reaches population capacity. Current housing affordability problems in Sydney are exacerbating this trend and contributing to affordability problems in those regions. There is no mention of how these pressures are to be managed over the next 30 years.

Priority actions and ideas:

NCOSS looks forward to seeing the detail of the regional strategies for the Lower Hunter, Central Coast and Illawarra. We urge DIPNR to facilitate and resource an effective consultation strategy with local communities and non-government organisations as part of the development of those strategies.

Direction 3 – Manage growth and value non-urban areas

As raised by participants at the November 16 stakeholder's forum, there is no clear statement around the extent of Sydney's urban footprint. Both direction one and three need strengthening to ensure the subsequent detailed policies and action plans limit the extent of the cities ecological footprint.

Priority actions and ideas:

The emphasis on nominated growth centres should allow for greater control of urban sprawl, however these growth centres need to be managed in such a way that social infrastructure, including human services are planned as part of the development/land release (see also direction 4 below).

It will be important to put in place mechanisms that will protect non-urban areas beyond the life of this strategy. Further, it may be necessary to develop a means to achieve bio diversity on private land.

We welcome the acknowledgement of sites of Aboriginal heritage significance but note that this is the only mention of Aboriginal issues in the document.

Direction 4 – Build liveable new communities

Liveability is a part of social sustainability and measures of liveability need to reflect the broader policy objectives of equity, access, quality of life, social outcomes including health, education, safety etc.

The document suggests that the policy focus will be on new Greenfield site communities and does not address the significant disparities in liveability that already exist in Sydney. These are largely associated with economic, housing and service disadvantage and equate to significant urban decline, for example in some parts of inner Sydney, specific suburbs in western Sydney and in the middle ring suburbs.

The statements around housing fail to acknowledge the urgent need for affordable housing across tenure forms. The discussion of housing mentions energy efficiency but fails to consider universal housing design.

Significant developments, whether of the urban consolidation, urban fringe or regional city/rural town type, should be planned in a manner which enhances positive community well-being in both the short and long term. A simple set of indicators needs to be agreed between the community and government to measure performance.

More discussion of these issues is provided later in the submission.

Priority actions and ideas:

We welcome the idea of having 'strict criteria' for new release areas but question what these criteria may be, who will determine them, and who will monitor compliance.

There is no specific mention of human services planning, nor is there specific reference to the inclusion of affordable housing in new release areas.

We welcome and endorse that statement that developers will be required to help fund needed infrastructure. These issues, and associated governance and financing issues are discussed in more detail, later in this submission.

Direction 5 – Renew existing areas

The current wording fails to signal the necessary mix of institutional and community engagement principles that should inform the neighborhood renewal process. In particular it fails to state the need to ensure that employment, training, capacity building and micro business opportunities associated with housing renewal and community economic regeneration are targeted towards local people. Nor does the current wording reflect the need for policy alignment across government around community development, including longer term funding for place-based initiatives.

Priority actions and ideas:

NCOSS welcomes the commitment to areas such as Fairfield, Bankstown, Blacktown and Liverpool as key centres. However, we are concerned that renewal efforts will be solely confined to these centres and people living between centres will become further marginalised.

There is no detail as to what 'renewal' might look like, who will control it, or how it will be aligned with existing and future place based initiatives tackling disadvantage. These issues, and associated governance and financing issues are discussed in more detail, later in this submission.

Direction 6 – Strengthen employment centres and precincts

Centres policy is the one clear policy direction articulated in the document, however, this strong focus risks further marginalizing communities outside the identified centres, particularly those areas that are currently in decline, or suffer most from the transport, jobs and housing mismatch. Thus, centres policy may inadvertently contribute to further polarization in our city.

Priority actions and ideas:

It is not clear how the potential tensions between environmental protection and economic regeneration that may occur upon implementation will be resolved.

There is no clear statement that good, well paid jobs will be grown in Sydney's west or south west. Only that centres policy will nominate different types of locations for jobs, services and economic activities. There is a legitimate concern that the best jobs will remain in the global arc and the remainder of Sydney's residents left to lower paid employment, particularly part time and casual employment.

It is not clear how local councils in the seven centres will work in line with central agencies to develop projects. There is the potential that local government may be left with all the responsibility, but not the resources to deliver on this strategy. There is no discussion of the role of non-government organisations in economic development and centres policy.

These issues, and associated employment, training and non-government capacity issues are discussed in more detail, later in this submission.

Direction 7 – Connect centres with the transport network

The proposed transport infrastructure expansions will work to improve poor integration of current transport system, and lack of connectivity experienced by some communities to regional centres. Future investment and development in the transport area will not only have to improve transport to and between regional centres, but will have to improve planning processes for local and community focused transport, including flexible bus and community transport services, taxis, walking and cycling.

Priority actions and ideas:

NCOSS expresses concern that some of the initiatives proposed (such as the Rail Clearways program and Bus Reform) explicitly aim to deal with current problems experienced in Sydney's transport system, rather than build capacity to withstand future growth. Further, although there is information on large-scale road, rail and bus reform to improve connectivity through strategic corridors of travel, there is little information about how local and community transport will fit into the transport network.

Long range commitments are required to not only ensure social, economic and environmentally sustainable connectivity between regional centres, but also to improve planning processes for flexible local and community transport within regions to better link communities to strategic routes, employment and services.

Detailed discussion of transport issues is provided later in this submission.

Direction 8 – Target infrastructure

NCOSS agrees in principle with this statement but considers that a stronger definition of '*optimum benefit for the community*' is needed. Such a definition should include a commitment to equity and access.

Priority actions and ideas:

The four statements are fairly general, though we would support the commitment to better timed delivery and targeted to support social outcomes. We note that infrastructure will be driven by the strategic priorities of government. We consider that social sustainability and anti poverty should be articulated as a continuing strategic priority and that this should be reflected through detailed benchmarking and associated social performance reporting.

We welcome the establishing of a Ministerial function to oversee main infrastructure proposals to align with the metropolitan strategy. NCOSS has argued that a similar process (for social impact assessment and statements) should apply to Cabinet decision-making.

We have also argued that rural impact statements should apply to Cabinet decision making in regards to regional and rural NSW, including the Hunter and the Illawarra.

Direction 9 – Use appropriate funding and governance arrangements

We agree with the position agreed at the stakeholders forum that these issues are larger in scope than a simple directions statement and are fundamental to the strategy. The institutional and funding alignments to deliver an integrated land use plan for Sydney are considerable and NCOSS recognises both the complexity and the urgency of the task at hand.

Indeed, the whole strategy hinges on this inter-relationship. NCOSS considers that a mix of funding arrangements including public debt financing, developer levies, betterment taxes/value capture and Private Public Partnerships will be needed to deliver the significant resources needed over the next 30 years.

Priority actions and ideas:

We note the findings of the review of S94 contributions and re-state our position that any means to finance community infrastructure and recurrent services should be consistent with a framework of achieving positive social outcomes for local communities.

We believe that those who stand to make a substantial profit out of developing a green field or brownfield site should be required to contribute towards the level of long term community well-being in that development.

NCOSS and the many regional peak and local NGOs that work in communities affected by major residential and commercial developments support the continuation of section 94, with some reforms to its administration as outlined later in this submission.

Local government, as the tier of government most closely aligned to location based developments, is the most appropriate vehicle to be the lead agency in the collection and distribution of contributions made by developers. However, there are legitimate arguments for establishing new governance models such as Community Development Corporations as a means of delivering highly complex outcomes.

We note that the discussion paper gives no detail as to DIPNR's thinking on this issue. Without detailed discussion and agreement over new governance arrangements there will be significant concern that such mechanism will be developer driven and lack the necessary transparency and accountability to protect resident, environmental and social justice-equity interests. The current debate around the proposed Redfern-Waterloo Authority shows how community trust can be easily sacrificed in the desire to find a big solution.

More detailed discussion on governance arrangements is contained in later in this submission. Detailed discussion of Private Public Partnerships is also provided. As is discussion of the need for public debt financing in order to revitalize Sydney's ailing infrastructure and to build for its future sustainability.

Section 2: Delivering on social sustainability – key issues

Managing resources without denying access to basic services – utilities

As the population of Sydney grows greater pressure will be placed on utilities in terms of supply, distribution and demand. NCOSS recognises the need for environmentally sustainable generation of power and the environmentally sustainable supply and distribution of water. In addition, NCOSS argues that demand management should be a key aspect of environmentally sustainable use.

NCOSS has previously expressed its concern that government owned utilities have focused on the increasing supply with minimal attention paid to demand management. For example, the NSW Government recently announced measures to increase Sydney's water supply through various means including desalination.

Where demand management has been discussed it is usually in terms of price increases. The effectiveness of price as a tool of demand management depends on the price elasticity of demand for utilities. Evidence suggests that the price elasticity of demand for utilities is low – that is a significant rise in price will have little effect on overall consumption.

An increase in price is most likely to impact upon the discretionary use of utilities. For example, a significant jump in the price may reduce some households' use of water for their gardens, swimming pools or car washing.

For low-income households a significant increase in price is less likely to reduce demand because there is little discretionary use. The most likely scenario is that an increase in price will result in delays in bill payment, lower expenditure on other household items (e.g. rent), greater reliance on emergency relief and ultimately disconnection.

A reduction in demand can be achieved through greater efficiency of use. Greater use of energy efficient white goods, water saving devices and more environmentally friendly house construction could all contribute to long-term demand management. However, cost acts as a barrier to many of these products for low-income households.

There are a number of measures NSW Government can take to minimise use of utilities in low-income households. For example, NCOSS recommends that the Department of Housing ensure that new public housing developments meet the highest standard of environmental design. In addition, the Department of Housing should improve its existing stock of housing in regards to insulation, and heating and cooling systems.

A reduction in demand for utilities in privately rented housing can be achieved through the education of these households and property owners. For example, owners should be encouraged to fit low flow showerheads and appropriate insulation.

In addition, access to low or no interest loans for efficient white goods should be improved. Some positive work in this regard, based on partnerships between non-government organisations, DEUS and the private sector is starting to occur. This partnership approach needs to be built upon, and not undermined through excessive reliance on price as the principle means of demand management.

The UK Fuel Poverty strategy contains many lessons regarding the balance between environmental and anti poverty actions. They adopt a three-prong approach, which NCOSS would support:

- continuing action to maintain downward pressure on fuel bills;
- ensuring fair treatment for the less well off, and supporting the development of energy industry initiatives to combat fuel poverty;
- continuing action to tackle poverty, low incomes and social exclusion.

Broadly speaking, the UK definition of fuel poverty is based on principle that no household should spend more than ten% of their income in fuel/utility costs.

Interrelationships with other regions – regional development

Whilst DIPNR estimates that up to 1,000 people settle in Greater Sydney each week, it has been suggested that up to 400 people leave the metropolitan region during the same period of time.

Destinations for those leaving Greater Sydney include overseas, inter state and to other regions of NSW.

Data prepared by Monash University's Centre for Population Research indicates that a significant number of households leave Greater Sydney for rural regions of this State because of their inability to meet living costs of this global city.

And evidence presented by Emeritus Professor, Tony Vinson, in the 2004 Community Adversity and Resilience report indicates that there are a growing number of disadvantaged localities in the northern inland and coastal hinterland of NSW, possibly due to the outward migration from Sydney and the drift of population from depressed inland rural communities.

As the population rapidly ages over the next 30 years, it is likely that current coastal migrations of middle and upper income "baby boomers" from Greater Sydney will be further entrenched.

Proposals to further broaden the economic base of regions such as the Hunter and grow the future jobs base need to be supplemented by active jobs and vocational training efforts that target regional centres on both the north and south coasts of the State, and to a lesser extent, the growing regional cities of the Riverina, Central west and New England.

In each of these locations, a lack of affordable housing, skills shortages in key service sector occupations and poor public transport are demanding critical attention, in a not dissimilar way to various parts of western Sydney, the Central Coast, the southern Illawarra and the lower Hunter.

Successfully delivering a sustainable future for Greater Sydney requires close attention to demographic changes, economic development and environmental value adding that many parts of regional NSW are now experiencing. In short, sustainably managing Greater Sydney's population growth and delivering better community well-being will be assisted by pursuing an active and sustainable regional development program at the same time.

Social mix

The significant social and economic changes that have taken place over the past two decades have strengthened the prevalence of disadvantage and the emergence of social exclusion in specific locations across the regions of Greater Sydney.

During the past ten years of robust economic growth, the income and wealth benefits of these times have also not been equitably distributed across household types, income groups and locations. Whilst it is true that the incomes of the lowest socio-economic household groups has risen over this period, they have not risen enough to reduce poverty nor at the same rate as those on middle and high incomes.

The socio-economic geography of Greater Sydney currently suggest that middle and higher income groups are the main benefactors of urban consolidation in the inner ring suburbs of Sydney and the development on several parts of the urban fringe, whilst lower income households are being more concentrated in corridors across the middle ring and former western suburbs of Greater Sydney, or leaving Sydney altogether.

Some of these households are relocating to existing lower income pockets of the Central Coast, the southern suburbs of Wollongong or the Lower Hunter.

In comparable OECD countries, such as the UK, the US and Canada, where significant urban development pressures are also being experienced, there is a loose consensus amongst policymakers and planners that vibrant and sustainable local communities are most readily grown where there are mixes within the local populations of different household, income and cultural types.

The approach suggests that such a social mix can enhance the quality of life within the local community, including the promotion of community interaction and possibly connectedness, thus leading to more resilient local areas. The approach is also predicated upon identifying and building on a local community's assets, of which a diversity of skills, talents and experiences amongst the population is one.

A key, but not sole consideration in achieving social mix in communities being regenerated or established is the provision of adequate levels of affordable, quality housing (see next section), access to jobs being generated through the local and broader Sydney economy and the provision of effective services and community facilities.

Whilst there are no agreed benchmarks for social mix, NCOSS believes that a core component of the Metropolitan Strategy objectives and the subsequent development of

greenfield and brownfield sites should be the promotion of a diverse social mix. Another way of identifying the social and economic benefits that would flow from this approach is to quantify and qualify the longer term costs to government, community and individuals that will be avoided through achieving better living standards and quality of life from the outset.

Housing:

The Greater Sydney Metropolitan area continues to experience a number of significant housing problems, including a severe shortage of affordable rental housing and an emerging deposit gap in relation to home ownership. Both contribute to housing related poverty and the exclusion of low income households from parts of the metropolis. This in turn contributes to income polarization, with concentrations of severe disadvantage in some areas. In this regard, adequate social mix has been one of the main casualties of Sydney's housing affordability problem.

Spatial polarisation associated with a shrinking stock of affordable housing whilst housing accessible to the new economy industries in the global arc fall outside the reach of average working people presents a considerable planning challenge for our city. The existing areas of high social disadvantage are expanding, not only as a result of losing upwardly mobile households, but also by gaining other lower income households from other suburbs or from overseas.ⁱⁱ

Home ownership affordability

In Sydney in 2004 there are 35,000 moderate income households in housing stress, that is paying more than 30 % of their income in housing costs. The current affordability gap for moderate income households in Sydney is approximately \$200,000, i.e. the difference between the dwelling a household on the median income can afford and the median price of dwellings in Sydney. In 2004 a median priced dwelling was nine times the median household income, in the 1970's it was approximately three/four times.ⁱⁱⁱ

A recent report from commissioned by the Western Sydney Organisation of Councils (WESROC) found that that house prices increases since 2000 in western Sydney, were very much higher than income increases for the traditional home purchaser population, that is, households between 25 and 34 years of age. Further, the report found that rent levels remained high (at 31% to 48% of individual income, before tax) for this segment of the population. This rental stress occurs at a time when young people are likely to be trying to save a deposit to enter the home purchase market.

The largest proportional increases in house sale prices occurred in the traditionally lower cost housing LGAs, such as Blacktown, the Blue Mountains, Campbelltown, Fairfield, Hawkesbury, Liverpool and Penrith, where house prices increased by an average of \$158,000 over the four years.

Table 1. Comparison between estimated income of 25-34 year olds & Average Sales Price of all dwellings in Greater Western Sydney LGA, 2000-2004^{iv}

Year	Estimated Average income	Average Sale Price	No of years salary = to Sale price
2000	\$27,262	\$218,357	8.0
2001	\$28,643	\$244,071	8.5
2002	\$30,095	\$298,214	9.9
2003	\$31,621	\$349,429	11.1
2004	\$33,225	\$369,786	11.1
% increase 2000 - 2004	21.9	69.3	39.0

Source: Salary estimated base on figures from ABS Census 1996 & 2001, Table B13, Dept of Housing Rent & Sales reports, 2000-2004 #2004 are based on March 2004 quarter only
Data Prepared by WESTIR Inc.

The rental market

Yates and Wulf very usefully point out that ‘Whilst Australia has a robust and growing private rental market, it does not have a tradition of providing purpose built rental housing.... Private rental housing is provided almost solely by small-scale landlords and is affected by a range of incentives that, in the main, are not targeted specifically to the affordable end of the rental market. Housing assistance through purpose built affordable rental housing has been limited to that provided by what is now a declining public sector’.^v

As a result the Sydney private rental market contains a number of inefficiencies that magnify the impacts of a lack of supply in affordable housing. Put simply, much of the newer rental housing brought on line in the last ten years is pitched at rents that are too high for many households. Thus perceived growth and improved vacancy rates mask the losses at the bottom end of the market.

Further, the minimal supply of lower rent housing that has survived the housing ‘boom’ or the pressure of gentrification in the inner ring suburbs is often occupied by households on lower to middle incomes, rather than the very low income households. This further intensifies the concentrations of affluence in some parts of the city and the concentrations of poverty in others. In practice, if there is an overall shortage of affordable units, ‘competition for existing affordable rental units will intensify, giving tenants at the lowest end of the income spectrum little or no choice.’^{vi}

‘An inadequate supply of affordable housing will contribute to affordability problems when the lower rent end of the market fails to keep pace with the number of low income households.’^{vii} There is little doubt that Sydney has reached that point.

In 1996 80.7% of low-income tenants in Sydney were in housing stress. that is paying more than 30% of their income in rent.^{viii}

By 2001, in NSW there was a shortage of 27,000 affordable rental dwellings for very low-income households, that is, households in the lowest two income quintiles. Almost 90% of

this shortfall was in Sydney^x. In 2001 only 11% of low-income private renter households in Sydney were actually paying low rents. ^x

Department of Housing figures indicate that in 2004, two out of three low to moderate income renting households are now in housing stress. ^{xi}

Recent modeling on Western Sydney suggests that housing stress is also biting amongst young working people in areas traditionally associated with lower rents. It is generally assumed that rental affordability problems have less impact on people of working age, however Western Sydney appears to be proving the exception to the rule.

Table 2. Comparison between estimated income of 20-24 year olds & the median weekly rent for a two bedroom dwelling, Greater Western Sydney 2000-2004^{xii}

Year	Estimated Annual income	Estimated average weekly income	Median weekly rent (March quarter)	% of weekly salary needed for rent
2000	\$21,617	\$416	\$177	42.7%
2001	\$22,497	\$433	\$183	42.4%
2002	\$23,414	\$450	\$189	42.0%
2003	\$24,368	\$469	\$193	41.2%
2004	\$25,362	\$488	\$195	40.0%
% change 2000-2004	17.3%	17.3%	9.9%	-8.6%

Source: Salary estimated base on figures from ABS Census 1996 & 2001, Table B13, Dept of Housing Rent & Sales reports, 2000-2004 #2004 are based on March 2004 quarter only Data Prepared by WESTIR Inc

Sub- markets in Sydney: disrepair, neglect and the middle ring

Sydney is a complex city and cannot be described in the aggregate. It is important to recognise the variances at local, neighborhood level that impact upon the broader economic and social pattern of the metropolitan area. There is a challenge in recognizing this diversity, first in terms of analysis and then in terms of determining a range of possible solutions. This goes beyond the avoidance of one-size fits all policies and extends to basic notions of community development and a recognition that localized factors can impact heavily upon broad policy solutions.

An example of sub regional characteristics is the middle ring housing market. Whilst the bulk of the housing in Sydney continues to be in relatively good condition, a considerable number of properties are becoming physically dilapidated. This includes public housing stock and lower value private housing (particularly flats or units) that dominates the middle suburbs. Low-income earners including the working poor and migrants increasingly occupy this middle ring stock.

Bill Randolph convincingly argues that these middle suburbs are in decline, have heavy concentrations of urban disadvantage and that land use planning has failed to address these issues. 'There has been little concerted effort to link land use planning interventions...to local social planning, or to a recognition that the housing market plays a key role in generating and maintaining the disadvantage in these areas'.^{xiii}

The physical fabric of the middle ring and fibro belt housing is also wearing out. Further, the post war housing standards are no longer appropriate. In particular poor quality amenities, small room sizes, poor insulation standards, poor energy and water saving features are typical of much of the stock. It has also been argued that for new build stock, the life cycle could be as low as 20 years. 'The poor amenity flat blocks built during the last two decades and similar buildings that are currently being built will house future generations of what, on current trends, can only be described as slum dwellers'.^{xiv}

Within the life of the Metropolitan Strategy a significant proportion of Sydney's housing will become dilapidated, in turn contributing to urban decline. This requires a concerted effort to align planning, housing provision and neighborhood renewal policies and practices to avoid overseas experiences of urban blight. Renewal proposals need to make these areas both attractive to aspirational households and affordable to those on low incomes— to promote social mix and avoid the current trend to move away to the fringe.

Coping with an ageing population

One of the major challenges facing NSW will be the increase in older people and people with a disability that live in private houses. The Australian Network for Universal Housing Design (ANUHD) believes that housing designs will need some inexpensive but important changes to cope with this demographic change.^{xv}

NCOSS agrees with ANUHD that universal housing design will contribute to an inclusive and sustainable Sydney and notes the significant cost benefits to government through:

- 'Fewer trips, slips and falls by older people and young children;
- Less demand on institutional care arrangements for older people and people with a disability, because they can stay in their own home longer;
- More appropriate and efficient use of acute care hospitals and rehabilitation facilities;
- Safer work environments for both paid and unpaid care-givers; and
- Less demand for home modifications, assistive equipment and paid assistance for daily living tasks'^{xvi}

Recent modelling by the Productivity Commission suggests a dynamic effect of an ageing population upon demand for public housing. The draft research report, *Economic Implications of an Ageing Australia*,^{xvii} indicates that between 2001 and 2041, total national demand will increase from approximately 380,000 units to 600,000 units. Almost all of growth in demand will come from people in the over 65 year age group (an estimated 220,000 units). Note that these figures do not include current or future waiting lists. As at June 30, 2003 there were 85,000 people on the NSW Department of Housing waiting list.

It is therefore a priority that the Department of Housing Build, purchase and modify social housing stock to meet universal housing standards. NCOSS recommends that an initial target of 20% of stock be set as an immediate priority.

The business case for affordable housing

It is well accepted that access to quality, affordable housing is central to community well being. As well as fulfilling a core human right to shelter, it 'provides a foundation for family and social stability, and contributes to improved health and educational outcomes and a productive workforce. Thus it enhances both economic performance and social capital'.^{xviii} Addressing the current mismatch between the cost of Sydney housing, either for rent or sale, and the ability to meet housing costs for significant numbers of Sydney residents must be priority in any future vision for our city.

Public, private and non-government stakeholders seem to agree that the affordable housing problem facing Sydney needs positive effort to deliver workable solutions. All levels of government tell us that affordable housing is an important priority, yet progress to date has been fragmented.

The principle challenge is to get all levels of government to commit to 'providing a funding and regulatory framework that will support the development of a viable affordable housing sector – both for low cost home ownership and reduced entry costs for home buyers as well as a range of rental options for moderate to low income households.' This includes utilizing the planning and land use systems to provide a positive environment for affordable housing.^{xix}

A community's need for affordable housing is a material planning consideration.

^{xx}Delivering on affordable housing through more effective land use, leveraging resources through planning instruments and establishing an effective institutional environment is all within the scope of the Metropolitan Strategy. Indeed, increasing the supply of affordable housing must be a main priority for the Strategy if Sydney is going to be a place where people can afford to live in the future.

A circuit breaker is needed to avoid the housing, jobs and transport inequity becoming the entrenched social pattern. Not only for reasons of fairness but also for reasons of promoting long term economic growth.

The transformative potential of delivering affordable housing is considerable. Overseas experience teaches us that a comprehensive approach to affordable housing, aligned within a whole of government policy and funding framework can generate externalities of tremendous benefit to the City and its people. These include:

- A reduction in social exclusion and poverty, contributing to community well being and economic growth;
- Improved educational and health outcomes;
- Impetus for neighborhood renewal and civic pride;
- Kick starts for neighborhood level economies;
- Equity and diversity dividends including better social mix.

The potential to use affordable housing, as a driver for neighborhood renewal, community development and social cohesion is enormous, as it necessarily brings together diverse interests to deliver the outcomes. This potential extends to establishing new forms of collaboration between the three sectors of the economy – public, private and non-government. However, there is also a risk that top down approaches masked in the

language of partnerships can take away the local communities control over processes. Managing this risk is as important as managing economic risk.

Institutional arrangements that are a natural fit for communities will need to be developed to avoid mistakes of the past. Maintaining community vitality and strategic clarity is possible within a well thought through governance structure. 'Developing governance structures that allow both strategic leadership and real community ownership may be the very route to universally better policy-making in cities'.^{xxi}

Delivering on the rhetoric that we all want more affordable housing is essential if the non-government sector and the community is to have any buy in on the Metro Strategy. An active approach to affordable housing has the potential to give added legitimacy to the Strategy and to minimize the risk of cynicism or strategy fatigue. To earn this legitimacy there will need to be clearly stated actions, with associated performance indicators and evaluation mechanism and an associated policy alignment by other parts of government. It will also require new institutional frameworks to deliver affordable housing products in the Sydney metropolitan setting.

Recommendations:

The **goal** must be a planning system that actively encourages affordable housing partnerships between developers, land owners, funded non-profit organisations and government, through a much higher target for affordable housing output.

The **planning actions** to take us there include:

- Setting of mandatory affordable housing targets. One of the key recommendations of the *Ministerial Task Force on Affordable Housing* was to establish affordable housing targets for the state, and in particular contributory targets at a regional level.^{xxii} This recommendation, and many others from the task force are yet to be implemented. NCOSS recommends a minimum 15 % mandatory benchmark. A more effective benchmark would be 30%, to reflect the current undersupply of affordable housing in Sydney;
- Promotion of universal housing standards to new build private and social housing by setting universal housing design targets. This could be based on a similar principle to BASIX that requires new housing to be more environmentally sustainable;
- Integrating land use planning and social interventions to tackle urban disadvantage, with the provision of affordable housing as a key driver of renewal. Developing local and regional strategies that link economic strategies including new employment opportunities to community renewal and affordable housing. This could include local renewal plans that include affordable housing targets;
- Amending S94 of the EPA to specifically include affordable housing in the definition of 'public amenities and public services'. This would provide a legislative correction to the decision in *Meriton Apartments Pty Ltd v Minister for Urban Affairs*, where the Court stated that provision for low-income families was 'a purpose not contemplated by s94' and that the use of the section for such purpose was 'invalid';^{xxiii}

- Better enabling local government to facilitate affordable housing through development application process. This includes mandatory schemes, under which contributions are imposed as conditions of consent. The presumption should be that State government will approve Local Environment Plans (LEP's) that contain exclusionary zoning.
- Better enabling local government to facilitate affordable housing through incentive schemes such as density bonuses, as indicated in the *Environmental Planning and Assessment Act*.
- Including within the planning framework, voluntary agreements between developers and councils that can deliver the provision and maintenance of affordable housing. See for example the Blacktown Council/Landcom agreement.^{xxiv} This should not be the principle approach, however voluntary agreements do have a place in the range of instruments available to facilitate affordable housing.

We note the introduction of the *Environmental Planning and Assessment Amendment (Developer Contributions) Bill 2004* to the NSW Parliament on 8 December 2004. NCOSS considers that this bill may have the unintended consequences of tipping the balance too heavily towards voluntary agreements.

The advantage of a negotiated approach is in flexibility. However the risks in using a planning agreement approach for developer contributions, compared with an inclusionary zoning, are less transparency; potential for less accountability; heavier reliance on the negotiation skills of local council staff. The English experience has found that it is the skill and experience of negotiating parties determines the final quantity and tenure of affordable housing negotiated.

Planning agreements might be suitable to some councils, in some circumstances, but that approach does not have the advantages of inclusionary zoning. NCOSS would recommend that the Government improve the Act by way of further amendments to S94F (1) and (3).

By deleting the words 'if a State environmental planning policy identifies that there is a need for affordable housing in the area', at 94F(1) and deleting section 94F(3)(a), councils would be enabled to effectively choose between planning agreements and inclusionary zoning approaches.

The current potential of planning law, and in particularly S94(F) of the EPA has been thwarted by the Government's failure to introduce or approve a state environmental planning policy to remove the hurdles for all councils who may wish to use their planning powers to promote affordable housing. The failure to introduce a mandatory system under a SEPP has seriously undermined the capacity of local government to protect the social fabric of their communities through encouraging housing affordability.

In the United Kingdom regional strategies to mandate affordable housing are far advanced. For example the Greater London Authority requires that local Unitary Development Plans contain minimum targets for affordable housing. At present most London Boroughs seek around 25% affordable housing through planning. The London Mayor's Housing Commission envisages even higher targets – up to 50% London wide.

^{xxv}

The **policy alignments** required across state government include:

- Develop and implement a comprehensive State Housing Policy. There is a growing need for the NSW Government to demonstrate its commitment to a comprehensive State Housing Policy and Strategy. This policy should have a strong whole-of-Government approach and cover the broad range of issues that impact on housing access, affordability and development. It should be developed in partnership with the community through an extensive consultative process;
- Expand the provision of social housing through the *DOH Housing Supply Program* using a minimum target of 25,000 additional units in Metropolitan Sydney by 2015. With ongoing ten year targets being set throughout the life of the strategy. Ensure sustainability by allowing the rental rebate costs of public housing to be offset through the *Community Service Obligation*;
- Re-scope the role of Landcom and require it to allocate a minimum of 7.5 % of developed stock as affordable rental housing. Although rental housing is not Landcom's core business, potentially they could develop stock in partnership with commercial developers which could then be passed to Community Housing or another intermediary for management as below market rent stock.;
- Monitor supply and demand in affordable housing at local and regional levels and publicise examples of best practice in the provision of well-designed affordable housing;
- Work with all stakeholders, including the Department of Housing, Office of Community Housing and the private sector, to identify opportunities and develop techniques and solutions to facilitate a mix of private, affordable and social housing across the Metropolitan area. Increase the supply of affordable housing through joint programs with the Housing and Land Corporation, local councils and the not-for-profit sector;
- Facilitate the renewal of social housing stock to better meet the needs of existing and future clients; (see community renewal section of submission)
- Engrain social assessment criteria in the decision-making processes concerning public private partnerships; (see public private partnerships section of this submission).

The **measurements** or performance indicators should be:

Benchmarks:

To reduce the number of households in housing stress by 10% in the next five years, and thereafter by five per cent every five years;

15% minimum mandatory affordable housing quota on new development, across all tenures. A more effective target would be 30%.

Indicators: Proportion of NSW households (home purchasers and renters) paying more than 30 % of income in housing costs;

Public sector rental dwelling stock as proportion of total housing stock;

Applicants on public housing waiting list;

Persons receiving rent assistance.

Neighbourhood and community renewal

Since the late 1990s, the NSW Government, frequently in partnership with local councils and non-government organisations (NGOs) has invested significant resources into efforts to improve the quality of human services, community safety and the resilience of local communities in several disadvantaged locations across urban and rural NSW. Cross Government agency initiatives such as Strengthening Local Communities Strategy and Community Solutions and Crime Prevention have enabled major place based projects in these locations to be implemented.

During the same period, the NSW Department of housing has evolved a community regeneration approach to upgrading the physical and social well being of public housing estates and neighbourhoods across the State, sometimes in concert with the above initiatives.

As well, many local Councils, such as Fairfield, Parramatta and Newcastle, have restructured their overall approach to planning, service provision and facility and public domain development to emphasise an integrated place based set of outcomes.

NCOSS believes that the overall Metropolitan Strategy and the specific land release and consolidation initiatives being developed under its framework, should foster and enhance many of the neighbourhood and community renewal efforts that have already commenced or are being planned.

This is critical if lower socio-economic status communities across Greater Sydney are to share in the benefits of effectively managing Sydney's growth over the next 20 to 30 years.

Some, but not all existing community renewal initiatives do have a series of linked social, economic and environmental objectives with longer term change in how the "places" are structured and operate being a key part of the agenda. Examples of this broader sustainable development approach include the Redfern-Waterloo Partnership Project and the Redfern-Waterloo Authority and the Mt Druitt Community Solutions Project. In the case of Redfern-Waterloo, there will be an urgent need to balance and align the imperatives of job generation in the CBD-Sydney Airport corridor with the community regeneration objectives contained in the proposed 10 year Redfern-Waterloo Plan.

Some of the current community renewal initiatives feature extensive efforts to achieve genuine community participation in the design and implementation of the initiative, whilst others are perceived to pay "lip service" to such meaningful community involvement.

Beyond the active involvement of local councils in both new release and consolidation areas through LEP preparation and participation on the committees of the Growth Centres Commission, NCOSS recommends that the final Metropolitan Strategy endorses active resident and local stakeholder participation in the governance arrangements for all major developments, including future community regeneration initiatives.

Economic growth and employment

DIPNR estimates that over 500,000 additional jobs are required to be generated across Greater Sydney over the next 30 years.

Currently, approximately 2/3 of current job growth occurs within Sydney's Global Arc (North Ryde-North Sydney-Sydney CBD-Airport), whilst 75% of all IT and knowledge management positions are located in this band of Sydney.

At the broad level, the Metropolitan Strategy will have to address the labor force implications of ageing communities across Greater Sydney and future smaller numbers of younger workforce participants, as well as the actual and emerging skills shortages that are being observed at present.

At its core, the Strategy must provide a framework that stimulates future job creation and skills enhancement in regional centres, town centres, business parks and in clusters of new communities, as well as encouraging further jobs growth in the Global Arc

It is critical that:

- the spread of new jobs enables less, rather than more time to be spent on journeys to work;
- there are significant numbers of highly skilled and career pathway jobs created in north west and south western Sydney, central coast and lower regional and town centres;
- those portions of the population that have experienced and continue to experience long term and intergenerational unemployment are targeted for significant assistance to obtain and retain some of the new jobs being generated; and
- the recurrent budgets of Government human services agencies are given priority for both the services that are required in growth areas and the emerging job generating tasks that the industry is spawning.

If a substantial portion (40%) of new jobs are to be generated in the Global Arc, then specific attention also needs to be paid to the long term employment opportunities of disadvantaged communities such as Redfern and Waterloo to be met from this employment growth.

NCOSS supports proposals to increase economic development and resultant job opportunities in both the Central Coast and Hunter regions, noting that there remain several pockets of high level unemployment locations in both regions, some of which can be linked to previous poorly planned and delivered urban development initiatives.

Transport Disadvantage Within Sydney

Poor access to transport is a key driver of poverty and social disadvantage. An inability to access transport, either because of cost, availability of services or poor physical

accessibility, leads to isolation from jobs, health and treatment, as well as social and recreational activity. For some people, limited access to transport services or to private motor vehicle transport is a defining characteristic of disadvantage experienced by these groups. This is summarised well in the *Making the Connections* report, which states 'the majority of people on low incomes do not have access to cars and rely in particular on walking and buses. They face a number of barriers in accessing work, learning, healthcare and other activities that relate both to problems with travel and the location of services.'^{xxvi}

Sydney faces a number of transport challenges that impact upon social participation for disadvantaged communities. These include:

- Inconsistencies in public transport provision, with poor availability of services to some areas;
- A lack of long term 'vision' in planning for major transport infrastructure, with an over-emphasis on road developments, contributing to an over-dominance of private motor vehicle transport in some regions;
- Inconsistencies in fare and concession availability and entitlements between different regions of Sydney;
- Lack of integration of transport modes (i.e. rail, bus, ferry, taxi, bicycle and walking and community transport);
- Evidence of poor planning in some regions that has led to dramatic dislocation of housing from employment and services;
- Absence of meaningful standards and benchmarks for assessing performance of transport services, and the social, environmental or economic sustainability of transport 'mix'.

These challenges in turn have exacerbated existing levels of disadvantage for those who do not have easy access to either private motor vehicle transport or public transport services. Social and economic trends such as the ageing population and significant fuel cost increases will further impact on the affordability and availability of transportation options.

Transport expenses for disadvantaged communities can be high, with transport costs typically consuming a greater proportion of expenditure for low-income households. Because of poor availability of public transport services, many low income people in Sydney rely on other forms of transport, such as private motor vehicles and taxis. These modes of transport are expensive and can disproportionately impact on low-income people.

Low-income people, despite the high relative costs, also use taxi transport. Information from the NSW Transport and Population Data Centre (TPDC) indicates that on an average day in Greater Metropolitan Sydney at least 14% of taxi users receive an income less than \$10,400 (\$200 per week), while approximately 22% of taxi users earn less than \$20,800 (\$400 per week).^{xxvii} There has been a steady increase in the use of taxi transport by low income people reported in other jurisdictions,^{xxviii} which has arguably also occurred in Sydney as a consequence of dislocation of communities from public transport routes and increasing demand for flexible transport alternatives.

Addressing transport disadvantage means promoting a mix of affordable transport alternatives that link a range of different communities to employment and services. It also means designing neighbourhoods to maximise a range of mobility options, including walking and cycling.

Ageing Population

Population ageing will impact upon the use of different transport modes, and demand for transport services. A recent Productivity Commission paper argues that although total transport spending is unlikely to change significantly in response to an ageing population, there may be implications in a number of areas, including subsidies for public transport, transport of the disabled and access to services generally by older Australians.^{xxxix}

Importantly the report highlights a need to take into account increasing demand for 'specialist transport services to assist frail and disabled people who live in the community,' and for flexible "local transit" solutions to enhance connectivity to local retailers, medical appointments and recreation.^{xxx} In other words, an ageing population may call for a change in the 'mix' of transport services in Sydney. NCOSS argues below that a focus on local and community transport should be a key component of the Sydney Metropolitan Strategy's response to transport issues.

The Productivity Commission observes that the ageing population will not necessarily increase subsidies to large scale commuter public transport (since any subsidy increase will arguably be offset by a reduction in the number of young commuters)^{xxxi}. However they fail to acknowledge increased costs associated with improving the physical accessibility of public transport services. Some improvements will occur over the next three years in accordance with the Australian Government *Disability Standards for Accessible Transport 2002*.

In Sydney an acceleration in infrastructure and vehicle improvement will be required, not only to meet the requirements of the Standards, but to enable a greater number of people to use existing services and respond to the changing needs of Sydney's population. Potential areas of future expenditure include rail station upgrades, bus fleet upgrades, an increased supply of wheelchair accessible taxis, and other improvements to infrastructure including bus stops and interchanges.

The ageing of the population will also have other transport impacts that will need to be taken into consideration in planning for Sydney's future, including a potential increase in the number of older drivers^{xxxii} and a need to improve local pedestrian access and mobility.

Fuel Costs

Australia has experienced fairly dramatic price instability in the cost of fuel over the last two to three years, with significant increases pushing the price of petrol above \$1 per litre for Sydney residents. There is some evidence that petrol prices will rise significantly above CPI over the next ten years due to deterioration in world oil supply levels (see Figure 1). Of particular concern are predictions that fuel costs could rise to \$3 per litre within the next three to four years, particularly if there are no new significant oil discoveries or there is no 'technological fix.'^{xxxiii}

This will undoubtedly impact on the face of transportation over the next twenty years, and will challenge the significant role currently played by private motor vehicles in Sydney's transport task. In particular, if fuel costs rise significantly; private motor vehicle transport will prove increasingly non-viable for low-income households.

World Oil Market

Source: Bruce Robinson

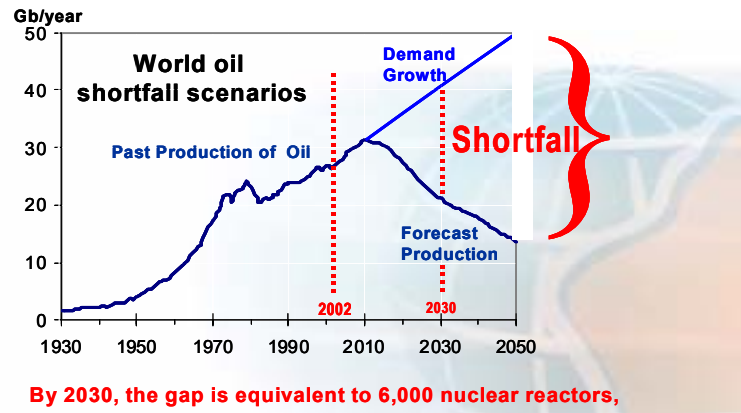


Fig 1: World Oil Supply Shortfall Forecast^{xxxiv}

Inner Sydney Transport Strategy

NCOSS is supportive of the development of an Inner Sydney Transport strategy, although further details on the scope of this strategy, and the planned outcomes would be welcome. Sydney CBD is a hub for employment, education and services. Affordable connectivity is a priority for low-income people, not only to access employment, but to sustain volunteering, links to education and enable people to use services, including attending health related appointments.

The transport strategy would need to look at a number of issues, including, developing a strategy to reduce car usage in CBD areas; maximising the effectiveness of public and community transport services (particularly where these services are sensitive to traffic congestion); developing appropriate transport planning to take account of residential housing growth in the CBD; examining new service opportunities like a free CBD bus service and the expansion of light rail; and examining the regulation of car spaces, the effectiveness of the Parking Space Levy and the growth of residential car spaces in the CBD.

New Transport Infrastructure

NCOSS is concerned that there is little evidence that prioritised transport infrastructure reflects long term planning around sustainable transport for Sydney. There does not, for example, appear to be any commitments made to reduce reliance on private motor vehicle travel in the South, North West and South West areas, nor a commitment to change journey times in these areas. Strategies like the Rail Clearways program and bus services reform are necessary steps to fixing current problems, but arguably do not add capacity to Sydney's Transport network to cope with future demands. Investment above current allocation may be necessary to meet these needs.

Bus services reform and the expansion of Transitways is broadly supported by NCOSS as a required strategy to boost patronage on bus services and develop connectivity between regional centres. Heavy rail infrastructure projects are inevitably expensive, but create a

'spine' for the transport system in Sydney, and have an ability to move large numbers of people effectively.

Greater community involvement in planning, and a willingness by Government to commit to investment where it is necessary is critical. The reluctance of the NSW Government to commit to construction of a North West rail line appears to be an example of poor consultation with local communities, and arguably reflects some short sightedness, since future construction of a rail link will generate additional costs. Similarly the postponement of the Epping to Parramatta rail link appears to go against community expectations, and arguably removes a vital linkage for people travelling from west and south west Sydney to jobs and services in the North and Mid North West areas of Sydney.

In 1998, the then Department of Transport released an integrated transport forward planning document entitled *Action For Transport 2010*. It would make sense for the Sydney Metropolitan Strategy to draw on *Action For Transport 2010*, and take advantage of the extensive planning that informed this document.

This plan laid out a vision for transport provision in NSW, with an explicit aim to improve public transport service provision in order to 'reduce traffic congestion and improve our air quality.'^{xxxv} A number of public transport projects were flagged in this plan, including the North West Rail Link and a Hurstville to Strathfield Rail Link. Unfortunately this document is evidence of the prioritisation by Government of investment in road infrastructure over public transport development, with most major road projects detailed in the plan built or committed to over the next ten years, whilst only a small number of public transport improvements have been progressed in the same period.

Although there is scope to improve the road network, NCOSS would argue that improving public transport is a more important priority. The Western Sydney Orbital will help to link people more effectively by motor vehicle across regions, but will not discourage private motor vehicle usage. As discussed below, an indicator of improvement in this area would be to reduce the share of trips by car whilst ensuring availability of other forms of transport, including public transport services. This, NCOSS believes, will reduce the impact of transport costs, particularly for low-income households.

Rail Clearways and Bus Reform

The Rail Clearways program and bus services reform are both necessary steps to improve the delivery of bus and rail services in Sydney. Although NCOSS is supportive of this reform agenda, it is not clear that these two programs alone will have the capacity to meet the transport needs of a growing Sydney. Arguably both these reforms aim to resolve current problems in the network: namely, the poor capacity of the heavy rail network to cope with train delays / breakdowns; and the inflexibility of metropolitan bus contracting which has contributed to declining patronage and a financially unviable bus industry in Sydney. Resolving these issues will solve current problems faced by passengers, but arguably do not respond to future transport challenges, such as supplying adequate public transport infrastructure to growth areas in Sydney.

NCOSS recommends:

That the following Priority Actions be adopted:

Local and Community Transport

NCOSS believes that the transport agenda must not only seek to “connect centres with the transport network” but connect communities both to regional centres and the transport network. This reflects the need for people to not only commute across the city to access jobs and services, but to develop access to local opportunities within communities and regional areas. Of necessity this involves promoting the development of local and community transport networks and enabling flexibility in the delivery of local services.

Note that some positive improvements in this area are planned as a component of bus services reform. New bus contracts will contain additional opportunities for operators to provide flexible local alternatives to regular route services, and require operators to better coordinate the delivery of services with local community transport operators. Planning for local services will also change, with the Ministry of Transport currently planning to set up regional transport planning forums in the 15 new bus contract areas across Sydney.

There are further opportunities to create innovative services that are able to better link communities to services and jobs, using both public and community transport operators.^{xxxvi} The Metropolitan Strategy should include a focus on building these local services.

Local Transport Planning

While bus services reforms should improve the community relevance of services, there is a need for a more integrated approach to planning for local services, which broadly looks at access to services and employment, and can work with different agencies to create sustainable solutions across different modes including rail, ferries, taxis, private vehicles, walking and cycling. A focus on local services can also bring together different providers, and recognise the role of non-government organisations of transport services.

The United Kingdom has recently implemented a transport planning reform which involves a Local Transport Plan system which are ' five year integrated transport strategies, devised at local level in partnership with the community.'^{xxxvii} These plans enable pooling of resources and local involvement in decision making on transport projects. A component of this Local Transport Planning process is the use of Accessibility Plans. Accessibility planning involves developing strategies to increase social inclusion and reduce disadvantage, encouraging “local authorities and other agencies to assess more systematically whether people can get to places of work, healthcare facilities, education, food shops and other destinations that are important to local residents.”^{xxxviii}

The use of a local planning process for transport services, with an explicit focus on addressing transport disadvantage within localities, would be a useful approach to planning for transport in Sydney. This could potentially be incorporated into a broader mechanism for regional or local planning, such as a community development corporations model.

Better data on transport availability and transport disadvantage is crucial. NCOSS understands that TDPC is currently mapping transport disadvantage in Sydney, with an ability to focus on streets and localities in the city. This information would help to focus transport priorities for the Metropolitan Strategy and future planning processes. It is also important to draw on other information available through government human service

agencies, for example population planning data collected by NSW Health and the NSW Department of Ageing Disability and Home Care.

Transport Benchmarks and Indicators.

A vision for Sydney must establish goals in relation to linking people more equitably to jobs and services, determining the 'mode share' for different regions of Sydney, ensuring the accessibility of services, and establishing minimum standards of coverage to basic transport services.

There is a range of different approaches that could be explored to benchmark and measure Sydney's transport performance, particularly with respect to social disadvantage. Benchmarks could include:

- an aimed reduction in the "Share of Trips by Car" across Sydney Regions;
- a reduction in "Average Travel Times to work" across regions;
- closer integration between place of employment / key service location and place of residence, with an aimed reduction in the proportion of people who are unable or have difficulty accessing services or employment;
- an aimed increase in the proportion of accessible fleet and facilities in Sydney;
- establishing a standard for access to a transport corridor of rail line.

Some, or all, of the data required to assess performance against these benchmarks is available through NSW Government agencies.

Another approach, that NCOSS would support, would be to develop a benchmark to measure transport disadvantage / poverty. This sort of benchmarking has been used in the utilities area, and has enabled a simplified approach to measuring disadvantage experienced by consumers.^{xxxix} A similar benchmark could be established for transport and mobility, for example by developing a benchmark for transport cost affordability (i.e. transport costs as a proportion of annual income). Performance against this benchmark could be measured using a relevant data collection process such as the Household Travel Survey collected by the TDPC. Allied to other measures such as accessibility of services, this approach could help to locate transport disadvantage and measure the social performance of any improvements to the transport network.

Fuel Costs Strategy

As stated above, fuel costs and the role of private vehicle transportation are significant issues facing Sydney's sustainable future. Rising fuel costs will impact on low- income households and non-government human services, particularly where they are reliant on private motor vehicles. NCOSS encourages the NSW Government to develop a strategy to respond to fuel cost rises and their impact on Sydney's future. This strategy could form a component of other commitments, including the NSW Government's *Action To Air* policy and improvements to public transport. The strategy could also look at a range of solutions, including demand management, tax and concession issues, walking and cycling, and car sharing.

As stated in the submission, NCOSS supports a mix of funding approaches, with safeguards in place to avoid increasing costs for low- income households. Approaches that should be considered in the transport area including:

Better use of Parking Space Levy:

NCOSS has made recommendations to expand and better targeting of funds generated by the Parking Space levy, to ensure it more effectively meets its objective of improving access to public transport and discouraging car use to CBDs. One option would be to use the levy to accelerate accessibility upgrades of rail stations.

Spare Transport Capacity

Innovative approaches can be taken in transport areas that do not incur additional costs, but generate new services. NCOSS has recommended, for example, incentivising the taxi industry to provide reduced cost services in off peak periods where there is spare capacity available. This approach can generate additional revenue for operators, while addressing transport disadvantage.

Section 3: Implementing the Strategy - governance and finance models

Governance

Effective urban development involving either brownfield or greenfield locations requires concise and accountable governance arrangements which integrate the planning, financing and delivery efforts based on place and is regularly tested by the interests of existing and future households and businesses.

In relation to successful urban renewal initiatives in other OECD nations like the UK, US and Canada, NCOSS believes that the model of a community development corporation, established under statutory arrangements has significant merit for investigation.

In particular, US CDCs play a major role in both brokering and providing housing, community facility and other essential urban infrastructure, leveraging public and private funds for these purposes. In the UK, neighbourhood development authorities and community regeneration companies are both vehicles that are being used with increasing confidence to design, budget hold and manage urban renewal projects.

We think it is critical for the NSW Government to work collaboratively with clusters of local councils based on the specific locations to be developed to ensure that between the two levels of government, complementary efforts are being made. The CDC model provides an opportunity for:

- government, local business and local community interests to be formally engaged together in a key decision making vehicle;
- greater transparency, in the public interest, of formalising local development and infrastructure financing plans;
- a non profit, third party entity to manage what will often be tense relationships and critical compromises between stakeholders;
- a mechanism to pool funds from a range of public and private sources to assist the capital and recurrent costs of the piece of urban development being proposed; and
- where public land, building, other assets are involved, to separate the development consent and return on investment roles at the one level of government.

In the affordable housing arena, Government should give priority to assisting the further development of viable and effective community housing associations in NSW to manage the affordable stock generated in each development. The ownership of the range of affordable housing in each major development should remain vested with either the NSW or local Government. However, the housing management functions should be contracted out to such not for profit entities.

Finance models

NCOSS supports the Government's initiative to link the financing of a range of infrastructure to the commencement of residential development as part of the Metropolitan Strategy thinking.

As indicated above, we believe that appropriate location based not for profit trust type entities are one means of aggregating fiscal contributions from a range of sources to help fund essential social mix and infrastructure needs of new or redeveloped communities.

It would be highly desirable to approach the financing of urban development and community regeneration with an open mind to using, in combination, various fiscal tools, including:

- public sector debt financing;
- developer levies;
- investment from superannuation funds; and
- tax deductible donations from corporations and high net worth individuals

Financing public housing renewal – public private partnerships

NCOSS is of the view that Public Private Partnerships (PPPs) have a limited but important role to play in the redevelopment of public housing stock. They must not be seen as an alternative to public sector investment in social housing. Nor must they be used as means of dislocating low-income households from their homes in the guise of promoting a social mix. NCOSS has previously submitted to the Minister for Housing and Treasury, our position in regards to PPPs. It is included in this submission below and put forward as a recommendation to the metropolitan strategy as the policy that should apply in the upcoming strategy.

NCOSS policy on public private partnerships in social housing

Guiding Principles:

- The provision of social housing * for disadvantaged and low-income people is the joint responsibility of both the State and Federal governments. It is not the responsibility of the private sector.
- The provision of social housing is a core service of the state government and of critical importance in addressing social disadvantage.
- In some instances, there may be a valid role for the private sector in partnering with the state government to increase the stock of social housing in NSW.
- Social housing is both a public asset and a home. Social housing estates are communities.
- NCOSS will strive to seek a balance between the needs of current social housing tenants and the needs of people on the public housing waiting list. Decisions will be determined by what is in the best interests of disadvantaged people and communities.

Assessment Standards for Proposed Public Private Partnerships in Social Housing:

Proposals for the provision of social housing that involve the private sector will be assessed using the following criteria:

1. Increase in Social Housing Stock

- The proposal should result in a substantial increase in social housing stock. A high proportion of new stock should be adaptable housing to meet the needs of people with disabilities and older people.
- In any proposal that involves the redevelopment of an existing housing estate, the preferred tenure outcome is a ratio of private to social housing stock that favours current and future social housing tenants.
- If the proposal does not result in additional social housing stock on the particular site, then all revenue gained should be dedicated to the increase of social housing stock in an area with good infrastructure and access to services. Revenue raised should not be regarded as general funds under the Housing Assistance Program.

2. Impact Assessments and Probity

- The process must be transparent and include a public interest evaluation. As stated in the governments PFP guidelines, this includes an 'evaluation of the likely impact of the project on public interest including effectiveness, impact on key stakeholders, accountability and transparency, public access and equity, consumer rights, security and privacy (p 55)." The evaluation should involve all stakeholders and be a publicly available document.
- Comprehensive social and environmental impact assessment should be conducted in relation to all proposals.
- 'Probity is an important issue for government as custodian of the community's assets' (ibid. pg 49). The process of tendering and decision making in relation to PPPs should adhere to transparent probity standards and procedures.

3. Tenant Rights

- Consultations should be held with all potentially affected tenants *prior* to the development of any proposals.
- The amenity of adequate open space and privacy should be considered in any proposed development to avoid the social problems that can arise from inappropriate development.

- Tenants should not be required to relocate unless it is absolutely unavoidable. Where it is unavoidable, the Department of Housing should ensure that there is minimal disruption to the tenants' lifestyle and existing networks. Those tenants with strong links (e.g. health facilities, family and social networks) in the local community should be given priority relocation in that area.
- The full costs of relocation should be met by the Department.
- The rights of existing tenants should be respected at all times.
- All existing tenants must be guaranteed quality housing in the renewed estate (if they wish) and given a clear timeframe for this to occur.

4. Sector Consultation

- When a project is first considered or proposed by the Department, consultations should be held with all relevant peaks including Shelter NSW, the Tenants Union of NSW, the NSW Federation of Housing Associations and NCOSS.

5. Financial Benefit

- There should a demonstrated financial benefit to the Department of Housing. The financial resources derived from the proposal should be used to increase the stock of social housing

Section 4: Measuring the success of the strategy

In order for the Strategy to have any traction a transparent and open system of measuring performance against outcomes is required. The legitimacy of the strategy amongst community organisations and citizens will be dependent upon the strategy including, from the outset a simple set of measures against which progress, or the lack of it, can be measured.

A fundamental principle of sustainability is striking the balance between economic, environmental and social priorities. Similarly, any reporting system must include performance indicators across these three areas. Currently, reporting in NSW appears to be skewed very heavily towards fiscal, and to a lesser extent environmental reporting. Compared to other jurisdictions in Australia and overseas, NSW has a significant way to go to establish an effective system of social performance reporting. If sustainability is to be the foundation of the Metropolitan Strategy then the challenge of integrating economic, social and environmental measures becomes urgent. This challenge cannot be met if government does not give due emphasis to social performance reporting in the near future. Indeed the Metropolitan Strategy provides an ideal opportunity to establish a comprehensive social performance-reporting model. In this regard the Strategy the capacity to be at the cutting edge of one of the most significant debates in public policy in NSW.

The Global Reporting Initiative (GRI) *Sustainability Reporting Guidelines* highlight several benefits of sustainability reporting that have resonance for improving government responses to issues of social exclusion and injustice, principal amongst which is the need to promote the capacity for whole of government policy making and service delivery. 'Sustainability reporting is a vehicle for linking typically discrete and insular functions... (it) opens internal conversations where they would not otherwise occur'.^{xi}

NCOSS notes and endorses the key principles of the GRI framework which include:

- Transparency as means of maximising accountability;
- Inclusiveness and involving stakeholders in the development of reporting structures;
- Audibility and external verification;
- Accuracy;
- Completeness in regards to scope of factors being reported on;
- Relevance of factors being reported on;
- Timeliness;
- Neutrality – fair and factual presentation;
- Comparability and benchmarking;
- Context (how best to link organisational performance to macro level concerns)
- Clarity (includes both how understandable the information is, and its usefulness).^{xii}

As we have learnt from the increasing use of Triple Bottom Line reporting in the private sector, sustainability, economic performance and social progress go hand in hand. It can therefore be reasonably argued that the NSW Government should move towards incorporating social performance reporting into its core functions. Further, international and interstate experience shows that this can be implemented at relatively low cost if currently collected information is used as the primary source of data against which reporting takes place.

Potential benchmarks

In December 2003, the Forum of Non-government Agencies agreed the following:

FONGA benchmarks for social outcomes from urban development and renewal

- Adequate social mix – diversity of income types, household types and cultural backgrounds;
- Affordable housing – 15% of total housing units delivering public and social housing, low cost private rental and lower income home ownership. NCOSS considers more effective benchmark would be 30%, to reflect the current undersupply of affordable housing in Sydney;
- Adaptable housing – 20 % of total housing units delivering positive designs for people with disabilities, older people and other people with mobility needs;
- Adequate levels of properly resourced services and facilities – at least equivalent to State per capita average (services include children’s, youth, community care, primary and community health, education and training, neighbourhood centres and family support, community and cultural development);
- Adequate resident access through public and community transport to services, employment, shopping, sport and recreation;
- Adequate service sector businesses spread across the development and appropriate resident access to job opportunities across the region;
- Public open space which ensures community life and enhances community safety;
- Genuine participation of all sections of the community and stakeholders in all facets of the land use decision making process (from concept to design to approval to implementation); and
- Best practice communication strategies implemented by developers and the responsible Government agencies so as to genuinely involve local communities.

ⁱ See http://www.oum.qld.gov.au/Docs/draftplan/Draft_Regional_Plan.pdf, at page 70, viewed 25 November 2004.

ⁱⁱ Randolph, 2004, *Renewing the middle suburbs: planning for stressed suburbs*, Urban Frontiers Program, Issues paper No.15, p 7.

ⁱⁱⁱ Crawford, 2004, *Scoping the Housing Affordability task*, paper presented to WSROC & Westhirm Affordability, Financing and Fairness Seminar: Jan 30 2004

^{iv} Berryman, C. *Housing Affordability in Greater Western Sydney: Sale price, median rent and income changes from 200 to 2004*, WESTIR inc, p 2

^v Yates & Wullf, 2004, *Market Provision of Affordable Housing*, paper presented to ENHR Conference, Cambridge, and p1.

^{vi} N5 at 9

^{vii} N5 at 2

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- viii J Hall J & M Berry, 2004, *Operating Deficits and Public Housing: Policy Options for Reversing the Trend*, AHURI, p 4
- ix Yates J, *Changes in the supply of and need for low rent dwellings in the private rental market: Final Report*, 2004, AHURI, p 25
- x N9 at 46
- xi Crawford, 2004, *Scoping the Housing Affordability task*, paper presented to WSROC & Westhirm Affordability, Financing and Fairness Seminar: Jan 30 2004
- xii N4 at 4
- xiii N2 at 4
- xiv N2 at
- xv See http://www.pwd.org.au/anuhd/national_housing_conference03_paper.html , viewed 29 September 2004
- xvi See http://www.pwd.org.au/anuhd/national_housing_conference03_paper.html , viewed 29 September 2004
- xvii See <http://www.pc.gov.au/study/ageing/draftreport/ageing3.pdf>, viewed 26 November 2004.
- xviii Productivity Commission 2004, *First Home Ownership*, Report No. 28, Melbourne, p 3
- xix Randolph, 2004, '*Getting on with it: Policy frameworks and practical challenges for housing affordability strategies*', paper presented to WSROC & Westhirm Affordability, Financing and Fairness Seminar: Jan 30 2004.
- xx Office of Deputy Prime Minister, UK Government, Planning and Affordable Housing, see <http://www.odpm.gov.uk/stellent/groups/odpm_planning/documents/page/odpm_plan_606806.hcsp> viewed 16 November 2004
- xxi Maclennan & Norman, 2004, *The resurgent city?* Plenary address to Leverhume International Symposium, London School of Economics. See <<http://www.lse.ac.uk/collections/resurgentCity/Papers/Opening%20plenary/duncanmaclennan.pdf>> viewed 16 November 2004.
- xxii Johnson, 2004, *Levying developers for affordable housing – a resource paper*, Shelter, p 1
- xxiii N12 at 15
- xxiv The state government previously introduced the *Environmental Planning and Assessment Amendment (Planning Agreements) Bill 2003*. Its purpose was to authorize development contributions in addition to the use of section 94. The contributions would be for a 'public purpose', including 'the provision of affordable housing and the maintenance of affordable housing'. The bill was withdrawn in 2004 on the request of the Section 94 Contributions and Development Levies Taskforce. The government response to the Section 94 Contributions and Development Levies Taskforce supported developer agreements and works-in-kind agreements in some circumstances. It is not known how the government intends to proceed on this matter.
- xxv Greater London Authority, 2001, *Affordable Housing in London*, Executive Summary pg vi
- xxvi Social Exclusion Unit, "Making the Connections: Final Report on Transport and Social Exclusion," Office of the Deputy Prime Minister, February 2003, p37
- xxvii NSW Transport and Population Data Centre, "Household Travel Survey," 2002
- xxviii N26 at 23.
- xxix Australian Government, Productivity Commission, *Economic Implications of an Ageing Australia*, Draft Research Report, 2004, Chap. 10, p10
- xxx N29 at 12-3
- xxxi N29 at 10
- xxxii Issues relating to older drivers are discussed in NSW Committee on Ageing, ""Driving Miss Daisy in Country NSW: Extending the Transport Options of people Living in Rural NSW," 2000. See also "Economic Implications of an Ageing Australia," p14.
- xxxiii See discussion of implications of world oil peak in A.M.S., Bakhtiari, "Global Crude Oil Production and the Role of the Middle East," paper presented to the "International Perspectives on Oil Vulnerability Seminar," Canberra, 2004. Bakhtiari claims that the 'post-oil peak' period is bound to bring momentous changes in its wake affecting all aspects of human life (from average child birth to transport habits) across all five continents,"p4
- xxxiv Slide from presentation by David Smith, Executive Director (Economic), Department of Treasury and Finance, Western Australia, To the Oil: Living With Less Conference," Perth, 2004.
- xxxv Department of Transport, Action for Transport 2010: An Integrated Transport Plan for New South Wales, 1998, p44
- xxxvi See for example S. Bogren and C. Jeskey, "Louisville: An Employment Transportation Model," in *Community Transportation*, Spring 2004, Vol. 22, No. 3, pp48-9.
- xxxvii See Department of Transport, "Introduction to Guidance on Full Local Transport Plans," at http://www.dft.gov.uk/stellent/groups/dft_localtrans/documents/page/dft_localtrans_029110.hcsp, viewed 29 November 2004

^{xxxviii} See Department of Transport, “What is Accessibility Planning?” at http://www.dft.gov.uk/stellent/groups/dft_localtrans/documents/page/dft_localtrans_023937.hcsp, viewed 29 November 2004

^{xxxix} K. Davidson, “Measuring Household Electricity Affordability,” paper presented at “The Price of Reform: Households and Essential Services,” Conference, Sydney, 2004.

^{xl} see <http://www.globalreporting.org/guidelines/2002/> at b22asp : b28asp , viewed 20 October 2004

^{xli} see <http://www.globalreporting.org/guidelines/2002/> at b22asp : b28asp , viewed 20 October 2004.