

## Shelter NSW submission

# Draft Pyrmont Peninsula sub-precinct master plans

Friday, 4 February, 2022

### Who we are

Shelter NSW (Shelter) is a non-profit, member-based organisation that was founded in 1975. We represent a diverse network of other organisations and individuals who share our vision of a sustainable housing system that provides a secure home for all. To advance our vision, we engage our members, experts, and partners on housing reforms that aim to benefit our economy, society, and environment.

Our work involves conducting housing research and advocating on behalf of NSW residents on low to moderate income who are experiencing housing stress. While around two thirds of the population can afford to purchase a home, the remaining third of households are struggling due to housing unaffordability. This is increasingly an issue even in locations that have historically been considered “cheaper” such as Sydney’s outer west and many parts of regional NSW.

Limited access to affordable housing is strongly correlated with suburbs that have good access to transport infrastructure, jobs, recreational facilities, and Sydney Harbour foreshores. These locations are becoming increasingly polarised by income inequality, as is evident in Pyrmont, Ultimo, and the Blackwattle Bay area. While these areas used to be home to a high percentage of low-income families, this is no longer the case.

In the last two years we have also learned that having secure, affordable housing is an essential safety net in mitigating the impact of the COVID pandemic. To safeguard against metropolitan Sydney becoming a divided city of ‘the have and have nots’, Shelter aims to identify ways to use housing to reduce growing inequality and social dislocation.

### The Social and Economic Impact of Redevelopment and Gentrification

The Ultimo, Pyrmont and Blackwattle Bay areas have been slowly transforming – moving away from their traditional population base (predominantly made of blue-collar workers) and large industrial facilities. Over the past few decades, lower-paid employment and the associated industries have disappeared, replaced by high-rise residential, recreational facilities and technology services. Pyrmont Peninsula, its sub-precincts, and surrounding suburbs such as Glebe, Forest Lodge and Lilyfield are all at the forefront of Sydney’s urban gentrification and access to housing unaffordability is a growing issue.



Pymont/Ultimo now has a new high-quality public school, making the area even more desirable for higher-income households. With this population group buying into the area to access the school, additional pressure will be placed on the housing market, leading to further dislocation of lower-income families.

Furthermore, despite the COVID pandemic having shown us just how important essential workers are, many younger people who traditionally fulfill these roles are being pushed out of the area due to affordability issues. Child care workers, cleaners, administration staff, tradespersons, retail workers and wait staff all contribute towards delivering an efficient, vibrant and functioning city and, just in Blackwattle Bay alone, the Government plan to deliver an additional 5,600 new jobs. With this in mind, finding opportunities to deliver affordable housing that is accessible to these groups should be a key element in the Pymont Peninsula sub-precinct master plans.

On December 10<sup>th</sup>, 2021, ‘The Star’<sup>1</sup> in Pymont submitted its Social and Economic Benefit Statement and Site Master Plan <sup>2</sup>, with the master plan proposing to deliver 160 new residential apartments and new retail facilities. The report identifies how expansion will generate increased employment opportunities, totalling an approximate 734 jobs, with its current employment workforce around 4500 workers.

In addition to ‘the Star’ Masterplan, the University of Technology Sydney (UTS) submitted their Social and Economic Assessment for Building 13 to 15 on the 2<sup>nd</sup> of August, 2021 - to build an Indigenous Residential College <sup>3</sup>. This report talks about improving indigenous participation and educational outcomes, increasing public access to on-campus social and cultural activities and increasing links between the campus and the surrounding Ultimo precinct. The proposed development will deliver a 250-bed residential college an, while it claims it will aim to address the existing shortage of affordable student housing, we know that both on and off-site student accommodation is generally far from affordable. The Social and Economic Assessment report does not directly address the issue of providing affordable accommodation for students.

## A Growing Unmet Housing Need in the Pymont Peninsula

The Social and Economic Benefit Statement and Key Site Master Plan for ‘The Star’ point out that, in the 2016 ABS census year, 63.7% of residents in the Pymont Peninsula were renters – almost twice the greater Sydney average of 35%. It’s therefore interesting to note that ‘The Star’ does not acknowledge any role or obligation in enhancing amenity or delivering social benefits, nor does it commit to providing affordable accommodation for its substantial workforce. One must therefore wonder why is it not being required to make a contribution towards affordable housing, especially as

<sup>1</sup> The Star includes its Event Centre, entertainment facilities, pubs, restaurants, hotel, Casino and residents.

<sup>2</sup> Ethos Urban. Social And Economic Benefit Statement. The Star - Key Site Master Plan. Submitted To the Department of Planning Industry and Environment (10th December 2021).

<sup>3</sup> Ethos Urban. This Is the Social and Economic Assessment for Building 13 To 15. The UTS Indigenous Residential College Social and Economic Assessment (2nd August 2021).



it aims to deliver an additional 5,600 new jobs in the area and many of their staff are already, or would be, users of 'City West Housing'.

In 1992, 'City West Development Corporation' (CWDC) was commissioned with the task of overseeing the redevelopment of the area and recognised many of the lower-income households were to be "priced-out" and displaced. In response, they took a courageous step and supported the establishment 'City West Housing' – a not-for-profit organisation tasked with delivering affordable housing options in the Pyrmont Ultimo peninsula.

City West Housing had an affordable housing target of 600 dwellings and, since 1994, has had access to an exclusive affordable housing contribution system. To date, it has delivered 476 affordable rental units across the Pyrmont Ultimo Peninsula. However, with rising land and asset value taking much of the area outside their purchasing power, it's now unlikely that City West will ever meet the identified target of 600 affordable units – a target which one could reason is insufficient in any case.

## Land or Units Dedication to Community Housing

The Pyrmont Peninsula sub-precinct master plans point to the City of Sydney inclusionary zoning affordable housing contribution scheme to enable the delivery of affordable housing through City West Housing. However, Shelter has the following concerns regarding this strategy:

- (1) A monetary contribution to City West Housing may end up delivering housing in an alternative, unconnected suburb as they now operate across the Greater Metropolitan Region. If the housing is not delivered locally, this would defeat the purpose of the strategy - aiming to deliver affordable rental options in response to gentrification and rising housing costs in the Pyrmont peninsula.
- (2) Land values in the surrounding suburbs are beyond the purchase budgets of community housing organisations such as City West Housing.

Shelter therefore proposes the dedication of land or units for affordable housing, as opposed to a financial contribution, to ensure the delivery of affordable housing specifically within the Pyrmont master plan precinct.

## Public Housing as a Key Tool to Mitigate Against Growing Inequality

Pyrmont and its adjoining suburbs are unaffordable for households on low to moderate incomes who don't have access to affordable rental options such as public or community housing. While housing affordability declines across the inner city, public housing stock in these same areas continues to be sold or redeveloped, resulting in fewer dwellings and even greater income inequality. One clear example of this is Glebe – a suburb that has seen an ongoing decline in its public housing stock, going from 1,065 dwellings in 2011 to 981 by 2016. Since 2016, even more public housing stock has been sold, resulting in an ever-declining safety net for lower-income households who are being forced out of the area.



There are a small number of public housing units located in the Pymont Peninsula which will play an important role in mitigating against growing income inequality. Protecting and maintaining them is essential and this should be clearly identified in the master plans.

## **Affordable Housing Contributions on Government-Owned Land**

Shelter believes that the State Government should, at an absolute minimum, meet its strategic commitments from 'A Metropolis of Three Cities' and the 'Eastern City District Plan'. These plans state that, on government-owned land, a minimum affordable housing target of 10 per cent of new residential floor space must be delivered.

## **Recommendations**

Shelter NSW recommends that:

1. the Masterplan explicitly support the protection and maintenance of existing Public Housing stock in Pymont/Ultimo peninsula,
2. the NSW Planning Authority stands by its stated strategic commitment made in its regional plan 'A Metropolis of Three Cities', and The Eastern City District Plan (2018) to include a minimum 10% affordable housing target on all government-owned land,
3. the Government explore joint venture opportunities where affordable housing could be delivered in collaboration with the NSW Land and Housing Corporation or a not-for-profit Community Housing organisation,
4. the Masterplan identify a site to deliver a 'Build to Rent' development project,
5. affordable rental housing be included as essential social infrastructure,
6. UTS student housing be required to supply at least 50% of its student beds as affordable, set at no more than 30% of the student income,
7. due to the significant social and economic impact being generated by 'The Star', it be required to deliver a minimum 10% on-site affordable housing units for its key worker employees at no more than 30% of their household income,
8. affordable housing contributions be in the form of land or units (as opposed to financial contributions) to ensure that affordable housing is actually delivered in the Pymont Ultimo area.

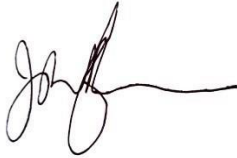


## Thank you

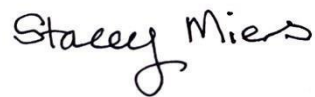
Shelter NSW appreciates the opportunity to comment on the Draft Pyrmont Peninsula sub-precinct master plans.

If you wish to discuss our submission in more detail, please contact Stacey Miers on 0410 633 272 or by email at [stacey@sheltersnw.org.au](mailto:stacey@sheltersnw.org.au) or our CEO, John Engeler, on 02 9267 5733 or by email at [john@sheltersnw.org.au](mailto:john@sheltersnw.org.au).

Sincerely Yours,



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