24 July 2020

The Hon. Melinda Pavey MP
NSW Minister for Water, Housing and Property
52 Martin Place
SYDNEY NSW 2000

Dear Minister

Congratulations on releasing the NSW Housing Strategy Discussion Paper.

The Good Growth Alliance, comprising the Property Council, the Committee for Sydney, the Sydney Business Chamber, the Community Housing Industry Association of NSW, Homelessness NSW and Shelter NSW, sees this as a critical step in creating a better Sydney and a stronger NSW.

Collectively we are seeking a commitment to growth in Sydney and NSW that benefits everyone in the community and is built upon sustainable, transparent and consistent decision making by political parties, local government and planners.

To this end, we presented ten good growth proposals to the NSW Premier in 2018 (attached) and then partnered with the NSW Department of Planning, Industry and Environment in 2019 to host a Good Growth Summit and co-create a suite of concrete and meaningful steps to support good growth in Sydney (attached). We commend these to you as you prepare the NSW Housing Strategy.

A Housing Strategy for NSW

The data presented in the Discussion Paper clearly shows what we are doing is not working. Housing is getting more expensive, more people are priced out of Sydney, and supply is barely keeping up with growth. Business as usual is not an option.

We need an evidence-based and whole of government NSW Housing Strategy and funded action plan that:
• Frees up housing supply
• Dramatically boosts the supply of social and affordable housing
• Sees housing affordability elevated to a Premier's Priority and
• Is underpinned by Cabinet level committee oversight and clear targets across government.

The Good Growth Alliance is committed to working with the NSW Government to achieve this outcome. We have identified below our key priorities on the Discussion Paper's themes – supply, diversity, affordability and resilience – as well as on implementation of the Strategy.

We would also be pleased to work with the NSW Government to co-host another Good Growth Summit later in the year to consider feedback on the NSW Housing Strategy and provide input into the action plan supporting it.

Priorities – supply

Our key priorities in providing housing supply in the right locations at the right time are to:

- Free up supply by developing a more performance based planning system focused on key outcomes like urban design, amenity and public benefits; removing red tape; and accelerating decision making, including by introducing enforceable key performance indicators for Development Approvals at a local and state level. Increasing access to underutilised government owned land will also support this goal.
- Provide supporting infrastructure to ensure equitable access to public transport, employment, education and community infrastructure for new communities. We note the NSW Productivity Commission's Review of Infrastructure Contributions and urge the NSW Government to commit to funding its recommendations to provide industry and the community greater certainty and consistency.
- Deliver a 30-minute city by identifying existing and new public transport corridors and station precincts that can support the development of compact residential, commercial, community, education and health hubs. The Strategy should encourage density done well for environmental, economic and social reasons with most growth within 800 metres of train stations.

Priorities – diversity

The Good Growth Alliance's priorities for meeting diverse needs are to:

- Foster better innovation and design by establishing a housing innovation fund to develop housing that meets a diversity of needs, such as those of larger families, people with a disability, and people with dementia. It could also explore options for repurposing existing housing stock to improve function and amenity for older people, people with a disability and to support people's needs as they change.
- Enable delivery of smaller and less costly housing by reviewing and reducing minimum apartment sizes and car parking requirements in the NSW Apartment Design Guide. This could apply in target locations such as inner ring suburbs.
- Support long term rental by improving security through further NSW tenancy reform and by developing long term rental models, including registerable long term leases and build to rent.

Priorities – affordability

This is a critical part of the NSW Housing Strategy and our priorities are to:

- Dramatically boost investment in social and affordable housing through the creation of a Capital Growth Fund that delivers at least 5,000 additional social housing dwellings per year for the next 10 years. It is also appropriate to consider developing more realistic rents for affordable housing, particularly in high cost markets where 74.9% of market rent is unaffordable for many households.
- End homelessness in NSW by developing and committing to an action plan that addresses the key causes of homelessness with the goal of ending homelessness in NSW by 2028.

Priorities – resilience

The Good Growth Alliance's priority for developing enduring and resilient housing is to support sustainable development by:

- Improving BASIX standards and communicating the benefits of sustainability measures
- Investigating regulatory barriers to delivering innovative models and design options that improve energy efficiency and reduce the cost of living

- Reviewing locations for residential development in response to recent bushfires in NSW.

Implementation

The Good Growth Alliance is committed to working with the NSW Government to deliver an effective NSW Housing Strategy. Central to this will be developing an action plan that:

- Incorporates clear whole of government targets for supply, diversity, affordability and resilience which feed into NSW Government agency business plans
- Provides strong linkages between the NSW Housing Strategy and local housing strategies
- Is overseen by a Cabinet level committee that you chair as the responsible Minister.

The NSW Government should consider the need for a housing delivery agency that coordinates state government agencies, local government, industry and utility providers to support delivery of the Strategy. It is also critical that housing affordability is elevated to a Premier's Priority to demonstrate the importance of the NSW Housing Strategy in creating a better Sydney and a stronger NSW.

Thank you for the opportunity to contribute to the development of the NSW Housing Strategy.

We look forward to further involvement and note again that we would be pleased to co-host another Good Growth Summit later in the year to consider feedback on the NSW Housing Strategy and provide input into the action plan supporting it.

Kindest Regards

Belinda Ngo
NSW Executive Director
Property Council of Australia

Mark Degotardi
Chief Executive Officer
NSW Community Housing Industry Association

Katherine O'Regan
Executive Director
Sydney Business Chamber

Katherine McKernan
Chief Executive Officer
Homelessness NSW

Gabriel Metcalf
Chief Executive Director
Committee for Sydney

John Engeler
Chief Executive Officer
Shelter NSW

> Creating a better Sydney and stronger NSW

The Property Council, the Committee for Sydney and the Sydney Business Chamber have joined with the Community Housing Industry Association of NSW, Homelessness NSW and Shelter NSW to form the Good Growth Alliance.

Collectively, these organisations are seeking a commitment to growth in Sydney and NSW which benefits everyone in the community and is built upon sustainable, transparent and consistent decision making by political parties, local government and planners.

The Good Growth Alliance has ten proposals for the NSW Government which it believes will create a better Sydney and a stronger NSW.

1 **Engage the community in Sydney's growth** by holding a Good Growth Summit within 100 days of the 2019 NSW Election so communities, industry and government can collaborate more strongly on making Sydney a sustainable, liveable global city by 2050.

2 **Boost housing and drive a renewed policy focus** by developing an evidence-based NSW Housing Strategy and funded action plan to increase the supply of social, affordable, key worker and 'at market' housing including build-to-rent.

3 **Take the lead on housing issues by appointing a Minister for Housing** to deliver the NSW Housing Strategy and establish a multi-sector advisory council.

4 **Reduce homelessness by committing to an action plan** that addresses the key causes of homelessness with the goal of ending homelessness in NSW by 2028.

5 **Deliver at least 5,000 additional social housing dwellings per year** for the next 10 years by introducing a Capital Growth Fund to increase the supply of social and affordable housing.

6 **Plan for growth and equity** by ensuring new communities have the same access to public transport, employment, education and community infrastructure as established communities. This must include housing for:
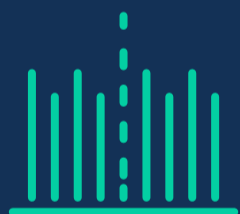- our ageing population,
- people with disabilities, and
- Aboriginal and Torres Strait Islander people.

7 **Support better innovation and design in housing** by establishing a housing innovation fund and investigate regulatory barriers to delivering innovative models and design options that improve energy efficiency and reduce the cost of living.

8 **Deliver a 30-minute city** by identifying existing and new public transport corridors and station precincts that can accommodate the needs and aspirations of existing communities and support the development of compact residential, commercial, community, education and health hubs.

9 **Inspire community and industry confidence** in the planning system by introducing enforceable key performance indicators for Development Approvals at a local and state level.

10 **Conduct an inquiry into the current funding for social and economic infrastructure** in growing communities, including developer contributions, with the aim of providing industry and community greater certainty and consistency.

PROPERTY COUNCIL of Australia · Shelter NEW SOUTH WALES · COMMUNITY HOUSING INDUSTRY ASSOCIATION NSW · Homelessness NSW · The Committee for Sydney · SYDNEY BUSINESS CHAMBER

> **GOOD GROWTH** ALLIANCE

Good Growth Compact

Purpose

This draft Compact is a commitment from the NSW Government, the Good Growth Alliance and other councils, community and industry organisations to work together in 2020 to encourage good growth in Sydney.

The Compact was developed through the Good Growth Summit on 4 November 2019.

Background

By 2056, the population of Sydney is estimated to be 8 million, an increase from our current population of 5 million. Good growth will ensure that Sydney continues to evolve and change to become a truly sustainable, inclusive and liveable city.

Growth over the last 10-20 years has presented challenges and opportunities. The Good Growth Alliance was formed in 2018 to encourage a broad commitment to growth in Sydney which benefits the community and is built upon sustainable, transparent and consistent decision making.

The Good Growth Alliance includes the Property Council of Australia, the Committee for Sydney and the Sydney Business Chamber joined with the Community Housing Industry Association, Homelessness NSW and Shelter NSW.

The Good Growth Alliance commends the Minister for hosting a Good Growth Summit to create a better Sydney. The Summit enabled community, industry, council and government representatives to come together to explore good growth in a collaborative way and commit to working together to achieve it.

Principles guiding good growth

Principles identified by the Summit to guide good growth in 2020 towards a better Sydney are:

- **Equity and inclusion** – planning for timely, equitable and affordable access to infrastructure, jobs and housing, including for low income and vulnerable communities, to ensure good growth is for everyone
- **Sustainability** – strong economics that produce social progress while supporting and protecting the environment
- **Transparency and consistency** – championing evidence- based decision making that builds understanding, confidence and investment
- **Liveability** – working towards improved environmental quality, design, great public spaces and social well being
- **Collaboration and commitment** – government agencies, councils, industry, community organisations, communities and diverse stakeholders actively engaging, working together and creating partnerships to plan and deliver
- **Loveability** – priority given to attachment and meaning, identity and increasing urbanity, where social connectedness is valued equally with infrastructure connectivity
- **Shared value** – aligning growth with community goals.

Good Growth Compact

Themes

To move towards a good growth agenda following a series of speakers, the Summit discussed four key themes. With each theme, the Summit identified:

- big shifts that are required to achieve a good growth future
- key steps to support the big shifts.

During discussions, it was acknowledged that government, councils, industry, community organisations and the community all have roles to play and responsibilities to support good growth in our city. Sometimes it is clear who should lead a particular shift or step, in collaboration with others. In other cases, leadership will itself involve shared responsibility.

The importance of working together on key shifts and steps, as part of building collective stewardship for good growth, was recognised as important to achieving good growth.

Enhancing strategic coordination

The **big shifts** required to enhance strategic co-ordination are identified as:

1. Achieve an **enduring, coordinated and long- term vision for Sydney** across all levels of government, with specific objectives.

2. Together, engage community and diverse stakeholders earlier, before developing the detail of proposals, to **build social licence.**

3. **Ensure growth for all** – balance the social, economic and environmental outcomes.

4. Advance reforms to increase certainty about directions and requirements for, and financing of, **infrastructure integrated with land use planning** to support growth.

5. Recognise **social and affordable housing as infrastructure**.

Key steps required to support those shifts are:

1. Develop a **strong narrative about 'good growth'**.

2. Achieve existing **targets for affordable and social housing** and work towards more ambitious targets so more stakeholders have 'skin in the game'.

3. Consider a more **performance / outcomes-based planning system** with opportunities for transparent incentives.

4. Improve **the transparency and openness** of the planning process, including sharing key planning information and data, explaining trade-offs and engaging early.

5. Provide **technical support** for councils around their housing and urban strategies, including for councillors.

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Boosting diverse and secure homes

The **big shifts** required to boost diverse and secure housing are identified as:

1. Develop a strategic **whole of government and community vision and approach to housing choice, diversity and supply.**

2. Government (all levels), industry and not for profits to **demonstrate leadership and encourage and create partnerships** through coalitions and shared commitments.

3. Ensure all stakeholders work together to **promote a more positive narrative about social and affordable housing.**

4. **Leverage government owned land** to seek the best community outcomes including increasing housing supply, including social and affordable housing.

5. **Treat housing as essential infrastructure** and explore funding arrangements.

Key steps required to support those shifts are:

1. State government to lead the collaborative effort to boost planning policy and **address housing diversity** including social and affordable housing e.g. reinstating this as a Premier's Priority.

2. Develop a **Housing Strategy** with a clear long- term vision, actions, roles and responsibilities, funding commitments, targets and metrics.

3. **Develop a whole of government mechanism** to deliver social and affordable housing, including working with Treasury on how to **achieve better housing outcomes from government owned land.**

4. **Increase security of tenure and quality of housing for renters** including under the *Residential Tenancies Act*.

5. **Align planning policies and tools** to deliver a diversity of housing including social and affordable housing.

6. Establish a **mechanism to leverage government owned land** for social and affordable housing and to create great places – working across government, industry and community housing providers.

Ensuring sustainable communities

The **big shifts** required to ensure sustainable communities are identified as:

1. **Change the culture of planning and development** to one that plans for inclusive growth and values people.

2. **Recognise social and affordable rental housing as infrastructure** and plan and prioritise budgets similar to those for roads and transport.

3. Develop a clear set of **'metrics that matter'** which address a range of issues across economic and social diversity.

4. **Build collaboration and partnerships** between councils, the state government, community housing providers and developers to better deliver public and green spaces and housing.

5. Establish **regulation** that is responsive to needs, trends and place.

Key steps required to support those shifts are:

1. Review / audit assets that government can bring to the table and explore a **government asset optimisation strategy,** thinking beyond 'highest and best use' with a view to creating community benefits.

2. **Involve community** in setting principles and formalising targets, through strategy to implementation.

3. **Industry** to build in consideration of **delivering public and green spaces**.

4. **Contribution reform** to increase transparency and clarity for industry and providers, underpinned by appropriate infrastructure planning.

Delivering great places

The **big shifts** required to deliver great places are identified as:

1. Achieve **equitable and inclusive places** that promote meaningful and place-based connections between people, nature and services.

2. Develop a **strategic vision and outcomes- based principles for great places** with all stakeholders and implement this vision.

3. **Highlight and reward exemplar** projects that can demonstrate the benefits of good growth to industry and the broader community.

4. Build a **narrative of place** around connectedness and belonging and First Nations stories.

5. Ensure **public spaces are a key** part of delivering good growth across Sydney.

Key steps required to support those shifts are:

1. Identify short, medium and long- term priorities to achieve **an overall strategic vision for public places for Sydney**.

2. Genuinely **involve communities** in developing the vision at a city and local level.

3. Place major focus on identifying **success stories and exemplar projects** (councils, industry, communities), not just high-profile projects.

4. Conduct an **audit of great places** and consider how to align government and industry around these outcomes, including getting rid of legislation that doesn't support achieving great places.

5. **Involve all levels of government** in the strategic vision and realisation of great places.

6. **Use government land** to deliver exemplar projects and public space.

Good Growth Compact

7. Develop **benchmarks** to measure what matters to support good growth.

8. Development industry to play a major role in **delivering great places** with development that recognises and respects the place and honours the strategic vision for its future.

Working together

The NSW Government and the Good Growth Alliance are committed to ongoing meaningful collaboration through multi sectoral roundtables and other consultative mechanisms to achieve good growth that enjoys increasing support from communities and stakeholders.

Those organisations present at the Summit are all committed to working together to achieve good growth.

In late 2020, there will be discussions about what progress has been made towards good growth, with a recommitment to next steps to create a better Sydney.