



**FAITH
HOUSING
ALLIANCE**

Explanation of Intended Effect: Changes to create low and mid-rise housing

Submission — February 2024



About us

Faith Housing Alliance (FHA) is the peak body supporting the faith housing sector. Many of our member organisations operate nationally, focusing on supporting communities across NSW.

The faith housing sector is an important contributor to housing supply across all forms of social and affordable rental housing, including transitional, emergency and crisis accommodation, ably supported by more than 30,000 staff and over 40,000 volunteers.

The faith housing sector includes:

- Faith-based organisations, including 'for-purpose' not-for-profit Community Housing Providers (CHPs) supporting more than 14,500 tenants and Specialist Homelessness Services (SHS) assisting more than 33,000 clients. Many of these organisations have an impressive track record of providing support to the community over hundreds of years
- Places of worship across all faiths who intend using their land for housing justice
- Faith leaders of all denominations and religions who see housing as a critical component of social justice and as a basic human right
- Any individual, organisation, foundation, or program committed to housing justice, including architects, planners, and other professional support organisations.

FHA is committed to partnering with the NSW government to address the urgent need for more social housing, affordable rental housing, and the vital wrap-around support needed to sustain tenancies and break the cycle of homelessness.

Introduction

FHA welcomes the NSW Government's recent commitments to boost the supply of diverse, safe, well-designed and located and affordable rental housing. In particular, FHA commends the NSW Government's commitments under the National Housing Accord:

- to deliver NSW's share of the national housing target, being 377,000 additional homes across NSW by 2029;
- to deliver 3,100 affordable homes in the five years to 2029;
- to make housing supply more responsive to demand;
- to support the distribution of the Housing Australia Future Fund; and
- to support building a strong and sustainable Community Housing sector.

FHA also commends the commitments made by the NSW Government in the National Planning Reform Blueprint:

- updating state, regional and local strategic plans to reflect NSW's share of housing supply targets, being 377,000 new homes across NSW by 2029 (although it is noted that NSW has now refined its concrete commitment to deliver at least 314,000 new homes by 2029, with 377,000 now being described as a "stretch target");
- undertaking planning, zoning, land release and other reforms, such as increasing density, to meet their share of housing supply targets;
- streamlining approval pathways, including strengthened 'call in powers', and prioritising planning amendments to support diverse housing across a range of areas, e.g. by addressing barriers to subdivision for appropriate medium-density housing;



- promoting medium and high-density housing in well-located areas close to existing public transport connections, amenities and employment;
- reforms to support the rapid delivery of social and affordable housing;
- reforms to address barriers to the timely issuing of development approvals;
- consideration of the phased introduction of inclusionary zoning and planning to support permanent affordable, social and specialist housing in ways that do not add to construction costs;
- rectifying gaps in housing design guidance and building certification to ensure the quality of new builds, particularly apartments;
- improving community consultation processes; and
- adequately resourcing built environmental professionals, including planners, in local government.

FHA notes that the EIE is among a range of planning reforms recently implemented or proposed by the NSW Government. FHA notes that the proposals in the EIE should be understood alongside related proposals to allow “density bonuses” of up to 30% where a proponent provides at least 10-15% of the total number of dwellings to be managed as affordable rental accommodation by a community housing provider for at least 15 years. This will allow for significantly higher housing yields than proposed in the EIE. It would be appreciated if this assumption could be clarified in the response to this submission.

FHA recommends that the NSW Government indicate to the community, councils, housing organisations and the developer industry of the annual and locational targets for the 314,000 – 377,000 new homes by 2029. Without a clear plan for where and when these housing targets will be achieved, FHA believes the Government’s commitments will be difficult, if not impossible, to achieve. A clear plan for how the Government intends to meet its stated commitments will also enable effective collaboration and cooperation between industry and community.

Infrastructure

The EIE asserts that infill housing development enables more efficient use of existing infrastructure and enables cost-efficient provision of new infrastructure (EIE, 10). FHA notes that this is a generalisation that is context-specific and relies on the assumption that existing infrastructure is under-utilised. New infrastructure will be cheaper in areas with lower land prices and fewer development constraints. The EIE endorses recent NSW Productivity Commission research, which, albeit reliant on somewhat elderly analysis, asserts that middle-ring suburbs have excess infrastructure capacity and that the cost of retrofitting infrastructure in existing middle-ring suburbs is far less expensive than providing infrastructure to greenfield developments on the urban fringeⁱ. The Productivity Commission research asserts that infrastructure costs of new residential development were lowest in the CBD, Eastern Suburbs railway corridor, Inner Southern and Western suburbs, and Lower North Shore.

The Productivity Commission also notes that commuter congestion damages health and quality of life. It recommends that medium-density development be focussed in areas with shorter-distance commutes and where new public transport investments are being deliveredⁱ.

FHA recommends that opportunities for medium-density housing (3-7 storeys up to 10 storeys – if affordable rental accommodation density bonuses are included) be focussed on

the areas identified by the NSW Productivity Commission. FHA is concerned that providing much more broad-brush opportunities for medium-density residential flat buildings may overwhelm existing social and environmental infrastructure, leading to either social and environmental costs and degradation or to vastly more expensive infrastructure retrofits than in the more accessible and affordable areas identified by the NSW Productivity Commission. In particular, FHA notes the warning by the Productivity Commission that “costs of expanding school capacity” are much higher in areas further from the CBD, nominating Sutherland, Hills, Hornsby, and Northern Beachesⁱ. The EIE, together with related policy reform focused on promoting Transit-Oriented Development, proposes a range of positive and progressive planning changes that will provide more housing opportunities. It would be a tragedy if an overly ambitious approach resulted in poor planning outcomes where new medium-density housing development away from permanent public transport, or not supported by sufficient social and community services, overwhelmed infrastructure capacity. Such outcomes would undermine public support for planning changes, generating backlash that could see reforms rolled back over time.

Therefore, FHA recommends that opportunities for medium-density housing (3-10 storeys) be carefully aligned to public transport capacity to mitigate the social costs of congestion and be accompanied by significant NSW investment in active transport modes. Quite simply, many of the areas subject to the medium-density housing increases proposed by the EIE are not proximate to under-utilised public transport infrastructure. FHA is concerned that without extra investment in active transport infrastructure, many of these areas will experience significant increases in commuter congestion. This will disproportionately impact residents without access to private motor vehicles due to age, disability or affordability.

FHA recommends that future land use and infrastructure planning identifies places of worship as social infrastructure. Any analysis of social infrastructure should recognise the integral role played by places of worship and faith groups in meeting the human needs of local communities, providing youth and social services, welfare, community health and fellowship. Places of worship often also provide passive and active open spaces for general community use and enjoyment.

As custodians of much of NSW’s precious built and cultural heritage, faith groups are keen to ensure that existing heritage character is identified, celebrated and retained. However, there is little point in retaining individual heritage items if surrounding heritage streetscapes and curtilages are removed. In many cities, places of worship have been retained as a solitary heritage item as surrounding streetscapes have been dramatically altered. This impacts on the viability of the place of worship, so that the community it supports is no longer there, leaving the religious building as an underutilised shell.

FHA recommends that the Government direct the Independent Planning Commission to conduct an audit of existing and proposed Heritage Conservation Areas (HCAs) to scrutinise their legitimacy. HCAs should be upheld and respected where found to be appropriate and necessary. FHA further recommends that the Government commissions the NSW Government Architect to prepare design guidelines to enable medium-density housing developments in HCAs, and on land identified as a place of worship and subject to heritage designation.

Housing Diversity

The EIE relies on reasonably elderly researchⁱⁱ to assert that most Sydney residents don't aspire to detached housing or access to private open space. FHA notes recent research from the McKinnon Foundation, which reaches contrary conclusions, finding that the second highest number of respondents nominated a private backyard or courtyard as the most important consideration when choosing a domicileⁱⁱⁱ.

The EIE further asserts that while high and medium-density residential flat buildings and detached homes in low-density settings are well-represented in housing typologies across metropolitan NSW, access to low-rise density typologies such as townhouses, terraces houses and manor houses has seen a steady decline over the past century. FHA agrees that this conclusion is well-supported by the literature^{iv v}.

While the EIE recognises a need to provide greater opportunities for the provision of more well-located medium-density residential flat buildings and low-rise density typologies, the EIE does not explicitly recognise that housing diversity is not achieved merely by supplying a wider variety of dwelling types but also requires a more diverse variety of dwelling tenures.

FHA recommends that any increase in opportunity for residential flat buildings is also matched by requirements for inclusionary zoning provisions to achieve genuine housing diversity by increasing opportunities for social and affordable housing. FHA notes that the EIE includes a reference to “work with local councils to introduce affordable housing contribution schemes ... on more land ... where there has been sufficient value uplift”. The problem is that the changes proposed in the EIE mean that the value uplift will be granted before any inclusionary zoning provisions are implemented. Inclusionary zoning is only effective when it is already mandated before a planning change that increases land values. By delaying discussion on inclusionary zoning, the Government risks dooming it to failure. FHA believes that Government should direct some of the additional value created by granted additional development rights to meet the housing crisis by increasing opportunities for affordable rental accommodation managed by the community housing sector for the benefit of vulnerable community members and key workers on low to moderate incomes.

Extension of Policy Intent to Include Land Zoned Special Purpose and Place of Public Worship

The EIE is designed to increase access to homes located near public transport hubs and town centres. To achieve this objective, the EIE proposes to allow a greater density of residential development on a wide range of zones (R3, R2, E1, E2 and MU1) considered “well-located” in relation to local services and infrastructure, including public transport.

Faith-based sites, such as places of worship, occupy some of the best-located sites across NSW in terms to access to public transport, education, jobs and services. An initial pilot of a mapping tool, produced with funding from the NSW Community Housing Industry Development Strategy (CHIDS) in the last financial year, identified and conducted initial analysis on 2,434 parcels of land with self-identified places of worship on them across NSW. 747 of these sites are located within 800m of a train station. Many of these sites were acquired more than a century ago. Some have developed a wide range of community services, while others are barely used, as congregations have declined or shifted in line with changing demographic trends. Many sites could be re-developed to support a range of

residential needs, including social, affordable, and key worker housing. The pilot revealed that more than 20,000 new dwellings could be accommodated on land currently occupied on those places of worship solely within the Sydney metropolitan area. For many of these sites, existing places of worship could remain alongside housing and a mix of community uses.

Yet, for many well-located places of worship across NSW that could otherwise support thousands of new affordable rental homes, social, affordable and key worker housing is prohibited. A significant proportion of places of public worship are currently zoned SP1 Special Activities or SP2 Infrastructure. In these zones, the vast majority of housing tenures are not permitted, including special disability accommodation, affordable housing, serviced apartments, student housing and social housing.

The EIE as currently intended would result in the perverse situation where an existing place of worship could be effectively marooned as a disconnected land use surrounded by medium-rise residential flat buildings much higher and denser than currently permitted. In such cases, custodians of existing places of worship will have no flexibility to adjust the land use to meet the demands of a changing community. Sites much further away from services and public transport would be able to support significant increases in density with new residents having to drive, walk or ride past places of worship unable to support a variety of mixed uses, including, critically, social and affordable rental housing.

FHA recommends that the proposals in the EIE be augmented by allowing residential flat buildings and shop top housing up to 21 metres (7 storeys) in SP1 and SP2 zones currently identified as places of worship that are within 400m walking distance of land zoned E2 Commercial Centre, E1 Local Centre, or MU1 Mixed Use.

FHA further recommends that residential flat buildings up to 16 metres (5 storeys) be permitted in SP1 and SP2 zones currently identified as places of worship that are between 400m and 800m walking distance of land zoned E2 Commercial Centre, E1 Local Centre, or MU1 Mixed Use.

Places of worship have a long and deep connection with the communities they serve, and a long-term commitment to remain. Unlike many speculative developers, faith-based organisations stay in their communities, providing a wide range of social services and supports. Allowing places of worship at least the same opportunities to provide housing as adjacent land uses will help meet the desired outcome of more housing supply, as well as the related outcome of increasing the supply of affordable rental accommodation in a desired range of convenient locations.



Conclusion

FHA is grateful for the opportunity to comment on the EIE and is supportive of NSW Government initiatives to increase housing supply. Our submission asks certain questions and makes recommendations to refine and improve the proposals outlined in the EIE. Faith Housing Alliance is keen to participate in further consultation on the proposals contained in the EIE and elsewhere, and we are hopeful that our recommendations are reflected in a draft State Environmental Planning Policy as the next formal stage in the consultation process.



References

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- ⁱⁱ Grattan Institute, (2011) The Housing We'd Choose <https://apo.org.au/node/25245>
- ⁱⁱⁱ Susan McKinnon Foundation, (2023) Understanding attitudes towards housing in Australia. Page 20. <https://www.susanmckinnon.org.au/research-resources/mckinnon-poll-understanding-attitudes-towards-housing-in-australia/>
- ^{iv} Troy, L, Randolph, B, Pinnegar, S, Crommelin, L and Easthope, H, (2020) Vertical Sprawl in the Australian City: Sydney's High-rise Residential Development Boom, in *Urban Policy and Research* (38:1) <https://webapps.unsworks.library.unsw.edu.au/fapi/datastream/unsworks:73228/binb52a6f42-d9cb-4366-b232-d062a9a30b3f>
- ^v Mares, P, (2018) No Place Like Home, Repairing Australia's Housing Crisis, Text, Melbourne.

Contact

If you wish to discuss this submission, please get in touch with Amanda Bailey, Head of Communications and Engagement.

E | amanda@fha.org.au

M | 0429 484 632