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9 November 2019

Mr P Parfenow
Development Director
Land & Housing Corporation
NSW Department of Planning, Industry & Environment
By email: paul.parfenow@facs.nsw.gov.au

Dear Paul,

**RE: Response to Fairfield Council's Submission on Bonnyrigg Housing Estate
Major Project Concept Plan Modification 5**

This response to Fairfield Council's (Council) Submission for Modification 5 to the Bonnyrigg Housing Estate Major Project Concept Plan addresses queries raised regarding provision of open space and community facilities floor space. These queries relate principally to:

- the occupancy rates applied in determining the estimated total population increase attributable to Modification 5,
- the agreed source for rates of open space and community facilities floor space provision, and
- determining the amount of open space and community facilities floor space provided based on the estimated total population increase attributable to each individual modification

Provision of open space

Council's Submission notes qualitative changes to open space proposed under Modification 5, including amalgamation, reconfiguration and redistribution of these spaces, will attract a broader range of users and accommodate a broader range of passive and active recreational activities and allow the Community Park to become a focal point. Council also notes proposed changes to Bonnyrigg Square and Village Green entrance points and urban plazas establish a better transition between the housing estate and town centre precincts. Council considers these changes to be positive outcomes that enhance amenity for the Bonnyrigg Renewal Area.

Council has queried the quantity of open space proposed under Modification 5. To ensure consistency, the same method to estimate total population increase attributable to Modification 4 has also been used for Modification 5. The approach for Modification 5 uses updated occupancy rate data to estimate total population increase attributable to that modification and rates of open space provision. This updated data is based on occupancy rates for private dwellings across Fairfield LGA from the 2016 Census and 2017 actual occupancy rates for social housing dwellings from St George Community Housing (SGCH).

Land use planning is not a static process and must evolve to reflect updated data as it becomes available so that the process is based on the best available evidence. Availability of more new data on occupancy rates is a valid reason for changing assumptions about population projections, and therefore rates of service and

infrastructure provision, over the course of a long term, multi-stage major urban regeneration project such as the Bonnyrigg Renewal Area.

Modification 5 proposes an additional 500 dwellings with a mix of 70% private (350 dwellings) and 30% (150 dwellings) social housing dwellings. The average occupancy rate for private dwellings across Fairfield LGA at the 2016 Census was 3.38. The average occupancy rate for SGCH-managed social housing in Bonnyrigg was 2.69 as at 2017. Using these updated occupancy rates, the proposed modification will add an additional 1,587 residents.¹ This is then added to the existing approved total estimated population of 6,881 to arrive at a new total estimated population of 8,468.

The rate of open space provision has been agreed through Council's 2011 s94 Contribution Plan at 2.78m² per additional person.² For each of the additional 1,578 residents attributable to Modification 5, this results in a total open space provision of 4,412m² (0.4412Ha). This is then added to the existing approved open space provision of 12.13Ha to require a total open space provision of 12.57Ha. The total open space proposed under Modification 5 is 13.04Ha, which is 0.47Ha in excess of what is required.

Council's assumptions regarding open space provision

Council estimates a total of 16.94Ha of open space is required and that the 13.04Ha of open space proposed under Modification 5, therefore, falls short by 3.9Ha.

Council's estimate of total open space required is based on applying a rate of provision of 2.0Ha of open space per 1,000 persons to the total estimated population at completion of 8,468, rather than the estimated total population increase attributable to the 500 additional units proposed under Modification 5.

Council identified the rate of 2.0Ha of open space per 1,000 persons as appropriate in its submission to the 2012 Modification 4 to the Concept Plan. However, this is not the rate of 2.78m² per additional person agreed through Council's 2011 s94 Contribution Plan and approved under the previous Modification 4.

Occupancy rates for private and social housing dwellings

Differential occupancy rates for private and social housing dwellings have been used to calculate the population increases attributable to Modification 5. The Social Infrastructure Needs Analysis for Modification 5 prepared by the University of Technology Sydney (UTS) uses separate occupancy rates for private (3.38/dwelling) and social (2.69/dwelling) housing units. It is on these differential rates that the estimated 1,587 additional residents attributable to the 500 units proposed under Modification 5 have been calculated and rates of open space provision then determined.

Council submits the open space shortfall is likely to be larger still as the occupancy rate used to calculate the estimated total population increase is below the average occupancy rate of 3.38 for private dwellings across Fairfield LGA at the 2016 Census. Calculating estimated total population increases using a single flat occupancy rate for private and social housing dwellings fails to account for differences in demand generated by the likely different tenant profiles and households sizes of these different types of stock.

¹ (150 public housing * 2.69) + (350 * 3.38) = 1,587

² Fairfield City Council, Section 94 Direct Development Contributions Plan 2011 Amendment 10 (p.5)

Using differential occupancy rates for private and social housing dwellings takes into account differences in the tenant profile for these different types of stock. For instance, the average household size, and therefore occupancy rate, of private dwellings tends to be larger and runs counter to trends in the social housing tenant profile of smaller household sizes and lower occupancy rates than private dwellings. These differences are an appropriate rationale for using differential occupancy rates for private and social housing dwellings to calculate estimated total population increase as different types of stock cater to different household types and sizes.

The occupancy rates used for Modification 5 are different to those used for the 2012 Modification 4, which also used differential occupancy rates for private and social housing dwellings. In 2011, Urbis estimated the amended Concept Plan for Modification 4 that consisted of 2,500 dwellings would increase the population to 6,881. Urbis estimated this using an occupancy rate of 2.6 for private dwellings in Fairfield, and a rate of 3.2 for social housing dwellings in the Bonnyrigg renewal area. Approval was given for Modification 4 based on these differential occupancy rates.

Updated figures from the 2016 Census show the occupancy rate is now 3.38 for private dwellings in Fairfield, and according to 2017 data from St George Community Housing, the occupancy rate is 2.69 for social housing dwellings in the Bonnyrigg renewal area. Based on these figures, the estimated total population increase of 1,587 residents attributable to the additional 500 dwellings proposed under Modification 5 will result in a new total resident population at completion of 8,468.

The additional 1,587 residents is based on an assumption 70% of the additional 500 dwellings are private dwellings (350) with an occupancy rate of 3.38 per 2016 Census data for Fairfield LGA, and 30% of the additional 500 dwellings are social housing dwellings (150) with an occupancy rate of 2.69 per 2017 data from SGCH on social housing occupancy rates for the Bonnyrigg Renewal Area.

| | |
|---|---|
| Population estimates for 2,500 dwellings (already approved) | 6,881 |
| Additional Social Housing (150 dwellings) | 150 dwellings x 2.69 (2017 SGCH average occupancy for social housing dwellings) = 404 people |
| Additional Private Housing (350 dwellings) | 350 dwellings x 3.38 (2016 ABS Census average occupancy for private dwellings) = 1,183 people |
| Additional population from 500 dwellings which are the subject of this amendment | 1,587 |
| Total population estimates for 3,000 dwellings | 8,468 |

Differences in the nature of the stock and likely tenant profile

The relationship between the tenant profile, occupancy rates, and housing stock is important when considering need for open space as occupancy rates can differ by both tenure (i.e. private and social housing) and dwelling (i.e. houses and apartments) type. It is appropriate to differentiate occupancy rates by tenure type (i.e. private and social housing) to ensure consistency with the approach taken to the 2012 Modification 4, and because there is a sharper distinction between the ratio of private (70%) and social

housing dwellings (30%) when compared to the type of dwellings (predominantly apartments) being provided through Modification 5.

Since Modification 4, new data on occupancy rates for private dwellings across Fairfield LGA has become available through the 2016 Census and new data on occupancy rates for social housing units within the Bonnyrigg Renewal Area has become available through SGCH. These confirm changes in the broader tenant profiles for private dwellings and social housing units, such as an increasing share of single person and couple with no children households in social housing.

Population projections also show the diminishing size of households is due to an increase in lone person households, from 12.4% in 2016 to 15.4% in 2036; an increase in 'couple only' households from 18.1% to 19.7%, and; a reduction in 'couples with children' from 44.9% to 40.2% over the same period. The average household size is projected to reduce from 3.06 to 2.92; still higher than the change in NSW, from 2.58 to 2.49 over the same period.

Data from the 2016 Census, SGCH and NSW Department of Families and Community Services (FACS) all show social housing dwellings within the Bonnyrigg Renewal Area typically have lower occupancy rates than assumed under Modification 5 (Table 1).

In particular, the SGCH data reveals current occupancy rates for social housing dwellings in Bonnyrigg are lower than private dwellings across Fairfield LGA. Data from the 2016 Census on occupancy rates for social housing dwellings (2.52/dwelling) is also below the rate assumed for the proposed Modification 5 (2.69/dwelling). This means the occupancy rate of 2.69/dwelling takes into account some increase in occupancy rates compared to current actual occupancy rates.

Given the staged internal relocation model whereby current Bonnyrigg tenants will be rehoused in the Renewal Area on completion, using an occupancy rate based on actual rates is an appropriate approach in this context.

Table 1 Comparison of actual and assumed occupancy rates

| | Data source | Occupancy rate |
|---|--|----------------|
| Actual occupancy rate for social housing dwellings in Bonnyrigg Renewal Area | FACS Managed Properties (161 dwellings) | 2.2/dwelling |
| | SGCH Managed Properties (674 dwellings) | 2.5/dwelling |
| Actual occupancy rate for social housing dwellings in Bonnyrigg Renewal Area | 2016 Census data | 2.52/dwelling |
| Assumed occupancy rate for additional social housing dwellings in Bonnyrigg Renewal Area proposed under Modification 5 | UTS Social Infrastructure Needs Analysis | 2.69/dwelling |

Further, 1 and 2 bedroom units make up over a third of all FACS-managed properties in Bonnyrigg (Table 2) and this is reflected in the lower overall occupancy rate of 2.2/dwelling for these properties, which is also lower than the occupancy rate assumed under Modification 5 (2.69/dwelling). This aligns with other evidence on the changing

tenant profile of social housing, for instance, the Productivity Commission has identified mismatch between a growing number of single person households in social housing and a large proportion of three bedroom properties.³

Table 2 Proportion of Dwellings for FACS Managed Properties in Bonnyrigg Renewal Area by Number of Bedrooms

| Bedrooms | Dwellings | Proportion of Dwellings |
|----------|-----------|-------------------------|
| 0 | 1 | 0.5% |
| 1 | 56 | 35% |
| 2 | 2 | 1% |
| 3 | 82 | 51% |
| 4 | 14 | 9% |
| 5 | 5 | 3% |
| 6+ | 1 | 0.5% |

Within the Bonnyrigg Renewal Area, dwellings of 2 bedrooms or less make up about 80% of social housing dwellings managed by SGCH (Table 3). Again, all these dwelling sizes have actual occupancy rates below what has been assumed for Modification 5. It is again noted that current occupancy rates are a strong indicator of likely future occupancy rates given the staged internal relocation model and that the occupancy rate assumed for Modification 5 allows for some increase over current rates through re-profiling of the stock.

Table 3 Proportion of Dwellings and Occupancy Rate for SGCH Managed Properties in Bonnyrigg Renewal Area by Number of Bedrooms

| Bedrooms | Dwellings | Proportion of Dwellings | Occupancy Rate |
|----------|-----------|-------------------------|----------------|
| 1 | 51 | 8% | 1.5 |
| 2 | 485 | 72% | 2.43 |
| 3 | 112 | 17% | 3.37 |
| 4 | 10 | 1% | 4.3 |
| 5+ | 1 | 0% | 4.0 |

It is also noted that, on completion, the Bonnyrigg Renewal Area is expected to have a higher proportion of 1 and 2 bedroom private and social housing units than is currently the case (Table 4). Changes to the stock profile indicate there is likely to be a higher proportion of smaller dwellings than at the time of the 2016 Census. As higher density dwellings associated with Modification 5 are constructed, the proportion of dwellings with higher occupancy rates will fall. Therefore, it is more likely the amount of open space proposed under Modification 5, which is already above what is required for the estimated population increase attributable to the additional 500 units proposed, will be more than sufficient.

³ Productivity Commission. (2017). *Report on Government Services - Housing and Homelessness*. Canberra: Productivity Commission.

Table 4 Breakdown of current and on completion dwellings by number of bedrooms

| Bedrooms | Current | | On completion | |
|----------|---|----------------------------|------------------------------------|----------------------------|
| | Dwellings (FACS and SCGH managed) | Proportion of Dwellings | Dwellings (Private + Public) | Proportion of Dwellings |
| 1 | 107 | 13% | 484 | 16% |
| 2 | 487 | 58% | 1358 | 45% |
| 3 | 194 | 23% | 861 | 29% |
| 4 | 24 | 3% | 286 | 10% |
| 5+ | 7 | 1% | 11 | 0% |

Provision of Community Facilities

The discussion regarding rates of open space provision and the appropriateness of updating occupancy rate assumptions for estimating total population increase also applies to Council's queries regarding rates of provision for community facilities floor space.

Using the above occupancy rates to determine the estimated total population increase and the rate of community facilities space provision of 0.14m² per person agreed through Council's 2011 s94 Contribution Plan, requires 222.18m² of floor space for the 1,587 residents attributable to the 500 additional units proposed under Modification 5.⁴

The amount of community facilities floor space proposed under Modification 5 has been determined based on the additional 500 units and 1,587 estimated total population increase attributable to that Modification. This is then appropriately added to the amount of community facility floor space of 700m² that has already been approved under Modification 4. Modification 4 was approved with 2,500 dwellings and 700m² of community facilities floor space.

Council's assumptions regarding community facilities space provision

Council's submission notes the starting point for Modification 4 is 685.28m² of community facilities floor space. The supporting report for the submission adds the required amount of 222.18m² for the estimated total population increase attributable to Modification 5 to this 685.28m² to report 907.46m² in community facility floor space has been proposed.

The amount of 222.18m² community facilities floor space required for the additional population attributable to Modification 5 should instead be added to the 700m² of community facilities floor space already approved under Modification 4 to arrive at a total provision of 922.18m² floor space.

An amount of 922.18m² community facilities floor space is proposed. This maintains consistency in the approach used for determining rates of provision for each modification by ensuring the rate is based on the additional estimated total population increase attributable to each individual modification.

⁴ Fairfield City Council, Section 94 Direct Development Contributions Plan 2011 Amendment 10 (p.5)

In summary

As outlined in this response to Council's submission, there are a number of important considerations that support the approach taken to determining rates of provision for open space and community facilities floor space. These include:

- Maintaining the use of differentiated occupancy rates for private and social housing dwellings to better reflect likely demand for open space and community facilities based on the different tenant profiles and household sizes of these different stock types
- Updating assumptions about occupancy rates as the planning process progresses and using actual rates for private and social housing dwellings to ensure the process is based on the best available evidence at any point in time. This is particularly important given the staged internal relocation model whereby existing Bonnyrigg tenants will be rehoused in the Renewal Area on completion and current occupancy rates are a strong indicator of likely future occupancy rates and demand for open space and community facilities.
- Determining rates of open space and community facility provision based on the estimated total population increase attributable to the additional units proposed under each individual modification (for Modification 5, 500 additional units with an estimated total population increase attributable to those units of 1,587)
- Using the amounts of open space and community facilities floor space provision agreed through Council's 2011 s94 Development Contributions Plan
- Using the existing approved amounts of open space and community facilities floor space as the starting point for determining overall rates of provision for each modification, and then adding to this the amount required for the estimated total population increase attributable to the units proposed under each modification.

Should you have any further questions regarding these responses, please don't hesitate to be in touch.

Kind regards,

Professor Roberta Ryan
Director
Forward-thinking Aust Pty Ltd