



Waterloo Estate Master Plans Comparison

Shelter NSW analysis of City of Sydney Alternative Plan Key Aspects & Differences March 2019 – Updated 7th March

Background

Shelter NSW has a strong interest in Waterloo Estate redevelopment as the peak body for housing in NSW. We are focused on representing and advocating for lower income households, who will be particularly affected by Waterloo and other Communities Plus projects. The Waterloo redevelopment area is home to over 2,000 social housing households. The redevelopment represents an opportunity to deliver improved outcomes for current and future residents and local communities.

As part of a coalition of peak bodies and local NGOs called 'Groundswell', Shelter NSW has been involved in discussions surrounding the redevelopment of Waterloo Estate since the first ministerial announcement of Waterloo's inclusion into Communities Plus in December 2015.

The redevelopment of the Waterloo Estate, a 19-hectare site located south of Sydney CBD and owned almost entirely by NSW Land & Housing Corporation (LAHC) was declared a State Significant Precinct (SSP) in May 2017 by the Minister for Planning. It is important to note that the SSP declaration means that changes in planning controls, rezoning and subsequent development applications are determined by the Minister, and therefore removes planning powers from local government authorities.

LAHC was tasked with preparing a Master Plan for the redevelopment of the site, consistent with the Government's 'Communities Plus' program guidelines for the redevelopment of social housing sites.

In January 2019, LAHC released a 7-page brochure titled 'Waterloo Preferred Masterplan'. This is a broad concept plan consistent with the NSW State Government key objectives as described within the Communities Plus policy. The preferred Master Plan was also informed by community consultation conducted over 15 months as part of the Waterloo Master Planning process.

It is important to note that information contained in this brochure is the only publicly available information about LAHC's proposal, aside from documents from previous stages of community consultation and information. A final Master Plan is yet to be lodged with the Department of Planning & Environment (DPE). While further comment and information were provided by senior LAHC staff at public meetings and information sessions, the current brochure only includes one 'mud map' style depiction of the future development and identifies 22 key projects points. Consequently, much of the public debate and the City of Sydney's interpretation of the Master Plan rest on extrapolations and assumptions about the Master Plan that will be officially lodged by LAHC to NSW Department of Planning and Environment.

It is essential to consider this when discussing current and alternate plans for the site. Shelter NSW's position is that such a significant redevelopment as this warrants extensive community consultation undertaken by the proponent around the final Master Plan, including the release of more information consistent with a transparency principle, would have been more beneficial for the local community and more broadly. Shelter NSW recommends that all community engagement undertaken around the Waterloo Redevelopment adopts IAP2 Participation Principles and the "Principles for tenant focused Urban Renewal" currently being finalised between Shelter NSW, Tenants Union NSW and Family & Community Services.

It's not surprising that one of the largest urban renewal projects undertaken in this State has garnered significant interest, especially from locals who will see major changes over the 20-year renewal project. On Monday 4th March 2019, the City of Sydney Council held an extraordinary meeting to present an alternative plan for the Waterloo Estate site called 'Waterloo Estate Redevelopment – A better way for the Community'. It was resolved (by a majority) that Council endorse the City's alternate proposal for the redevelopment of the Waterloo Estate and call on NSW Government to return planning authority for the site to the City of Sydney, amongst 6 recommendations in total¹.

While the City of Sydney's alternative plan is based on a number of assumptions and doesn't hold legal value as a proposal for the site², Shelter NSW thought it important to analyse and comment on this proposal. Indeed, it is likely to stimulate further public discussion around plans for the redevelopment of the Estate and contains a number of interesting ideas and recommendations that warrant further analysis and discussion.

This document aims to provide a summary of the City of Sydney's alternative Master Plan, including comparison with what has been publicly available about LAHC's Master Plan so far along with a brief analysis and recommendations. Shelter NSW's intent is to contribute to and inform public debate around the Waterloo redevelopment and will continue to advocate for the best outcomes for current and future households and communities, particularly those who are vulnerable and/or on very low to low incomes.

¹ Decision details are available on City of Sydney's website under the Agenda and Minutes of the meeting.

URL: <https://meetings.cityofsydney.nsw.gov.au/ieDecisionDetails.aspx?AllId=6152>

² as a SSP local government has no planning powers over the Waterloo site.

Key elements of City of Sydney Alternative Master Plan

The background section of the City of Sydney's 'A Better Way for Community' outlines a number of concerns that the City considers have not been sufficiently addressed by LAHC based on the limited information publicly available. It also questions some of LAHC's 'non-negotiables' and assumptions behind the planning proposal based on Communities Plus program policy. This key area of concern underpins the alternative Master Plan developed by planners from the City.

From Shelter NSW's understanding, these main areas of concern underpinning the City's response are:

- Overdevelopment of the site (density is too high given local context) resulting in poor amenity for current and future residents due to solar access/overshadowing and other issues such as ventilation of future social housing dwellings and lack of open space.
- Concern with the very low increase in social and affordable housing dwellings proposed by LAHC, and the sale of high value inner city land. The City proposes to deal with this by increasing the proportion of social housing to 50%, affordable housing to 20% and limit the proportion of private dwellings to 30%.
- Concern with quality and quantity of open space provided for in LAHC's proposal. The City argues that this is a direct consequence of the very high dwelling numbers necessary to make the project financially viable as directed by the Communities Plus policy. The City estimates that the preferred Master Plan doesn't meet the 15% requirement for new parks on high density renewal projects and that LAHC meets the shortfall by counting the proposed conversion of George Street to open space to bring it up from 11% to 15%. It is important to note here that since LAHC has not lodged a Master Plan with DPE, we do not know the exact quantum of open space proposed for the redevelopment and that this is an extrapolation from LAHC's statements relating to open space and new parks in their brochure. The City also has concerns around the quality of open space provided, namely regarding solar access due to overshadowing from tall towers around the new parks. In addition to this, the City expresses some concern due to the loss of tree canopy in an area that currently has excellent tree cover and contributes significantly to tree canopy and urban forest objectives for the LGA.
- Concerns around the level of disruption the Waterloo community is likely to experience due to the scale and length of the project.
- Lack of specific dedicated Aboriginal and Torres Strait housing within LAHC's preferred Master Plan.

In order to address these concerns, Council has requested that planning authority be returned to the City of Sydney and has developed an alternative plan that:

- After an alternative recommendation was endorsed by Council³, it was decided to keep the number of dwellings recommended by City of Sydney planners, a maximum of 5,300 dwellings.

³ The original Alternative Plan prepared by City of Sydney planners had a quantum of new dwellings to a maximum of 5,300, with tenure split around 55% private, 5% affordable housing and 40% social housing.

Full decision available on Council website:

<https://meetings.cityofsydney.nsw.gov.au/documents/g3156/Printed%20minutes%20Monday%2004-Mar-2019%2016.00%20Council.pdf?T=1>

This is a lower building density than in LAHC's plan for 6,800 dwellings. The idea is to rescale the neighbourhood, with a few taller buildings of up to 13 storeys around a large park, most dwellings in buildings of 7 to 9 storeys, and some 4 storey buildings throughout the precinct. The City considers this lower dwelling density to achieve much higher outcomes in terms of solar access and overshadowing minimization.

Council's proposal is to increase the ratio of social and affordable housing on the redeveloped Estate so that 50% of the dwellings would be social housing, 20% affordable housing and 30% private housing. This reduced density, and the increased proportion of social and affordable housing, is 'financed'⁴ in two ways:

First it considers the refurbishment of the two highest residential dwellings towers currently on site, reducing the 'need' for a high amount of new private dwellings to finance the redevelopment of social and affordable housing dwellings. It also discusses potential refurbishment and/or modification of the two northern 16 storey slab towers. The original density 'requirements' underpinning the LAHC's Master Plan comes from the Communities Plus model that requires the sale of public land for the development of new private dwellings to finance new social and affordable housing dwellings.

Second, the City suggests the State Government commits to allocating funds from the sale of public housing properties within the LGA⁵ and the Affordable Housing contributions levied on Central Park development⁶ be allocated to Waterloo Redevelopment.

- Takes a different approach to green and open space. The City's alternative proposes a large central park of 2.2 hectares directly opposite the Metro Station so it can act as a focal point for the neighbourhood. The City's proposal also promises to retain more trees to preserve green canopy.
- Reduce community disruption further by promising that all current residents can be relocated within the estate or immediate walkable area.
- Dedicate a significant proportion of affordable housing to Aboriginal and Torres Strait Islander communities to ensure continuity of the strong ties First Nations People have with Waterloo.

It's reasonable to summarise the City's alternative plan approach as a 'soft redevelopment' given that it focuses on reducing density and the number of dwellings; builds upon the existing street grid; preserves and expands the existing 'green grid'; refurbishment and readapting two existing high rise buildings and potentially another two in order to preserve heritage and the local character of the area. Considering the shortfall of social and affordable housing within the LGA to meet growing need, the alternative plan also proposes an increase in the number of social and affordable housing dwellings compared to LAHC's

⁴ In the sense that both projects are currently feasible without direct investment from government. This is a requirement from LAHC as a 'self-funded' agency, and an important aspect of the plan prepared by City of Sydney, which only requires relatively minimal direct investment.

⁵ With the inclusion of proceeds from the Millers Point sales of social housing, this would be a significant amount of funding considering Millers Points sales amount to at least \$591 million.

⁶ This amounts to \$43 million held by Urban Growth Development Corporation.

plan. The alternative plan proposes 490 social housing dwellings and 820 affordable housing dwellings more than LAHC, with 2,810 less private dwellings. It also represents more in terms of percentage, with a 50% social – 20% affordable – 30% private split compared to LAHC's split of 65% private – 3.5% affordable – 31.5% social. The City argues that this important difference would be made possible if the State Government chose to invest funds directly into the project rather than relying on 'asset recycling', that is the sale of public land.

Comparison with LAHC preferred Master Plan

As discussed above, the City's alternative plan takes a different approach to Waterloo redevelopment by reducing density in order to deliver, according to the City, higher amenity and outcomes for the current community.

The alternative as endorsed by Council also significantly differs in terms of social and affordable housing dwellings delivered.

The City's plan would deliver 5,300 dwellings in total: 1,590 private housing dwellings; 2,650 social housing dwellings; and 1,060 affordable housing dwellings⁷.

LAHC's plan would deliver 6,800 dwellings in total: 4,400 private housing dwellings; 2,160 social housing dwellings; and 240 affordable housing dwellings.

Given the very limited information available, it is actually difficult for the public and organisations like Shelter NSW to comment on the open space strategy of the two plans. The technical nature of the question and the fact that neither the City nor LAHC have released information on their modelling techniques and shadow diagrams makes it impossible to comment on the questions of solar access and overshadowing.

While promises of minimising disruption for existing tenants and communities are welcome, their value resides in their implementation and making comment at this stage is difficult.

At this stage, the two major differences that we are able to comment on between the two plans are:

1. The reduced density and maximum heights in the City's plan compared to LAHC's preferred Master Plan. This would be achieved by the City through:
 - Reducing the cost of redevelopment by refurbishing a significant number of dwellings (464 dwellings⁸, potentially 892 in total⁹) rather than full demolition and rebuild.
 - Allocating proceeds from the sale of social housing properties within City of Sydney LGA to the redevelopment as well as the development contributions from the Central Park development in Chippendale currently held by Urban Growth Development Corporation. This would require a commitment from the NSW State Government.

⁷ Based on a total of 5,300 dwellings.

⁸ Number of dwellings in Matavai and Turanga, the two highest towers currently on site (32 storeys, equivalent to 29 storeys today due to changes in building construction regulation)

⁹ Adding to this the number of dwellings in the two 16 storeys slab towers on the northern end of the site, Daniel Solander and Marton.

2. The increased number of social and affordable housing dwellings in the City's plan compared to LAHC.

Analysis & Recommendations

Shelter NSW welcomes the contribution of the City of Sydney to inform genuine discussion around the redevelopment of Waterloo. We also see the release of this alternative plan as an opportunity to stimulate community discussion in Waterloo and more broadly. This is especially interesting given that this is the first time in the consultation process that an alternative with significant differences in the number of private and social housing dwellings, density and other planning controls such as heights, has been released.

Following best practice policy development and community engagement, as well as the draft 'Principles for Tenant focused urban renewal' developed by Shelter NSW and Tenants Union NSW, we would welcome the release from both LAHC and the City of Sydney modelling around shadowing and solar access, as well as further detail and comment around their plans for open and green space. We would also welcome more information about the financial feasibility of the new tenure split of dwellings and feasibility of this in current market conditions.

At this stage, making informed and carefully considered comment is limited due to the paucity of publicly available information. Shelter NSW recently made a submission and provided comments around the Waterloo Metro Quarter SSP and SSDA and will provide further comment when the Waterloo Estate redevelopment goes on exhibition with DPE.

Having said this, we note that;

- The City of Sydney shares the concerns outlined in our submission about Waterloo Metro Quarter SSP and SSDA that the planning processes for the Metro Over-Station development and the Estate have been decoupled, making assessment of the cumulative impacts and development of integrated planning strategies very difficult. Shelter NSW recommends the planning of both sites to be developed and assessed jointly, as recommended by the City of Sydney and a number of other submissions to the Metro Quarter.
- The City's alternative plan recommends a much higher number of social and affordable housing dwellings compared to LAHC's plan. This would be financed by direct investment by the NSW Government, from two different sources identified by the City (\$43 million from Central Park development contributions held by Urban Growth Development Corporation and \$591 million from the sales of social housing in Millers Point). Shelter NSW has been advocating for the need for direct investment in social housing from government. Models based on asset recycling and/or the planning system, while they can deliver some of what is needed, fall short of meeting the increasing need for more social and affordable housing. We would support a plan that

delivers a significant increase of social and affordable housing in Waterloo to address the needs of very low, low and moderate income households as per the recommendations of our NSW 2019 election platform. It is important to note however that this plan is contingent on the NSW Government agreeing not only to return planning authority to the City, but also to commit significant direct investment to the Waterloo redevelopment, which is contrary to current government policy and the Communities Plus model.

- The significant affordable housing component in the City’s plan (20% potentially 1,060 dwellings) is a very positive aspect if feasible. Mandating a significant proportion of affordable housing in urban renewal is an important component to create inclusive and diverse communities. Affordable rentals for key workers also addresses an increasing need for more affordable rentals among moderate income households and provides social housing residents a pathway to opportunities to the private rental market if they so choose.
- We strongly support initiatives that will ensure continuity of First Nations people in Waterloo, in particular through the provision of housing. While recognition through public art and other urban design initiatives is important, it acknowledges rather than guarantees continuity of Aboriginal culture and communities in Waterloo. Aboriginal people experience higher rates of homelessness, lower rates of home ownership, higher representations in social housing and in the private rental market¹⁰. This clearly points to the fact that the housing system is failing Aboriginal people at high levels, and the importance of continuity of home and place is fundamental to First Nations people in Waterloo. The Waterloo redevelopment should act on the opportunity to provide specific Aboriginal housing controlled by Aboriginal Housing organisations through capture of the uplift in land value and other adapted mechanisms. As a minimum Shelter NSW and partner organisations recommend for 5% of the planned affordable housing to be specific Aboriginal housing controlled by Aboriginal Housing organisations, as determined after consultation with local Aboriginal and Torres Straits Islander communities.
- Reduce community disruption: This is a good initiative. Its success will depend as always on its implementation and a genuine involvement of the community. Shelter NSW recommends following the IAP2 Principles for Participation and our draft ‘Principles for tenant focused renewal’ developed with Tenants Union NSW and tenants affected by renewal in other urban redevelopment areas.

Shelter NSW hopes our contribution is useful to public debate around the Waterloo redevelopment. Do not hesitate to contact us to discuss further or if you have any questions.

¹⁰ See Shelter NSW Housing Fact Sheet April 2018.

URL:

<https://shelternsw.org.au/sites/shelternsw.org.au/files/public/documents/Shelter%20NSW%20Housing%20Fact%20Sheet%20April%202018.pdf>

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