



Human Services
Housing NSW

WATKINSON

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Director-General

Sam Haddad
Director General
Department of Planning
GPO Box 39
SYDNEY NSW 2001

** Richard P*
For attention pls

Dear Mr Haddad *Sam,*

SH 21/5

I am writing with regard to the provision of affordable housing in Major Projects under Part 3A of the Environmental Planning and Assessment Act, 1979.

As you are aware, there is no requirement that developments awarded Major Project status consider the contribution they can make to the provision of affordable housing. However, these projects represent an important opportunity for the NSW Government to work toward achieving the objective of the National Affordable Housing Agreement that all Australians have access to affordable, safe and sustainable housing. Under this Agreement, NSW has committed to achieve affordability outcomes including the ability of people to rent housing that meets their needs and to purchase affordable housing. As you know, NSW Housing and Planning Ministers recently met with their colleagues from other jurisdictions to discuss projected housing demand and supply, and consider a range of initiatives to support the work of the Council of Australian Governments (COAG) to improve housing supply and affordability. Ministers agreed to commit additional effort to meet future housing supply needs, including incorporating affordable housing principles and provisions within planning instruments. All jurisdictions are now working together to develop an action plan, which will form part of the Ministers' contribution to the Treasurers' review of housing supply and affordability for COAG.

Ensuring that affordable housing is one of the issues considered in developing Major Projects would also be consistent with the NSW Government's commitment to affordable housing provision in the Sydney Metropolitan Strategy and its State Environmental Planning Policy (Affordable Rental Housing) 2009.

A current example of a Major Project that could make a contribution to the supply of affordable housing is the substantial residential development proposed by Meriton Apartments Pty Ltd at 14-18 Boondah Road, Warriewood. The development has been awarded Major Project status (Application number MP 09_0162) and subsequently the Director General's Requirements under Section 75F of the Act were submitted to Meriton on 23 December 2009 for consideration in its preparation of an Environmental Assessment. Unfortunately, affordable housing was not one of the issues listed, though the case for the inclusion of affordable housing in the Meriton proposal is strong. *

The Northern Beaches, including Pittwater, is one of the least affordable areas in NSW, both for rental and purchase. As at June 2008, 70% of low and moderate income earners in the area were experiencing housing stress in the private rental market (compared with the average of 56% across the Greater Metropolitan Region (GMR)). Only 10% of properties in the private rental market were affordable to households on 80% of median income (compared with 31% in the GMR), and only 0.3% of dwellings were affordable for purchase to households at 80% of median income in Pittwater (compared with 0.9% on average in the GMR). Indeed, the BankWest Key Worker Housing Affordability Report from March 2009 found that housing in Pittwater is not

affordable for purchase by any of the five key worker groups investigated – nurses, teachers, police officers, fire fighters and ambulance officers.

These lower income workers, who provide critical services to the community, may increasingly be priced out of the local housing market. This emerging problem will become increasingly evident as older lower income workers, who bought into the area before it became unaffordable, retire and businesses seek to replace them with younger workers who will either be forced to pay substantially more than 30% of their income in rent or purchase costs, or to locate some distance from jobs and services (at high personal and economic cost).

The Environmental Assessment - Proposed Concept Plan and Stage 1 Project submitted by Architectus on behalf of Meriton makes little mention of affordable housing, other than to state that one of its social benefits is that "the development will provide for more affordable housing options within Pittwater LGA". No evidence is provided to support this statement.

In fact, the Boondah Road project has the potential to provide a much more substantial contribution toward affordable housing in the area. A contribution for affordable housing could fall within the ambit of the contributions described in section 13 of the Director General's Requirements, as a component of the "provision of public benefit" and would thus become one of the Planning Agreements mentioned in that section as facilitating development, negotiated between Meriton and the Pittwater Council. A contribution would be particularly justified given that Meriton is seeking to increase the number of housing units in the project area from an original base level of around 142 units to over 600 units. Such a considerable uplift in permissible floor space would represent a windfall profit for Meriton that may be shared with the community in the form of provision of public benefit. There is precedent for this approach in Metropolitan Sydney through planning agreements where rezoning occurs, including the Sydney Olympic site, the former ADI site (Rope's Crossing), Rouse Hill, and Penrith Lakes.

I would therefore request that affordable housing become a component of future Major Projects where appropriate. This would involve adding consideration of the impact of major developments on the availability of affordable housing to the Director General's Requirements for Environmental Assessments by project proponents, as well as including affordable housing among the contributions made by developers in return for the benefits received from altered zoning or other planning provisions.

Thank you for considering this proposal. If you or one of your officers would like to discuss it further please contact Lacy Barron, Acting Manager of the Centre for Affordable Housing on 8753 8823.

Yours sincerely



Mike Allen
Chief Executive

17.5.10