

**Submission to the NSW
Regional Housing Taskforce**
August 2021

Summary: Regional housing context

The housing system in most regional NSW communities is no longer functioning to meet the needs of low and many middle-income households. The need for affordable housing options is now dire, including for smaller dwellings for one and two-person households.

Our regional communities in NSW face very low rental vacancy rates, increasing rental costs, record migration from the cities; and the very real risk of losing our essential workforce including teachers, nurses, police and community support service workers. Overheating in regional private rental markets is placing greater pressure on already limited social housing stock (just 3% of households in Northern Rivers compared to 4.4% for the whole of NSW)¹.

- Net migration from Sydney to regional NSW doubled in the 12 months to March 2021².
- All regional NSW housing markets recorded average monthly vacancy rates below 2% over the six months to July 2021; extremely tight compared to Sydney (3.5%). The majority were at 1% or lower with 0.6% in South Coast, 0.7% in Albury, Central West and Northern Rivers³.
- Median rent increases in Northern NSW local government areas ranged from 11% to 35% (June quarter 2020 to June quarter 2021)⁴.

Social Futures is asking the Regional Housing Taskforce and NSW Government to work with community housing providers and other stakeholders to value add to existing planning provisions and improve their capacity to facilitate affordable housing delivery.

Regional communities need planning strategies that will support and facilitate inclusion of affordable housing stock in residential development, with the mix of housing required to meet the needs of our diverse households. However, if planning strategies are to succeed in contributing to affordable housing delivery in regional NSW communities, they need to be complemented by other changes in the broader housing system. These include:

- tenancy laws and regulations, where adjustments are needed to balance the rights and responsibilities of tenants and landlords more fairly
- social housing, where under investment is compounding demand for affordable options in the private market
- support service funding, that currently does not reflect the distribution of demand for intensive support and opportunities for early intervention to support households to maintain tenancies.

In Northern NSW, where all of these issues are contributing to overheating in the housing market, we are seeing a growing number of households in the private rental market receiving no-grounds termination notices and ending their tenancy only to see the rent of their former home increase disproportionately. Social Futures worked with Doreen, aged 88 years. She shared her story about her eviction for 'no reason' in this video.

¹ 2016 ABS Census of Population and Housing data sourced from Byron Shire Social Atlas, Profile Id.

² <https://www.abs.gov.au/media-centre/media-releases/net-migration-regions-highest-record>.

³ Vacancy Rate Survey Results six months to July 2021 available at https://www.reinsw.com.au/Web/Members/Property_data/Vacancy_Rates_Survey.aspx.

⁴ NSW Department of Communities and Justice, Rent and Sales report, https://public.tableau.com/app/profile/facs.statistics/viz/Rentandsales_15565127794310/Rent.

Doreen's story

<https://vimeo.com/manage/videos/580999518/8885b356a5>



While there are very important opportunities to enhance planning provisions to facilitate and support delivery of community and affordable housing it is critical that NSW continues to grow its social housing stock, including in regional communities.

Research in 2019 found a further 99,700 dwellings will be required by 2036 to meet the need for Social and Affordable housing in regional NSW (outside of Greater Sydney). In the Richmond-Tweed electorate, for example, an additional 6,500 social and 3,500 affordable dwellings are needed immediately⁵.

Marie's story

Marie (not her real name) is 81 years old. She endured decades of family violence but last year found the courage to leave a long marriage. Now she is homeless. Marie has been unsuccessful in the private rental market because there is nothing she can afford.

Marie is on the domestic violence priority list for social housing, but it could be months or even years before a home becomes available. Marie has significant health issues that are exacerbated by homelessness. She is effectively camping in the lounge room of a friend.

While 'couch surfing' at 81, Marie cannot cook the right meals to keep her diabetes under control. The homeowner discourages her from using the kitchen. She also does not have a key to the house. If she goes out during the day she sits outside for hours and waits for the owner to get home. Our specialist homelessness service staff have not been able to find any affordable short-term accommodation for Marie.

There are few or no options now in much of regional New South Wales.

⁵ UNSW City Futures Research Centre and Everybody's Home 2019.

Recommendations

Secure tenure for essential workers and other renter households

Recommendation 1: Regional Housing Taskforce request that relevant NSW Ministers review tenancy laws and regulations to support a well-functioning private rental market, including removing no-grounds terminations, strengthening consideration of proportionate and fair rent increases, and facilitating longer-term lease options to increase security of tenure for essential workers and other renter households.

Recommendation 2: Strengthen Short Term Rental Accommodation (STRA) provisions to further reduce the number of days residential property can be leased as short-term rental or holiday accommodation in areas with low private rental vacancy rates.

Best use of public and private assets

Recommendation 3: Identify underutilised and surplus public land where residential development can be included, in mixed-tenure and mixed-use development where appropriate. Work with community housing providers and other stakeholders to prepare development proposals including social and affordable housing.

Recommendation 4: Amend Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2005, clause 77 (b) to allow mobile accommodation 'owned and or used for habitation by any person' to be installed on private land with a dwelling-house (removing the restriction on habitation only by the dwelling-house owner or member of their household).

Recommendation 5: Engage with Aboriginal housing providers, other Aboriginal community-controlled organisations and communities to identify opportunities to support housing delivery alongside communities.

Recommendation 6: Investigate options to reduce land banking and bring forward timely delivery of residential development, including affordable housing.

Recommendation 7: Introduce planning provisions – and supporting communication strategies – to facilitate temporary housing (meanwhile uses) as part of approval on sites where longer-term development is delayed.

Planning provisions for social and affordable housing delivery

Recommendation 8: Develop separate guidelines and templates for affordable housing strategies and contribution schemes reflecting the conditions and scope for delivery in regional areas of NSW.

Recommendation 9: NSW Government work with community housing providers to value add to existing planning provisions and improve their capacity to facilitate affordable housing delivery.

Diverse housing targets

Recommendation 10: Establish more detailed housing targets in regional and local land use plans to reflect the mix of housing size, types, tenure and price points required by the current and future population.

Service investment

Recommendation 11: Review homelessness service funding allocations across the state with a view to redirecting funding to where it is most needed.

Secure tenure for essential workers and other renter households

Recommendation 1: Regional Housing Taskforce request that relevant NSW Ministers review tenancy laws and regulations to support a well-functioning private rental market, including removing no-grounds terminations, strengthening consideration of proportionate and fair rent increases, and facilitating longer-term lease options to increase security of tenure for essential workers and other renter households.

Planning strategies to support inclusion of affordable housing stock in residential development will be at risk of failing in many regional NSW housing markets due to rapidly increasing private rental costs, enabled by no-grounds terminations, among other things.

In many regional NSW communities, essential workers are unable to find housing in the private rental market. A recent Northern NSW needs assessment with community service providers⁶ identified retaining workforce as a risk for many services because workers cannot find accommodation they can afford in the region. Specialist homelessness services are now finding there are no options at all in many private rental markets for people facing housing stress, and certainly none for people who are homeless. This situation is expected to continue with increasing migration to regional communities driving up private housing costs and putting even more pressure on limited social housing supply. As mentioned above, net migration from Sydney to regional NSW doubled in the 12 months to March 2021⁷.

North Coast NSW community services report a constant flow of residents presenting for support who have received no-grounds termination notices allowing landlords to apply substantial rent increases. The number of termination other applications (includes no-grounds terminations) to the NSW Civil and Administrative Tribunal in the March Quarter 2021 was 42% higher than the same quarter the previous year⁸.

Tight regional rental markets are increasingly favouring landlords and rising rents are putting private housing out of reach for low-income and many middle-income households.

Housing, legal, and other support service providers have observed a tendency for leases to roll over into periodic agreements leaving tenants open to unreasonable rent increases and no-grounds terminations. Some tenants are hesitant to request repairs due to fear of no-grounds termination of their lease. Encouraging longer-term leases and removing the no-grounds termination provisions in NSW would help to reduce some of the growing pressure in tight, high-cost regional housing markets. Landlords' option to sell or move into their property can still be retained as grounds for termination, without no-grounds termination provisions.

Recommendation 2: Strengthen Short Term Rental Accommodation (STRA) provisions to further reduce the number of days residential property can be leased as short-term rental or holiday accommodation in areas with low private rental vacancy rates.

In Byron Shire we estimate 22% of residential property is being used for Short Term Rental Accommodation (STRA)⁹. Changes coming into effect to limit STRA in residential properties do not go far enough to manage the unsustainable impact this use is having on many regional private rental markets.

⁶ Social Futures, 2020 Early Intervention Connect program sector development needs assessment report.

⁷ <https://www.abs.gov.au/media-centre/media-releases/net-migration-regions-highest-record>.

⁸ NCAT March Quarter 2021 Management Report.

⁹ Estimate based on data from Inside Airbnb 2021; ABS Census 2016.

Best use of public and private assets

Recommendation 3: Identify underutilised and surplus public land where residential development can be included, in mixed-tenure and mixed-use development where appropriate. Work with community housing providers and other stakeholders to prepare development proposals including social and affordable housing.

Recommendation 4: Amend Local Government (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2005, clause 77 (b) to allow mobile accommodation ‘owned and or used for habitation by any person’ to be installed on private land with a dwelling-house (removing the restriction on habitation only by the dwelling-house owner or member of their household)¹⁰.

Recommendation 5: Engage with Aboriginal housing providers, other Aboriginal community-controlled organisations and communities to identify opportunities to support housing delivery alongside communities.

There are many opportunities to support best use of public and private land where additional housing capacity can be leveraged, including social and affordable housing. These include:

- underutilised or surplus government public land
- vacant or underutilised buildings and sites in private, community, religious organisation and public ownership, including strategic social housing sites where increasing density is consistent with the objectives of the site/zone/precinct
- caravans/ mobile housing on private residential property – opening up this residential use up to occupation by any person.

Recommendation 6: Investigate options to reduce land banking and bring forward timely delivery of residential development, including affordable housing.

Development of residential zoned land can often be delayed, and housing affordability considerations have limited influence over timing of development or land banking. Opportunities or strategies to reduce land banking may include:

- where infrastructure is the barrier to development proceeding – State government delivering infrastructure – reducing development costs in exchange for provision of affordable housing
- apply a levy to land not developed by a sunset date to capture value and pass on to community housing providers to deliver affordable housing.

Recommendation 7: Introduce planning provisions – and supporting communication strategies – to facilitate temporary housing (meanwhile uses) as part of approval on sites where longer-term development is delayed.

Temporary or relocatable housing may be part of a mix of uses employed to activate sites awaiting long-term development activity. This can be facilitated successfully with planning provisions that consider:

- policy/guidelines/site criteria ensuring good housing and other outcomes that contribute to achieving the objectives of the site, precinct, centre and/or community

¹⁰ <https://legislation.nsw.gov.au/view/whole/html/inforce/current/sl-2005-0486#sec.77>.

- communication strategies ensuring stakeholders understand the nature and purpose of the meanwhile use and the transition process and timing for moving to the long-term use
- management by community housing providers with transition plans in place to support best use of mobile housing stock during the meanwhile use period, and reuse once moved off the site
- conditioning temporary housing as part of the plan for the site – among other mixed uses as appropriate – with agreed timeframes
- classify meanwhile use as exempt or complying development in appropriate locations to encourage uptake of this option.

Planning provisions for social and affordable housing delivery

Recommendation 8: Develop separate guidelines and template for affordable housing strategies and contribution schemes reflecting the conditions and scope for delivery in regional areas of NSW.

The Affordable Housing State Environmental Planning Policy (SEPP 70) is supported by a guideline and template for affordable housing strategies and contribution schemes that reflects conditions and housing typologies in large cities or metropolitan NSW. A separate set of guidelines and template designed specifically for regional areas is needed to support application of SEPP 70 across the State.

Recommendation 9: NSW Government work with community housing providers to value add to existing planning provisions and improve their capacity to facilitate affordable housing delivery.

Current provisions, including State Environmental Planning Policies, offer important incentives and mechanisms to include affordable housing in residential development. However, they have limited capacity to support the scale of ongoing affordable housing delivery required in regional NSW.

This submission proposes engagement with community housing providers to identify opportunities to value add to existing planning provisions and support providers to deliver more affordable housing. Considerations may include:

- criteria for development that could be classified as exempt or complying development for community housing providers, including on strategic publicly owned sites
- reducing compliance costs supported by guidelines that drive strong balanced development outcomes for community housing, mixed-tenure and mixed-use development
- delivering housing with good access to services and employment
- design, running costs, durability, and long-term maintenance costs
- affordable housing definitions considering income, and housing and other living costs.

Affordability based on discount on market costs is still out of reach for many low and middle-income households.

In working with housing providers to value add to planning provisions, it is important to include a range of providers including small, large and specialist housing providers, including Aboriginal housing providers. These stakeholders should also be represented on the Housing Expert Advisory Panel to be established, as noted in the Regional Housing Taskforce Terms of Reference.

Diverse housing targets

Recommendation 10: Establish more detailed housing targets in regional and local land use plans to reflect the mix of housing size, types, tenure and price points required by the current and future population.

The profile of housing stock in many regional NSW communities does not reflect demand for smaller dwellings. While household sizes are projected to continue declining across the state¹¹ the private market is delivering very few smaller dwellings in regional communities.

Housing targets in regional and local land use plans need to reflect more detailed assessment of demand (household size and other characteristics) to deliver diverse housing that reflects the needs of regional communities, supporting a mix of dwelling sizes, price points, tenure and design requirements.

It is important that planning responds to the very high overrepresentation of Aboriginal and Torres Strait Islander people in the homeless population, with targets and strategies designed in consultation with communities.

Service investment

Recommendation 11: Review homelessness service funding allocations across the state with a view to redirecting funding to where it is most needed.

Successfully delivering diverse and affordable housing that meets the needs of regional communities in NSW requires funding for the support services many households need to secure or maintain tenancies – to exit or avoid homelessness.

The Premier's priority to reduce rough sleeping needs to be backed by funding that reflects demand for support in regional communities. The 2021 street count led by NSW Department of Communities and Justice found 30% of the state's rough sleepers in Northern NSW¹² – a region that only receives 5% of Specialist Homelessness Service funding¹³.

Recent additional investment in selected locations is benefiting rough sleepers. However, the current model prioritising rough sleepers is taking up substantial capacity within the Temporary Accommodation (TA) system, with very little space for others experiencing homelessness. This reduces opportunity for early intervention. TA costs are also increasing, and co-contribution costs are out of reach for many people. When the allowed 28 days is up people are liable for the full cost of their accommodation. They are left with a choice between little or no affordable options in the private market and continuing unaffordable TA.

Over 170 rough sleepers have been housed in Northern NSW in the last two years (mostly in social housing) in Northern NSW. High-risk tenancies are also arising – approximately 25 per cent of rough sleepers housed in Northern NSW over the last two years¹⁴ – as a result fast-tracking housing

¹¹ NSW Department of Planning, Industry and Environment 2019, Population Projections, <https://www.planning.nsw.gov.au/Research-and-Demography/Population-projections/Projections>.

¹² NSW Street Count: <https://www.facs.nsw.gov.au/about/reforms/homelessness/premiers-priority-to-reduce-street-homelessness/street-count>.

¹³ Based on latest available data [2014-15]. Excludes Assertive Outreach program and largely metro-focused supplementary funding.

¹⁴ Social Futures based on data from NSW DCJ Housing.

outcomes for rough sleepers. This highlights the need for greater investment in housing and support services across the continuum of emergency, transition and long-term housing in Northern NSW and many other regional NSW communities. Successful pilot models of service need to be embedded within funding frameworks for specialist homelessness services.

Publishing current homelessness service funding data across the state will improve transparency. There is opportunity to review funding allocations with a view to redirecting some funding to where it is most needed and support people unable to access social, community or private housing.

About Social Futures

Social Futures is a regionally based not-for-profit operating for more than 40 years. Our service footprint reaches across more than 50 per cent of NSW and we are experts in tailoring programs to fit our diverse local communities.

In 2019-20 Social Futures supported over 20,000 participants through our programs and services across NSW.

Social Futures is a leading provider of housing support services in Northern NSW. We deliver specialist homelessness services across the Northern District of NSW including Tweed, Byron, Ballina, Lismore, Kyogle, Richmond and Clarence Local Government Areas.

Our Connecting Home program works with people who are homeless, or at risk of homelessness, to achieve long-term housing goals. Connecting Home Youth and Northern Youth Project also assists young people (16-24 years old) by intervening early to prevent homelessness or assist people who are already experiencing homelessness to break the cycle of homelessness.

Social Futures also delivers a number of early intervention and prevention programs designed to work with children and young people around mental health and wellbeing, drugs and alcohol, and reconnecting them to their families, education and communities.



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25 August 2021

Environment and Planning Department

Reference – 2020/07056

Department of Planning, Industry and Environment
Locked Bag 5022
Parramatta NSW 2124

Regional Housing Taskforce - Submission

Dear Sir/Madam

Thank you for the opportunity to comment on the Regional Housing Taskforce. Upper Lachlan Shire Council is pleased that the Department of Planning, Industry and Environment is undertaking this work. Upper Lachlan Shire Council would like to be involved further in this process and have some initial suggestions, and these are listed as follows:

- The need to diversify housing options has been identified by Council's Local Strategic Planning Statement and the South East and Tablelands Regional Plan 2036.
- Beyond land use mechanisms that planners can access, including lot sizes, land uses and zoning, what other solutions can the task force propose that planners could utilise to facilitate housing affordability?
- One of the regional issues we experience is the resistance of community members, in some cases, to future development. For instance, despite the need for diversity of housing options to allow for affordable housing or downsizing in an aging population, there is resistance in the community toward these proposals.
- Market processes, like gentrification, and increases in value due to better place making, are essentially outside the control of the planning system. Sometimes, there can be unintended ramifications resulting from planning-related improvements, and hence, housing affordability is detrimentally affected.
- Land banking is an issue we have identified as a barrier to further development in some of our key towns. Does the task force have solutions to this issue?
- Having adequate housing supply at affordable rates is essential in supporting Agriculture, our largest industry.

We would welcome the opportunity to be part of further engagement with the Regional Housing Taskforce. Should you wish to discuss the matter further, don't hesitate to contact me on the details below.

Yours faithfully

Vivian Straw

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Coordination Required – Submission to the Regional Housing Taskforce

27 August 2021

Dear Mr Garry Fielding
Chair
NSW Regional Housing Taskforce

Please accept this joint submission from Fiona Gibson and Laura Oakley as residents of the Northern Rivers, and not in our roles as Senior Planning Officers in the Department of Planning, Industry and Environment to which we publicly disclose.

It is with great privilege that we can make a submission to demonstrate our support of the government's attention in responding to the increasing pressures of housing across regional New South Wales. Please consider the proposed perspective and recommendation of our submission in your report to the Hon. Rob Stokes MP, Minister for Planning and Public Spaces.

In order to improve the housing outcomes in regional NSW in the context of the *NSW Housing Strategy* and legislative role of the planning system, the establishment of a respected coordination and concierge service for regional NSW is required.

A coordination & concierge service would:

1. work between the community and the private sector, state and local government, Local Aboriginal Land Councils and Community Housing Providers, to deliver greater housing diversity,
2. act in the best interest of all stakeholders to achieve locally appropriate outcomes and not have a single-minded view, and
3. pilot a regional coordination team in the Northern Rivers to think innovatively and provide an approachable interface with the planning system for the people of NSW.

Role & Responsibilities:

- Local and well qualified people working in regional communities,
- Providing a proactive approach to guide councils in delivering their LSPS, Housing Strategies and LEP updates, which will establish a clear data base of land, zoned for residential uses,
- Facilitate and negotiate with public and private enterprise to understand the infrastructure requirements required to enable development,
- Listen to local communities to understand what housing they would like to see,
- Create an approachable service with clear and simple communication,
- Encourage and manage consultation, which is integral to deliver a more diverse range of housing than what is currently seen in regional NSW, and
- Work with councils to adopt planning policies to encourage the development of diverse housing.

The case for regional coordination

It is clear across regional NSW, there are discrepancies between the amount of land which is already zoned for residential uses, and the availability of dwellings for purchase or rent on the private market, or social housing. The resurgence of regional towns that make up the rich fabric of our state is an opportunity our generation must continue to support.

It is not solely the role of the NSW Planning System to resolve the supply and affordability of housing. It will require a collective of initiatives, incentives and reforms and coordination from all stakeholders involved. It is recognised that the focus of this taskforce is to identify opportunities through the planning system in NSW. Taxation and the impact of short-term holiday letting will be an important first step to facilitate the development and effective utilisation of housing stock in the state.

The establishment of a respected coordination and concierge role is required to implement the recommendations that the planning system can facilitate in driving a strong economy and supporting the places where more and more people are choosing to live. A service that breaks down silos to effectively communicate is essential to ensure the sensible addition of residential infill, and the opportunities of facilitating the important growth and prosperity that regional NSW has to offer.

Many aspects play a role in the coordination of achieving better housing outcomes for regional NSW through the planning system. It requires a place-based approach that recognises the importance in increasing the labour force, creating innovation in the arts, manufacturing, education, the delivery of services, as well as building capacity in our planning and construction industry. The Regional Institute of Australia identified 62,000 job vacancies across regional Australia from March 2021, the largest number of vacancies since records began in May 2010. This presents opportunities and justifies the need for the government to provide a concierge role as regional NSW had a record number of jobs advertised.

Coordination could be undertaken at a scale similar to the Functional Economic Regions proposed by the 2018 Regional Economic Development Strategies, where there is a demonstrated shortfall in housing as identified by the Taskforce. Functional Economic Regions provide more nuance and scope for locally tailored intervention when compared with the nine planning regions and accompanying regional plans.

In Regional NSW, it is often not multi-national companies navigating the planning system to deliver the variety of housing tenure that is required. Instead, it is the smaller, less resourced companies or the 'Mum and Dad' investor who may only ever make one foray into residential development. This further supports the establishment of a housing concierge service for a common and vital user of the planning system. Support of this kind will provide the lever for all stakeholders to work together to facilitate and drive the delivery of housing matched to community needs.

Local Justification

There are many reasons for the important need of this service to the people of NSW. For example, through a review of Local Strategic Planning Statements, issues related to the timely delivery of housing stock becomes clear. Ballina Shire, a strategic centre on the North Coast will see an estimated population growth of 8,700 people, requiring an additional 4,400 dwellings. As of 2020, a yield of more than 5,000 lots were available on land zoned for residential use. According to the Real Estate Institute of NSW, the Northern Rivers experienced a drop in rental vacancy rates from 2.1 to 1.6% in the last 12 months, the average house price has increased by 21.9%. This is demonstrative of the critical issue seen in the provision of housing across regional NSW.

In many instances, there is sufficient demand for new homes, as well as land available and zoned for development. Examples of land banking in the Northern Rivers are common, yet there are other complex mechanisms behind a lack of housing stock. Limited community appetite and foresight to encourage negotiation and delivery of critical infrastructure is a contributing factor. An action in which a coordination service could work towards unpacking as a planning barrier.

Value-adding to support policy implementation

In 2014, Lismore City Council adopted a developer contribution discount policy (Section 64 and Section 94 of the EP&A Act), intended to introduce affordable housing options in the CBD. As is the case in many regional cities, the housing stock of Lismore was (and still is) dominated by 3 bedroom detached dwellings on large residential blocks. The policy intent was to facilitate smaller accommodation, such as secondary dwellings or shop top apartments. The savings represented up to \$7000 per planned bedroom but unfortunately the policy lapsed in 2020 with no evidence of a product that took advantage of this discount policy. This demonstrates how coordination and genuine advocacy to the private and public sector is needed and could assist in implementing this policy. The discount policy is a tangible example of a Northern Rivers council encouraging their community to think differently about housing provision, yet despite best efforts, this is not being met.

A service that can actively work directly with council to establish similar policies, and liaise with industry to communicate these incentives would encourage partnerships to achieve greater housing diversity.

From the detailed consultation and data analysis that has been undertaken there is no denying there are unique housing challenges linked to changes in migration patterns, growing unaffordability, economic, social and environmental pressures. We urge you to establish a respected coordination and concierge service for regional NSW to communicate effectively and enact the findings of this Taskforce in a way that is locally nuanced.

The Northern Rivers region is a desirable place to live and visit, and through the pressure of the pandemic, it is under new and immense stress. The regional centres of Ballina, Byron, Lismore and the Tweed are sitting well above their wait in terms of displaying themselves as key growth areas in the economy for NSW. The Northern Rivers requires a regionally appropriate response to provide housing that does not diminish the special character and importance it has to NSW and Australia as a whole. For this reason, a concierge service is a sensible and viable solution to assist with the delivery of appropriate and sustainable housing in this region and other regional centres across the state.

Sincerely

Fiona Gibson and Laura Oakley

[Redacted signature block]

01.

Introduction

Allera is pleased to be provided the opportunity to prepare a submission to the Regional Housing Taskforce (The Taskforce). The Taskforce has been established in response to increasing pressures on the supply and affordability of housing in regional NSW and are seeking comment from stakeholders outlining the barriers that are being experienced in buying, renting and building. This submission outlines barriers that our partners are experiencing in the delivery and building of housing in regional NSW.

02.

Allera

Allera is a multifaceted property development business underpinned by an experienced and passionate team. We love property and take great satisfaction delivering projects in partnership with our clients.

We have a thirst for innovation and approach every project with an open mind, enabling us to push boundaries and uncover value; a traditional approach may have missed.

Allera also invests in and develops residential and mixed-use property in our own right and in partnership with investors and landowners. In doing so, we create great places that will stand the test of time and remain relevant in design, form, and function throughout 'all eras'.

We are currently working on several projects with our partners in regional NSW and therefore on their behalf have an interest in the Paper being prepared by the Taskforce.

03.

Submissions

There are several challenges and barriers facing Allera and our partners in the delivery of housing in Regional NSW. The most common of these barriers that Allera wish to outline are as follows:

- Complexity of Planning Controls; and
- Availability of Land for Development.

Complexity of Planning Controls

Local Environmental Plans (LEPs) and Development Control Plans (DCPs) are becoming exceedingly complex and increasingly difficult to satisfy. Whilst LEPs are a statutory document, a DCP is not. The purpose of a DCP, as outlined in the *Environmental Planning & Assessment Act 1979* (EP&A Act), is to facilitate development that is permissible under the LEP and to achieve the objectives of the land zones.

From our recent experience, Council's steadfast reliance on these controls is stifling modern and innovative design. Further, the application of the DCPs is inconsistent and may vary from Application to Application making it difficult for a Developer to understand what is acceptable and what is not.

The complexity of these documents is resulting in long, drawn-out assessment timeframes. These long and drawn-out timeframes are a consequence of Developers having no certainty on how to achieve controls and the Council's staff struggling to be able to apply the controls effectively. The most disappointing part of the current planning approvals process is that Developers and Council often approve a Development Application (DA) with both parties acknowledging that a better result may have been achieved through greater certainty in the decision-making process.

A DCP needs to be able to allow for a performance-based outcome that provides Developers with greater clarity on what is acceptable and what may be varied subject to meeting certain criteria. We suggest referring to the Queensland (QLD) planning system which utilise a performance criteria and acceptable solutions format and the Australian Capital Territory (ACT) planning system which utilise a rules and criteria approach where some rules are mandatory and may not be varied.

We acknowledge that New South Wales (NSW) attempts to implement a similar approach with objectives and controls. However, it is considered that far too much emphasis is placed on compliance with the controls. The objectives are often not measurable and a variation on compliance with the objectives is rarely considered acceptable.

Availability of Land for Development

Another significant barrier that is facing developers is the availability of land for development, particularly individual parcels of land that have the potential of facilitating the development of large scale master planned communities. We note that Council's preference is to utilise infill development to satisfy housing needs in their area and we agree that infill housing supply is necessary and important. However, housing outside of the existing urban area must also be considered more readily to ensure that sufficient housing diversity and affordability is provided.

Throughout NSW and Australia there is evidence that master planned communities are a popular and desirable form of development. We provide some great examples of master planned communities in regional NSW and an example from QLD:

Googong

The Googong township is a self-contained masterplan estate located in NSW approximately 24km south of Canberra CBD. The Googong Township was established in 2014 and is an award-winning master planned community developed in Joint Venture by PEET and Mirvac, that has enjoyed various Urban Design, Master planning and Livability awards from industry bodies such as Urban Development Institute of Australia (UDIA) and Property Council of Australia.

The township comprises five neighbourhoods that will be home to around 18,000 people, 6,200 homes and include schools, parks, shops and businesses when fully developed. Over 24% of Googong is dedicated to open spaces and the township also incorporates a state-of-the-art Integrated Water Cycle system to reduce Googong's potable water use by around 60% and allows recycling of over half the town's expected water requirements.



Figure 1. The Googong Masterplan (Mirvac Peet, 2021)

Sovereign Hills

Sovereign Hills is a master planned community located in Port Macquarie approx. 10km from waterways and beaches. Sovereign Hills prides itself on its location to existing facilities in the Port Macquarie CBD as well as future facilities planned in the community itself. Sovereign Hills will provide approx. 25,000sqm of retail, commercial and entertainment precinct as well as significant parklands, open space and sporting facilities.



Figure 2. Sovereign Hills (Lewis Land, 2021)

Springfield Lakes

Springfield Lakes is located approximately 30km south west of the Brisbane CBD and approximately 20km from the Ipswich CBD. Springfield Lakes provided approx. 10,000 dwellings and is home to approx. 30,000 residents. In addition this master planned provided for commercial and retail precincts, parks and open space, a golf course and a health and medical centre. Springfield Lakes has provided for a strong sense of community with over 60 active community groups and exceptional linkages to Brisbane and Ipswich CBDs.



Figure 3. Springfield Lakes (Lend Lease, 2021)

Allera consider all the examples above to be of exemplary urban design creating outstanding master planned communities. We urge the Regional Housing Taskforce to recommend that larger parcels of land on the current urban fringe of regional towns be released for large scale master planned development such as this to not only meet housing demand and provide housing diversity.

The benefits of large-scale greenfield development located on the urban fringe are:

- Typically, large parcels of land under single ownership providing for a more deliverable product;
- Linkages to existing urban areas and existing facilities. Additionally, the physical or monetary contributions to improving these linkages;
- Large portions of land allow for better masterplan initiatives in consultation with Council resulting in a better outcome including:
 - Parklands, open space and sporting facilities;
 - Neighbourhood centre; and
 - Community facilities (e.g. schools, childcare etc.).
- Provision of housing to meet the needs of the community including; dwelling diversity and affordability.

Regional Councils must begin to unlock the opportunity of larger scale development on the urban fringes. This larger scale development will assist in meeting the need for housing in regional locations.

04.

Recommendations

The following recommendations are provided to the Regional Housing Taskforce:

Complexity of Planning Controls

- Simplification of DCPs to provide for a more streamlined assessment process. Reference should be made to the QLD and ACT planning system and the applicable statutory documentation which utilises Performance Criteria and Acceptable Solutions / Rules and Criteria to establish mandatory controls and to allow flexibility where mandatory criteria is not considered necessary. This provides clear delineation on what may be varied and what cannot be varied.
- Additional staff resourcing and training should be provided to ensure that Council staff are appropriately trained to implement the complex development controls in NSW. We believe that a more streamlined assessment may be realised with an increased level of competency of the Officer's implementing the paradigm of planning controls. This is by no means an attack on the Planning Officer's at Council but a testament to the complexity of the system.

Availability of Land for Development

- Land release and Housing Strategies should identify future greenfield sites located on the urban fringe to realise well design large scale master planned communities. As outlined above, these forms of development are popular with regional areas and would meet housing demands and provide housing diversity which is typically lacking in regional NSW. Larger scale master planned communities also provide opportunity for schools, commercial centres, open space and sporting facilities.
- Site Investigations should include a review of land ownership as this has a significant impact on the delivery of housing projects. Land that has multiple ownership is much more difficult to acquire and the land ownership may take years to negotiate which has a significant delay on the approvals for land.

05.

Conclusion

Allera thanks the Regional Housing for the opportunity to provide a submission outlining the challenges and barriers that are being faced in the delivery of housing in regional NSW. We welcome any feedback and wish to remain an active contributor of the process moving forward.

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 12:50:33 PM
Attachments: [regional-housing-taskforce.pdf](#)

Submitted on Fri, 27/08/2021 - 12:42

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

TRACEY

Last name

STEPHENS

I would like my submission to remain confidential

No

Info

Email

council@brokenhill.nsw.gov.au

Suburb/Town & Postcode

BROKEN HILL CITY COUNCIL

Submission file

[regional-housing-taskforce.pdf](#)

Submission

Broken Hill LGA faces various issues, including issues around the supply of quality rental accommodation.

Issues, some of which are unique to Broken Hill, include:

- Broken Hill LGA is essentially 'landlocked' by the Unincorporated area, i.e. the LGA boundaries do not extend very far past the built-up area of town, and this means that a large expanse of land surrounding Broken Hill that could potentially be used for housing (or associated commercial development) does not fall within Broken Hill City Council jurisdiction/responsibility.

- There is a very high rate of unoccupied housing within Broken Hill, however many of these are old, poorly maintained (often dilapidated), whilst there is continued demand for high quality newer, housing. Many of the unoccupied housing stock are on smaller lot parcels, that do not meet the current demand for larger family homes (or are not seen as attractive locations)

At the time of the 2016 Census over 20% of existing dwellings in Broken Hill were noted as being unoccupied.

- There is historically a demand for larger lots for housing development, however most large vacant lots in the Broken Hill area are Crown Land with limitations i.e. Native Title or undetermined Aboriginal Land Claims

- Broken Hill is surrounded by an environmental and historically significant 'green belt' of E2 zoning that is generally unable to be developed. (This land is known locally as the "Regeneration Reserve").

- Council was required to map land around the outskirts of town as being 'bushfire prone', for the purposes of the RFS mapping. This requires consideration of the document "Planning for Bushfire Protection 2019" and AS 3959 when planning for and assessing potential developments. (There is generally a very low bushfire risk in the area). This could impact development or expansion of residential land, by potentially adding to costs onto projects.

- Shortage of accredited building surveyors in the region is also impacting regional development. Council has only one full-time accredited Building Surveyor, and has been unsuccessful in attracting another permanent Surveyor, despite advertising the vacant position for over 12 months. The shortage has resulted in a backlog and delays in Construction certificate approvals. The closest-located accredited Private Certifier, other than Council, is 300km from Broken Hill and this adds to project approval costs for a developer that may seek the services of a Private Certifier.

- Council planning staff in many rural/regional councils, such as Broken Hill, do not have staffing resources to be able to spend great amounts of time on strategic planning, to provide strategic direction to encourage residential expansions or guidance, as their time is consumed by day-to-day statutory planning duties.

I agree to the above statement

Yes

Please address all communications to:
The General Manager
240 Blende Street
PO Box 448
Broken Hill NSW 2880
Phone 08 8080 3300
Fax 08 8080 3424
council@brokenhill.nsw.gov.au
www.brokenhill.nsw.gov.au

ABN 84 873 116 132

REGIONAL HOUSING TASKFORCE

SUBMISSION

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Issues, some of which are unique to Broken Hill, include:

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- There is a very high rate of unoccupied housing within Broken Hill, however many of these are old, poorly maintained (often dilapidated) , whilst there is continued demand for high quality newer, housing. Many of the unoccupied housing stock are on smaller lot parcels, that do not meet the current demand for larger family homes (or are not seen as attractive locations) At the time of the 2016 Census over 20% of existing dwellings in Broken Hill were noted as being unoccupied.
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From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Sunday, 29 August 2021 11:30:27 PM

Submitted on Sun, 29/08/2021 - 23:30

Submitted by: Anonymous

Submitted values are:

Submission Type

I am making a personal submission

Name

First name

Anna

Last name

Lucas

I would like my submission to remain confidential

No

Info

Email

[REDACTED]

Suburb/Town & Postcode

Tinderry (near Michelago)

Submission

To whom it may concern,

We have lived in the Snowy Monaro region for approximately 16 years. We live near Michelago and have seen a number of subdivisions popping up all over the place haphazardly esp around Michelago. Our son and fiance have spent the last 8 months trying to buy their own home and keep missing out in Canberra at auctions as the prices keep climbing. So we know the pressures here are for affordable housing!

We are aware of a single developer that has bought a lot of the land around this area and have been attempting to consult with residents and council. We and many other residents in the area are very excited at the prospect of having only one developer who has been showing a great willingness to listen and dialogue with us. The consultants that represent this company, we feel, are looking at forward thinking, sustainable development that is taking into account the history and environmental aspects that contribute to the uniqueness and position Michelago has to offer (only 20 mins from Canberra).

There are numerous ways that we think our area would benefit from this developer. This would include paying for things such as improving entrance onto the main highway, provision of more recreational areas and properly managed recirculated sewerage (which council will not do and are making proposals for everyone to have own sewerage which is going to be an environmental catastrophe with present issues with ground water). If we can get on the front foot with this developer, we can get a carefully considered plan done that will work environmentally and aesthetically. One of the consultants has done a lovely rural village in Tasmania and shows how lovely a well thought out rural village can be. But we have seen such poor communication, accountability and lack of funding from our own council for decades that we are not holding our breath.

The SMRC (Snowy Monaro Regional Council) have put out their own master-plan recently. We are disappointed that it shows little forward thinking or imaginative planning for our area. The master-plan states that it has heard the community and had several consultations. On numerous fronts this is incorrect. Also statements from the Michelago Regional Community Association (MRCA) should not be taken so seriously as there have been infightings and personal threats made to certain members of the council resulting in resignations because of the aggressive nature of a few. After this event the association then changed tack, and instead of providing a platform for residents to gather and communicate with questions or thoughts about the future for the Michelago area and remaining impartial, as they said they would do, they then stated that the overwhelming response from residents was for a limited development. So many are feeling unrepresented. There is now a lot of misinformation out there and not a healthy openness to having discussions about the different options that may be available.

It is clear we want something that is sustainable both for the environment and economically. There are many troublesome ideas in the proposed master-plan put out by council that are not feasible environmentally or economically. Too many to list here but happy to be contacted. It is simply not feasible environmentally or economically to work with this master-plan.

We think that sustainability wise Michelago would suit a more dense rural village rather than another sprawl like the nearby Royalla that has little character/heart as there is no center.

.

Yours sincerely

I agree to the above statement

Yes

From: [REDACTED]
To: [DPE PSVC Regions Coordination Mailbox](#)
Subject: Submission for Regional Housing Taskforce
Date: Sunday, 29 August 2021 8:27:50 PM

Dear regional housing task force. I have the following comments to provide-

1. Adaptable housing and dual key housing – A new type of legislated residential accommodation is required. There are many examples of similar products in Australia(in serviced apartments). In USA or Canada, the majority of the house contains a basement which is essentially a self-contained unit and home houses have a first floor with separate entry. A new residential accommodation product needs to be introduced for dual key homes. Larger families can utilise separate living spaces, as well as smaller families, can utilise additional units to generate income.
2. Increased density in regional areas- There is an opportunity to increase density where health services have been updated (Bathurst, Dubbo, Orange, Mudgee). Regional areas are recognising aging population and the need to update facilities and amenities to suit the aging population. Regional migration can be favoured by senior populations currently living in metropolitan areas if the local services are upgraded, health services are readily available and housing prices are cheaper. In addition, as above, a dual key house in a regional area can further increase desirability for the senior population as they will have a second source of income.
3. Development control- there is a need to rethink housing density in general. Development controls need to reduce private open space areas and focus on providing more communal open space. In today's world, having a large front yard and back yard is not feasible. Houses in smaller land will result in increased house numbers in the same amount of space. Council can utilise additional rates to provide and maintain more quality communal open spaces. In addition, water availability is a big issue across NSW. It is not responsible to ask for front yards and back yards, especially where water availability is scarce. However, development control also needs to recognise houses as a space to live in, not just to sleep. Specially with current lockdowns, we need to recognise that the dwellings need to have adequate spaces (bigger bedroom, living area/s). the difference between a house and home needs to be recognised.
4. Government grants/incentives- The recent government incentive for first home buyers grant or the HomeBuilder grant (for renovations over \$150,000 for existing dwellings but not secondary dwellings) was ill-placed in my view. The grants contributed to the increase in house price through high demand for construction and buyers buying ability. Rather grants should have been provided to constructions for secondary dwellings or dual occupancy where additional self-contained dwellings would have been provided. The grant could have been provided upfront or provided as vouchers which could have been used for approval for the construction. Banks are more likely to service a loan for construction if there is an approved plan. Similarly, if the grants were provided to builders in form of reduced duty or fees and the builders could have passed these savings down to the buyer.
5. Housing products- Consultation with local housing agency (Community housing provider) and research into the local demographics can reveal what type of housing is required. Currently, regional areas are in dire need for smaller houses or units. As per point 1 above, a dual key home can provide 2 dwellings in the space of one. One large home and a smaller unit which can service singles or couples who do not need large space.
6. Public housing development – public housing development doesn't always need to be social housing, rather can also be affordable housing that can be sold at a lower price than the current market or to lower socio-economic families. This will result in investment recovery to be used for future development and provide the ability to create wealth for the general public.

Kind regards

27 August 2021

Mr Garry Fielding
Chair
South East and Central Tablelands Region
NSW Regional Housing Task Force
NSW Department of Planning, Industry and Environment
Locked Bag 5022,
PARRAMATTA NSW 2124.

By Email Only: regions.coordination@planning.nsw.gov.au

Dear Sir,

RE: SUBMISSION TO THE NSW ROUNDTABLE ON HOUSING

We welcome the opportunity to provide this submission to the South East and Central Tablelands Region - NSW Regional Housing Task Force. I found the virtual roundtable discussion very interesting and healthy and reflected an number of different views from different sectors. Following on from the virtual roundtable we offer the below comments.

We are active in the region surrounding the ACT and the Riverina (NSW based) undertaking planning, design and delivery of residential and light industrial projects. With the ACT planning directive to favour infill development this has projected demand for free standing development across the border to the surrounding NSW areas and dramatically increasing land prices and supply pressure.

This pressure has seen price rise to levels that no longer become affordable to medium income families and especially essential and service industry workers. As an example, in a recent development in Bungendore, a 1000m² was exchanged for \$340,000 in 2019 and now within 12 months the same lot is on the market (prior to settlement) and under offer at \$480,000. A rise of \$140,000 in 12 months.

The difficult, prolonged and arduous task for rezoning land is a significant contributor to the lack of supply for land.

PLANNING

We believe the crux of the situation is relatively simple, supply and demand issue. Due to the long and arduous rezoning and approval process at the strategic planning level, land is simply not meeting the market forces and the resulting shortage is driving prices up. Once we have a rezoning, the DA process is much more streamlined with set timeframes and KPI's able to be tracked and performance managed. Strategic planning seems to be constrained from the following key factors

LACK OF COUNCIL STRATEGIC PLANNING STAFF, EXPERTISE AND RESOURCES

It is well known across many disciplines in the development industry that there is a lack of available skills and staff. Planning seems to also fall into this category. It seems outcomes are very dependent on each

Council's strategic planning staff and skills (and these vary widely from Council to Council). This is where we believe the biggest blockage is in the supply of land to the market.

We have had one Senior Strategic Planner state in a project meeting "it is up to Council to control the land supply and even if you get a rezoning, we may not accept the DA".

Local councils also seem to be very susceptible to small resident interest groups and this hinders larger scale projects. The LSPS should specify growth and performance targets for regions.

We suggest that strategic rezoning and planning proposals over 100 lots are taken directly to a regional level rather than local Council.

BLANKET LOT SIZE IN ZONES – Society is full of different people with different needs, singles, young couples, old couples, old singles, families with children, people without children, the list goes on.

Why in a new growth area like Bungendore, be zoned as R2 and Council mandate a minimum lot size of 850m² across all new residential areas in the Structure Plan.

Mandatory lot sizes completely strip out diversity and the opportunity to build different dwelling types for different people in society. This will also rule out many people in the former categories from being able to afford to buy the land and build a house befitting that land including key members of our community such as teachers, police, essential services, hospitality etc. If the minimum (and only available) lot size is 850m² at \$500m² (\$425,000) it will not be affordable. A built house and land package will be \$850,00 plus.

Lot size mapping should have a mechanism for a diversity of lots rather than a blanket lot size. Maybe a percentage or lot area be available for lots smaller than the min lot size. For R2 with a minimum lot size of 850m² maybe 20% of the lots could be below this size. This would not detract from the overall aim for the housing typology on a site.

Please see a letter submitted to Queanbeyan Palarang regional Council on this matter outlining the benefits of a such a policy shift.

RED TAPE/GREEN TAPE

In an example of the ongoing layers of red/green tape imposed on developments, we reference a current planning proposal at Bungendore in the Queanbeyan Palarang LGA.

This planning proposal was lodged with (what was then) Palarang Shire Council (PSC) in 2015 for a 590 lot residential development. It was voted by PSC in December 2015 to proceed to gateway. Six years later it has not progressed past Gateway.

In 2015 the response by the then NSW Planning stated 3 key issues in their response.

- Completion of the Bungendore Structure plan (PSC indicated to NSW Planning that the Structure plan completion was imminent). Some 5 years later in 2020 QPRC adopted the Bungendore Structure plan which included the land contained in the submitted PP. A five year delay.
- Source of water (the proponent spent over \$100,000 in undertaking a detailed hydrological study and source a groundwater supply capable of 400mL to 600mL per annum, effectivity doubling Bungendore's water supply). PSC and now QPRC (after amalgamation) have taken another 3 years to further develop this water source and undertake an integrated water management plan which

was completed in 2018. This water source has enabled the future growth of Bungendore. A three year delay.

- Contamination – Minor contamination from a solitary sheep dip was found on site. QPRC would not progress the PP unless validation that this removed. This was only a very minor part of the site and risk was minimal. This has since been remediated but Council refused to go on exhibition until the remediation was completed.

After the Council amalgamation in 2016 the PP was put back to the new council to reindorse.

Council again voted to send the PP to Gateway in 2020 and it was then sent to the agencies by DPIE. A new round of responses were received this time asking for:

- A new updated traffic study (last one was with the original lodgement in 2015).
- Request to undertake a ALCAM rail study of the existing boom gate and signalised crossing of the Kings Highway crossing that virtually takes all the traffic from Canberra to the Mid South Coast. Noting only two companies in Australia are recommended to undertake this specialist study and when contacted they replied that it would be a minimum six months before they could undertake the study. The existing crossing is in the middle of an existing residential area and has little opportunity for modification.
- Request for flooding – QPRC are currently undertaking a new Flood plain management Plan/Study with an anticipated completion in mid 2022.

The new policy push for PMF (Possible maximum Flood level equivalent to an event in the order of once in 10,000 years to once in 10,000,00 years) with further sterilise development land throughout the existing NSW cities, towns and villages (remembering that most of our urban areas have been developed around rivers, creeks or watercourses. This unneeded sterilisation will push development further away from existing infrastructure and increase servicing costs for a 1 in 10,000 year + risk. A majority of the PMF impacted land is on the extremities of the flood area and is back water of slow water not posing life risk.

This new policy push will extinguish large tracts of developable land and increase the cost of the delivery of land. It will also impact on many existing built areas and add costs to any redevelopment.

RISK AND CERTAINTY

Examples as per the above development produce uncertainty and risk to the development process. This increases the cost of land delivery to market with delay costs on finance, multiple consultant studies for little gain. All of these costs are passed onto the end purchaser, driving up prices.

INFRASTRUCTURE

Over the past 10 years significant infrastructure costs and cost shifting have crept into the development process.

A prime example is power infrastructure. Previously Essential Energy (or their predecessor) supply major items such as sub-stations and switching stations to the developer to install. These major pieces of infrastructure cost in the order of \$60,000 to \$100,000 per item with most developments requiring one per 20 lots.



Essential Energy require developers to now supply these major items only to handed back to Essential Energy for free. These costs are passed onto the end purchaser. NBN is similar with the developer now supplying pits and pipes only to hand it back for free (another \$1,000 per lot).

END USER COSTS

The real cost of the planning delays, holding costs, risk and infrastructure is to the end purchaser who actually pays interest over 25 years on the increased costs. If all these planning and infrastructure costs amount to a increase in land cost of \$100,000 then the end user will be paying 25 years of loan interest on the increase purchase price. The cost of \$100,000 over 25 years at 4% is around \$250K to the purchasers. This is money directly paid to the bank and is lost to the infrastructure community as well as the general economy. Not only is it unaffordable to enter the market for many the long term costs are also a major affordability issue. We would suggest a review of infrastructure funding for developments and look at alternative options for the infrastructure provider to recover costs over time rather than force the end user to borrow money on the infrastructure and pay non beneficial interest that leaves the sector.

Once again thank you for the opportunity to be part of the challenging conversation on housing affordability in NSW Southern Region.

I am happy to discuss any of the above points and please do not hesitate to contact me.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Peter Evans', is written over a light blue horizontal line.

Peter Evans

CBR Consulting Pty Ltd

26 June 2020

401 | 171 Clarence Street
SYDNEY NSW 2000
PO Box 1778
SYDNEY NSW 2001
P: (02) 9290 3636
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The General Manager
Queanbeyan-Palerang Regional Council
10 Majara Street
BUNGENDORE NSW 2621

ATTENTION: TANJA HOGG – STRATEGIC PLANNER

Dear Tanja

RE: EAST BUNGENDORE – QUEANBEYAN-PALERANG REGIONAL COUNCIL LOT SIZE SUBMISSION

1. Introduction

This memorandum has been prepared in response to the Queanbeyan-Palerang Regional Council Planning and Strategy Committee of the Whole of the Queanbeyan-Palerang Regional Council held on the 10 June 2020, in particular Agenda Item 6.3 in relation to the Planning Proposal for 4610 Kings Highway Bungendore (Bungedore East). It also takes into account our discussion on the 19 June 2020.

At the meeting the Council resolved that:

1. *Council support the Bungendore East planning proposal to rezone Lot 1 DP 747767, Lots 275, 279 and 273 DP 754915 and Lot 1 DP 193988, No. 4610 Kings Highway Bungendore, from RU1 Primary Production to R2 Low Density Residential and RE1 Public Recreation, subject to the following actions being completed before the Planning Proposal is forwarded to the NSW Department of Planning, Industry and Environment requesting a Gateway Determination:*
 - a. *Amend the planning proposal to remove the Crown land Lots 7301 and 7302 DP 1168137.*
 - b. *Amend the Planning Proposal to remove the SP2 Infrastructure zone and R1 General Residential zone.*
 - c. *Present a further report to Council on options for a range of lots sizes to specify in the Planning Proposal.*
 - d. *Amend the Planning Proposal to specify that the height of buildings shall be a maximum of 8.5m.*
 - e. *Include in the Planning Proposal a Stage 2 Site Contamination report prepared in accordance with the NSW EPA's Guidelines for Consultants Reporting on Contaminated Sites that provides a clear statement that the land is suitable for the uses proposed by the Proposal or, if necessary, includes the detail on the remediation required to make the site suitable for the uses proposed by the planning proposal.*
 - f. *The applicant pays the fees for the processing of the planning proposal that would have applied under the former Palerang Council Fees and Charges, indexed to the current financial year.*
2. *Subject to a Gateway Determination being issued for the Bungendore East Planning Proposal (4610 Kings Highway Bungendore) and prior to the notification of the plan, Council require the landowners to enter into an undertaking that should remediation of the land be required, it will be carried out prior to the commencement of any work, to make it suitable for the land uses permitted by the Planning Proposal.*

This submission relates to Point 1.f. of the resolution relating to options for the application of a range of lot sizes for the Bungendore East Planning Proposal area.

2. Lot Sizes Promoted in Planning Proposal

The yield analysis work undertaken to support the Planning Proposal had a lot mix as outlined in Table 1 below:

Table 1: Planning Proposal Lot Mix Proposition

| | Area (Ha) | % of NDA | | | |
|-------------------------------------|-----------|----------|------|------------|-------------|
| Net Residential Area | 57.51 | 72% | Avg | Yield | % Yield |
| R1 – General Residential | | | | | |
| 450 sqm | 5.35 | 7% | 450 | 119 | 16% |
| Multi Unit | 4.40 | 5% | 300 | 147 | 19% |
| Independent Seniors Living | 2.56 | 3% | 0 | 60 | 8% |
| R2 – Low Density Residential | | | | | |
| 850 sqm | 15.01 | 19% | 850 | 177 | 23% |
| 1000 sqm | 16.48 | 21% | 1000 | 165 | 22% |
| >1000 sqm | 13.49 | 17% | 1500 | 90 | 12% |
| Total Yield (Approximate) | | | | 757 | 100% |

The above mix relied on parts of the subject land being zoned R1-General Residential rather than the R2-Low Density Residential zone now required by Council's resolution of the 10 June 2020 (Point 1.b.).

3. Proposed Lot Size for Bungendore East

The outcome of the Council meeting and the requirement for a report to be put back to Council outlining options for a range of lot sizes to be specified in the Planning Proposal. To this end I refer to your email of the 12 June 2020 which outlines that you require information on the following points:

1. justification against the Bungendore Structure Plan for a proposal to include a minimum lot size of less than 850m²
2. proposed number of lots to be less than 850m²
3. the proposed minimum lot size for the lots less than 850m²
4. percentage of residential area to have a minimum lot size less than 850m²

We have responded to each of the points in the following commentary, with Table 2 illustrating the comparison between a standard 850 sqm outcome and a finer grain mix with a small proportion of 450 sqm lots.

The Draft Bungendore Structure Plan was placed on public exhibition from the 9 July 2019 to the 30 August 2019. The Document identifies several areas in Bungendore for development and calculations have been undertaken on each area to determine a likely yield and population expectation.

Like most strategic documents relating to growth, it is difficult to determine the sequence of development and the yield expectation at the scale of a strategic structure planning exercise. The ultimate development outcome is reliant on the ability for land to be developed which can be subject to a raft of reasons for development not proceeding and therefore the yield anticipated may not be realised in the lifetime of the strategic document.

The work undertaken to determine the growth scenario for Bungendore as part of the Structure Planning exercise provides good and sound planning direction for management of growth within Bungendore. The basis of the yield calculations is understood to be reasonably broad as a consequence of not being at a detailed Structure Planning

exercise on a site-by-site basis. The use of a 850 sqm lot size for yield purposes as undertaken for the Draft Bungendore Structure Plan level does not preclude the ability to demonstrate an alternative mix where lot sizes less than 850 sqm can be planned in a meaningful way that enables a range of housing product of varying pricing to be achieved.

The basis of seeking a variety of lot sizes is to enable first home buyers, single parents, lower income key workers and downsizers to enter the Bungendore market and enjoy the lifestyle that the area offers its existing residents. It also provides a broader socio-economic mix, which is a positive contribution to the character of the local area. Of consideration is the proximity Bungendore enjoys to employment and higher order goods and services offered within Queanbeyan and Canberra, and short travel times to centres such as Goulburn and the Sydney metropolitan area.

A mix of 15-16% of the lot produce being 450 sqm provides the opportunity to achieve similar figures to the yield based on 850 sqm, however providing a far greater diversity in housing product for the market and ensuring that the character of Bungendore is maintained through proper and considered master planning outcomes.

Table 2 below illustrates the comparison between a homogenous 850 sqm development outcome compared with a finer grain lot mix that demonstrates that the inclusion of a small proportion of smaller lots allows a diversity of product and occupant, with a majority of the lots being 850 sqm in size.

Table 2: Lot Mix Comparison Table

| | Area (Ha) | | | |
|-------------------------------------|-----------|------|------------|-------------|
| Net Residential Area | 50.4 | Avg | Yield | % Yield |
| Standard Approach | | | | |
| R2 – Low Density Residential | | | | |
| 850 sqm | 50.4 | 850 | 592 | 100% |
| Total Yield (Approximate) | | | 592 | 100% |
| Finer-Grain Lot Mix Approach | | | | |
| R2 – Low Density Residential | | | | |
| 450 sqm | 4.54 | 450 | 100 | 16% |
| 850 sqm | 40.82 | 850 | 480 | 76% |
| 1000 sqm | 5.04 | 1000 | 50 | 8% |
| Total Yield (Approximate) | | | 630 | 100% |

The delivery of a residential community with a minimum lot size of 850 sqm equates to a land and housing consideration in the order of \$700,000+, which stretches the first homebuyer, single parent and key workers budget and also prevents downsizers from being able to realise a net gain from downsizing to live prosperously during retirement.

Downsizers would most probably derive from Wamboin and Bywong, as they do not want to move to Canberra or even Queanbeyan. Their preference is most likely to age in proximity to their family and friend network and within an area which is highly familiar to them, while also not needing to maintain a large house and yard. To this end, the Draft Bungendore Structure Plan acknowledges this point on page 43.

4. Proportion and Local Principles for Smaller Lots

At our meeting on the 19 June 2020, it was discussed that there were other options for the delivery of a range of lot sizes for Bungendore East. While several alternative options were explored, our preference is for a percentage (i.e. 15 – 20%) of the overall lot yield be allowed to be a minimum of 450 sqm. We would not be expecting the lot yield for smaller lots down to 450 sqm would be greater than 100 – 130 lots of the total overall yield (i.e. 15 – 20%).

In support of the minimum lot size sought, research into lot sizes around Australia reveals the following :

- The national average for new lots is 450 – 500m² is the average lot size and the most constructed new house nationally is 4 bedroom and two-bathroom dwelling. ABS data shows the average existing Australian house has three bedrooms and the average block size is 474sqm, according to the National Land Survey Program.
- Domain Group economist Trent Wiltshire is quoted as saying “the smaller blocks were a way to keep prices down for buyers”. “Smaller block sizes in new developments enable developers to keep new house and land packages affordable”. UDIA Executive Director Kirk Coningham is quoted as saying “There’s also some influence from the buyers’ side as well as they seem happy to have smaller blocks as it’s more affordable,”

The determination of the minimum lot size of 450 sqm is based on the following considerations:

1. A 450 sqm lot allows a single storey 3 - 4 bedroom, 2 bathroom house to be constructed on the site which allows a single family, first homebuyer or downsizer to comfortably be accommodated with a sufficiently large yard that is able to be easily managed.
2. A 450 sqm lot will allow the development to maintain a 15m to 20m lot frontage and therefore not detracting from the streetscape when combined with larger lots (an 850m lot will be around a 20m to 25m frontage). Through good urban design and lot location the 450 sqm lots will not look out of place with larger lots in a streetscape.
3. 450 sqm will allow lots to be sold for around \$200,000 - \$240,000 versus the current \$350,000. This will allow an entry level buyer into the market (noting council contributions will remain the same per lot).
4. Covenants could be placed to limit building size to around 200 sqm.
5. A 450 sqm lot would achieve a minimum lot frontage of 15 metres, which is a sufficiently wide enough lot to provide a good house and garage proportion and overall presentation to the streetscape.
6. Smaller lot sizes as promoted will fulfil a lot size that is not widely available in the urban fabric within Bungedore (Refer Attachment 1).

The location of the minimum 450 sqm lots within Bungedore East would be based on the following locational principles:

1. Immediately adjacent to or within close proximity of:
 - a. Local open space (50 metres).
 - b. Active open space (100 metres).
 - c. Riparian and natural amenity areas (100 metres).
2. No less than three small lots would be permitted to be adjacent to one another within any one street.
3. Smaller lots are not to be located on street corners.

When taking into consideration the lot size minimum and locational considerations, this would overcome concerns that the development outcome would have a feel of being an inner urban subdivision, rather a comfortable mix of diversity to allow a good socio-economic mix that adds vibrancy and opportunity within Bungedore.

5. Implementation

To ensure flexibility to deliver lots within a Master Planned community and avoid prescriptive maps that can restrict good urban design outcomes from being achieved, we suggest that a mechanism to achieve the desired minimum lot size outcome could be to represent a minimum lot size of 850 sqm on the Local Environmental Plan Lot Size Maps, with the inclusion of wording into Clause 4.1C of the Palarang LEP 2014 which reads as follows:

“(4) Despite clause 4.1, development consent may be granted for the subdivision of a lot on which development for the purposes of an attached dwelling is proposed to be carried out if the area of each resulting lot will be at least 450 square metres to land at Kings Highway, Bungedore, being Lot 1 DP747767 and does not result in a percentage greater than 20% of the total yield.”

This would provide certainty that the prescription of the minimum lot size only applies to the Bungendore East development.

6. Summary & Conclusion

The inclusion of a smaller proportion of the housing mix to be 450 sqm lots allows a diversity of housing choice for a wider section of the community to live in a new house in Bungendore. Controls can be incorporated to limit the maximum total floor area and ensure they remain a small footprint house.

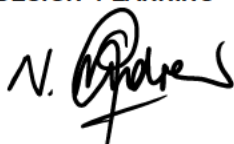
The proposition being promoted allows entry level turnover where residents can buy a smaller and more affordable entry level house and then move to a larger house when equity permits. This in turn allows a new entry level buyer to then purchase and the process continues another cycle. By a diversity of lot sizes multi generation housing opportunities exist in a similar way to inner urban areas of established settlements across Australia.

Accordingly, we seek Council officer support for the inclusion of 15-20% of the lot yield to be a minimum lot size of 450 sqm as promoted within the content of this submission.

Should you wish to discuss this submission, please feel free to contact the undersigned at either nigelm@designandplanning.com.au or on mobile [REDACTED].

Yours faithfully

DESIGN+PLANNING



NIGEL McANDREW
DIRECTOR

Attachment 1 – PRDnationwide Bungendore Advice

Mr Gary Fielding
Chair, Regional Housing Taskforce

27 August 2021

Dear Gary

SUBMISSION TO REGIONAL HOUSING TASKFORCE

Please accept this submission to the regional housing taskforce. Firstly, congratulations on your appointment as chair of the Regional Housing Taskforce. It is comforting to know that the government recognises and values the expertise of planners such as yourself.

As you are aware, I am a planner that has been living and working in regional NSW for over 25 years. I have drafted and been involved in several housing and land use strategies over that time and most recently have been engaged by Murray River Council to prepare a local housing strategy and by Federation Council to prepare a growth management strategy with a focus on the provision of housing.

There are some serious impediments to the supply of affordable land and housing in regional areas that may be able to be addressed through changes to the planning system. Issues that need to be addressed to address land and housing availability and affordability in regional NSW:

- Find ways to address land banking to facilitate urban land release where owners possess large tracts of land that are zoned for housing development but do not proceed to develop that land. It is understood that the land development process relies on the aspirations of the land owner, their access to capital and market conditions. However, we need a mechanism to obligate owners to subdivide and make available such land to the market particularly during times of high housing stress such as now. This could be the threat of back zoning if the land is not developed within a specified time period, or the awarding of rate incentives to develop.
- Provide funding to all regional councils for strategic projects such as local housing strategies and the preparation of land availability monitors. Many regional councils either do not have the capacity to carry out such tasks in-house or do not have the funds available to engage consultants. Councils have been collecting planning reform funds on behalf of the state government which could be put to this use.
- Address the issue of a minimum lot size for dwellings on rural land at a state level. At the moment, each council has to determine the MLS on rural land using guidelines issued by the government decades ago. As the issue is being dealt with at a local level across the whole of NSW it seems wise that the state government provide updated guidance or even develop standard LEP provisions or development standards to address this issue. This could be used to generate dwelling entitlements in areas of high demand for rural living having regard to the need to protect agricultural land and primary production.

sustainable thinking

There are also other factors that relate to taxation and investment that affect supply and affordability. Although the terms of reference for the Taskforce are concerned solely with the planning system, I would like to touch on these extraneous factors as there is a definite overlap and I am of the opinion that these issues should not be considered as entirely separate.

On broader policy, I recommend that the NSW and/or Commonwealth Government consider the following:

- Legislate to abolish stamp duty on land and housing transactions or to limit the imposition of stamp duties. I understand that this would cause a substantial loss of revenue for the state government, however, it adds substantial costs to the purchase price of land and housing. This is a conflict of interest for the state government.
- Impose a vacancy tax on the ownership of multiple dwellings if dwellings other than the place of usual residence are not made available as permanent rental accommodation. There are many dwellings that sit vacant in regional areas, particularly in holiday destinations such as coastal villages where the rental market is extremely tight. These dwellings are used as holiday homes and short-term rentals and remain unused for most of the year especially in areas where tourism is seasonal. The government could impose a tax on such dwellings based on valuation unless it is proven that a lease contract has been entered into to provide permanent rental accommodation.
- Abolish negative gearing. Although this serves to provide investment in properties that may be made available for rent, it is an inequitable tax break that benefits those in better financial positions than others and contributes to land and housing price increases through additional demand pressures.
- Legislate to ban or further restrict foreign investment in housing. This is the elephant in the room and is not making news headlines. Foreign investment in housing places pressure on supply and increases prices and values through competition, making less accommodation available for the domestic market. This has been done in New Zealand.

Thank you taking the time to read my submission and I hope that it can make a positive contribution to this most important issue facing future generations of Australians and the less fortunate.

Yours sincerely,



Allen Grimwood
Director, Zenith Town Planning Pty Ltd

SPECIFIC REGIONAL CHALLENGES

- Population growth: regional councils are not sufficiently prepared for the scale and pressures of population growth – potential of misdirected development into urban sprawl at the cost of productive lands and lack of planning to maintain and reflect character of the town and surrounding area. This growth is putting pressure on infrastructure planning such as water security, roads, and utilities
- Lack of sites suitable for development, especially availability for community housing providers to develop social and affordable housing for those of low income and the homeless.
- Community concern over housing/swelling densities and smaller lots than 500sqm. NOTE: and yet, in town centres such as Bathurst AND Orange, there are historic townhouse terraces in some streets that appear to be acceptable.
- Biodiversity and green open space need to be included into the infrastructure planning process. Cost and restrictions on developers affect availability of finance for the project.

INFRASTRUCTURE ALIGNMENT & SEQUENCING

- Since the recent droughts experienced in the Central West, water security is one of the major issues facing regional councils. Slow to enact rainwater harvesting initiatives for residents, lack of investment in stormwater harvesting and grey or black water harvesting is putting pressure on existing dams.
- Infrastructure planning needs to be carried out before subdivisions are developed to avoid congestion. Caps on developer contributions (around \$20,000 per lot) are not sufficient for major infrastructure projects, requiring State and Federal government support. The caps are also making it difficult for affordable housing.
- Proper planning and available funding for infrastructure for the future growth of population should be part of the strategy for housing delivery.

DIVERSE AND AFFORDABLE HOUSING

- Finance sector needs to be a more active partner in the discussions on affordable housing. Can government assist with lending requirements for low-income families or young people to get into their first home?
- Too many restrictive planning rules stifle innovative housing solutions, such as development of mixed dwelling types for multi-tenancies or multi-generational dwellings. Tick box planning compliance in a binary manner do not allow for innovative solutions.
- LEP and DCP are often not aligned, causing conflict in interpretations of planning rules.
- Arranging applications that involve multiple landowners to create a development site is a complicated, difficult, and time-consuming task.
- Review financing model to enable development of build-to rent-to buy for lower income families or young adults to purchase their first home, by arranging low interest loans.
- Collaboration and communication between community (including First Nations custodians), developer, Council, and design professionals (architect / planner / engineers / ecologist / naturalist / environmentalist) is the key to creating a better designed integrated subdivision developments that address many aspects of a successful development, such as housing typologies, community facilities, modes of transport, open green spaces/parklands with self sustaining water treatment ponds and waterways, energy generation and waste treatment facilities. In other words, creating a healthy, livable urban environment.

ACTIVATING DEVELOPMENT

- Regional towns and cities often have existing underutilized upper storey dwellings over retail or commercial premises. Main inhibitor to developing these into complying dwellings require a great deal of investment for the property owner, e.g., fire and access compliance to current building codes. Government incentives for property owners to activate these empty dwellings or conversion of upper storey commercial spaces into dwellings may induce investment into this initiative from the private sector.

- Regional city blocks tend to be wide and deep (50m-200m), suitable for infill development. This allows retention of the historic streetscape character, that draws new residents and visitors to the regional towns and cities.
- Where Council owns housing properties, a program of maintenance and upgrading existing dwellings, or partnering with private industry or community housing providers to redevelop the site(s) may increase the housing stock in the area.

HOUSING FOR ITINERANT/SEASONAL WORKERS

- Itinerant/ seasonal workers seeking accommodation affect the short-term rental housing market.
- Collaboration with stakeholders to juggle mining / agriculture /sports and cultural tourism requirements for accommodation by creating a 52-week roster arranged with mining companies, orchardists, and tourism events teams to ensure that accommodation is available for the period workers are required or visitors/tourists are expected.
- Increased investment in properties for the short-term accommodation stays (B&B) marketplaces rental availability to those seeking long term affordable accommodation under stress.

COUNCIL INITIATIVES AND PARTNERSHIPS

- Bathurst Regional Council is one of the largest landholders in the LGA for development. It needs to form a partnership or obtain grant funding to develop their Laffing Waters master plan that has many elements mentioned under *Diverse and Affordable Housing*.
- Developers are buying up older run-down public housing stock for demolition and development. Council or State-owned vacant properties could be repaired, adapted, and repurposed to accommodate low-income families.

Submission to the NSW Regional Housing Taskforce

THOW/S - Tiny Homes On Wheels / Skids are a unique housing typology and the potential community and social benefits that flow from that.

The Australian Tiny Home Association (ATHA) advocates for recognition of THOW/S - in building, planning and local laws, as well as the removal of barriers to approval.

ATHA's view is that if THOW/S are constructed and certified to NCC compliance, have a tie-down/foundation system and are lawfully connected to services they are effectively no different to conventional houses in terms of safety and amenity, however, they are still likely to be constrained by planning and local laws around secondary dwellings, as well as costly and time-consuming approval processes in most local government areas across the country. We advocate for removal of restrictive policies such as these.

THOWs are usually road registered and not have or seek NCC compliance certification. In such cases they will be treated the same as caravans, tents and RVs by local authorities. ATHA advocates for THOWs in this category to be recognised as dwellings which can be permanently occupied, without relationship or employment restrictions, under a permit type system for periods of up to 5 years. Short term permits, less than 1 year, create too much uncertainty and add undue expense.

The current NSW exemptions allow you to:

A: Install no more than 2 caravans, campervans or tents if someone stays short term for no longer than 2 days at a time and no longer than 60 days in a single period of 12 months;

B: Install not more than one caravan or campervan on land occupied by the owner of the caravan or campervan and, where there is an existing dwelling on the land. It must only be used for the habitation of the owner or by members of the owner's household and maintained in a safe and healthy condition;

C: Install a caravan or campervan on agricultural land if it is only occupied seasonally by people employed as part of the commercially viable agricultural operation of the site.

If you don't meet any of the above exemptions, and you plan to live in your Tiny House on Wheels long term, Council requires a DA.

77(b) the terms "in connection with" (the owners main dwelling) and "members of the owners household" are far too vague and it is completely inappropriate that local councils /duty planners get to decide who is a member of the owners

household. I would argue that the National census suggests anyone on your land at 'x' time is part of your household at 'x' time. The census does not distinguish family/friend/partner so why does this law?

ATHA's Tiny House Construction Guide currently in field trials addresses our objectives for safe and sound THOW/S. We are hopeful that this document will eventually form part of a recognition pathway for THOW/S in Australia.

We would like to see a streamlined approval process with significantly reduced costs for THOW/S, particularly when they are part of an affordable, emergency, or social housing initiative. Costs include application fees, infrastructure charges, levies and taxes from government as well as the cost of professional consultant inputs often required to support the application process. In Brisbane houses on "small lots" less than 450 m² must comply with the "Small Lot Code" under the planning scheme, however, if the design ticks all the compliance boxes in that Code, it is automatically self-assessable, no DA required, only needing Certifier sign off at BA stage. A similar mechanism might be extrapolated to THOW/S in New South Wales as part of the solution to reducing barriers.

2021-22 Action Plan NSW Housing Strategy

Published by NSW Department of Planning, Industry and Environment

"Housing 2041 is a 20-year commitment to achieving the goals and ambitions for better housing outcomes and greater housing choice for the people of NSW.

The actions for Housing 2041 are embedded in a strategic framework and are united under our vision to ensure that NSW will have housing that supports security, comfort, independence and choice for all people at all stages of their lives.

Although the strategic pillars will guide the vision over the next 20 years, as a dynamic strategy, the priorities and actions will continually evolve to adapt and respond to changing circumstances, emerging evidence and community expectations. The 20-year vision will be achieved through multi-year action plans and will be delivered by the NSW Government and its partners through a multi-stakeholder governance and implementation framework."

THOW/S - Tiny Homes On W(heels / Skids are a unique housing typology that closely aligns with the NSW Government Housing 2041 strategic framework in terms of supporting new housing typologies and the potential community and social benefits that flow from that.

We saw the enormous benefit to the community that Tiny Homes were able to provide in the aftermath to the 2019-2020 bushfires.

Over the course of a few months, 26 lives were lost, 2448 homes were destroyed and 5.5 million hectares (ha) of land was burnt. The impact on NSW communities, farmers, local businesses, wildlife and bushland was unprecedented.

THOW were being used to provide emergency accommodation for residents whose homes were decimated by the fires, in many cases these people are still living in these Tiny Homes, with some residents unlikely to ever return to their traditional homes, due to the fear of it occurring again.

THOW provide are a real solution to government and the emergency services sector, where you need to remove people from an immediate threat to their safety.

This was also seen in the recent NSW floods, where Tiny Homes were able to be towed out of rising flood waters, as was the case in the Hawkesbury.

THOW/S can easily address the critical shortfall of social and affordable housing outcomes, given the price of a Tiny Home compared to the price of a regular house and land in NSW. Homelessness affects every regional community in NSW, with the associated costs managing this set to skyrocket in a post Covid landscape.

THOW/S can also support the supply of suitable housing for essential workers in hard to fill locations, particularly in the current climate where getting construction workers to build housing outcomes in to remote regions is not possible.

Peter Wigley

NSW State Lead

ATHA (Australian Tiny Home Association)

peter@tinyhomesaust.com.au

Ph: 0411 079 446

Regional Housing Taskforce

Submission from Clarence Valley Council

Dear Mr Fielding,

Thank you for the opportunity to provide a submission to the Regional Housing Taskforce. We look forward to further involvement at the appropriate time. Regional NSW Councils, DPIE and other organisations should be working together to help find ways of resolving current and future housing challenges and contribute to a more sustainable future for regional areas and settlements.

Council notes the recent formation of the Regional Housing Taskforce (the Taskforce), it's terms of reference and scope, and provides the following feedback to assist preparation of the Taskforce's report to the Government.

In summary, the Clarence Valley already has a supply of zoned vacant residential land ready for development that does not provide a barrier to housing supply. However, we also have one of the highest rental stress levels in NSW, and an overheated real estate market. In addition, the size of dwellings in existing housing stock as well as new homes being provided does not match our demographics with an ageing population and increasing numbers of lone person households. Council has limited tools available to ensure that supply suits demographic characteristics.

Council proposes to undertake liaison with local housing providers such as North Coast Community Housing, private developers, real estate agents, and the community in preparing a Residential Housing Strategy and Local Growth Management Strategy later this financial year. It is anticipated this strategic planning work will investigate opportunities and initiatives to address the lack of housing choice across the Clarence Valley. However, we ask that the Regional Housing Taskforce take the opportunity to make the case to government for additional regulatory tools and ideas to assist local Councils in the provision of affordable and appropriate housing in regional communities.

RECOMMENDATIONS

In summary, the Regional Housing Taskforce is requested to promote the following matters (in no order of priority) in the reports to the NSW Minister for Planning and Public Spaces:

1. Take a holistic look at the 'supply chain' – The review needs to consider more than where the supply of housing interacts with the planning system (zoning, DAs). It also should consider the need for certain types of housing to match demographic trends, the actual costs of housing supply (land appraisal and acquisition, design, DA's, finance, materials, labour, stamp duty, etc.) and opportunities to better manage these aspects to encourage housing supply;
2. Significantly streamline the planning proposal (rezoning) process for new residential land when consistent with a NSW Government endorsed settlement strategy or local growth management strategy;

3. Increase funding and resourcing of State or community housing providers to build capacity for the provision of housing, particularly smaller dwelling types, to match community demographics;
4. Revise local government rating and index prescribed fees for development applications according to CPI to enable Councils to generate more income so they have the opportunity to actively participate in the provision and management of affordable housing;
5. Reduce red-tape to enable local Council's to participate in public-private partnerships
6. Reduce red-tape and revise requirements to enable new residential release areas to efficiently connect to the State road network;
7. Ensure interventions are adaptable to local circumstances and community needs, i.e. different tools may be more suited to Councils and housing providers on the North Coast, compared to Sydney or Western NSW;
8. Investigate opportunities to provide for sustainable and appropriate housing through new or amended provisions in relevant SEPPs, eg BASIX SEPP, Codes SEPP and Affordable Rental Housing SEPP;
9. Investigate mechanisms that are likely to encourage and/or require smaller (1-2 bedroom) homes to be provided by private developers or the housing industry where a need is demonstrated through housing studies and/or local demographics, publish those findings and promote with local Councils and housing providers;
10. Determine what measures can be used to address land banking what practical tools are available to unlock housing delivery on zoned vacant land;
11. Recognise the importance of good decision making through the planning system, and the sustainability, resilience and community benefits of good planning;
12. Continue with appropriate planning reforms, eg planning proposal processes, to make the NSW planning system easier to navigate and fit for purpose – coupled with ongoing collaboration between DPIE and local government;
13. Re-introduce NSW Government monitoring of housing and land release and sharing of information among Councils and DPIE;
14. Recommend a more collaborative approach between federal-State government and State-local government to progress ideas that the Taskforce presents to the Minister; and
15. Conduct demographic and psychological analysis to better understand how factors, such as COVID-19, high-rise and residential building disasters, and even natural disasters such as bushfire and floods, contribute to societies willingness to live in more dense residential development and/or locate in regional locations, to help inform decision making and future planning.

(cont'd over)

Context

The Scope of the Taskforce investigation is published on the DPIE website and there appears to be a heavy focus on barriers in the planning system as highlighted below:

*In consultation with relevant experts and stakeholders, the Taskforce will investigate **planning barriers** and develop recommendations to address regional housing issues with a focus on:*

- *The **planning system** and other government levers to stimulate housing supply and address housing needs*
- *Removing impediments within the **planning system** to the delivery of affordable housing types and housing generally*
- *Identifying mechanisms within the **planning system** to facilitate and drive the delivery of housing matched to community needs*

We also note that the Commonwealth House of Representatives Standing Committee on Tax and Revenue will *inquire into and report on the contribution of tax and regulation on housing affordability and supply, that is:*

- *Examine the impact of current taxes, charges and **regulatory settings** at a Federal, State and Local Government level on housing supply;*
- *Identify and assess the **factors that promote or impede** responsive housing supply at the Federal, State and Local Government level; and*
- *Examine the effectiveness of initiatives to improve housing supply in other jurisdictions and their appropriateness in an Australian context.*

Given these concurrent reviews occurring, we submit that a collaborative approach between federal, state and local governments, together with industry, is needed to identify, prioritise and action a range of potential impediments to the delivery of more affordable and appropriate housing in regional NSW.

There are a plethora of tools and mechanisms that need to work together to ensure a more sustainable and timely supply of affordable and appropriate housing to support the needs of the community. Many of these levers are entirely out of the control of local government and the planning system, however they all interact together with Councils who are at the end of the decision-making process reacting to other market forces, community needs and national trends.

While decisions around land use are fundamental to how Australians live and work and the resilience of our communities, the benefits and costs of the planning systems are not easy to quantify. A range of work from the Productivity Commission has tackled these issues over the past few years. For example, the Productivity Commissions Information Paper from March 2021 titled, *Plan to identify planning and zoning reforms* states that:

Various studies, including the Commission's Shifting the Dial: 5-year productivity review, have highlighted how planning and land use regulations, and regulatory practices, can adversely impact housing affordability, the cost of doing business and the economy generally.

But then goes on to admit that:

Although the evidence base is often patchy, commonly cited impediments include...

The planning system is critical to ensure resilient and sustainable communities. It also responds to market failure and plays an important role in the management of cities and how

people move around. Planning adds value to housing – it delivers quality places and strengthens communities by promoting housing choice, improving design, efficient planning for infrastructure and reducing development costs and lifecycle costs through smart strategic planning - and it can provide pathways for affordable housing.

However, there are a wide range of other factors outside of the control of planning frameworks that influence housing affordability. We encourage the Taskforce to illustrate the typical housing supply chain in regional NSW and to fully examine each component from inception to 'turning the key' on a new home. An interrogation of the housing supply chain, rather than just where the supply of housing interacts with the planning system, could provide better outcomes for the community, particularly coupled with the House of Representatives review currently underway.

There are many improvements that can be made to the planning system, however the actual costs of housing supply - land appraisal and acquisition, design, holding costs, finance, cost of materials and availability, labour supply and skills, stamp duty and a range of other costs should be quantified and discussed in relation to their interaction with land use planning.

Rental Housing Stress in the Clarence Valley

The table below illustrates that in 2018 the Clarence Valley LGA had the 5th lowest rental affordability in NSW (see table below). Completion of major State infrastructure projects like the Pacific Highway Upgrade, Clarence Correctional Centre and second Grafton Bridge, may have changed this ranking, however Council has economic strategies that seek to drive economic growth and attract more significant projects which is expected to keep housing demand high.

| LGA | AHIG Index | NSW rank | Measure |
|------------------|------------|----------|------------------------|
| Byron Shire | 61 | 1 | |
| Woollahra | 47 | 2 | Extreme housing stress |
| Ballina | 47 | 3 | |
| Waverley | 38 | 4 | |
| Clarence Valley | 29 | 5 | |
| Northern Beaches | 24 | 6 | Severe housing stress |
| Tweed shire | 21 | 7 | |
| Ku-ring-gai | 21 | 8 | |
| Kiama | 20 | 9 | |

Source: Compass Housing (2018)

Table 1 - Affordable rental housing in NSW 2018

Clarence Valley Council has been proactive in considering the needs of the community, with the development of the Clarence Valley Affordable Housing Strategy, the Positive Ageing Strategy and an Affordable Housing Policy.

However, there is a need to increase the rate of diversified housing stock being supplied and tenure options to meet the changing needs of our community, including our ageing population, decreasing average household size and changing socio-economic profile. Encouraging the development of smaller, more manageable, well-located dwellings that allow for positive 'ageing in place', as well as continuing to provide for the needs of younger people, families

and lower income households is needed. The needs of older people who are currently in private rental will also be an increasingly serious issue to be considered in the Clarence Valley.

Council is also aware that declining affordability is affecting the sustainability of our community, including the ability to attract younger people and key workers, and enable longer-term residents to remain within their local communities. The ability for Council to effectively ensure provision of affordable and appropriate housing stock is limited given the control that private developers have on housing supply.

Challenges for housing and potential solutions in the Clarence Valley

The reasons for stress on housing supply are often not new, however there are a range of new and emerging factors that add to the complexity of the challenge. Further, the situation is likely to be different in regional areas of the State compared to metropolitan Sydney, Newcastle and Wollongong, at least due to the significant difference in land market values and the influence that has on housing development outcomes.

The following matters are presented to offer the Taskforce some local Clarence Valley context and are provided in no order of priority.

Rezoning as a solution?

With respect to the Statewide housing shortage, one of the NSW Government's responses has been to announce the immediate rezoning of land in Sydney's south-west to accommodate 18,000 new homes as well as creating this Taskforce to investigate regional housing issues. According to some recent media releases, the above action would indicate that, in the case of Sydney, the act of rezoning the land for housing is a sufficient response to remove the planning barrier to the supply of new housing. If that is the case, then there are no significant planning system barriers affecting the supply of housing in the Clarence Valley LGA.

The Clarence Valley LGA currently contains four (4) urban release areas (URA) under varying stages of residential development. These URAs are located at Clarenza, Gulmarrad, Junction Hill and West Yamba. All of these URAs have significant undeveloped vacant land and are zoned to enable residential housing development. In addition, there is a 33-hectare vacant land parcel zoned residential at James Creek (east of Maclean). There are also very large tracts of undeveloped R5 Large lot residential zoned land across parts of the LGA. Hence, it is submitted that the availability of zoned vacant residential land is not a barrier or impediment to the provision of new housing.

The Clarence Valley Local Environmental Plan and related Development Control Plans naturally enable residential housing of varying forms across some or all of the land zoned R1 General Residential, R2 Low Density Residential, R3 Medium Density Residential and R5 Large Lot Residential within the LGA. Some of these lands are constrained (eg flooding, bushfire risk, biodiversity, slope, etc.), however on the whole these constraints are either able to be overcome or managed and are typically not considered to be major planning barriers for existing zoned areas. Future rezoning of new residential land needs to be compatible with, and preferably avoid, such hazards to reduce risk to future communities and costs to government.

Strategic planning and rezoning for housing

Clarence Valley Council will be preparing a local growth management strategy this financial year. That strategy will be supported by strategic reports on rural land, employment lands and residential and housing needs for the next 20 years. The residential and housing work will generate more specific data for the LGA to support adjustments to the CVLEP and associated development controls and explore other mechanisms outside the regulatory planning instruments.

The planning process can seem cumbersome to be able to respond to changing circumstances. The planning proposal process, which can be uncertain and time consuming, taking anywhere from 9 months to two years to complete is one impediment in the planning system to the supply of housing. This means that from the inception of an idea for new greenfield development to having a home someone can live in could take anywhere between 3-5years and often more.

This means three things need some attention to enable increased housing supply to overcome current housing supply issues:

1. The efficient use of existing vacant zoned land is essential and also tools should be available to help bring housing to market (ie prevent or avoid land banking); and
2. The optimal use of existing urban areas and different housing choices (smaller homes) should be incentivised through collaboration between government, Councils and developers.

In the medium term the NSW Government needs to enable more expeditious zoning of new residential land where consistent with DPIE endorsed settlement strategies or local growth management strategies. The current planning proposal process has suffered a considerable shift away from the fit-for-purpose process that was originally intended and this is unreasonably slowly down rezoning, and later subdivision, of land and adding more cost and uncertainty for developers and local communities alike. Council is aware that the NSW Government is currently reviewing the planning proposal process and Council staff have provided separate submissions to that review.

Impact of COVID on housing supply?

The NSW Government appears to be placing considerable weight and linkage between the current housing shortage and associated stresses to the COVID-19 pandemic. While there may be some relationship it is respectfully submitted that the shortage of housing and in particular, appropriate housing diversity to suit the needs of local demographics and community, has existed well before COVID-19 came on the scene. In fact, in the Clarence Valley building activity and development application (DA) numbers have increased since COVID-19 began impacting movements of people in Australia and overseas as people seem to be investing in house alterations and other domestic development-related activity. In the 2020/21 financial year Council determined 924 DAs with a median processing time of 41 days, with a significant proportion of the DAs processed under 40 days being related to domestic dwellings. Hence, it is suggested that Council's DA processing timeframes are not a substantial barrier to the provision of new housing product into the local community.

It is also unclear if the impacts of COVID are a long-term trend. Some disasters have impacted the real estate market, but quickly bounce back, others take longer. For example, the Christchurch Earthquakes, London's Grenfell Tower fire, 9/11 attacks on New York and others saw a decline in the desirability of high rise and medium density housing options, but eventually bounced back. Natural disaster events, like bushfires and floods, can result in most people (apart from those directly affected) having even shorter memories and real estate prices and demographics quickly bounce back. COVID may have similar impacts? The Government appears to support migration of city dwellers to regional centres and current circumstances again provide an opportunity for the NSW Government to harness the desirability of regional areas at present for the long term. Further, there is a need to understand if this immediate desire to relocate to regional areas is a self-sustaining phenomenon, or when the pandemic comes under control whether people's natural desire to live in cities will return. All Councils in regional NSW would benefit from some further demographic and psychological analysis to help inform decision making, consolidated at a State level. Interviews with the likes

of Bernard Salt and other demographers would assist the Taskforce, coupled with understanding technological megatrends, such as working from home.

Private industry drive housing supply in CVLGA

From our experience, the issues around housing are more deep-seated than the COVID impact and are considered to be controlled heavily by market forces, the land market and the rational pursuit of profit and capital gain by private industry and developers. The profit margins and economic considerations are often poorly understood by Councils, however while ever there is not a sufficient financial incentive for private developers to provide appropriate housing mix or adequate funding and resourcing of State or community housing providers then we can expect to get more of the same and that is not a good planning or sustainable outcome. Advice for the Government and local Councils through the Taskforce findings as to what financial measures or incentives would encourage better housing outcomes would be of value.

In general terms, the supply of housing in the LGA is driven by the land market and the private development industry determine when it suits them to develop or release land. There are a significant number of approved residential subdivisions that have not progressed to civil construction phase. Again, the timing of this phase of development is determined by private industry, however the costs and red-tape associated with infrastructure, for example, connecting new residential estates to the State road network are reportedly cost prohibitive and the Government needs to take an active role reducing such barriers where the supply of housing is constrained.

Infrastructure and funding

The costs of providing infrastructure is an excessive impediment to the development of some zoned areas, however this is certainly not the case in all situations. Infrastructure costs fall to both developers as well as local Councils to varying extents and at times higher levels of Government. Developers have advised Council that the design standards and red-tape associated with connection of new residential developments to the State road network is cost prohibitive and hence, provides a significant barrier to timely release of residential land for housing in some cases.

The ability for local Councils to raise revenue to provide infrastructure or even participate in assisting with the supply of housing through, for example, subdivision of Council-owned land or public-private partnerships, has been constrained by the NSW Government for decades with measures such as rate pegging and lack of indexation of prescribed DA fees preventing income keeping pace with rising costs of doing business and providing services. If the NSW Government wants local government to play a greater role in the provision of new housing, either directly or indirectly, then a significant overhaul of the rating system, prescribed fees and processes for Council's to be involved in business through public-private partnerships needs to be completed to enable reasonable income streams and therefore resourcing of Council to participate more effectively in the housing market.

Housing diversity and incentivising smaller dwellings

The supply of new housing in the CVLGA has traditionally been skewed towards detached dwelling houses of 3-4 (or more) bedrooms while the percentage of lone person households has increased. In 2016, nearly 70% of households in the LGA had 2 or less occupants (40.1% as 2 person households and 29.3% as lone person households). Both of these figures having increased from 39.5% and 27.7% respectively in 2011. In the CV LGA, lone person households are expected to grow to over 31% in 2026 and slowly increase to nearly 32% in 2041. The gap between the needs of the community in terms of housing size and what gets provided by individuals and industry involved in provision of housing supply appears to be growing.

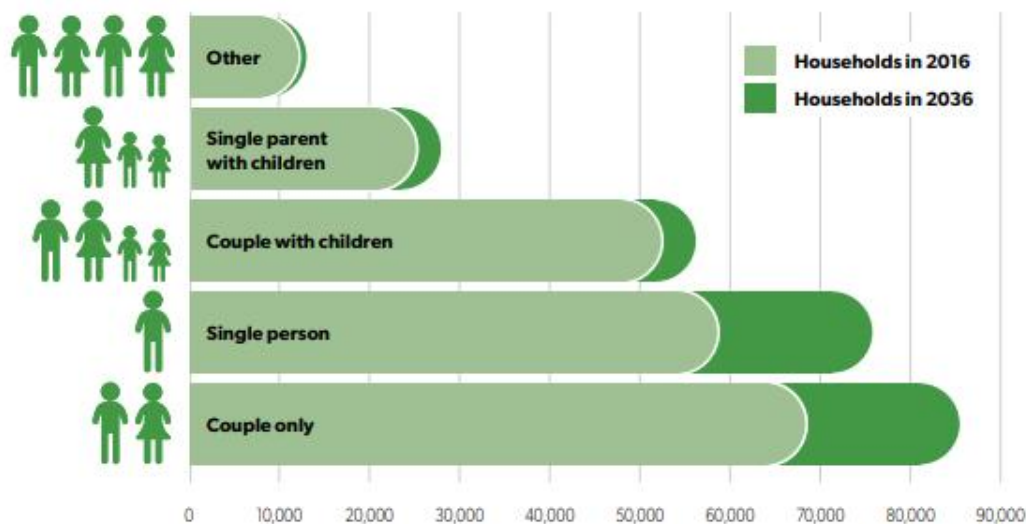
Housing supply needs to be suitable for the occupants and more closely aligned to current and future population demographics. It is suggested this could be a more crucial issue than housing affordability, although the two are linked. The NSW Government needs to urgently find ways to encourage or incentivise the provision of smaller 1-2 bedroom dwellings throughout the State as the trend towards smaller household occupancy rates is certainly not confined to the Clarence Valley. These dwelling sizes are not necessarily 'affordable' housing however being smaller they would typically involve less capital investment. In addition, smaller dwellings are easier to maintain, heat, cool, etc and have a lower carbon footprint to build and maintain making smaller houses a more sustainable option for a range of reasons. Hence, review of the BASIX SEPP provides one 'planning system' instrument that could be used to encourage smaller dwellings through changes to building sustainability index settings or standards.

Additionally, the Exempt and Complying Codes SEPP (the Codes SEPP) offers an avenue to introduce provisions to promote smaller dwellings to be provided as complying development and the associated streamlined approval pathway. However, standards need to be appropriate to ensure the design quality and amenity of new housing, as well as the character of neighbourhoods the housing is located within, is acceptable. The recent announcement by the Minister for Planning and Public Spaces to mandate light coloured roofing and sufficient space for planting of shade trees in new housing estates in western Sydney to reduce heat island effects is one example of where provisions in the Codes SEPP need to be carefully crafted to ensure both short term and sustainable outcomes for housing, urban neighbourhoods and future occupants.

With the population of the CVLGA expected to increase by about 7,500 persons and occupy an additional 3,500 dwellings over the next 20 years to 2041, if lone person households comprise 31-32% of households, then an additional 1100 small dwellings are needed just to ensure housing size correlates with forecast population growth. Once we consider the existing oversupply of larger houses there remains an even greater need for smaller dwellings to be provided both now and in the future.

Growth in household numbers as well as the trend toward increasing proportion of 1-2 person households is also forecast to apply to the North Coast as a whole as evidenced by the Household Composition Forecast 2016-2036 contained in the North Coast Regional Plan (NCRP) as provided below.

Household Composition Forecast 2016-2036



The NCRP and regional plans before that included clear estimates of new housing supply needs, and targets for diversity. Action 23.1 of the NCRP seeks to provide for housing diversity through the delivery of 40% of new housing in either dual occupancy, apartments, townhouses, villas or dwellings on lots less than 400m² by 2036. The graphic below borrowed from the NCRP shows how the targets for housing mix are proposed to shift from the time the Plan was adopted.

New Housing Delivery by Type



Given the dire need to close the gap between housing diversity as supplied and housing diversity and size needed to suit community demographics (as highlighted earlier) there is a real need to question whether the target in the NCRP is adequate. The scheduled review of the NCRP by DPIE this financial year offers a great opportunity to explore this issue and find solutions. Further, it would be of interest to know what monitoring of targets like this occurs at the regional scale to ensure housing supply and diversity is on track. How is this communicated to local Councils to ensure their local planning strategies and controls are revised? In the 1980's and early 1990's a regional scale Population and Land Monitor was prepared and distributed by the then NSW Government's Department of Planning that provided a useful mechanism for such communication. In terms of establishing and revising the target it is worth considering that while these higher density housing forms more often include smaller dwelling sizes (i.e. 1-2 bedrooms), it is not necessarily the case and often residential units, townhouses, and single dwellings on lots under 400m² are designed and built with 3 or more bedrooms presumably to maximise economic return and marketability. Again, the market is controlling the type of housing supply the community gets and not the planning system.

Affordable Rental Housing (under the ARH SEPP)

The State Environmental Planning Policy (Affordable Rental Housing) 2009 (the ARH SEPP) aims to facilitate a consistent approach to the provision of affordable rental housing across NSW and achieve a number of other aims that are generally considered to be good planning outcomes. However, the pursuit of consistency is not necessarily enabling or providing good affordable rental housing outcomes across the State.

The ARH SEPP currently constrains the supply of affordable housing in some situations, especially when land is not available within 400m of B1 and B2 zones [Clause 10(1)(e)]. This opportunity may exist in new metropolitan growth areas, however in established regional centres where vacant land tends to be located more on the periphery of centres and constraints, such as heritage values are focused around the traditional town centre (the B zoned land). The incentives under the SEPP that enable variations to a range of design

features cannot be utilised by developers when sites are located more than 400m from town centres. This then creates the need for housing providers to seek DCP variations that subsequently adds time and cost to the DA process.

The obvious solution is to consider additional provisions to allow the SEPP to be applied more broadly in regional areas in certain circumstances, for example, provided the proposed housing site is within 200m/400m of a public bus stop/route and within the R1 and R3 residential zones.

CVC Affordable Housing Policy

Council's current Policy seeks the provision of affordable dwelling units or small lots of land at a rate of 1 for every 10 dwellings or lots in multi-dwelling house or urban residential subdivision developments. That Policy is currently under review.

Multi-dwelling unit developments exceeding 10 units are not common in the Clarence Valley, hence the requirement to provide at least one affordable dwelling unit typically doesn't take effect. Provision of smaller lots in urban residential subdivisions in an effort to provide a more affordable house block appears not to be effective as developers are achieving 75-80% of the sale price for a larger 650-800m² lot.

Council's review of the current Policy will use information obtained through strategic planning for residential and housing needs later this financial year, as well as outcomes from the Taskforce, to inform how Council seeks to achieve more affordable housing opportunities for low income residents.

Manufactured home estates

Manufactured home estates have comprised a significant contribution to the proposed supply of housing approved by development consents issued by Council in recent years. That trend does not seem to be abating and is likely to go some way towards slowing the long-term trend towards larger dwellings. There is a need for some positive marketing to overcome the stigma associated with these smaller forms of housing in order to make them attractive to more residents of NSW. The days of quarter acre lots with detached dwellings large enough to accommodate a growing family dominating the residential landscape need to be reversed for the future sustainability of our regional communities.

Seasonal worker accommodation and Government coordination

The CVLGA has in the last 5 years or so seen a significant increase in horticultural operations (berry production and protected cropping) that employ seasonal workers. Traditionally, this labour source has been provided by overseas backpackers and other travelling workers. COVID-19 has significantly impacted this labour supply. Prior to this current season there did not appear to be a significant issue with accommodating seasonal workers, however earlier this year there was increased enquiry about accommodating workers both on farm and in rural areas (off-farm). The CVLEP land use tables limit the capacity to provide multiple accommodations on farms or in rural land. We understand that a solution for on-farm accommodation was negotiated with a berry co-operative and Coffs Harbour City Council who neighbour the CVLGA. There has been no other significant contact with Council seeking on-farm accommodation since earlier this year suggesting the issue was resolved.

Council also fielded enquiries from a non-agricultural rural landowner who wanted to accommodate overseas workers that the Federal government had arranged to come into Australia from Pacific Island nations to support agriculture and help combat the rural worker shortage. Council is unaware of what coordination occurred between this Federal initiative and the NSW Government to enable these workers, who for cultural reasons wanted to be accommodated in large groups rather than dispersed through existing communities and towns. Council advised the proponent that the CVLEP did not enable the proposed form of

accommodation and that either a planning proposal to amend the CVLEP or NSW Government/Ministerial intervention would be needed to enable the proposal. Discussions with NSW DPIE (Planning) to determine the potential for a State government intervention indicated that unless the issue had State significance and/or was likely to be a longer term challenge then it was unlikely that the Minister would support any permanent change to the CVLEP to facilitate such accommodation. This latter case highlights the need for all levels of government to coordinate when necessary to ensure housing, agriculture and employment considerations are integrated when they get active in this space. It also highlights the cumbersome process for amending LEPs and the time-consuming efforts associated with planning proposals.

Conclusion

The Taskforce has a unique opportunity to present existing issues and a range of new ideas and measures to the NSW Government for action to address the housing supply challenge in regional NSW. There is significant complexity to unlocking the potential to provide more housing, let alone affordable and appropriate housing. In the Clarence Valley context it is suggested that there is a significant range of influences outside the planning system that are impacting on housing supply and housing diversity and these must be considered by the Taskforce and the Government if real and practical progress is to be made to resolve this challenge. Notwithstanding that, there are changes that could be made to parts of the planning system, eg SEPPs, to remove barriers to the supply of appropriate and sustainable housing.

We encourage the Taskforce to look at ways of balancing the need to simplify planning processes to improve the supply of housing with the longer term benefits of good strategic planning and provision of quality, sustainable and resilient homes. The built environment leaves the longest legacy, decisions made now about where houses are located and how they are designed will stay with us for generations.

END



**REGIONAL
ARCHITECTURE
ASSOCIATION**

Submission to the
NSW Government
Regional Housing Taskforce

27th August 2021

Regional Architecture Association

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At no point in modern
Australian history has the
role of the regional architect
been as crucial as
it is today.

VIRGINIA WONG-SEE
RAA FOUNDING MEMBER

ARCHITECTUREATALTITUDE.COM.AU

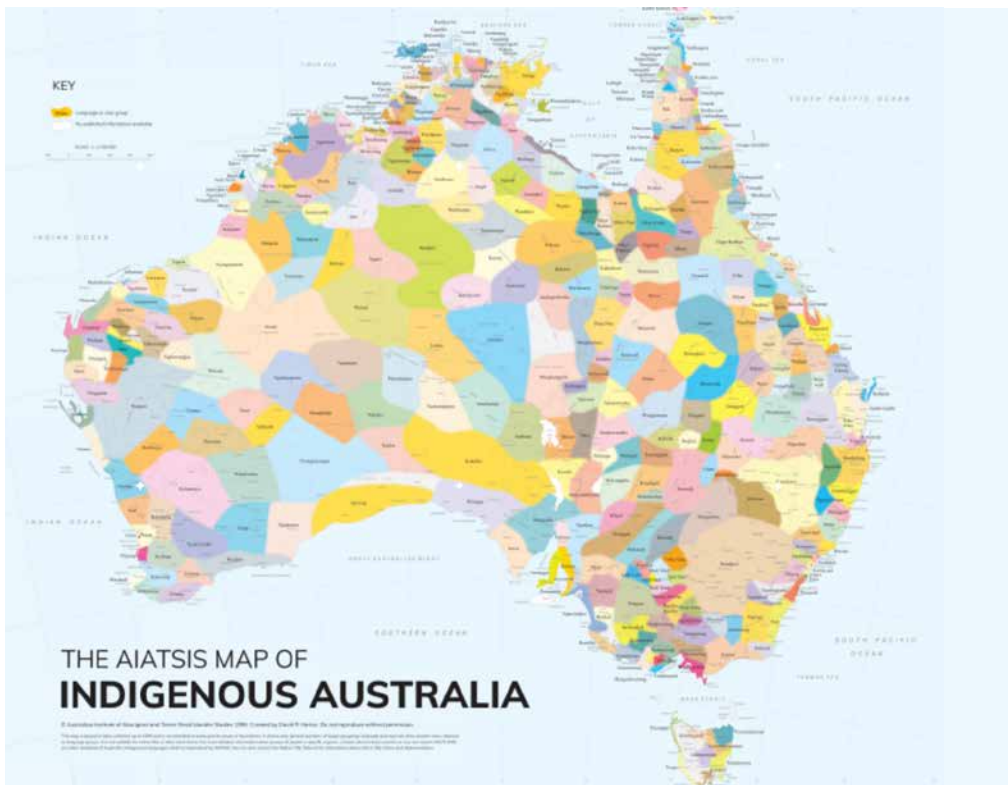
ARMIDALE

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| How Architects play a role in the Regions | 11 |
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The Regional Architecture Association acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community.

We pay our respect to their elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Understanding our ancient landscape as a fine grained regional tapestry informs the need for nuanced regional thinking for the future - today.



On August 26th, after participating in NSW Government Taskforce roundtable meetings – the Regional Architecture Association held the Housing The Regions Symposium online.

Attended by over 60 architects from across the majority of Local Government Areas of NSW, our aim was to gather a collective opinion and contribution for the NSW Government Regional Housing Taskforce.

The following document contains our submission and invites you to engage us in your decision making process.

FOR THE ATTENTION OF

Mr Garry Fielding

Chair of the Regional Housing Taskforce

**Re: Submission to the NSW Government Regional Housing Taskforce
by the Regional Architecture Association**

Dear Mr Fielding,

This letter is written on behalf of the Founding Committee of the recently formed Regional Architecture Association (RAA). We thank you and the NSW Government for facilitating the recent roundtable discussions during a time of housing affordability crisis.

As a formation of regional architects, RAA welcomes the opportunity to contribute towards NSW Government's process in improving housing affordability. The roundtable discussions displayed diversity beyond geography and population throughout the communities of NSW, which cannot be placated through expediting the approval and construction process of new suburban homes.

"A Crisis only happens when you are not prepared."

Tony McBurney - Architect, Bathurst NSW

Due to this diversity, RAA questions whether implementation of state-wide planning controls of Planning NSW can meaningfully cater for all aspects and issues of regional housing affordability, distinct from stimulation of local construction industries.

Further questions for consideration:

- After engaging and consulting with individual communities, what is it our regional communities want?
- How do regional communities preserve independent character shaped by history, but stay relevant to future developments?
- Beyond the scope of our taskforce, what else contributes to positive or negative housing affordability?

As architects and related practitioners, we encounter on-the-ground effects of affordable housing on industry and town in daily life. We believe meaningful communication and education about the characteristics that make our towns and communities unique are key to taskforce success.

Changes proposed which alter the physical character of our regional towns and communities, catering for population growth needs to consider existing and required infrastructure.

“One of the nice things about a country town... is the town”

Tim Lee - Architect, Goulburn NSW

On the 26th of August 2021, RAA held an online Symposium titled “Housing the Regions”. This arose from the NSW Government Roundtables, engaging 75 regional design and architecture related practitioners at short notice. Two representatives from the NSW Government Architects Office attended and contributed positively to the conversation. The 2-hour discussion involved representation from all corners of regional NSW, forming the basis of this submission. We, as association and member body, encourage further inclusion to shape Government intervention surrounding Regional Housing Affordability. We have a member body of broad knowledge, reach, and connection, and welcome the opportunity shape the future of regional housing through collaboration to achieve tangible outcomes.

Key points in relation to our submission are:**01 - PLACE**

RAA believes a critical understanding of “place” is central to any discussion of fast tracking and simplifying future development. Unfortunately it is becoming visible that, speed driven development occurs at the cost of place and character, potentially harming the appeal of regional communities in the long run.

History, People, Commerce, Civic character and Neighbourhood Character create the physical and cultural identity of our regional and rural towns. The built environment generally suffers when rushed, poorly executed suburban development occurs – placing immediate profit ahead of long-term benefit in our regional towns and communities.

02 - PROVISION

One of the dangers with fast tracking suburban development is the creation of housing estates with poor amenity and sustainability outcomes.

When those within Government, construction and development collaborate to develop and deliver meaningful design outcomes, housing diversity and “provision” cater for the varying needs of our communities. This collaboration throughout planning and delivery process could be extended to State and Local Government, Development, Construction and Community. Better education and promotion about positive examples of regional housing development can assist in mitigating negative responses to newness or change. This is something the RAA and Government can do together.

“You don’t build affordability by devaluing a market”

Tony McBurney - Architect, Bathurst NSW

03 - PURPOSE

In questioning why individual communities exist and what can they be in the future, it begs questions such as: Where have our towns been? What can be in the future? How can our communities be involved in this journey and discussion? Querying the intention and purpose of our built environment can avoid the potentially harmful effects of fast tracked planning, and, contribute to the existing richness of individual town and community.

04 - PREPARATION

As rapid and significant change occurs, communities need to be prepared. Through open and inclusive dialogue and working relationships, Government, Development, Construction and Community can work more collaboratively together. No one group can cohesively, or, sensitively, address "Housing the Regions" alone. We benefit from the skill and expertise of one another. Individual, comprehensive understandings of a town's existing housing supply, demographics and appropriate development opportunities are required. State Government, the RAA and its' membership are well equipped to assist under resourced local Councils and investigate this further.

RESPONSE TO TASKFORCE GENERALLY

Key taskforce points RAA wishes too expand on: The Honourable Minister for Planning and Public Spaces Rob Stokes claimed that this Taskforce, via Mr Fielding will:

"Consult with the public and key stakeholders to identify the constraints to housing supply, diversity and affordability in the regions and deliver his report to government in September."

It was further stated through the Government website the round table process succeeded because:

"Throughout August 2021 the taskforce conducted a major listening exercise with a series of 11 virtual roundtable events to hear from councils and representatives from community groups, the housing, not-for-profit and development sectors, Local Aboriginal Land Councils, business groups and members of the public to identify barriers in the planning system to housing supply and affordability. The taskforce is grateful for the more than 500 people from all over the state that participated in the roundtable sessions to share the experiences and challenges they are facing in their region and the invaluable insights and potential solutions offered."

This form of consultation is welcomed and valuable, however our feedback unfortunately indicated the roundtables were not widely published and promoted throughout where they hold value most: our regional communities. It seems the promotion largely ignored the general public. The voices were local government and development, not the public as initially stated.

The 500 people consulted and claimed as a successful public engagement and consultation process represent only 0.018% of the regional population in NSW (NSW has a population of approx. 7.95 million residents, approx. 64.5% of that population lives in Greater Sydney leaving approx. 2.8 million people living outside greater Sydney, a number that is growing quickly). RAA would welcome an inclusive approach with increased, meaningful public consultation on this complex issue - something the association can assist the NSW Government with via our network.

Key points from RAA Event “Housing the Regions Symposium” include:

- Planning needs to consider Place, whereby understanding, protecting, and improving the character of our regional towns and communities enables appropriate change and development occurring.
- Orange Council made good points about how the same accommodation can be used for tourism and mining by better coordination of significant events so that they don't overlap and stretch housing supply. This is quite a sustainable use of resources and existing infrastructure. Understanding existing metrics of current and previous housing supply is important.
- Further emphasis and education surrounding well-planned suburban development can assist this. Scepticism towards suburban residential development is valid when it is poorly planned, fast tracked and without innovation. i.e., the surveyor or civil engineer masterplan plan that just maximises land use density over quality or longevity.
- How we provide housing and utilisation of infrastructure, assets, and land needs to consider longer term sustainable issues such as climate change.
- Rapidly rising construction costs and labour shortages leading to inflated construction prices and slow lead times to procuring residential housing. A fast CDC process regionally is useless without a labour force with appropriate capacity. New infrastructure projections to service housing expansion will be compromised or further exasperate the affordability issue if the temporary work force can't be accommodated.
- On the back of the point above, construction quality can suffer because of fast tracked and under resourced residential development.
- There is concern regionally in the wake of booming DA submissions that there isn't the appropriate regulation labour force to adequately oversee and monitor construction quality. Local Governments all over the state are stretched and under resourced. Class 2 apartment building issues in the metro markets of NSW exemplify how: fast tracking without appropriately resourced regulation, or the devaluing of traditional oversight roles can lead to longer term financial loss and hardship.
- The restrictive application of DCP's that don't favour innovation and therefore lead to poor suburban design responses.
- Historically, the lack of tourism accommodation regulation continues to impact on housing speculation, creating displacement of transient population percentages - key regional workforce, or, issues with housing resultant on towns dependant upon tourism.
- Heritage is an asset of great assistance when utilised. Perhaps greater support is required to incentivise and make more flexible. Architects partnering with associated disciplines could potentially use heritage to inform the narrative of how a town innovates and adapts. Regional CBDs are worthwhile investigating according to density increase, preserving heritage, but not necessarily creating a dramatic increase in the sprawl of a town. Planning considerations here can be balanced, with innovation in relation to BCA and accessibility issues.
- Understanding complex growth scenarios achieve a balance between growth, permanent population, temporary populations, and tourism etc. Perhaps regional towns need to be very prescriptive about quantity and rate of growth they: want, need, and most importantly, can manage.

- Limitations placed on development by cars in planning instruments can be a roadblock to development.
- Homebuilder's stimulation of the construction industry has distorted conditions and increased prices quickly, removing valuable construction labour from the general market.
- Regional towns that depend on mining industry have short future, shown through gold and coal towns over the past 100 years. This short-sighted dependence has implications on housing and housing speculation. RAA believes a detailed demographic analysis and projections will assist this discussion.
- Holistic and quality social housing exists in major shortage. Government intervention to provide social and affordable housing which includes lower income and key worker housing is highly needed, exemplified in communities like Byron Bay. Local Governments appear to be relying on marginal development conditions for this, however State and federal could pave the way.
- Communities such as Corowa require government assistance and design quality intervention to assist in addressing inappropriate suburban development proposals. There are examples of this all over the state.
- Innovation - What is the next layer of innovation in this space?
- The advantage of cross disciplinary collaboration: Disciplines within construction, development, local government, and community have the potential to collaborate and achieve fantastic outcomes.
- Partnering with Government to explore positive design outcomes for regional housing.

The engagement and timing of an investigation about the current issues and future improvements of regional housing affordability is welcomed and encouraged by the Regional Architecture Association. RAA urges all involved to consider the underlying complexity of this coming crisis and consider extending the terms of reference.

Regards

Cameron Anderson

Chair – Regional Architecture Association
Registered Architect 8560

On Behalf of the Regional Architecture Association Committee

As committed regionalists we understand that whilst change in the built environment is inevitable, it should occur in a way that celebrates the uniqueness of each place, is considerate of and caters for the true diversity of community life.

The key offerings architects and our associates provide within our communities are:

- A critical understanding of the importance of housing in the regions – past, present and future – for cultural, community, commercial and environmental benefit.
- Engagement with design review panels across regional NSW.
- The shared and collegiate relationship of regional architects across NSW is invaluable to government in offering on-the-ground knowledge, experience and solutions.
- Inherent understanding of the value of Heritage and its commercial and cultural implication on Place – communicated to all stakeholders from Government, Council and community.
- Potential, through our growing membership and network, to establish design, heritage and subdivision advisory committees with local understanding and respect.
- Early design intervention providing practical solutions, fit for place and purpose, that ensure positive outcomes for all stakeholders, including residents.
- The ability to connect and collaborate with others within the profession be they regional or elsewhere on the planet – providing a global perspective through our thorough education in and understanding of place making.
- The ability to source and provide examples of proven solutions through our Global and local lens.
- Resident contributors to community.

The Regional Architecture Association (RAA) was founded by:

| | |
|--------------------------|-------------------|
| Sarah Aldridge | Byron Bay |
| Cameron Anderson | Mudgee |
| Scott Carpenter | Casuarina Beach |
| Brent Dunn | Thirroul + Moruya |
| Tricia Helyar | Bellingen |
| Katharina Hendel | Thirroul + Moruya |
| Chris Jenkins | Port Macquarie |
| Stephen Johansson | Shoalhaven |
| Marcus Piper | Moruya |
| Virginia Wong-See | Armidale + Sydney |

On behalf of the Regional Architecture Association,
thank you for accepting our submission.

We look forward to future engagement.

Regional Architecture Association

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From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 1:43:20 PM
Attachments: [20210818-mrhf-submission-nsw-regional-housing-taskforce.pdf](#)

Submitted on Fri, 27/08/2021 - 13:37

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Kristy

Last name

Harvey

I would like my submission to remain confidential

No

Info

Email

[REDACTED]

Suburb/Town & Postcode

Cooma 2630

Submission file

[20210818-mrhf-submission-nsw-regional-housing-taskforce.pdf](#)

Submission

The submission of the Monaro Regional Housing Forum is attached for the consideration of the Regional Housing Taskforce.

I agree to the above statement

Yes

Monaro Regional Housing Forum

Representing the housing and homelessness sector
in Snowy Monaro



18 August 2021

Regional Housing Taskforce Chair
Department of Planning, Industry and Environment
Locked Bag 5022
Parramatta NSW 2124

Dear Mr Garry Fielding

Regional NSW Housing Taskforce

Thank you for the opportunity to provide a submission to the Regional Housing Taskforce (the Taskforce). Housing affordability and availability has been a significant issue across the Snowy Monaro region in recent years, adversely impacting liveability and sustainability, with the most vulnerable in the community the worst affected.

The Monaro Regional Housing Forum is a network of service providers and industry representatives working within the housing and homelessness sector in the Snowy Monaro Regional Council LGA. Membership includes funded service providers working in the specialised areas of housing and homelessness, crisis accommodation, youth services, disability, domestic violence, and aged care, as well as volunteer groups, charities, and representatives of Local Government and relevant NSW Government departments. Representation has also included the private sector such as real estate agencies and local businesses with an interest in supporting the delivery of housing and accommodation options in the region.

These organisations represent our community's most vulnerable residents. They are at the coal face of service delivery and have intricate understanding of the impact of housing on a person's wellbeing and capacity to participate in the social and economic life of the community. They are passionate advocates for their client groups, and appreciate the opportunity to make a submission to the Regional Housing Taskforce on behalf of their community.

The submission by the Monaro Regional Housing Forum highlights the need for urgent action across a range of arenas to deliver a housing market which is more diverse, more accessible, and more affordable, especially for those who are vulnerable.

Should you have any queries regarding this submission, please contact the Monaro Regional Housing Forum through its secretary, Snowy Monaro Regional Council's Community Development Planner, on (02) 6451 1139.

Yours faithfully

Kristy Harvey
Snowy Monaro Regional Council

On behalf of the Monaro Regional Housing Forum



Monaro Regional Housing Forum submission to the NSW Regional Housing Taskforce

Terms of Reference

The Monaro Regional Housing Forum (MRHF) recognises the need for the Taskforce to focus its attention on a specific set of issues over which its recommendations can have some influence. However, we encourage the Taskforce to consider that the NSW planning system is one element of the spectrum which delivers an effective housing market for the community.

The MRHF asks that the Taskforce considers feedback from a wide range of sources in its consideration of how housing and accommodation is provided for all residents of NSW. We also ask that the Taskforce recognises that a huge amount of work (such as the work conducted by the MRHF and its member organisations) is conducted *after* the NSW planning system has delivered housing options. Often these options do not match community need, or their suitability declines over time.

We note that the Taskforce Terms of Reference identifies “regional NSW” and submit to the Taskforce that regional NSW is a series of incredibly diverse and unique communities. There is large cultural, socio-economic and geographic difference between communities just within our LGA; this diversity needs to be considered across the state. There is huge variance in how the planning system can meaningfully support housing delivery in different parts of the state. We also encourage the Taskforce, in its consideration of regional NSW, to ensure that local voices are present in the conversation. Our communities are the experts in the types of housing models and markets which would work in our regions, and the barriers to delivering a fully efficient market. We ask the Taskforce to recognise that the conversation should be led by our perspectives, experiences, and skills.

Impact of housing on the health and wellbeing of individuals and the community

It is widely acknowledged that safe, secure, and affordable housing is a basic human need. People with secure housing are more likely to participate in employment and education, and to have better health outcomes. Inversely, the membership of the MRHF has seen significant escalation over the previous 2 years in the cascading impacts of people not having access to secure housing tenure. This is particularly relevant in regard to mental health, drug and alcohol, domestic and family violence, child protection and family functioning issues.

We would like to bring the following demographic groups to the attention of the Taskforce; people living in very small towns and villages, young people, people with disability, older people who are not yet in need of / eligible for residential aged care, people with mental health conditions, people from a multicultural background, and people experiencing domestic and family violence.

These groups are some of the most impacted by a dysfunctional housing market. Each of these groups has a specific and unique set of needs however they also have similarities:

- Their capacity to own or independently lease property is often limited, often by income but also due to other factor such as safety, cognitive capacity, legal issues.
- Limited access to housing or housing at risk exacerbates their vulnerabilities and has a compounding effect; existing issues are escalated and often new ones arise when their housing situation is not safe, secure and affordable.



- Their housing needs to have good access to service infrastructure e.g. health services, NGOs, schools, transport, employment opportunities.
- A relatively generic approach to housing stock type in a regional setting (i.e. standard three bedroom, one bathroom, quarter acre block) does not meet the diverse needs of a diverse community.

It is clear to the membership that the housing sector is in a state of crisis. It is essential that we express to the Taskforce how dire and urgent this situation is for our community, and across the state.

While we acknowledge that the housing system is currently challenging for a wide range of community members, our message to the Taskforce is that these incredibly vulnerable people are the most impacted, and the most at risk. The first rounds of response need to be directed to those people who have multiple vulnerabilities, limited avenues for advocacy, and limited voice in processes such as the NSW Regional Housing Taskforce.

Impact of infrastructure-related investments on the Snowy Monaro community

The Snowy Monaro region is currently seeing significant infrastructure-related investment in the region, primarily in the delivery of the Snowy 2.0 project and the development of the Snowy Mountains Special Activation Precinct (SAP).

The MRHF recognises the long-term vision of these projects, and the economic opportunities presented by these projects. However, at this point in time the negative social impacts – in particular the resulting impact on the housing market – far outweigh the potential economic benefits.

By way of example:

- The residential rental market in Cooma dropped from approx. 60 listed properties in mid-2018 to 0 listed properties in mid-2020.
- Median weekly rent price increased by the highest year on year percentage change in NSW (28.6% Quarter on Quarter to June 2021, 73.1% 5 year)ⁱ
- Reports of increased number of dwellings leased for Short Term Rental Accommodation or worker accommodation but unoccupied for long periods of time.
- Reports of long-term tenants being evicted, minimal capital improvements / renovations being conducted, and property being leased for worker accommodation.
- Significant impact on the winter seasonal industry in Jindabyne and the resort towns within Kosciuszko National Park, in particular access to employment and accommodation.
- Homelessness and crisis accommodation providers report significant increases in both new referrals (no prior contact) and re-referrals (previous clients requiring services again).
- MRHF members report an increase in referrals / intakes where housing is identified as a primary issue in companion with other issues e.g. DV, mental health, and financial crisis.

Anecdotally, much of this housing stress can be attributed to the workforce accommodation needs of the Snowy 2.0 project. While the impact on the housing market was identified as an area of concern in the Environmental Impact Statement prepared for the project, the MRHF feels that this impact was under-estimated in terms of numbers and severity, and that little has been done to mitigate the impacts of this change on the community.

Monaro Regional Housing Forum

Representing the housing and homelessness sector
in Snowy Monaro



These (and other) significant projects have been in the pipeline for a number of years. Community consultation and engagement was not sufficient, and the impacts of these projects are overwhelming some of our communities. There is an opportunity for better and more comprehensive planning and engagement, and the delivery of impactful mitigation strategies, in future State-led projects.

Changing demographics

The MRHF recognises that there is a pattern of changing demographics which influence household composition and therefore housing stock requirements. Some examples include an increase in separated families requiring two family homes, an ageing population, and young people unable to access the housing market therefore living in the family home for longer.

These changes mean that the housing market needs to provide a more diverse and universally adaptable / accessible offering. Planning controls which support and encourage a mix of housing densities and types, and somehow incentivising diverse development, should be considered by the Taskforce.

Other items

The MRHF submits that the people presenting to services in crisis are no longer just the “traditional” cohort. Increasing numbers of people who have a reliable income stream are seeking homelessness services due to eviction and no rental availability in the region. This means that we are seeing skilled workers (e.g. aged care, nurses, teachers) leaving the region. A lack of housing availability also means that employers are not able to attract staff to vacant positions, including in the community service provision industry. In small communities, the population decrease of people leaving the region means that existing services such as schools and medical services are at high risk of closure, further isolating and marginalising these communities.

The MRHF encourages the Taskforce to consider that affordability and availability are two distinct but equally impactful issues, especially in the rental market. When there are extremely limited options available, and all of them are well above the threshold for affordability, people are left with literally no housing choice. Comparing metro affordability with regional affordability for either the rental or purchase market is not a fair measure as the costs of living are higher and median incomes lower in regional areas.

The MRHF recognises its role as an avenue for lobbying and advocacy on behalf of the Snowy Monaro community, in particular our most vulnerable residents. We encourage the Taskforce to reach out to the MRHF and/or its members for a deeper discussion about the issues and potential solutions relating to the current housing crisis in regional NSW.

ⁱ <https://www.domain.com.au/research/rental-report/june-2021/>

27 August 2021

Mr Garry Fielding
Chair, NSW Regional Housing Taskforce
Department of Planning, Industry and Environment
Online submission via www.planningportal.nsw.gov.au/regional-housing

RE: Submission to the NSW Regional Housing Taskforce

Dear Mr Fielding,

Thank you for the opportunity to make a submission to the Regional Housing Taskforce.

Significant commitments to invest in Port Stephens to grow the regional and local economy and to provide the infrastructure to support growth will attract new residents and drive demand for new housing in our area over the next 20 years. This includes the declaration of a Special Activation Precinct at Williamtown, which will deliver up to 4,300 jobs in the local government area. Port Stephens is also already experiencing significant increases in housing demand as a result of recent demographic and regional migration trends as outlined in this submission.

Council supports the objective of the Taskforce to better plan for regional housing supply and affordability to ensure an adequate supply of diverse housing to meet the changing needs of regional communities.

The Taskforce has requested stakeholders address the following topics:

- What are the critical housing issues for your community?
- What are the key elements contributing to these issues, and what are the key barriers to housing supply?
- What are the barriers to delivering more diverse housing, including housing of different price points, tenures, and types?
- What is your approach to addressing housing issues and what challenges do you face in implementation?
- What can the NSW Government do to better support housing delivery in the regions?

These matters are addressed in detail below.



What are the critical housing issues for your community?

Port Stephens Council (Council) adopted a Local Housing Strategy in 2020 ([Live Port Stephens](#)) to respond to the housing issues identified in the [Port Stephens Demographic and Housing Overview Report](#) (2020), [Housing Preferences Study](#) (2020), [Infill Housing Study](#) (2020) and the issues identified by our community during extensive engagement. Based on this data, the Local Housing Strategy responds to identify actions and strategies to achieve the following priorities:

- Ensure suitable land supply;
- Improve housing affordability;
- Increase the diversity of housing choice; and
- Facilitate liveable communities.

Whilst these priorities and the housing issues they address (as outlined in the Local Housing Strategy) remain relevant, Port Stephens has experienced noticeable changes in housing demand in the 12 months since the Strategy was adopted.

Impacts from COVID-19 have seen a growing desire for people to relocate from highly populated cities. This combined with rapidly changing working conditions combined with remote working opportunities have significantly increased demand for housing.

In addition, migration trends have shifted and changed the demand for different dwelling typologies, including young people who are opting to stay and work in the area (or study remotely) and an increase in 'regional returners' or people who left the area as young adults and are choosing to move back with their families. These factors have combined to increase the cost of housing across Port Stephens and reduce the opportunity for average income earners to live within the LGA.

This increased cost of housing is also impacting many businesses who are unable sustain an Port Stephens have reported difficulties in attracting staff due to shortages of suitable accommodation (Farquhar, L 2021, 'Port Stephens homelessness rate sparks fear of tent city', *ABC Newcastle*, 16 February 2021, accessed 13 August 2021).

These recent issues have sharpened the urgency to address the priorities in the Local Housing Strategy and some opportunities for reform to support housing affordability are outlined below.

What are the key elements contributing to these issues, and what are the key barriers to housing supply?

The key elements contributing to demand for housing and housing affordability in Port Stephens are outlined in the documents linked above and the more recent emerging issues are as summarised above.

Council has provided correspondence to the State government over the past 2 years identifying a range of barriers to planning and delivery of new housing in our local government area (attached and summarised below). In addition to the matters outlined in previous correspondence, the following barriers to housing supply in Port Stephens have been identified:

State infrastructure and assessment delays

The largest, zoned greenfield housing supply in Port Stephens, Kings Hill (approx. 3,500 homes) has been delayed since the rezoning was finalised in 2010. This is largely due to delays securing funding for State infrastructure and more recently delays with State government approvals. Delays associated with the Regional Planning Panel have impacted this and other projects in our area. For Kings Hill, the development application has been deferred by the Regional Planning Panel since December 2020, and we are still yet to receive any indication from the Panel Secretariat on when the next Panel meeting will be. These issues have had a significant impact on housing supply in Port Stephens, and importantly, housing affordability.

Delays in assessments to rezone other land to meet the gap in supply have similarly had an impact on supply and affordability in our local government area. For example, changes to the planning framework in 2018 with the release of the Greater Newcastle Metropolitan Plan delayed State determinations on residential rezonings until Council had funded and completed a Local Housing Strategy and Local Strategic Planning Statement (completed in 2020).

Limited recognition of local strategic planning

After completing the State mandated framework for local strategic planning in 2020, (a Local Housing Strategy and Local Strategic Planning Statement were adopted), data collected in Port Stephens demonstrates that rezoning requests that are consistent with State and regional strategies and our local strategies have taken the longest to obtain a Gateway determination and to be finalised.

Councils (and the State government) have invested significant resources in the preparation of strategic plans in the Hunter, including comprehensive local strategies. This investment has included significant community consultation, time, and funds expended on delivering the local strategic plans required under legislation and regional plans. Given this investment, we are now keen to see time and cost savings at other stages of the planning process and measurable benefits to undertaking this work.

There are also examples of residential rezonings in Port Stephens that specifically implement actions in the district plan and local strategies where Council has been requested to undertake further strategic planning work. Low risk rezonings and development applications that are consistent with existing strategic plans for an area

should not be subject to the same processes (or in some cases, subject to additional requirements) as higher risk applications that are inconsistent with adopted strategies.

Now that a robust regional and local strategic framework for new housing is in place, one opportunity to streamline the process could be to limit Gateway conditions to matters of State and regional significance. In our experience, Gateway conditions are often imposed concerning local matters already addressed in local strategic plans, including the Local Housing Strategy, or in local policies that Council has developed in consultation with other State agencies, such as floodplain risk management plans. This adds unnecessary delays to the rezoning process and in some instances has resulted in duplication of strategic work and costs for Council. Gateway certification with conditions issued by the Department of Planning, Industry and Environment should be limited to matters of State and regional significance and more weight should be given to the local plans and policies that have been developed with our communities.

Inconsistent State policies and processes

Rezoning data in Port Stephens shows delays in the rezoning process are often the result of inconsistent State policies administered by various State agencies. For example, State agricultural policies and directions have conflicted with State directions in the regional plan for housing in rural areas and we have also experienced policies and plans issued by Transport for NSW which have made it difficult to achieve infill housing targets and affordable housing directions set in State and regional plans.

In most cases, these inconsistencies are left to Council officers to resolve as part of addressing Gateway conditions and responding to the comments made during agency consultation. This causes significant delays in the rezoning process as councils are not equipped to mediate or resolve conflicts between State agencies. It is recommended that the Department of Planning, Industry and Environment take leadership in these circumstances and be empowered to prioritise outcomes for rezonings in regional areas that support housing affordability.

Further, we have also experienced inconsistent Gateway conditions and inconsistent administration of the Gateway process in comparison to other regions of the State (including metropolitan regions). Our data shows rezonings in Port Stephens have been subject to varying Gateway assessment requirements and often longer timeframes than rezonings processed in other parts of the State. A Statewide audit of Gateway conditions and timeframes should be undertaken to ensure all regions are subject to consistent application of State policies and consistent timeframes. Rezonings for housing in regional areas could be prioritised and subject to a more streamlined process to facilitate housing affordability.

Out of date State policies and data

In preparing the Local Housing Strategy, Council commissioned a [Port Stephens Demographic and Housing Overview Report](#), however this data was not used to inform the Department of Planning, Industry and Environment's population and land use analytics which were updated prior to the finalisation of the Local Housing Strategy. Councils were not consulted or involved in the update to the State's population and land use analytics, even though they may hold more up to date data and locally relevant information that can better inform State policies.

In the Hunter region, the State government relies on an 'Urban Development Program' (UDP) to monitor housing delivery and identify shortfalls in dwelling supply and production. Councils provide the UDP with data including the amount of zoned land and the yearly dwelling production rates. The UDP may not be an entirely accurate tool for measuring local supply issues as it does not monitor where demand for housing in Port Stephens cannot be met by current dwelling production and is satisfied by locations outside of our local government area. Similarly, the UDP cannot measure where demand in our region cannot be met and people choose more affordable regions elsewhere in NSW or Queensland.

Recently, Council has commissioned updated local demand data and analytics given the recent changes to our housing market so that we can plan to ensure a pipeline of appropriate housing supply. Where available, the State government should source up to date evidence from local government to ensure the data relied on to formulate State policies or to assess rezonings at the Gateway is current.

Fragmented land ownership

There are a number of sites identified in existing local and regional plans that have failed to progress to rezoning for new housing. In Port Stephens, a common reason is the challenges associated with fragmented land ownership, such as funding and co-ordinating necessary local infrastructure provision amongst several landowners.

Fragmented land ownership can complicate the process of making land use changes, particularly if significant resources are required to fund the studies and investigations to support a rezoning. The State government should consider State led regional programs to facilitate unlocking fragmented land suitable for growth. Planning and development processes themselves (funding and undertaking studies, plan preparation, assessment, consultation etc.) can be streamlined where land ownership is fragmented and programs modelled on the Sydney Growth Centres could overcome these issues in regional areas.

What are the main barriers to delivering more diverse housing, including housing of different price points, tenures, and types?

The Hunter Regional Plan and Greater Newcastle Metropolitan Plan identify housing diversity as key objectives for our region. Increasing the diversity of housing choice is also a priority in our [Local Housing Strategy](#). In the preparation of our Housing Strategy, we identified the following barriers to diversification of housing in our area:

- *Demand* – A [Housing Preferences Study](#) shows that locally there may be some latent demand for compact living, however there is no data to show that people moving from outside of Port Stephens value these attributes when choosing where to live. Many of the survey participants within Port Stephens cited adequate number of bedrooms, storage, and a large backyard as key attributes that influenced their housing choice in our area. The State government could prepare regional housing preference studies and surveys to ensure regional councils are planning for housing supply to meet the preferences of people moving to the regions.
- *Quality of public spaces* – Participants in the Housing Preferences Study were more likely to trade compact living for other housing preferences if a location was close to shops and services and/or quality open space, such as near the coast. Planning for infill development and higher densities should include consideration of the quality of the surrounding public space either existing, or to be made available within the development. It is noted that funding improvements to public space associated with development may also negatively impact affordability and the availability of lower cost dwellings.
- *Public transport* – Council interviewed several community housing providers during the preparation of the Local Housing Strategy to find out why Port Stephens has a relatively low proportion of these developments compared to neighbouring local government areas. The providers identified barriers such as the costs of resolving land constraints during rezoning and also the lack of public transport as reasons why Port Stephens was not a preferred location. The State government could align transport policies and invest in better public transport to centres in Port Stephens to facilitate lower cost infill housing.
- *Reforms for housing diversity not tailored to regional housing markets* – Some recent reforms to encourage more diverse housing have not adequately considered regional housing markets and idiosyncrasies. For example, the medium density housing code has had little impact in Port Stephens because development application assessment times are already comparable to complying development and the application process enables more flexibility. In Port Stephens, market trends show a preference for land lease communities that enable higher density housing with significant incentives for owners such as retaining Commonwealth rental assistance. State reforms could focus on leveraging the popularity of these diverse housing typologies as described later in this submission.

What is your approach to addressing housing issues and what challenges do you face in implementation?

Council has undertaken several local initiatives to address housing affordability, increase housing choices and increase competition in our housing market.

A criteria based approach to identifying new housing

The Port Stephens [Local Housing Strategy](#) adopts a criteria based approach to identify land suitable for residential rezonings. Previously, like most other councils, Port Stephens had relied on maps in strategies to identify and sequence future housing areas.

The locational criteria listed in the Local Housing Strategy relates to State and local plans and policies, land based constraints, infrastructure and servicing to identify suitable land for new housing. Rezoning requests that are consistent with the criteria are likely to only require low risk assessments and are subject to a local streamlined assessment process set out in our [Rezoning Request Policy](#). This process results in some Council assessments taking 10 days from lodgement to submission for Gateway determination.

Rezoning requests that do not meet the criteria in the Local Housing Strategy have low prospects of proceeding and high costs for a proponent as they are required to prepare significant studies and justification prior to lodgement.

The criteria based approach to identifying future land supply in Port Stephens:

- Facilitates a competitive housing market because it enables landowners who are ready to proceed to have their requests considered in a timely manner;
- Avoids land banking as landowners are not able to artificially constrain supply by holding up a development sequence identified on a map;
- Supports transparent, merit based assessments rather than politicised decisions to identify potential areas for rezoning on a map; and
- Avoids inaccurate data about available land supply (A map based approach has previously identified land as part of future supply even though it was not going to be developed).

A key benefit of the criteria based approach is that it enables agile planning and additional land can be identified when new data becomes available or land constraints change. For example, if aircraft noise mapping changes or new flood data becomes available, it significantly alters the suitability of land for residential development in our local government area. Previously our local strategies have generally been out of date within 5 or so years because of this and Council has not had the resources to continually update maps to reflect new data. Our criteria based approach enables

landowners and Council to react quickly when land constraints change without costing Council and the community delays and significant resources.

The State government should support councils that are exploring more efficient and transparent methods of identifying future land supply that promote a competitive housing market. The Hunter Regional Plan review should acknowledge the processes Port Stephens has been developing to improve housing affordability and any proposed changes to a State framework for local strategic planning should accommodate the work that we have undertaken. Gateway determinations should acknowledge the criteria based approach in our Local Housing Strategy and be tailored to respond to State and regional issues rather than duplicating the local issues addressed in our Local Housing Strategy and criteria.

A place based approach to local planning

As set out above, one of the factors that attract people in Port Stephens to trade off large backyards for more diverse housing types and compact living is the quality of public space and the 'liveability' of a neighbourhood.

Council has been planning to encourage infill development and higher densities in some town centres for over 20 years. Despite this, strategies and changes to planning instruments have failed to result in investment or regeneration and infrastructure plans have not been realised without the funding generated from new development. As traditional planning has failed, Council adopted a 'place based approach' for Nelson Bay — focusing on the unique identity of place and prioritising community and business needs to attract investment (**ATTACHMENT 1**).

Unlike master planning and strategic plans, place making emphasises dynamic projects that are achievable and initiatives that require collaboration with our community and local business to create quality spaces (**ATTACHMENT 2**). Many initiatives are short term, temporary and low cost projects driven by the community. Place making is a shift from government led planning and static planning documents to empowering our communities to collaborate and activate their spaces. In Port Stephens, this started by revitalising Nelson Bay and now, place based plans are underway for neighbourhoods in Karuah, Shoal Bay, Anna Bay and Medowie. Coupled with our criteria based approach to identifying areas for new housing, place based planning will help create connected communities, improve liveability and wellbeing, attract investment and ensure a diversity of quality housing choices.

As part of any reforms, we believe State government should support councils that are exploring place making and alternative approaches to encouraging investment in diverse housing in centres. It is recommended that the Hunter Regional Plan acknowledge the work being undertaken by Port Stephens Council and any proposed changes to a State framework for local strategic planning to allow a criteria based approach to rezoning and place making initiatives.

Revamping local rezoning processes

Council has undergone a two year reform project focused on the local rezoning process to improve efficiency, transparency and support improved decision making. The changes align with the criteria based approach to assessment set out in our Local Housing Strategy and require proponents to work collaboratively with Council officers in preparing a planning proposal prior to lodgement (**ATTACHMENT 3**).

Along with the adoption of a [Rezoning Request Policy](#) and [Guide](#), the changes ensure only planning proposals that meet criteria in our local strategies are lodged for assessment. Through guidelines, templates and flowcharts, clearer guidance is provided upfront to proponents and our community which has increased certainty and confidence in local decision making.

The changes have reduced the backlog of rezonings in Port Stephens by 60%, fast-tracked land release for housing in our growth areas, and local assessment timeframes for rezonings are now some of the fastest in the State (e.g. 10 days from lodgement to submission to Gateway for consistent proposals). Council was highly commended at the 2021 NSW Local Government Excellence Awards for the 'Revamping Rezoning' project and the Hunter Joint Organisation of Councils and the NSW Department of Planning, Industry & Environment have asked Port Stephens to share our rezoning resources and the innovative processes we have developed with other councils in our region.

The State government could support local councils undertaking similar initiatives by endorsing the rezoning guidelines, templates and supporting materials councils produce in collaboration with regional organisations of councils. Our council has been leading an advocacy project in partnership with the Hunter Joint Organisation of Councils to develop a 'regional approach' in the Hunter to unlock the rezoning process and share resources between local government areas.

The State government could better support these initiatives, for example by taking a leadership role in coordinating 'regional approaches' to common issues and co-ordinating agency publications and advice to provide clearer guidance to applicants, councils and State assessment officers on discrete regional issues.

What can the NSW Government do to better support housing delivery in the regions?

Over the past 18 months, Council has been regularly advocating for State assistance and State level reforms to address the key barriers to housing supply and affordability in our region.

Council wrote to the Premier and the Minister for Planning and Public Spaces following the outbreak of COVID-19 on 20 May 2020 identifying key barriers to our local economic recovery and advocating for State level reforms tailored for the coastal and

regional communities impacted by the pandemic, including reforms directed at unlocking local planning processes (**ATTACHMENT 4**).

Council wrote to the Co-ordinator General of the Planning Delivery Unit at the NSW Department of Planning, Industry & Environment (DPIE) on 14 August 2020 to identify delays in local planning processes that are presenting barriers to achieving State targets to slash rezoning assessment timeframes (**ATTACHMENT 5**).

On 14 August 2020, DPIE responded to Council, committing to contribute to regional workshops with Hunter councils to streamline and accelerate rezoning process, add transparency in local planning processes, and committing to be more proactive in seeking resolution to agency and local environmental plan mapping matters (**ATTACHMENT 6**).

On 29 September 2020, Council wrote to the Hunter Joint Organisation of Councils seeking assistance in establishing a collaborative, regional approach to rezoning in the Hunter in order to target some key barriers to delivery in the planning proposal process (**ATTACHMENT 7**).

More recently, Council's submission on the proposed draft State Environmental Planning Policy (Housing) 2021 noted the likely consequential impacts on delivery of seniors housing in regional areas, should the draft SEPP be adopted (**ATTACHMENT 8**).

In addition to the measures outlined in these attachments and as set out in this submission, three key priorities to support housing affordability in Port Stephens are:

1. *Support for collaborative, 'regional' approaches to rezoning led by joint organisations of councils and DPIE*

As described above, Port Stephens Council is already leading an advocacy project in collaboration with the Hunter Joint Organisation of Councils to share rezoning guides, materials and templates to support a more efficient and transparent rezoning process in the Hunter.

This project has the potential to deliver greater benefits if the State government took a leadership role and co-ordinated regional approaches to rezoning that included:

- Endorsing and publishing the materials prepared by councils.
- Co-ordinating and publishing agency guidance on common regional issues.
- Committing to benchmark timeframes, assessment approaches, and standardised Gateway conditions.

2. State reforms should accommodate successful local planning initiatives and provide a return on investment in local strategic planning

Over the past two years, Council has expended significant resources towards improving planning processes, streamlining assessments, and supporting delivery of housing affordability in Port Stephens. This has included preparing a Local Strategic Planning Statement and Local Housing Strategy that addresses local housing supply and affordability issues, introducing place based planning to support liveable communities, and 'revamping' our rezoning process to deliver some of the fastest assessment times in the State.

Any proposed changes to local planning processes must accommodate the initiatives councils have already implemented to support delivery of new housing in their regions. There should be recognition and support for local government initiatives that share the objectives of the Regional Housing Affordability Taskforce and any recommendations for reform should not negatively impact local initiatives.

In 2018, the planning legislation and the Greater Newcastle Metropolitan Plan directed Hunter councils to prepare local strategic planning statements and local housing strategies. Councils redirected resources from processing rezonings towards completing the State mandated local strategic planning framework. Since then, data in Port Stephens shows there has not been a measurable return on the investment in these plans other than where our Council has taken the initiative to build efficiencies of process and streamlining into our local processes (E.g. Our 'revamping rezoning' project).

The State government should leverage the investment that councils (and our communities) have already made in our local strategic planning statements and local housing strategies to streamline and standardise Gateway assessments. Low risk rezonings consistent with local strategic plans should be subject to a streamlined process and Gateway conditions should be limited to matters of State or regional significance.

3. Tailor State reforms to support housing products that meet regional markets

As outlined above, some recent State reforms directed towards improving housing affordability and increasing housing diversity have not taken into account specific regional conditions and housing markets. There are opportunities to better understand the housing preferences of people looking to move to the regions to ensure the housing products provided are meeting demand.

There may be opportunities for State reforms to capitalise on the popularity of alternative home ownership models in regional areas, including land lease communities, to encourage infill housing and more diverse housing options. Dr Mike Rungie from the Global Centre for Modern Ageing presented at the Planning Institute of Australia

conference in 2019 opportunities for using land lease models to encourage more affordable medium density development in town centres. This would require State reforms to enable councils to better plan for these housing typologies, including reforms to update relevant State environmental planning policies and definitions of 'moveable dwellings' and 'manufactured home estates'.

Thank you for the opportunity to provide comments on these issues. If you wish to discuss the matters raised above in further detail or obtain access to the data referred to in this submission, please contact Liz Lamb, Strategic Planning Co-ordinator by email at Elizabeth.lamb@portstephens.nsw.gov.au or by phone on 4988 0293.

Yours faithfully,



Steven Peart

**Group Manager Development Services
Port Stephens Council**





Revitalising Nelson Bay through placemaking

Liz Lamb, Strategic Planning Co-ordinator, Port Stephens Council

Port Stephens Council is taking a new planning approach to revitalise Nelson Bay and support local and regional economic growth. By creating vibrant town centres in collaboration with the community and business, we're driving new investment, attracting new residents and stimulating a strong local economy.

Before the arrival of discount flights, NSW coastal towns like Nelson Bay were top of the list for Australians who loved an iconic 'sun, surf and sand' getaway (Figure 1).

More recently, international destinations can be more affordable than domestic holidays, and the influence of social media has increased local and international visitor expectations and demands. People are searching for holiday experiences in locations that are unique and authentic.

At the same time, investment in towns like Nelson Bay has stalled. Over the decades, our standard land use planning tools have failed to stimulate economic growth.

While the COVID-19 pandemic has been difficult, Nelson Bay has experienced a resurgence. Domestic visitation has grown, supported by a new marketing campaign, and Nelson Bay was the second most popular accommodation destination in NSW searched between March and November 2020.¹

The resident population is also growing and it has been an in-demand 'work from holiday-home' location during COVID-19 for people seeking balanced lifestyles in connected communities.

Port Stephens Council is committed to sustainable growth in Nelson Bay. Council has endorsed a Delivery Program full of actions to revitalise Nelson Bay through quality urban design, creating vibrant spaces, improving liveability, stimulating investment and driving year-round visitation. The changes will position Nelson Bay as a major contributor to the regional economy.

Key reasons for a resurgence in Nelson Bay

The State government has identified Nelson Bay as a regional strategic centre, with opportunities for redevelopment and renewal to drive growth as a primary tourist hub in the Hunter.² Just 2.5 hours north of Sydney and an hour from Newcastle, Nelson Bay already attracts around 1.7 million visitors each year and visitor expenditure contributes \$1.8 million a day to the local economy.³

Locally, Port Stephens is the third fastest growing local government area in the Hunter region over the past decade.⁴ This is partly due to Port Stephens being a key destination for retirees and sea-changers. We were also named in the top 3 destinations for millennials and 'regional returners' moving back to regional NSW in 2020.⁵

Nelson Bay is also set to grow as Port Stephens will experience transformational changes over the next decade. The Williamstown Special Activation Precinct will create a hub for defence and aerospace jobs, runway upgrades at Newcastle Airport will unlock global routes from Asia and America, and the duplication of Nelson Bay Road will cut travel times and better connect Newcastle Airport with Nelson Bay and Newcastle city.

Our planning challenges

Port Stephens Council has been planning to stimulate investment in Nelson Bay since at least 1984 when a 'Tall Building Study' was commissioned to identify sites that 'would be attractive to developers'.⁶ Despite our land use plans, strategies and studies over the past 30 years, there has only been limited private investment in the Nelson Bay town centre. Changes to planning instruments have failed to entice investment and well intentioned masterplans for regeneration have gathered dust without the infrastructure funding generated from new development.

Lack of growth combined with a seasonal tourism industry has made it difficult for local business. Without the influx of visitors year-round, it is hard to sustain shops and services in the centre. This affects liveability and makes it challenging.

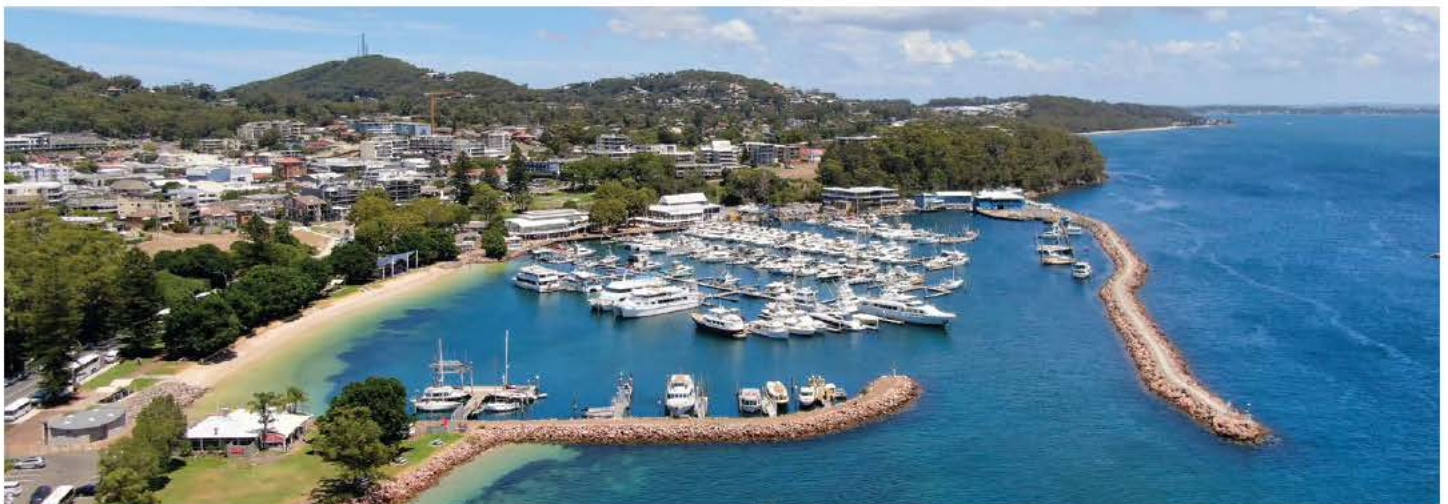


Figure 1: Nelson Bay town centre and marina (Source Port Stephens Council 2020)



Figure 2: Nelson Bay Public Domain Plan (Source: Port Stephens Council 2019)

to attract visitors and new residents. Without investment, Nelson Bay has lagged and the town has appeared stuck in time for many years.

A Delivery Program for revitalisation

The community's vision for their town has not changed in 30 years of planning and consultation. Residents, visitors and businesses have consistently told us they value inviting public spaces, the friendly village feel and a vibrant centre with cafes, restaurants, boutique shopping, events and activities.

Given the failure of previous land use strategies and studies to attract the investment necessary to achieve this vision, we decided to try something different.

Our Council endorsed a Delivery Program for Nelson Bay that takes a place-based approach – focusing on the unique identity of place and prioritising collaboration.⁷ Unlike previous master planning, the Delivery Program emphasises dynamic projects that are achievable and initiatives that require collaboration with our community and local business to create quality spaces.

Placemaking

Since adopting the Delivery Program, we have invested significantly in the public domain. Works include changes to traffic, renewing parking facilities, new amenities and upgrades to open spaces. A new public domain plan prioritises people and strengthens connections between the foreshore and the town centre, creating quality spaces (Figure 2).⁸

We have also collaborated with our community in short-term and temporary public domain and place making projects. We've sponsored a Civic Pride Clean Up Day and invested in community and business placemaking activities through an evening economy fund, community event fund, and micro grants (Figure 3).

Collaboration

We prioritised community collaboration by establishing a Town Centre Implementation Panel to monitor our progress. The Panel includes

community and business representatives who are advocates for their strategic vision, provide advice and new ideas, and disseminate information through their networks.

We also gave the community ownership over parking improvements by convening an Independent Citizens Parking Panel. We know parking can impact effective place management but it can also restrict spaces for activation and pedestrian experiences. The residents, employees and businesses on the Panel considered the data and prepared a report recommending solutions to improve walkability and parking, which our Council adopted in 2019.⁹

Implementation

To better understand market conditions, we undertook a feasibility study and tested specific sites in the centre. We used the NSW Department of Planning, Industry & Environment's Urban Feasibility Model to identify feasible heights for residential buildings in each location. These studies informed the planning changes and provide certainty that the vision for Nelson Bay can be realised.



Figure 3: Placemaking and public art at O'Meara Lane, Nelson Bay (Source: Port Stephens Council 2021)

New requirements for floor space ratios, active street frontages and development controls prioritise urban design and creating great public spaces. Previous planning strategies failed to adequately plan for public spaces and focused almost solely on regulating development on private land. The Delivery Program takes a place based approach that prioritises our public domain and supports investment in public spaces. We appointed an independent expert Urban Design Panel to review applications against these objectives and provide advice during assessment.

The Delivery Program includes a range of new funding mechanisms to secure long-term implementation of renewal projects, like paid smart parking technology and changes to infrastructure contributions and we have launched the Nelson Bay Next brand to excite businesses, investors, visitors and the community about what's next for the town centre.

Conclusion

Our new place based approach to planning in Nelson Bay has already created positive outcomes for the town centre. In two years, we have achieved 28 out of the 33 actions in the Delivery Program and the plan represents a significant shift away from static planning documents that gather dust on the shelf.

We're learning that revitalising a place might not always need more planning. Our planners have become successful change agents by focusing on implementation, collaboration and placemaking – getting runs on the board early to create momentum. Stepping away from plan centric solutions has created a more dynamic urban environment and a more engaged community.

Our Council is committed to continue the focus on place-based planning and community collaboration to activate our public spaces, attract investment and improve the liveability and wellbeing of our residents. ■

Liz Lamb is the Strategic Planning Coordinator at Port Stephens Council and has experience across private consulting and in State and local government. Liz has extensive experience in development and strategic planning, impact assessment, planning law and reform. Liz holds a Bachelor of Science (Architecture), a Bachelor of Laws and is completing a Master of Laws in Environmental Law.

Endnotes

- Based on hotel searches made on kayak.com.au between 2020/03/01 - 2020/11/20. Year-over-year data quoted compares searches made during the aforementioned period versus the corresponding period in the previous year (2019/03/01-2019/11/20).
- NSW Department of Planning, Industry and Environment, Hunter Regional Plan 2036, 2016.
- Destination Port Stephens Annual Report 2019-2020.
- Australian Bureau of Statistics Census Data 2016, see <https://www.abs.gov.au/websitedbs/D3310114.nsf/Home/census>
- See http://www.regionalaustralia.org.au/home/wp-content/uploads/2020/06/RAI_2020_The_Big_Movers_Population_Mobility_Report.pdf
- Cox and Corkhill Pty Ltd, Tall Building Study for Nelson Bay, May 1984.
- See <https://www.portstephens.nsw.gov.au/grow/local-area-planning-strategies/nelson-bay-town-centre-and-foreshore-strategy>
- See <http://www.portstephens.nsw.gov.au/grow/local-area-planning-strategies/nelson-bay-town-centre-and-foreshore-strategy>
- See <http://www.portstephens.nsw.gov.au/trim/other?RecordNumber=19%2F27744>

Place Plans

We're planning for the future of our places in a way that makes it easy for you to understand and get involved.

Local values



Start with yes



People-power



Test and trial



Measure and benchmark

What is a place plan?

Plans that put people and places first

Place plans start with our community — your values and priorities for your place. Together, we identify the unique local character of a place and the ways our community can shape, enhance or protect these aspects.

A place plan is guided by strategic documents — we put a local filter on all of our Council's existing strategies to make one easy-to-read, action-oriented plan. It also includes analysis of potential opportunities for a place in line with the community's vision.

Every place is **unique** and so is every place plan. A place plan may include events and activities, projects and works, actions for community, land use changes and more.

Creating vibrant places

Place plans aim to improve the liveability and wellbeing of our communities. They recognise the importance of public spaces, community infrastructure and healthy local economies in creating great places to live, work and visit.

The actions in a place plan help us to plan for the future, invest in infrastructure, attract investment and bring life to our streets.



Empowering our community

We know our community want to see action in their town centres, not plans that sit on a shelf. That's why we're taking a collaborative approach and working with our community to create great places.

The most important part of a place plan is the activation plan. It includes projects or ideas to create more vibrant places for people to connect, discover and enjoy with their community.

These actions can be championed by our community — including community groups, local businesses, schools, clubs or individuals.

By working together we can harness people-power to achieve more and best of all, create lasting connections. The 7 Day Makeovers in Anna Bay and Medowie are examples of amazing community-led initiatives in Port Stephens.

What is the process?

- 1 Place plans start with feedback from 2020 Liveability Index to identify what each community values most and your priorities for your place.
- 2 To develop a draft plan, we seek input through collaborative workshops.
- 3 Our technical experts will use your input to create opportunities for meaningful improvements. We also filter all of our existing strategies into one simple plan for your town.
- 4 We'll test this draft with the community to get feedback and input.
- 5 A final draft will be endorsed by our Council.
- 6 It's time for action! As well as actions for our Council, place plans include projects or ideas to create a more vibrant place which will be championed by our community, for our community.



How can I get involved?

You're the expert when it comes to your place — we need your local knowledge and passion for your place to help develop a plan and make things happen.

Find out more at portstephens.nsw.gov.au/placeplans

For more information go to
PORTSTEPHENS.NSW.GOV.AU



next





1 Complete form

Fill out the Rezoning Request Meeting Form

- ✓ Provide details
- ✓ Outline alternative options



2 Discuss your proposal

Discuss your request with Council officers

- ✓ Access to professional advice
- ✓ Discuss with relevant consultants
- ✓ Identify key issues
- ✓ Identify lodgement requirements
- ✓ **Council will advise if proposal can progress to next step**



3 Prepare draft planning proposal

Prepare maps and supporting documentation

- ✓ Use the planning proposal Template
- ✓ Follow the DPIE Guide to preparing planning proposals



4 Submit draft planning proposal

Submit a draft planning proposal for preliminary assessment

- ✓ Check for completeness
- ✓ Legislation check
- ✓ Clarification of any issues
- ✓ Amendment of planning proposal to address any identified gaps
- ✓ Determine fees for lodgement
- ✓ **Council will advise if proposal can progress to next step**



5 Submit Rezoning Request

Submit a completed Rezoning Request Form and planning proposal

- ✓ Submit electronically, in person or via mail
- ✓ Adequacy check



6 Payment of stage 1 fees

Council issues invoice for Stage 1 fees

- ✓ Pay by card over the phone, cheque by mail or in person



7 Council assessment

Council assesses the rezoning request

- ✓ Review proposal
- ✓ Report to Council for adoption
- ✓ Prepare Gateway determination request



8 Gateway determination

Gateway determination issued by DPIE

- ✓ Respond to any Gateway conditions



9 Payment of stage 2 fees

Council issues invoice for Stage 2 fees

- ✓ Pay by card over the phone, cheque by mail or in person



10 Consultation

Exhibition of planning proposal

- ✓ Public authorities and State agencies provide comments
- ✓ Respond to community submissions and agency comments
- ✓ Council will advise if proposal can progress to next step if a significant issue arises after Gateway
- ✓ Planning proposal reported to Council



11 Payment of stage 3 fees

Council issues invoice for Stage 3 fees

- ✓ Pay by card over the phone, cheque by mail or in person
- ✓ Provide survey accurate mapping if necessary



12 Gazettal

Council makes the plan

- ✓ Draft local environmental plan prepared
- ✓ Plan notified and comes into effect



PORT STEPHENS
COUNCIL

The Hon. Gladys Berejiklian MP
NSW Premier
52 Martin Place
SYDNEY NSW 2000

Dear Premier,

Re: COVID-19 Recovery Planning Reforms in Port Stephens.

On 12 May 2020, Port Stephens Council (Council) resolved to write to the Premier of NSW and Minister for Planning and Public Spaces seeking support for urgent planning reforms to assist the regional areas most impacted by the COVID-19 crisis in recovery.

COVID-19 has already had a significant impact on Port Stephens, with our local tourism and business communities greatly affected by the response to the pandemic. Before the COVID-19 crisis, tourism accounted for \$621 million of expenditure in Port Stephens. That is, our visitor economy was injecting \$1.7 million per day or \$70,000 per hour into the local economy (2018-2019).

These figures have substantially decreased since the worldwide COVID-19 outbreak and national and State restrictions were announced. International and domestic visitation to Port Stephens has ceased entirely.

The impact on other industries is also now apparent in Port Stephens with a number of indicators highlighting impacts more broadly across businesses. Recent trends in development applications indicate a reduction in lodgements between January to March 2020 compared to the figures recorded for the same period in 2019.

To respond to the crisis, Council has established a range of important initiatives including the Port Stephens Business and Tourism Support Fund which allocates up to \$500,000 to assist recovery. Council also has processes to assist ratepayers experiencing financial hardship with the recovery of overdue rates, fees, charges and other debts. Council is also reviewing a range of legal planning provisions and processes to ensure planning decisions are timely and focused on facilitating economic recovery across our LGA.

The State could support further efforts to boost economic recovery in our region by making changes to the NSW planning system. Specific reforms tailored for regions such as Port Stephens that have been the most impacted by the COVID-19 crisis could drive local economic recovery.

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State level reforms to specifically assist regions such as Port Stephens could include:

1. *A commitment to time frames for State government planning processes and a commitment to adhere to them e.g.:*
 - i. *decisions on Gateway certificates within 3 months*
 - ii. *decisions on site compatibility certificates within 3 months*
 - iii. *gazettal of changes to Local Environmental Plans within 2 months*

There are currently no timeframes specified for State decision making in local planning processes such as local plan making. A commitment to expedite State decisions on local planning matters would significantly impact the efficiency of processes such as rezonings, regional development determinations and seniors living site compatibility certificates.

2. *Support for existing businesses to grow by relaxing the limits on expanding existing uses for selected industries (e.g. manufacturing and the tourist and visitor economy).*

Creating an environment where business can thrive is essential to the growth of regional NSW and Port Stephens. Through supporting the expansion of existing business, particularly the businesses that have been hardest hit by the COVID-19 crisis, the NSW Government has the ability to create an enabling environment which would accelerate recovery, encourage the growth of existing business, and grow the regional NSW economy. Enabling the expansion of existing uses beyond current restrictions under the planning system would support recovery and job growth in our region.

3. *State reforms to expedite unique proposals that can demonstrate economic and public benefits through site compatibility certificates prepared in consultation with councils. Certificates could include site specific complying development standards for future development.*

Site compatibility certificates are currently used to facilitate and fast track certain infrastructure, seniors housing and affordable housing proposals. The State could apply this facilitative mechanism to enable other types of development that would support COVID-19 recovery in the regions and local economies such as housing in strategic centres, or employment and industrial precincts.

4. *Support for councils to streamline concurrent assessments of rezonings and development applications for shovel ready projects.*

The planning legislation already provides for the concurrent lodgement, exhibition and assessment of development applications and rezoning requests. This can enable time and cost savings for applicants, more certainty, and efficiencies of process for referral agencies and councils.

The State could support this planning pathway by ensuring local development data and performance monitoring captures applications made under Division 3.5 of Part 3 of the planning legislation separately. This would enable councils to continue to meet benchmarks for the processing of other categories of applications.

5. *Amendments to support the reuse of existing infrastructure related to a business or industry if the existing use becomes redundant and no (economically viable) permissible use suits the infrastructure.*

The impacts of the COVID-19 crisis may mean some businesses fail, or no longer become viable in a particular location. Reforms that support the reuse or repurposing of existing infrastructure to enable new businesses and industries would contribute to our economic recovery.

6. *An accelerated rezoning process for proposals that are consistent with the Local Strategic Planning Statement and endorsed local strategies or that can demonstrate specific economic and public interest benefits.*

Consistent with upfront strategic planning, more streamlined pathways should be available for changes to the Local Environmental Plan or development that is consistent with a council's adopted Local Strategic Planning Statement or endorsed local strategies. To support COVID-19 recovery in the region's most impacted, councils should also be able to consider fast tracking changes to the local environmental plan that would result in specific regional and local economic and public interest benefits. This could include fast tracking the Gateway certification process which can take up to 18 months and gazettal processes which can take up to 4 months.

7. *Include specific consideration of the economic benefits to the region or locality in State government decisions on local planning matters (including employment retention and generation and whether or not any other industries or projects are dependent on a proposal).*

The COVID-19 recovery may impact the economic analysis for assessments under the planning legislation. For State level decision making, there should be specific consideration of the economic benefits to a region (including employment retention and generation and whether or not any other industries or projects are dependent on a proposal) when decisions are made about local planning matters. This includes planning proposals, seniors living site compatibility certificates and regional development. These decisions should take into account local economies and data as well as analysis of the impacts of the COVID-19 crisis.

8. *Amendments to remove restrictions on development near zone boundaries in some coastal areas to enable the logical and appropriate extension of neighbouring permitted land uses.*

The Standard Instrument Local Environmental Plan enables some flexibility for development near zone boundaries, however it does not extend this to the coastal zone. Much of Port Stephens is located within the coastal zone which limits the application of these provisions, even if the neighbouring land uses would be appropriate to be extended. Where councils have identified the most sensitive coastal management areas, proposals located outside of those areas (and within the coastal zone) should still be able to be considered under clause 5.3. of the Standard Instrument Local Environmental Plan. The assessment considerations under the *State Environmental Planning Policy (Coastal Management) 2018* would remain relevant, however it would enable more flexibility to support appropriate development proposals near zone boundaries.

9. *Provide additional mapping support for councils, including ensuring consistency between various State mapping and the LPI cadastre and support for council's when the Biodiversity Values Map is updated.*

Inconsistencies between maps cause delays in planning processes. The State could also assist councils in preparing GIS updates when the State's Biodiversity Values Map is updated to ensure assessments and advice remains accurate. Assistance in preparing mapping to support the gazettal of changes to Local Environmental Plans would also significantly improve efficiency given it can take up to 4 months for amendments to be ready for gazettal after Council has adopted a plan.

10. *Adopt a risk based approach to the integrated development threshold for referring bushfire assessments to the NSW Rural Fire Service for new subdivisions.*

Councils should be empowered to assess new subdivisions for bushfire risk on land with low bushfire attack level ratings. The NSW Rural Fire Service could issue guidance to councils and provide assistance where necessary. This would significantly reduce application determination timeframes given the referrals of these applications generally take in excess of 40 days.

11. *Commence the 'One Stop Shop' for integrated development and enable the Planning Secretary to act on behalf of approval bodies that take more than 40 days to inform council whether or not they will issue an integrated approval for a development application.*

Currently determination of development applications are delayed due to referral agencies taking more than 40 days to respond to referrals.

Ensuring councils receive a response from either the referral agency or the Planning Secretary within 40 days will improve efficiency and application determination timeframes.

12. *Tailor assessment requirements for designated development for each project and require assessment of key site specific impacts.*

Removing standard environmental assessment requirements for designated development where they do not relate to the key issues for assessment will reduce the cost of preparing environmental impact statements and streamline assessments.

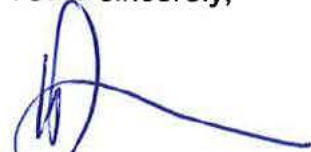
13. *Waive planning reform fund fees for development in the regions most affected by the COVID-19 crisis.*

Development applications with an estimated cost of over \$50,000 are required to pay planning reform fund fees to the State proportionate to the cost of the development. Reducing or waiving this fee will reduce development costs in Port Stephens for homeowners and businesses.

State level reforms that are tailored for the coastal and regional communities that have been impacted the most by the COVID-19 crisis, such as Port Stephens, could support local economies, keep people in regional jobs and support the tourist and visitor economy, construction and other industries throughout the COVID-19 recovery.

Should you wish to discuss any of the above reform proposals in further detail, please contact Steven Peart, Section Manager Strategy and Environment on 02 4988 0514, or by email Steven.Peart@portstephens.nsw.gov.au.

Yours sincerely,



Wayne Wallis
General Manager

13 May 2020

Telephone enquiries
(02) 4980 0255
Please quote file no: PSC2017-02800



PORT STEPHENS
COUNCIL

Ms Kiersten Fishburn
Co-ordinator General
Planning Delivery Unit
NSW Department of Planning, Industry & Environment
Locked Bag 5022
PARRAMATTA NSW 2124
By email: Kiersten.Fishburn@planning.nsw.gov.au

cc. Daniel Simpkins, Director, Hunter & Central Coast, NSW Department of Planning,
Industry & Environment
By email: Daniel.Simpkins@planning.nsw.gov.au

Monica Gibson, Executive Director, NSW Department of Planning, Industry &
Environment
By email: Monica.Gibson@planning.nsw.gov.au

Dear Ms Fishburn,

Re: Planning System Acceleration Project.

Thank you for meeting with Port Stephens Council (Council) staff on 24 July 2020 to discuss the Planning Delivery Unit (PDU) and the opportunities for councils to contribute to the reform and improvement projects and participate in local acceleration programs.

Council strongly supports State government reforms to boost local economies and the construction and other industries throughout the COVID-19 recovery. On 13 May 2020, Council wrote to the NSW Premier and the Minister for Planning advocating for State reforms tailored for the coastal and regional communities that have been the most impacted by the COVID-19 crisis, such as Port Stephens (**ATTACHMENT 1**).

In June 2020, Port Stephens Council nominated to be included in the State Government's Council Accelerated Assessment Program. Council has had a continued focus on reducing processing timeframes for development applications and won NSW Local Government Association and NSW Premier's awards in 2016 and 2017 for making process improvements.

Similarly for rezoning requests, Council has overhauled systems and processes in 2020 to deliver time savings and more certainty for proponents and the community. The reforms to rezonings include upfront information requirements, pro-forma templates for proponents, and early consultation with the NSW Department of Planning, Industry & Environment (DPIE).

Council is keen to build on these initiatives and work with the State government to address the delays in local planning processes identified below, in particular towards the State targets to slash rezoning assessments and decisions by 191 days:

Gateway determinations

- In 2019 and 2020, obtaining a Gateway determination from DPIE took on average 210 days. The most efficient timeframes were achieved when planning proposals were aligned with local and State strategic plans, with these determinations taking on average over 120 days.
- Overall timeframes for planning proposals can be delayed due to Gateway determinations including requirements for consultation and referrals to State agencies that are unnecessary or duplicate consultation already undertaken by councils.

Concurrence, referrals and agency advice (development applications and planning proposals)

- Delays obtaining responses from NSW Rural Fire Service and Transport for NSW (on average over 40 days).
- A whole of Government approach towards agency and other stakeholder referrals for planning proposals could assist similar to the one stop shop for development applications. A shared online platform and proactive management of State agency referrals for planning proposals by the PDU could address delays and inconsistent agency advice.

Mapping

- State targets for faster rezonings could be addressed by finding efficiencies at the end of the rezoning process. Gazettal takes on average over 90 days, even for minor planning proposals. Delays are often due to amendments to maps that are unrelated to the planning proposal that was exhibited and adopted by Council. The mapping amendments following adoption are being included only at the request of DPIE.
- Updating the Biodiversity Values (BV) Map takes on average over 90 days, delaying determination of development applications and planning proposals where biodiversity mapping has been ground-truthed. The NSW Environment, Energy and Science Group of DPIE manage updates to the BV Map using data supplied by councils.
- Cadastre inconsistencies with NSW Land Registry Services have often caused mapping delays, we understand updating the Planning Portal to be consistent with the State cadastre is an ongoing ePlanning project.

Based on the above, the following opportunities have been identified to better align agency referral processes, support continued rollout of ePlanning, adopt a risk based approach to assessment requirements, and make 'back of house' processes improvements:

1. A State agency Memorandum of Agreement with local councils to commit to the following timeframes:
 - Advice within 21 days
 - Gateway determinations within 3 months
 - Decisions on site compatibility certificates within 3 months
 - Gazettal of changes to Local Environmental Plans within 2 months
2. Consult with councils on draft Gateway conditions before issuing certificates.
3. Identify any cadastre or other State nominated mapping updates during the exhibition of a planning proposal and prior to gazettal.
4. State-led housekeeping amendments to local environmental plan maps where those amendments are not related to the content of council-initiated planning proposals.
5. Lead proactive intervention to resolve agency issues for both development applications and planning proposals.
6. Delegate amendments and updates to the Biodiversity Values Map to local councils, based on the approved methodology.
7. Delegate low risk bushfire assessments to councils and publish guidance materials.
8. Provide support for councils seeking to streamline processes by providing for the concurrent assessment of rezonings and development applications.
9. Tailor assessment requirements for designated development rather than including every standard template Secretary's Assessment Requirement even where they do not relate to key assessment issues.
10. Commence the copyright regulations to support ePlanning or host local exhibitions on the NSW Planning Portal to indemnify councils from copyright claims from publishing data.
11. Provide for an accelerated rezoning process where proposals are consistent with adopted local strategic plans, including the Local Strategic Planning Statements.
12. Offer more flexibility for councils to consider development proposals near zone boundaries in coastal areas.

13. Consider a more risk based approach to Biodiversity Development Assessment Reports given the costs and time delays that they add to minor developments (over \$15,000 and over 9 months to prepare).

Council is developing criteria with DPIE as part of the Council Accelerated Assessment Program for the matters that may be referred to the Planning Delivery Unit for resolution and is also establishing a pilot 'concierge service' in collaboration with Regional NSW to attract and support business development in Port Stephens.

Council staff have also recently met with Maitland City Council and Lake Macquarie Council strategic planning managers to discuss shared experiences and the opportunities for developing a consistent 'Hunter approach' to rezonings that would:

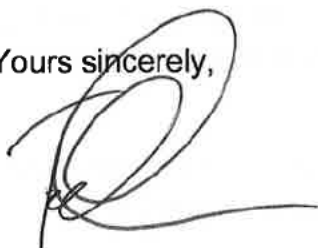
- Streamline, simplify and standardise processes for Hunter councils and proponents.
- Target key barriers to delivery in the planning proposal process.
- Ensure councils and DPIE (and the community) see a return on the investment made in local strategic planning and the adoption of Local Strategic Planning Statements.

It is intended to prepare a project brief to present to the Hunter Joint Organisation with a view to holding a collaborative workshop with Hunter councils and DPIE on rezoning reforms and as part of engagement with DPIE on the Faster Assessments Program for rezonings.

Thank you for the opportunity to submit our local planning acceleration reform ideas, should you require any further information or assistance please contact Liz Lamb, Strategic Planning Co-ordinator on 4988 0293 or by email at Elizabeth.lamb@portstephens.nsw.gov.au.

Council looks forward to working with the Planning Delivery Unit on fast-track assessments and other system improvements in the coming months.

Yours sincerely,



Tim Crosdale
Development Services Group Manager

14 August 2020

Telephone enquiries
(02) 4988 0255



Mr Wayne Wallis
General Manager
Port Stephens Council
PO Box 42
RAYMOND TERRACE NSW 2324

Dear Mr Wallis

Thank you for your correspondence to Ms Kiersten Fishburn, Coordinator General, Planning Delivery Unit, regarding the planning system acceleration project. Ms Fishburn has asked me to respond on her behalf.

I commend Port Stephens Council for the leadership in seeking to improve certainty, transparency and timeliness in the planning system. You have put forward a well thought through series of proposals.

Apologies for the delay in responding. There are a number of different teams and processes that relate to the proposals you raise regarding agency referral, ePlanning and risk-based approach to assessments.

The Department of Planning, Industry and Environment (Department) would welcome an opportunity to contribute to a collaborative workshop with Hunter councils on ways of working better to achieve outcomes for the community.

Personally, I commit to working on being more transparent with Hunter councils on timeframes and Gateway determination conditions, along with being more proactive in seeking resolution to agency and local environmental plan mapping matters.

The fast-tracking of the planning system does not mean compromising due process or assessment of the merits of proposals. All regular legislative, policy and consultation considerations will continue to apply to any project identified through the any acceleration program. There is no change to the planning system rules that apply to the assessment of projects – this is about making decisions on projects to get things moving.

There is also a fantastic opportunity in the review of the *Hunter Regional Plan 2036* to consider how we can strengthen the strategic-led planning system in the Hunter. This review will commence soon by building on the hard work done by councils on their Local Strategic Planning Statements.

Together, we can achieve greater clarity and certainty through planning proposals generally taking one year and no more than two years to complete. This has been shown to be achievable in many cases where applications are supported by enough evidence to justify strategic and site-specific merit, and when proposals are aligned to a strong strategic planning framework.

Please direct any invitation for a collaborative workshop to hunter@planning.nsw.gov.au. We work with the relevant teams across the Department to ensure they are able to contribute to the workshop.

Should you wish to discuss this further please don't hesitate to contact me at the Department on 4904 2700.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dan Simpkins', with a long horizontal line extending to the right.

12/10/2020

Dan Simpkins
Director, Central Coast and Hunter Region
Planning and Assessment



PORT STEPHENS
COUNCIL

Mr. Steve Wilson
Director, Policy and Programs
Hunter Joint Organisation
PO Box 3137
Thornton NSW 2322
Email: steve@huntercouncils.com.au

Dear Steve,

Re: Collaborative 'Hunter approach' to rezonings.

Port Stephens Council, following discussions with other Hunter council strategic planning teams, are seeking assistance from the Hunter Joint Organisation to develop a collaborative 'Hunter approach' to land rezonings, with Hunter Councils and the NSW Department of Planning, Industry & Environment (DPIE).

We would like to investigate a common approach to rezonings in the Hunter region to achieve the following objectives:

1. Streamline, simplify and standardise processes for Hunter councils and proponents.
2. Target key barriers to deliver in the planning proposal process.
3. Ensure Hunter councils and DPIE (and the community) see a return on the investment in regional and local strategic planning and the adoption of local strategic planning statements.

1. Streamline, simplify and standardise processes

There may be opportunities to investigate process improvements for rezonings that can offer time savings and also consistency for proponents operating between local government areas. This may align with the objectives of the Hunter 2050 Foundation to accelerate investment and redevelopment in the Hunter if the approach is tailored to attract and support business investment in the Hunter.

We are keen to explore opportunities with State agencies to standardise certain pre and post Gateway requirements, referrals and responses to specific issues. There could also be standardised lodgement forms and requirements, notifications and templates.

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To address timeframes, one option could be to prepare a Memorandum of Agreement between Hunter councils and State agencies to commit to the following timeframes:

- Advice on rezonings within 21 days
- Gateway determinations within 3 months
- Decisions on site compatibility certificates within 3 months
- Gazettal of changes to Local Environmental Plans within 2 months.

A standardised approach could make the process more efficient and will give proponents and business more certainty about timeframes and the likely information requirements during assessment.

2. Target key barriers to delivery

Hunter Councils have identified some key barriers to an efficient process for rezonings that could be workshopped with State agencies. In Port Stephens, some of the opportunities identified to overcome key barriers include:

- Take a risk-based approach to assessments where planning proposals are consistent with strategic plans and tailor conditions and requirements to only address key assessment issues.
- Consult with councils before issuing Gateway determinations with conditions or issuing advice.
- Initiate State-led intervention to resolve outstanding agency issues.
- Identify cadastre or other State nominated mapping updates during the exhibition of a planning proposal and prior to preparation for gazettal.
- Initiate State-led housekeeping amendments to local environmental plan maps where those map amendments are not related to the content of local council planning proposals.
- Offer more flexibility for councils to consider development proposals near zone boundaries in coastal areas where they are consistent with strategic plans.
- Establish a shared online platform for State agencies, councils and Parliamentary Counsel to facilitate better communication and accountability.

3. Return on investment in strategic planning

Councils (and the State government) have recently invested significant resources in the preparation of strategic plans in the Hunter, including local strategic planning statements and housing strategies. This investment has included significant community consultation, time and funds expended on delivering the strategic plans required by the Environmental Planning and Assessment Act 1979 and Greater Newcastle Metropolitan Plan. Given the significant investment in strategic planning, councils are now keen to see savings at other stages of the planning process and measurable benefits to undertaking this work.

The former Chief Planner of the NSW Department of Planning & Environment, Gary White in a previous role prepared a presentation setting out the potential benefits of strategic planning, including through the more efficient management of risk during assessments (Features of a competent planning system, Gary White, Government Planner Department of State Development, Infrastructure and Planning, April 2012)(Attachment 1).

Under the current planning system, there are currently minimal, if any, changes to the subsequent planning processes that follow the adoption of a strategic plan, including rezonings. Under the current planning system, low risk rezonings and development applications that are consistent with strategic plans remain subject to the same processes and time frames as high risk assessments that are inconsistent with adopted strategies.

There is also an opportunity to investigate leveraging strategic planning to accelerate assessments to assist the recovery response to COVID-19. The State government has recently adopted an acceleration program to respond to the economic impacts of COVID-19, however the essential criteria for selection does not refer to consistency with strategic plans.

There is currently an opportunity for Hunter councils to adopt local accelerated assessment programs linked to the NSW Public Spaces Legacy Program and an opportunity to identify projects suitable for fast tracked assessment, which could include projects that can demonstrate consistency with strategic plans.

However, to accelerate rezonings, whether as part of the NSW Public Spaces Legacy Program or to otherwise capitalise on the significant investment in local strategic planning in the Hunter, councils will require the cooperation and collaboration of the State agencies that influence time frames and assessment processes and requirements.

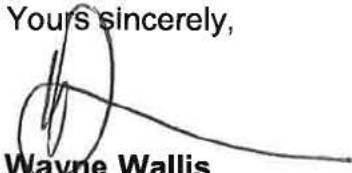
We are seeking your assistance in hosting collaborative workshops with Hunter councils, DPIE, and other relevant State agencies to explore an innovative and common approach to rezonings in the Hunter that achieves the above objectives.

Port Stephens Council would be happy to host any part of the program that requires a physical venue, acknowledging that COVID-19 restrictions may limit the program to a combination of online meetings and small scale in-person workshops.

We understand that DPIE is currently undertaking a review of the rezoning process, including to improve opportunities for better collaboration and better public information. A Hunter program of reform could be run in parallel with the State review, targeting the key issues identified above.

Should you wish to discuss any of the above in further detail, please contact Liz Lamb, Strategic Planning Coordinator on telephone 4988 0293 or by email Elizabeth.lamb@portstephens.nsw.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Wayne Wallis', with a long horizontal flourish extending to the right.

Wayne Wallis
GENERAL MANAGER

29 September 2020

Telephone enquiries
(02) 4980 0246

Cc:

Daniel Simpkins, Director, Hunter & Central Coast, NSW Department of Planning, Industry
By email: Daniel.Simpkins@planning.nsw.gov.au

Amanda Harvey, Executive Director, Local Strategies and Plan Making
By email: Amanda.Harvey@planinng.nsw.gov.au

Mark McClean, Deputy Director, Regional Development, Hunter & Central Coast
By email: mark.mcclean@dpc.nsw.gov.au

Correct calibration of assessment levels to strategic outcomes

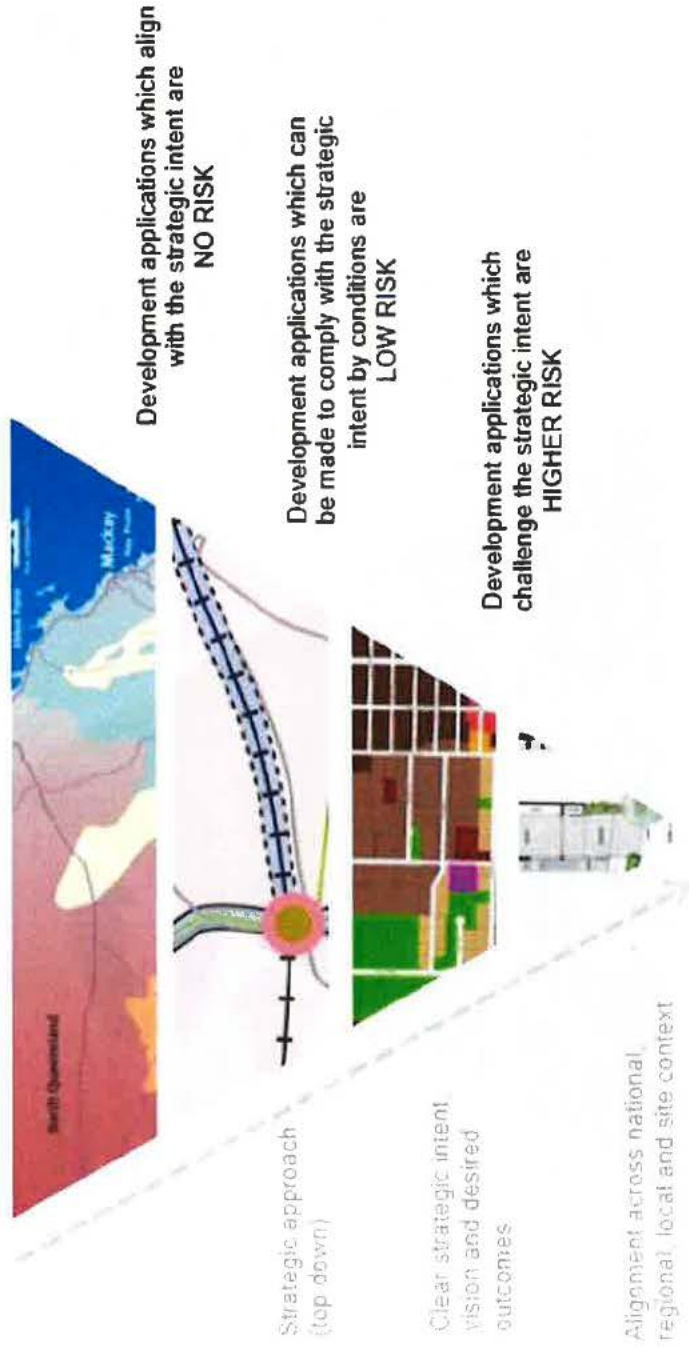


Correct alignment of the assessment levels in a planning scheme to outcomes sought by the strategic planning framework

FOLLOW THIS WITH THE 'GET IN THE RIGHT LANE'

Tomorrow's Queensland: strong, green, smart, healthy and fair

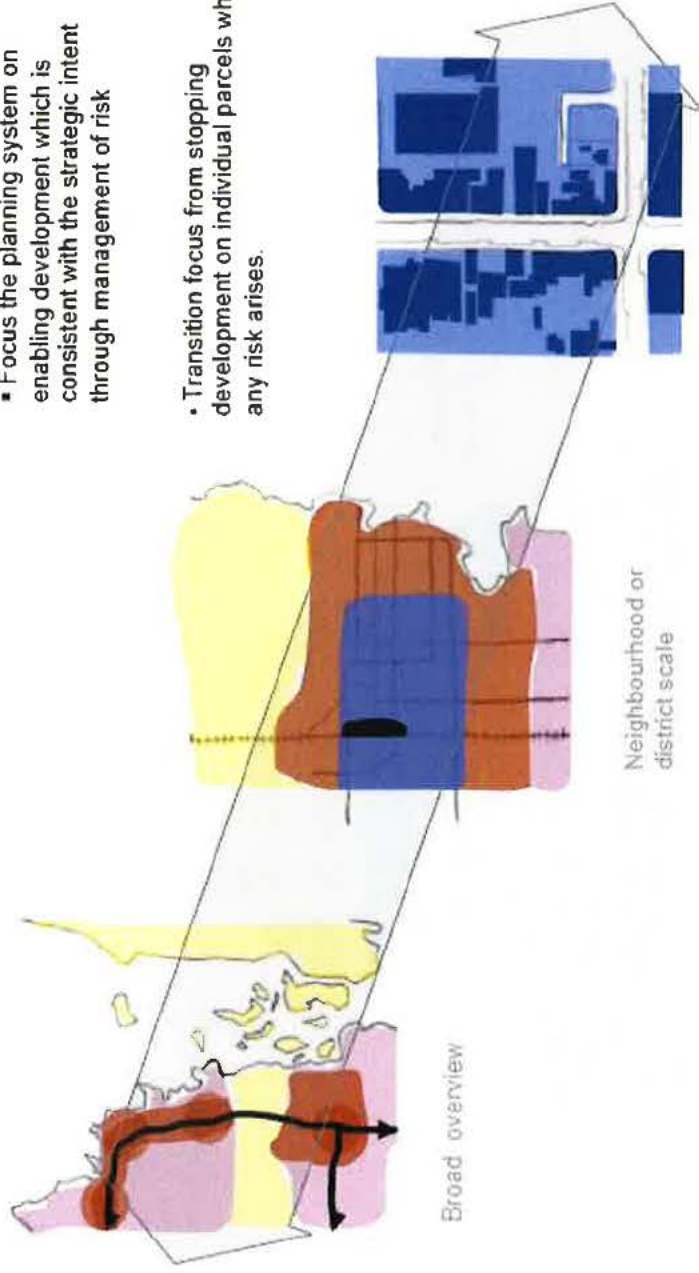
Correct calibration can enable a "Risk management" approach to development assessment rather "Risk avoidance"



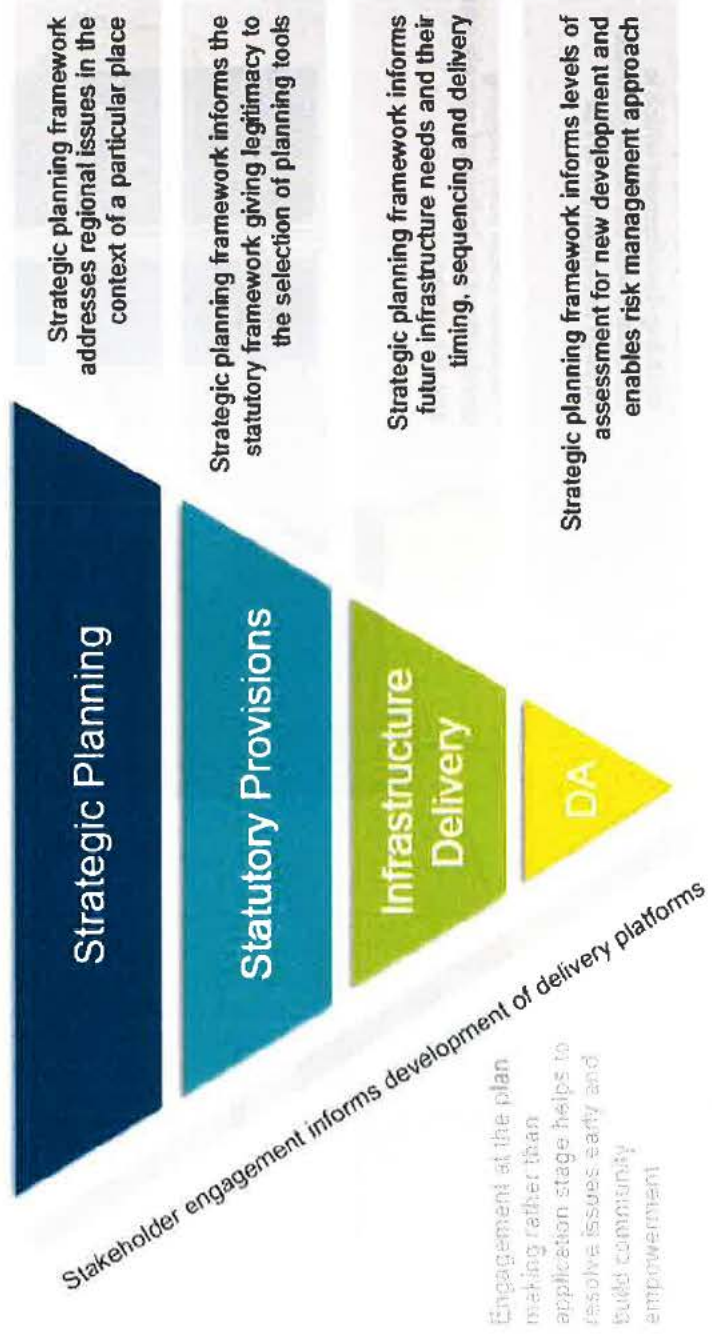
Tomorrow's Queensland:
strong, green, smart, healthy and fair

Risk management approach to development assessment

- Focus the planning system on enabling development which is consistent with the strategic intent through management of risk
- Transition focus from stopping development on individual parcels when any risk arises.



4. Top and tail focus on consultation and engagement



29 August 2021

Ms Sandy Chappel
Director, Housing Policy
Department of Planning, Industry and Environment
Online submission via www.planningportal.nsw.gov.au/housing-sepp

RE: Submission on the draft State Environmental Planning Policy (Housing)

Dear Ms Chappel,

Thank you for the opportunity to make a submission on the draft State Environmental Planning Policy (Housing) (Housing SEPP).

Port Stephens Council adopted a Local Housing Strategy in 2020 ([Live Port Stephens](#)) to:

- ensure suitable land supply
- improve housing affordability
- increase the diversity of housing choice
- facilitate liveable communities

Significant commitments to invest in Port Stephens to grow the regional and local economy and to provide the infrastructure to support growth will attract new residents and drive demand for new housing in our area over the next 20 years. Port Stephens is also already experiencing significant changes in housing demand as a result of demographic and regional migration trends.

The draft Housing SEPP includes many reforms that will align with the priorities identified in our Local Housing Strategy and will assist in responding to regional housing demand.

Some of the reforms in the draft Housing SEPP are however 'metro-centric' and will have little impact on housing supply and diversity in regional areas, or may have a detrimental impact in regions like Port Stephens. This submission identifies opportunities to amend the draft SEPP to avoid unintended consequences on housing supply in regional areas like Port Stephens.

Site compatibility certificates for seniors living developments

Under the State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004 (the existing SEPP), a site compatibility certificate permits seniors housing on land that is compatible with the use, despite the underlying zoning. This

enables councils with limited resources to assess applications for seniors housing in appropriate locations without undergoing a rezoning process which can take on average 3 -5 years to complete. The draft Housing SEPP proposes to repeal this mechanism.

Regional councils like Port Stephens do not have the resources to undertake local strategic planning across the entire local government area to identify individual suitable sites for seniors housing and zone them appropriately. The criteria based approach in the existing SEPP is an efficient, risk based approach to meeting demand for this type of development in regional areas.

The existing SEPP also aligns with the Port Stephens Local Housing Strategy which adopts a similar risk based, criteria approach to identify the locations suitable for different types of new housing. In our region, this approach supports housing affordability by enabling a competitive housing market and provides a clear signal to landowners and developers about the difficulty of progressing a rezoning on land that does not meet the criteria.

The impact of the change in the Housing SEPP is likely to be less noticeable in metropolitan areas where councils have smaller geographical areas to plan for and significant resources to prepare comprehensive local strategic plans and accompanying comprehensive rezonings.

In addition, the majority of land in Port Stephens is not able to take advantage of the Standard Instrument local environmental plan clause enabling development near zone boundaries because it is in the coastal zone. In other areas and regions, this clause is available to permit seniors housing development on land adjoining residential zones despite the underlying zoning, and provides a more affordable and timely process than a rezoning. This is not currently available for the majority of land in Port Stephens.

If the change in the draft Housing SEPP is implemented, the supply of future seniors housing development in Port Stephens is likely to be limited to:

- Standard housing developments in existing residential zones, i.e. multi dwelling housing, attached dwellings, single dwellings, or community title developments which may be marketed towards seniors; and
- Caravan parks repurposed with moveable dwellings installed on long term sites (i.e. residential land lease communities which may be marketed towards seniors) where the land is zoned RE2 Private Recreation, or the caravan park is operating under existing use rights. Often these sites are located in areas where a residential zone permitting medium density development may be difficult to justify, such as outside of town centres or in and around environmentally sensitive locations.

Port Stephens has an ageing population (In 2018, 37% of the population was aged 55 and over), and there is a concern that a change to further limit the sources of housing supply for seniors would have a detrimental impact and would be contrary to the

objectives of the Port Stephens Local Housing Strategy to facilitate housing diversity in appropriate locations. The Housing SEPP could be amended to address this issue by retaining site compatibility certificates for regional areas, such as Port Stephens.

Changes to boarding houses

Under the existing State Environmental Planning Policy (Affordable Rental Housing) 2009, boarding houses are facilitated as a form of affordable housing and receive concessions from planning rules that are not available for conventional residential flat buildings. As a result, there is a greater ability to develop boarding houses on sites where apartment style developments would not ordinarily be feasible.

Boarding houses may generally be developed to deliver increased yield and a more affordable housing product. Given that the product is able to be developed at a lower cost than residential flat buildings, with more compact dwellings, the expectation is that boarding houses are generally more affordable to rent than *Apartment Design Guide* compliant studio apartments.

Under the draft Housing SEPP, a development would only be regarded as a boarding house if:

- it meets 'affordability' rules (which include rent controls); and
- is managed by a not-for-profit community housing provider.

In Port Stephens, the opportunity for properties to be developed as boarding houses and to take advantage of the planning concessions available for boarding houses, including floor space ration bonuses, will be limited by the proposed changes.

In preparing our Local Housing Strategy in 2020, data collected showed that community housing providers had limited investments in Port Stephens compared to other council areas in the region.

The extent of land available for the new 'co-living housing' product will be less than what is currently available for development as boarding houses under the existing State Environmental Planning Policy (Affordable Rental Housing) 2009. Co-living housing will only be permissible where residential flat buildings or shop top housing are permitted, which in Port Stephens is a limited number of zones.

Consolidation of State Environmental Planning Policy No 21—Caravan Parks

The draft Housing SEPP will consolidate State Environmental Planning Policy No 21—Caravan Parks without amendments to the existing provisions.

Reform of these provisions is a key priority in Port Stephens given the number of existing caravan parks and the ability to install moveable dwellings for long term residence under existing consents or modifications. In Port Stephens, many of these developments are marketed as high end, 'resort style living' housing products for seniors. State Environmental Planning Policy No 21—Caravan Parks does not reflect these market changes and still considers long term caravan sites (and potential sites for moveable dwellings) as a source of 'low-cost housing'.

It is noted that a review of State Environmental Planning Policy No 36—Manufactured Home Estates will be undertaken in the future, however this policy does not apply in Port Stephens to permit manufactured home estates. It is the provisions of State Environmental Planning Policy No 21—Caravan Parks that require amendment and updating to assist better planning for this new form of multi-dwelling housing in Port Stephens.

Housing diversity and affordability in regional NSW

The Housing SEPP could also include initiatives to address housing supply issues unique to regional areas as identified by the newly appointed Regional Housing Affordability Taskforce. Regional areas and regional councils experience particular challenges in meeting housing demands that are not experienced in metropolitan centres. The draft Housing SEPP could be amended to include reforms that are informed by the Regional Housing Affordability Taskforce and should be amended to ensure any changes in the exhibition draft will not have a detrimental impact on housing supply in the regions (as detailed above).

Thank you for the opportunity to provide comments on these issues. If you wish to discuss the matters raised above or have any questions, please contact Liz Lamb, Strategic Planning Co-ordinator by email at Elizabeth.lamb@portstephens.nsw.gov.au or by phone on 4988 0293.

Yours faithfully,



Steven Peart

**Group Manager Development Services
Port Stephens Council**



From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 10:59:14 PM
Attachments: [regional-housing-task-force---hunter---submission-by-desim-and-nacrpa.pdf](#)

Submitted on Fri, 27/08/2021 - 22:55

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Dejan

Last name

Simovic

I would like my submission to remain confidential

No

Info



Suburb/Town & Postcode

North Arm Cove 2324

Submission file

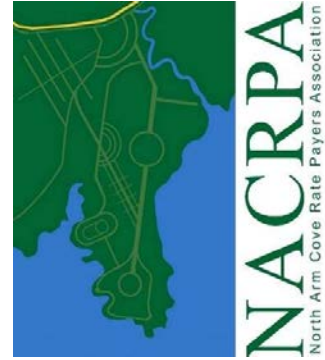
[regional-housing-task-force---hunter---submission-by-desim-and-nacrpa.pdf](#)

Submission

Request for consideration of inclusion of North Arm Cove heritage subdivision in strategies for addressing housing shortage and other issues
MidCoast Council

I agree to the above statement

Yes



Regional Housing Taskforce – Hunter – Submission

This submission is prepared by DESIM in collaboration with Rate Payers Association of North Arm Cove (NACRPA) and is based on few years of research of local conditions, collaboration with numerous experts, organizations and stakeholders.

DESIM's team has long experience in housing planning, development, design and delivery in NSW. DESIM team members have been involved in hundreds of projects delivering over 50,000 residential units of various kinds over past twenty years.

DESIM is also NSW Government supplier for strategic planning – Greater Sydney Commission

DESIM team members were involved also with major infrastructure projects across NSW, Australia and internationally

Dejan Simovic, DESIM's director is a Planner and Architect (with post-Grad in Housing), Development and Project Manager (project to over \$700mil individual value), Energy Efficiency, Sustainability and Circular Economy expert, Certified Passive House Designer and Technical Adviser for UN Development Program.

Tatjana Djuric-Simovic is Planner and Architectural Masters Graduate, Project Manager, Strategic Planning expert, NSW Planning System expert, Energy Efficiency expert, with more than 15 years local experience in various government institutions – City of Sydney, Inner West Council, Department of Planning, Department of Education, Planning Assessment Commission

Summary:

- Case for getting North Arm Cove subdivision on the map and inclusion in State's, Regional and Local plans.
- Current planning system has neglected North Arm Cove that has been selected and planned by Walter Burley Griffin
- Council planning process has completely ignored numerous submissions from rate payers, so the subdivision is not included in local strategic planning documents
- MidCoast LGA is one of the areas with lowest economic development in NSW and with serious demographic problems – average age in LGA almost 60 and in Tea Gardens over 65
- Local Council owns about thousand lots that could provide affordable housing in this high demand area

- Ratepayers Association has done “proof of concept” study with research organisations, planning and infrastructure specialists and infrastructure providers and managers on potential for developing “smart”, sustainable, resilient community while preserving heritage value of subdivision
- Heritage bodies support our proposal
- Proposed improvement of planning process orientated to measurable outcomes, performance, in line with NSW Government policies on Digitalization of Construction, transition to Circular Economy, Housing Strategy
- Creation of master plan with “digital twin” to facilitate performance monitoring
- New approach to urban development in regional areas is proposed through innovation:
 - o innovative approach to active community involvement – “citizen jury”
 - o innovative approach to planning and delivering infrastructure - based on Circular Economy as major enabler to sustainability – water cycle management, local water and energy harvesting and storage, beyond “Net Zero”
 - o innovative approach to funding of urban development – “value capture”
 - o innovative approach to community governance – including smart contracts and blockchain
 - o innovative ways to urban infrastructure through “micro grids” – local water and energy harvesting and storage, recycling and reuse of waste
 - o innovative approach to addressing climate change challenges – utilizing traditional Aboriginal land stewardship methods, providing wildlife sanctuaries,
 - o innovative approach to communication and traffic – shared and “smart” facilities based on data collection and utilization
 - o innovative approach to affordable housing – developing on local government’s “operational land”
 - o Innovative approach to providing resilience – local food production, power generation and water harvesting, proper risk assessment and monitoring of outcomes and changes through creation of “digital twin”
- There is no reason why 4000 urban lots of North Arm Cove could not be added to other 18,000 urban lots in Hunter Region that are already zoned for development without provision of infrastructure and access



Figure 1 - Local flooding map of north shore of Port Stephens

At the beginning of last year, The University of Sydney had a program of “unlearning” the world’s greater challenges.



Figure 2 - Syd Uni - Unlearning Worlds greatest challenges

In essence, in the past few decades it has become clear that the problems we are facing now in our environment, societies, and economies are the result of inadequate practices we used in the past. That includes our planning system and housing as most important part of it.

This is evident on all levels - from personal to global. To do effective change “unlearning” is necessary – looking for different approaches to all aspects of our lives. And that was before the COVID-19 pandemic brought enormous changes we are experiencing.

North Arm Cove is part of the Mid-Coast Council and Hunter Region of New South Wales. Each of these levels of communities encountered its own share of problems resulting, among other, from inadequate practices of the past:

- NSW – overly centralized development around Sydney, chronic shortage of affordable housing, environmental degradation, impact of changing climate
- The Hunter Region – uneven development – Newcastle and Central Coast being leading regional economies in Australia (still having 18,000 residential lots planned without adequate traffic infrastructure), while at the same time
- Midcoast Council has “*high levels of retirement and unemployment, and low levels of education attainment, the household incomes in the MidCoast are significantly lower than other regions*” and being “*25th most disadvantaged Council area in NSW (out of 131 areas) with a SEIFA index of 928*”. The statistical area of Tea Gardens has the highest average age of its population among all areas in the country, annual population growth planned for about 350 people for next 25 years, in past eighteen months apart from COVID pandemic LGA has suffered from trifecta of climate change consequences – devastating fires, floods and coastal erosion

Following the NSW State Governments decision to amalgamate Councils across NSW, Midcoast Council was created from three pre-existing Councils , and therefore required consistency in

planning and development controls. Part of the new Councils brief in determining a new LEP was to perform strategic assessments of its environment (natural, social and economic), refer to plans for wider community – Hunter Region – and its plans, and reach out to local communities to get a sense of what they would like to retain and what they would like for their future.

Strategic assessment has been done through “Zone-In” process that included Housing Strategy, Local Strategic Planning Statement and Rural Strategy (still in draft). None of this recognized even the existence of North Arm Cove and its urban heritage, let alone its potentials to address some of many problems faced by local communities.

Community of a few thousand land owners has actively tried to influence positive change in Council’s approach to planning of communities in general and to our community in particular. provided numerous inputs to the “Zone in” process, draft LSPS and to the Rural Strategy. All our inputs were ignored.

North Arm Cove lies at the very south of the LGA , and contains both urban and non-urban land. – “paper subdivision” (determined by someone as land unsuitable for development???) There are approx. 4000 parcels of land, 3500 non-urban of which Council own around 1000 of these, which have been acquired via unpaid rates legislation. On 500 “urban” lots there are about 200 permanent residents living in sub-standard sanitary conditions creating constant threats to environment and local oyster industry.

North Arm Cove was designed as an urban community in total, not just in part. The fact that Walter Burley Griffin and his wife CHOSE this area as an attractive and desirable site is testimony to its viability. Griffins also designed Canberra City and Castlecrag in Sydney, both of which are heralded as world class town planning achievements, then and now. **Planning principles implemented by Griffins are equally relevant today as they were hundred years ago – integrating urban community with nature and new technological advances.** They were developed at the time when urban planning was domain of architects, engineers and surveyors, with the aim to achieve improved outcomes in urban centres and communities. It was time of great ideas and plans for many cities and communities – from Sir Ebenzer Howard inspired “Garden City” of Letchworth (1904) by Unwin (based on notion that the working class deserved better and more affordable housing), plan for Chicago (1909) by Burnham’s (commissioned by Changer of Commerce for resolving traffic congestion and providing improved business and housing conditions for a growing city), of course Griffin’s Canberra (1913 – nations capital integrated with natural surrounding), modernist Ville Contemporaine (1922) by Le Corbusier (addressing housing shortage after devastation of WWI), and later Wright’s Broadacre City (1932 – addressing socio-economic issues after Great Depression)

Yet, for North Arm Cove subdivision was determined, by someone, as unsuitable for development???. In the meantime, interestingly, century later, we are still dealing with the same or similar issues only on a larger scale, seeking more urgent solutions. It is definitely the time for re-evaluation of our planning system that brought us where we are.

DESIM’s team, together with Ratepayers Association (NACRPA), student organisation SONA, university sustainability research bodies (UTS and Syd Uni “Henry Halloran Trust”, professionals in urban planning, urban design (Australian and international), experts infrastructure planning, design, delivery and service provision has conducted exercise through organizing student research competition to provide a “proof of concept” for future sustainable development at North Arm Cove – “Back to the future – North Arm Cove” (www.backtothefuture-nac.com).



Figure 3- Supporters, sponsors and contributors to "Back to the Future - NAC" student research competition

Expert contributors have covered the fields of:

- 1) **Heritage – Aboriginal and European, which distinguishes North Arm Cove from similar “paper subdivisions”.** This exceptional cultural value is recognised by Walter Burley Griffin Society and Henry Halloran Trust
 - a. "Marion's Garden" - GLENDA KORPORAAL, OAM - <https://youtu.be/5i0PZUGPdNA>
 - b. "A Tale Of Three Cities" - MICHAEL THOMSON - <https://youtu.be/V18m64nR3kA>
- 2) Local planning context and some international initiatives
 - a. "North Arm Cove Heritage and basics of NSW Planning Framework" - TATJANA DJURIĆ-SIMOVIĆ - https://youtu.be/7R6GVPjlm_w
 - b. “Decarbonization through planning/zoning and design” - BRONWYN BARRY - <https://youtu.be/SiM-GnfvvOU>
 - c. “Planning Tools” - ALEN MALENICA - <https://youtu.be/KV7wLzWP8eY>

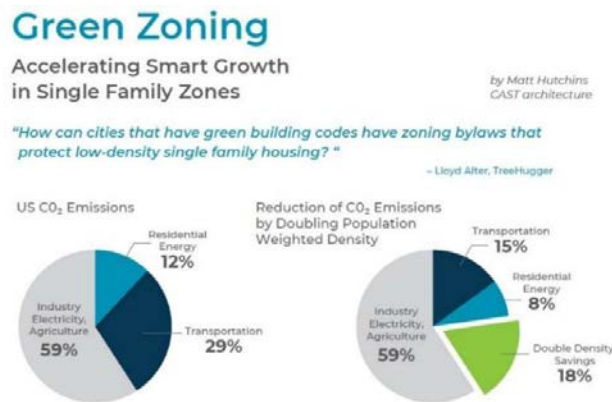


Figure 1: Reduction of U.S. CO₂ emissions by doubling population weighted density. Image by author.

- 3) Environmental sustainability – which is a critical aspect of our future
 - a. "Conceptual Understanding Of Sustainability" - Prof. SARA WILKINSON - <https://youtu.be/zpqgrYJyhCw>
 - b. “Healthy, Sustainable, Affordable living” - DANIEL KRESS, Australian Passive House Association - <https://youtu.be/rTfjWFXSrnu>
 - c. “Permacity, Renewable Cities” - SEBASTIAN MORENO-VACCA - <https://youtu.be/7XeiSnCYfJE>
 - d. circular economy,

- e. biodiversity,
- f. wildlife sanctuaries
- g. safety and resilience of community



Figure 4 - Future proof design - beyond Net Zero

- 4) Infrastructure – innovative approaches to
 - a. Generating and storage of power
 - b. Harvesting and storage of rainwater
 - c. Recycling and re-use of wastewater
 - d. Collection and recycling of waste
 - e. Smart roads and other communications
 - f. “Integrated Water Cycle Management” - IAN HARRIS, Stantec - <https://youtu.be/exqQcBXtYr0>
 - g. “Sustainable Communal Infrastructure” - DAVID WHITTING, altogether. - https://youtu.be/2b61YozY_k
 - h. "Smart Cities and Micro grids" - ELLIOT ALFIREVICH, Stantec - <https://youtu.be/HbtWBbxgaXA>
- 5) Innovative technologies
 - a. Energy efficiency
 - b. Carbon capture materials and technologies
 - c. Governance through blockchain and Artificial Intelligence
 - d. On-demand service provision
- 6) Community and Place making
 - a. "Smart Cities" - Prof. NIMISH BILORIA - https://youtu.be/3zHSEESv_UQ
 - b. “Citizen's Jury” - IAIN WALKER, newDemocracy Foundation - <https://youtu.be/FXcwN-xpXw4>
 - c. New educational and health facilities
 - d. New way of providing care for children and elderly
 - e. Community engagement and participation
 - f. Smart communications
 - g. Work from home and work-life balance

- h. Shared places, facilities, communal places
 - i. Over 100ha of communal space in original plans by Walter Burley Griffin
- 7) Innovative approach to funding
- a. "Urban infrastructure funding and Value capture" - Prof. PETER PHIBBS - <https://youtu.be/mg-vambBCVU>
 - b. Contributions from carbon intensive emissions industries in the region
 - c. On-sale of power, water and waste recycling
- 8) Use of "big data" in improving outcomes in planning and governance
- a. use of NSW government datasets
 - b. developing "smart" infrastructure

One of major problems in current planning system is community engagement. Even when it happens it raises the question of balancing interests of current residents and future residents, who are unknown. North Arm Cove has advantage that future residents are known and desire to actively participate in creation of new community.

However, when Council conducted a survey initiating Strategic Community Plan, out of 210 submissions 154 were supporting a vision of non-urban owners for innovative approach to development that would result in sustainable, resilient, renewable, self-sufficient urban community. However, Council decided that this vision is to be ignored, and Steering Group is made up only of current village residents only, ignoring thousands of other ratepayers. Obvious failure of current approach to community engagement in planning.

Our proposal is for facilitating and developing community engagement through "citizen's jury" process.

Council is collecting over \$1.5mil in rates every year with absolutely no provision of services to 5% of their ratepayers. So, the Council gives nothing for rates but takes private property away as compensation for non-payment.

Environmental issues as common across most of NSW and Australia and Midcoast Council is not exception. If anything this LGA is more at risk

Latest iteration of MCCs Draft Rural Strategy (that is running few years late) is proposing significant downzoning of RU2 land through removal of uses currently allowed – specifically uses that would allow economic and social activity on that land. Again, that would affect Council's own "operational land" that could be used to address serious issues in housing, employment, education the area is suffering from. Council planners are moving in opposite direction from Regional and State policies.

Latest statistics indicate shortage of housing in regional areas, especially coastal:

<https://www.echo.net.au/2021/06/the-housing-crisis-in-regional-australia/>

<https://www.smh.com.au/national/nsw/people-are-desperate-regional-renters-forced-to-apply-for-homes-sight-unseen-20210422-p57lmg.html>

<https://www.smh.com.au/national/nsw/rob-stokes-pushes-for-more-homes-in-regional-nsw-to-ease-shortage-20210616-p581ke.html>

In addition, NSW Government Housing Strategy is proposing for providing affordable housing on government land in collaboration with local communities:

- testing new housing types, tenures and delivery models to demonstrate best practice on government-owned land
- strengthening partnerships and collaboration with councils for profit and not-for-profit developers and communities to deliver housing.

Instead of taking a closer look at evaluating the non-urban land at North Arm Cove for future development, Council have shut the door and the Mayor even told our Association that it will “NEVER be on the radar”. That is in direct contravention to Council’s own declared policies - Local Strategic Planning Statement (LSPS), which outlines its vision and identifies its Planning Priorities:

Priority 2 “Engage with community in planning and decision making”, “create opportunities to participate in Council’s decision making”

Priority 3 “Identify land for housing supply via the Midcoast ULM”

Priority 4 “protect heritage”, “partner with local Aboriginal Committees”

Priority 7 “improve resilience to natural disasters such as bushfire and flooding” coastal management” “water security, including use of recycled water” and “climate change planning”

Priority 8 “managing land and water assets such as oyster farming, timber production, agriculture through use of technology and innovation”

North Arm Cove project could provide opportunity for implementation of NSW Government’s recently announced Digitalisation in Construction industry that promotes innovation in this sector with huge improvement in current decade. That process at the moment involves Class 2 projects (apartments) but will be extended to construction of individual homes – area that certainly has lot to be desired in terms of quality of construction and building performance.



Figure 5 - Transformation of Construction industry through Digitalisation

Already from 2025 we are expected to start using “digital twins” in construction, which is part of transition to Circular Economy. Planning system needs to follow similar modernisation in order not to become obstruction to innovation and community’s progress.

Economic benefit for the area would be significant with innovative ways of funding development in general and infrastructure specifically. Our initial investigation with infrastructure providers indicates that investment of \$70k per lot would increase land value from \$25k to \$250k for average lots in subdivision.

Increased land value would increase Council’s income from rates from \$1.5mil annually to \$1.5mil quarterly

Value of Council’s own 1000 non-urban lots would reach close to \$300mil with equals Councils annual budget. This value should be captured for the benefit of wider community of one of most undeveloped parts of the State.

North Arm Cove

Utility Services estimates - based on a population of 10,000 and 4000 dwellings
ET assumed as 2.5pp per ET

Jul-20

| Item | Cost per lot/dwelling/ET | Cost Range | Comment | |
|-------------------------|---|-----------------------------|-------------------------|--|
| Integrated Water | | | | |
| 1 | Waste-water Treatment and recycled facility. Recycled water quality for reuse within the community, including uses for toilet flushing, clothes washing and irrigation. | \$5,000 to \$6,500 | \$20m to \$26m | Facility to be provided in 3 stages, with civil works, access and services included in Stage 1. Cost range dependant on environmental factors unknown. Construction and ongoing operation by Flow Systems |
| 2 | Waste water reticulation - Pressure Sewer with single storage and pump/telemetry per dwelling | \$11,000 to \$14,000 | \$44m to \$56m | Reticulation to transfer waste to Treatment Facility, using PE pipe, and included on-lot storage and smart telemetry to manage operations. Installed by Developer/Landowner |
| 3 | Drinking Water treatment system, based on water sourced from stormwater and rainwater directly | \$2,500 to \$4,000 | \$10m to \$16m | Facility to be provided in 3 stages, with civil works, access and services included in Stage 1. Cost range dependant on water quality and storage strategy. Construction and ongoing operation by Flow Systems |
| 4 | Drinking Water reticulation | \$2,000 to \$3,000 | \$8m to \$12m | Reticulation from treatment facility including standpipe and meter on property boundary |
| 5 | Drinking Water Storage | \$1,000 to \$1,500 | \$4m to \$6m | |
| 6 | Recycled Water reticulation | \$2,000 to \$3,000 | \$8m to \$12m | Reticulation from treatment facility including standpipe and meter on property boundary |
| 7 | Trunk Connection to Centralised waste water treatment - Not included for off grid solution | \$1,000 | \$4m | Allowance for environmental discharge reequipments subject to final water balance |
| 8 | Stormwater management assets - Not assessed | NA | NA | |
| 9 | Stormwater harvesting assets - Not assessed | NA | NA | |
| 10 | Rainwater Collection systems - Not assessed | NA | NA | |
| Energy | | | | |
| 1 | Connection to NEM - Skinny Grid Link only. | \$1,000 | \$4m | Connection to existing assets - excludes new assets or upstream upgrades. Some connection required in first stage of development. Assessment of capacity required. |
| 2 | Embedded Energy Network (Microgrid) reticulation including HV and LV assets, street lighting, community assets and connections | \$7,000 to \$9,000 | \$28m to \$36m | Cost based on new subdivision works to benefit from shared trenching arrangements during construction of other services, rolled out with lot delivery. Connection to property boundary. |
| 3 | Community Energy Generation | \$3,000 to \$6,000 | \$12m to \$24m | Behind the meter solutions such as distributed Solar and localised storage |
| 4 | Gas Link to Regional Main - Not assessed | | | |
| 5 | Gas Reticulation - Not Assessed | | | |
| Data - Telco | | | | |
| 1 | Data reticulation or 5G wireless network to community areas and connection to dwellings | \$2,000 to \$4,000 | \$8m to \$16m | Utilise existing NBN connection for standard services only |
| TOTAL | | \$36,500 to \$53,000 | \$146m to \$212m | |

Note: All stated values are indicative only, and are not reflective of any specific site assessment. They are not capable of use other than for preliminary guidance. All amounts are exclusive of GST, and subject to escalation over time. They do not include any allowance for design, approvals, works supervision or commissioning. No reliance may be placed on these values other than in conjunction with separate, formal approval and clarification by the author.

Figure 6 - Provisional infrastructure costs based on local "micro grid"

Benefits for employment in various industries – construction, education and training, tourism (unique cultural heritage), would be in addition to provision of affordable housing on local government’s land (no land cost).

This area has become “heavily vegetated” in the past two decades due to neglect, which at the same time represents extreme danger from bushfires for local residents of North Arm Cove village.

However the area was not historically like that. The traditional Aboriginal population maintained it as a grassland by implementing traditional burning.



Figure 7 - North Arm Cove at the time of subdivision works in 1920s

Since early in European history land in the area was utilized by Australian Agriculture Company since 1824. The area was part of British Government's Crown Grant of 1,000,000 acres to the Company, that had a Headquarters and operational facilities in neighbouring Carrington.

For that reason, unlike neighbouring areas of Karuah, Tea Gardens, and Port Stephens, North Arm Cove doesn't have a significant number of endangered species and is not constrained in that way.

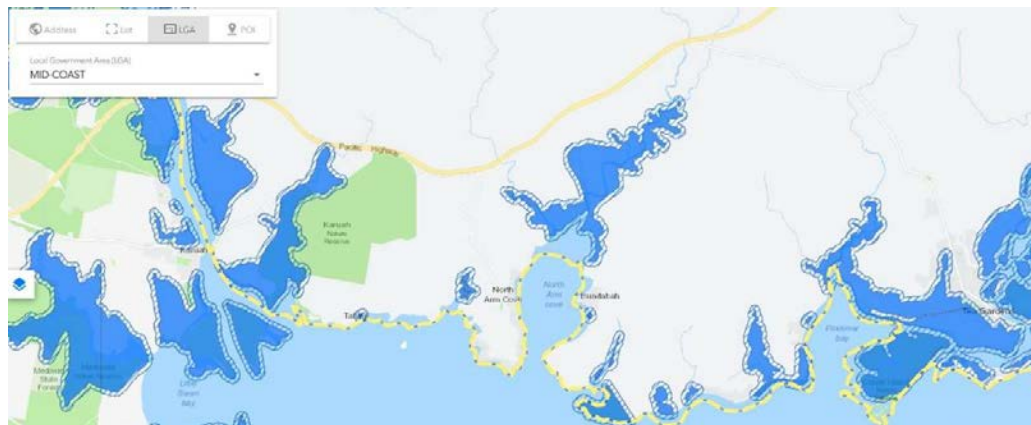


Figure 8 - Environmentally sensitive coastal wetlands at Port Stephens northern shore

Looking back on at plans prepared by some of the best planners this country has ever seen could provide answers for present and future. That is certainly the case of North Arm Cove. Their landowners deserve a Fair Go.

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 2:02:37 PM
Attachments: [shoalhaven-city-council-submission---regional-housing-taskforce---27082021.pdf](#)

Submitted on Fri, 27/08/2021 - 14:01

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Mat hew

Last name

Rose

I would like my submission to remain confidential

No

Info

Email

[REDACTED]

Suburb/Town & Postcode

Shoalhaven Local Government Area

Submission file

[shoalhaven-city-council-submission---regional-housing-taskforce---27082021.pdf](#)

Submission

Please refer to attached/uploaded pdf file

I agree to the above statement

Yes

Submission to the NSW Regional Housing Taskforce

Introduction

The critical housing issues in Shoalhaven are **availability, suitability, affordability, and infrastructure support**. The delivery of infrastructure, services, shops, and employment opportunities to meet the needs of current and future communities is a related and significant challenge that needs to be appropriately resourced.

The number of people living in Shoalhaven is expected to grow by over 31,000 people by 2051 under current and planned zonings (not including additional areas identified in current strategic land use planning work). Shoalhaven's communities are ageing, and the average household size is predicted to get smaller. There is a continued demand for short-term tourist accommodation and holiday homes and this form of accommodation plays a significant role in the visitor economy (a key industry sector). These all contribute to the demand for new homes, resulting in the forecast need to deliver a minimum of 17,400 new dwellings by 2051. Increases in demand from a growing and changing population influences both housing availability and affordability.

Current forecasts include limited assumptions about the impacts of regional migration due to the current COVID-19 pandemic as up-to-date data takes time to collate. Anecdotal evidence suggests recent increases in regional migration has elevated dwelling demand and that this will continue.

Council has planned, and continues to plan, to meet the identified need for housing by delivering a regulatory environment where a sustainable supply of all housing types throughout Shoalhaven can be provided, acknowledging the environmental and other challenges of the area.

Increasing housing supply can contribute to improving housing affordability, but the associated change and the impact on existing communities and their values needs to be identified and managed. There is a lag between identifying demand, proper planning of supply, and construction processes. This lag increases with the rapidity of recent change and uncoordinated nature of recent changes to the planning framework by the State Government.

Efficiencies in the planning process to increase housing supply should focus on delivering a strong regional land use policy framework, simplified administrative processes, and coordinated whole of government work on new urban areas (planning,

Submission to the NSW Regional Housing Taskforce

infrastructure provision etc). Any increase in housing supply must also be matched with infrastructure and services to meet the needs of future communities, as early as possible.

The ageing population in Shoalhaven has a significant influence on demand for suitable housing types which, if not adequately met, will impact on the ability for younger families to access existing housing stock. A supply of suitably sized, adaptable, and easily maintained homes allows ageing households to downsize within their communities, vacating larger dwellings for other households. Homes also need to be suitable for the changing environment to ensure households can remain healthy and comfortable during extreme weather conditions and can reduce household utility and maintenance bills.

An observed market response to increased demand is the rising cost of housing. Purchasing a home has become less affordable and rental costs have also increased markedly in Shoalhaven. Encouraging the private housing market to adjust product mix to meet emerging needs identified by demographic data and the increased delivery of affordable rental or social housing are both significant measures needed to address housing affordability.

Housing Availability

Shoalhaven's current population is about 107,000 people. Contemporary forecasts indicate this will grow to nearly 138,000 people by 2051¹, an increase of 31,000 people or around 29%. The average household size is forecast to decrease over the same period, reducing from 2.3 to 2.2 people. Between 17-22% of the current housing stock is considered unavailable for long-term housing (purchase or rental) as it is used for holiday accommodation or second homes.

A growing and changing population, shrinking household size, and observed rates of unoccupied dwellings indicate at least 17,400 dwellings will be needed in Shoalhaven by 2051. The continued pressure from holiday accommodation (including the current increase from greater domestic tourism), promotional campaigns encouraging the move to regions, and virus escapees from metropolitan areas all increase the demand for

¹ Population and household forecasts, 2016 to 2051, prepared by id (informed decisions), March 2021

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dwellings, particularly given Shoalhaven's proximity, and connections with major urban centres.

The rate of population change during the current pandemic, and whether the rate will continue or change again when the pandemic is controlled, is unknown at this time.

Currently housing supply always lags the identification of demand. There are limitations on the planning, infrastructure delivery, and construction sectors to respond to the rapidity of population and migration changes currently being experienced – it takes time to plan, provide infrastructure, and build. This is exacerbated by the ongoing and uncoordinated nature of changes to the regulatory system currently being experienced. This means supply pressures can be exacerbated and suggests shorter-term assistance for existing communities may be required alongside longer-term changes to planning system (for example temporary accommodation options such as the 'meanwhile use' of Government or similar land).

Proper planning processes need to be maintained to identify supply options, manage environmental values or risk (particularly in an area like Shoalhaven), engage with communities about anticipated change, and prepare the planning and development controls to facilitate the supply of dwellings and supporting infrastructure.

Councils should be enabled and supported to undertake this essential work to identify how much housing can be delivered while ensuring community and environmental values are not unduly eroded. A recent example of this includes the Western Sydney City Deal and \$2m in funding provided to a number of Western Sydney councils for the rapid development of strategic planning documents in response to significant population change and infrastructure projects (new airport and rail line). This funding enabled those councils to resource the preparation and implementation of plans within a faster timeframe than would normally occur.

Long-term land use planning work is currently being carried out in the absence of regional policy and guidance. While the recently published Regional Plan commits to actions and work, contemporary State- and Region-wide policies on housing supply, affordability and for competing land uses such as rural and employment lands are either absent or some time away from publication.

Submission to the NSW Regional Housing Taskforce

Council is currently working to increase housing supply through the facilitation of new urban areas in the Nowra-Bomaderry Regional Urban Release Areas. Council has a dedicated project team to work through planning and infrastructure issues and commits funds to the preparation of technical studies and the design of essential infrastructure. This has identified opportunities to improve the process to enable a faster resolution of issues and make land available for development sooner.

These release areas have been identified and confirmed by the NSW Government (recognised in the current Illawarra-Shoalhaven Regional Plan). Despite this recognition by the State Government, significant Council resources and time are required to identify an appropriate outcome where there are dependencies on State Agency input. More time is required to receive feedback and resolve issues with NSW Government Agencies, with advice often contradicting other agencies. Council has acted to resolve these conflicts with limited direct intervention by NSW Planning. It continues to be difficult to establish a 'whole of government' position on key release areas. Recent experience also indicates the Rural Fire Service and Natural Resources Access Regulator struggle to provide timely advice on such planning proposals.

These tasks (and the time required to complete them) need improvement to achieve accelerated outcomes and achieve the common goal of increased housing supply. The recent establishment and early work of NSW Planning's Planning Delivery Unit appears to be aimed at addressing this issue, but experience suggests its intervention may need to be the norm, not the exception, for coordinating and resolving continued complex land use and infrastructure planning matters.

Council is currently resourcing a significant number of competing priorities and experiencing impacts on its planned work because of the NSW Government's continually shifting planning processes and preparation of a range of state and regional plans setting actions for councils. Examples include policies for housing, short term rental accommodation, and agricultural land, and plans such as the Illawarra Shoalhaven Regional Plan, associated Regional Transport Plan, and the Special Infrastructure Contribution Scheme. More are anticipated with the standard template for development control plans, development contributions reform, and employment zones reform. The outcome and impact of the possible involvement of the Land and Environment Court in

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NSW Planning's Gateway Process for making and amending local environmental plans (which are already a substantial resourcing challenge) is also unknown.

Council has identified other potential land release opportunities to contribute to increased housing supply. For example, Local Aboriginal Land Councils have large land holdings and a desire to develop appropriate sites to contribute to the housing needs and economic development of Aboriginal communities. Application of the Aboriginal Lands State Environmental Planning Policy could assist in progressing planning for these lands.

In addition, in cases where private owners "bank" land instead of pursuing its development following rezoning, consideration could be given to measures to encourage the release of those lands to the development sector. It is acknowledged this may be difficult to achieve or facilitate given the role the market plays, but it should still be investigated.

Recommendations:

1. Provide funding and support for councils to complete the key strategies necessary to identify housing need, inform sustainable responses, and deliver new urban areas.
2. Complete State and Regional policy positions and strategies on housing supply, housing affordability, and competing land uses (such as employment and agricultural land) and avoid continual change to policy settings.
3. Improve the efficiency of the NSW Government's planning processes, with a focus on reducing NSW Agency response times on Planning Proposals and providing a 'whole of government' position (particularly for ones that are consistent with NSW Government plans regarding residential release).
4. Develop a coordinated approach by State Agencies to the delivery of new urban areas, particularly infrastructure provision.
5. Increase the roles and responsibilities of the NSW Government's Planning Delivery Unit or apply its approach to other planning functions.
6. Accelerate Aboriginal Land Claims and Native Title resolutions to facilitate the use and/or development of relevant zoned land.

Submission to the NSW Regional Housing Taskforce

7. Investigate mechanisms (incentives/disincentives) to encourage landholders with residential development opportunities to deliver homes.

Housing Suitability

Between 2016 and 2031, the age structure forecasts for Shoalhaven indicate a 4.1% increase in population of working age, 9.5% increase in population under working age, and a 44.2% increase in population of retirement age. In 2016, the dominant 5-year age group in Shoalhaven was between 65 to 69 years old accounting for 8.1% of the population. This age group is also forecast to remain the largest in 2031 at 7.9% of the population. Another significant change forecast by 2031 is the increase in persons aged 75 to 79 years old (6.6% of total population).

The average household size is forecast to reduce from 2.3 to 2.2 persons between 2016 and 2051.

An ageing population and smaller households need a range of homes, including compact homes, accessible and adaptable homes, and homes with lower maintenance and energy requirements. Diversity in housing stock will allow older residents and smaller households to purchase appropriate homes, downsize, and remain in the area while vacating larger dwellings for families and larger households to occupy.

Existing suburbs and villages with limited expansion opportunities need in-fill development to supply of the range of housing types needed and allow people to change homes as their needs change. Smaller, more easily maintained homes allow communities to age-in-place and young adults to live close to the family home. However, change needs to be managed to ensure development contributes to neighbourhood character. The supply of different types of housing through the planning system and the market needs to be supported by appropriate changes to the financial system to actively facilitate relocation (e.g., stamp duty and negative gearing reforms).

The range of dwellings currently being supplied is narrow. What the market tends to deliver does not match the range of need. A greater understanding of the barriers to diversity of supply will inform solutions to promote delivery of a greater diversity of dwellings.

Submission to the NSW Regional Housing Taskforce

Recommendation: Identify and address barriers to delivery of, and access to, a greater diversity of dwelling supply, including planning, fiscal, and other settings.

Housing Affordability

Because of reduced housing affordability across NSW, including Shoalhaven, housing insecurity, stress and at risk of homelessness are rising. Trends associated with the current pandemic have exacerbated affordability challenges for people living in regional areas, especially popular lifestyle destinations like Shoalhaven. In addition, Shoalhaven communities were badly affected by the 2019-2020 bushfires, with homes lost and rebuilding delays contributing to local housing and rental shortages and housing insecurity.

Purchasing a home has become less affordable and rental costs have also increased. Median sale prices in Shoalhaven increased by 10.5% to 12% in 2020, whereas modelled gross household income only increased by a modest 1%, indicating the purchase of a home is becoming less affordable to Shoalhaven residents over time.

Shoalhaven has the highest level of housing stress in the Illawarra-Shoalhaven Region. Although housing in Shoalhaven is generally still lower in cost compared with much of the Illawarra, the incomes of local people are also much lower. Housing is increasingly unaffordable for residents on very low and low incomes, both to rent and purchase. A rising scarcity of rental homes impacts these groups most severely but is also limiting housing options for key workers and moderate-income households.

Council has taken an active position in this regard, releasing the [Shoalhaven Affordable Housing Strategy](#) in early 2018 and actively working on its early priorities, including the transfer of an area of Council land in the Bomaderry Town Centre to local community housing provider, Southern Cross Housing, to facilitate an additional 'exemplar' affordable housing development of up to 40 dwellings.

Current NSW Government policy and strategies for social housing suggests an approach to use tenancy in social housing as an opportunity to upskill and empower residents to break poverty and dependence cycles and improve skill building, education, and financial independence. Future social housing stock will also be altered to create more housing and more suitable housing for residents and a greater supply of smaller, more suitable dwellings for an ageing social housing population.

Submission to the NSW Regional Housing Taskforce

However, there is a critical need for additional housing stock now to assist with the range of circumstances being faced in regional areas and for place-based solutions tailored to local contexts. Options are needed to quickly deliver additional social and affordable housing where it is most needed with clear actions set for governments and partners to instigate change, such as pilot projects and programs, demonstration, and co-design projects.

Encouraging the private housing market to adjust product mix to meet emerging needs and the increased delivery of affordable rental or social housing could improve housing affordability.

Council consistently advocates with the NSW Government for the renewal of land owned by the NSW Land and Housing Corporation and managed by Southern Cross Housing.

The most recent activity suggested the 'meanwhile use' of NSW Government land as an initial short-term step to stimulate much needed affordable housing opportunities. The transfer process was however problematic, and Council's learnings indicate a need to review the Public Private Partnership legislation.

Council made a detailed submission to the August 2021 NSW Government Inquiry into options to improve access to existing and alternate accommodation to address the social and affordable housing shortage. A copy of this submission and its recommendations are attached.

Recommendations

1. Address immediate social and low-income housing needs in partnership with Community Housing providers
2. Educate private housing market providers (Builders and Agents) on the need for evolving product mixes to meet emerging needs
3. Resource and pursue opportunities for the wholistic renewal of appropriate areas of existing housing that is owned by NSW Land & Housing Corporation to provide additional affordable and social housing opportunities throughout regional NSW
4. Facilitate the ability for the 'meanwhile use' of NSW Government land for shorter term affordable housing opportunities.

Submission to the NSW Regional Housing Taskforce

5. Investigate opportunities to amend relevant NSW Government legislation to better facilitate opportunities for Council held land to be used for innovative affordable housing opportunities.

Supporting Communities with Infrastructure and Services

The delivery of infrastructure and services to meet the needs of current and future communities is closely related to housing delivery and needs to be addressed at the same time. The challenge of delivering new and upgraded infrastructure for future communities is increased by the shortfall of infrastructure to meet current community needs.

As an example, Council's planning for the Nowra-Bomaderry Regional Release Area demonstrates NSW Infrastructure Agencies have not identified the need or funds to respond to planned growth. Planning for future school, health, and transport infrastructure to service the new urban area remains largely unknown despite concerted advocacy efforts by Council. There are no known plans to deliver the schools required to service the release area or upgrade Moss Vale Road (State Road) to ensure new communities are efficiently connected to the existing road network.

A significant amount of time and funding is also required to plan and deliver the necessary, local road, drainage, and community infrastructure. This challenge is compounded by the limitations on Council's use of local development contribution mechanisms and the uncertainty around the future framework currently being pursued by the NSW Government. The current cap on local development contributions severely restricts the delivery of the infrastructure essential to service new release areas. A significant amount of time is spent identifying and negotiating alternative ways to fund and deliver essential infrastructure.

Current funding support and initiatives are not as responsive or efficient as they need to be, leading to further delay in the delivery of infrastructure required to service new dwelling supply. Examples include the

- Illawarra-Shoalhaven Special Contributions Scheme's lack of forward-funding programs for identified infrastructure, uncertainties around residual funding, and lack of guaranteed access to funds.

Submission to the NSW Regional Housing Taskforce

- Infrastructure NSW Housing Acceleration Fund's (HAF) heavily bureaucratic administration process and subsequent delays in accessing approved funding. A current example of the challenges involves the release of funds for a new roundabout on Moss Vale Road (State Road) to service two new urban release areas providing close to 3,000 new dwellings. The assurance process for the project and its funding is complex and time consuming when the outcome has already been settled.

Recommendations

1. Provide increased funding and more accessible funding to accelerate the delivery of infrastructure to support planned growth, supported by efficient administration processes.
2. Ensure funding programs designed to assist with the release of land are tailored to provide timely funding, possibly through streams depending on risk and/or cost (e.g., low risk relatively low-cost project – more straightforward assurance process)
3. Increase flexibility in local development contribution schemes to enable infrastructure planning and delivery to meet the identified needs of future communities in new urban areas.
4. NSW Infrastructure Agencies must plan and deliver essential infrastructure to keep pace with housing delivery.
5. Ensure Local Government is actively involved and engaged in the proposed development contribution reforms and support councils (training, funding, other resources) to prioritise the implementation of the resulting new framework.



Submission to Inquiry

Parliament of New South Wales – Legislative Assembly Committee on Community Services

Options to improve access to existing and alternate accommodation to address the social housing shortage

Executive Summary

It is requested that the NSW Government:

Actively work in partnership with Shoalhaven City Council, Southern Cross Housing, the Federal Government and other relevant bodies and provide budget allocations to:

- Enable the urgent 'meanwhile use' of NSW Government owned land and assets in Shoalhaven for emergency and temporary housing options; and
- Realise opportunities to create additional social and affordable housing through urban renewal projects based around NSW Government land in Shoalhaven, initially in the Nowra-Bomaderry area.
- Simplify the land dealings and public private partnership process for low-risk proposals to help better facilitate affordable housing projects involving Council land (i.e. partnerships between councils and Community Housing Providers or similar)

August 2021

Note: *given the public comment timeframes, it was not possible for this submission to be reported to the Council for endorsement prior it being made. It is however based on existing resolved positions of Council.*

Introduction

Shoalhaven City Council supports investigations and interventions to improve housing options and opportunities for local communities, especially for residents and households on very low to low incomes and groups who are marginalised by the private housing market. Council has been extremely proactive in this regard and is focussed on seeing the provision of additional social and affordable housing opportunities in Shoalhaven.

Most recently on 25th May 2021 it was resolved that Council:

1. *Declares we are currently experiencing a crisis situation with respect to housing availability, social housing availability and general housing affordability in our community.*
2. *Urgently submits to the National General Assembly and LGNSW Conferences motions calling on increased assistance from National and State Government for additional funding into social and affordable housing, and to look at different models such as equity share and covenant housing.*
3. *Report back on how Holiday Haven could contribute to providing some housing relief in the parks and how that could be achieved given the Crown Land Status of the Parks.*
4. *Contact private caravan and holiday parks in order to understand what semi-permanent housing solutions are being offered locally.*
5. *Continue to lobby for the “Meanwhile Use” of State Government owned land and assets for housing.*
6. *Organise a workshop with council staff, Councillors, businesses and community members to commence a dialogue.*
7. *Re-establish the Homelessness Taskforce Shoalhaven.*
8. *Advocate for a National Housing Plan and offer our support as Local Government to work with other tiers of Government.*

Urgent and immediate action is required

Given deteriorating housing affordability across most areas of NSW, there are more people than ever experiencing housing insecurity, stress and at risk of homelessness. Trends associated with the Covid-19 pandemic have exacerbated housing affordability challenges for people living in regional areas, especially popular lifestyle destinations such as Shoalhaven. In addition, Shoalhaven communities were badly affected by the 2019-2020 Black Summer bushfires, with homes lost and rebuilding delays contributing to local housing and rental shortages and housing insecurity.

Council urges the Inquiry to **focus on implementation**, specifically options to quickly deliver additional social and affordable housing where it is most needed throughout NSW and providing clear actions for governments and partners to instigate **change on the ground**. In this regard, Council supports pilot projects and programs, demonstration and co-design projects, time-limited policy changes (as test cases) and ‘learning by doing’.

Overall, there is a critical need for additional housing stock now that assists with the range of circumstances that are currently being faced in regional areas and for solutions that are place-based and tailored to local contexts.

We need temporary *and* permanent housing solutions

This Inquiry appears to focus on temporary housing options, alternatives to social housing provision and short-term accommodation options to address the current state-wide housing crisis. Whilst these interventions are urgent given the extent of housing stress and related social and economic consequences, more permanent policy and funding solutions are needed to help deliver additional social and affordable housing. It should be the goal of the NSW Government to deliver **safe, secure and permanent housing** to meet the needs of the community, and as such Council continues to request greater government investment into new and renewed social housing stock in Shoalhaven.

As the NSW Audit Office Report, 'Responses to homelessness' dated 4 June 2021 found:

The department effectively implemented a crisis response to assist over 4,350 people sleeping rough into temporary accommodation during the [Covid-19] pandemic...72% of people sleeping rough provided with temporary accommodation were estimated to have left with unknown housing outcomes.

This audit found that the provision of temporary accommodation options for people sleeping rough only had a short-term impact on homelessness, and recommended more be done to ensure a sustainable (i.e. long-term) response which prevents people returning to homelessness.

Shoalhaven Context

Shoalhaven is located on the south coast of NSW, close to Wollongong, Sydney and Canberra. There are 49 towns and villages and the main urban areas include the regional centre of Nowra-Bomaderry, and urban areas of Milton-Ulladulla, Huskisson-Vincentia, Jervis Bay-St Georges Basin, Culburra Beach, and Sussex Inlet. The historic towns of Berry and Kangaroo Valley are located inland, and smaller towns and villages are spread along the coast. Shoalhaven is growing, with population expected to grow from 100,000 (in 2016) to over 126,000 by 2041 (<https://forecast.id.com.au/shoalhaven/population-households-dwellings>). Currently, the area is experiencing rapid change and increased growth pressure as a result of the Covid-19 pandemic and other factors, which is fuelling a rise in people relocating from city areas to accessible regional areas on the coast.

The [Shoalhaven Affordable Housing Strategy](#) and [Affordable Housing Background Report](#) (Judith Stubbs & Associates) recognises Shoalhaven as having the highest level of housing stress in the Illawarra-Shoalhaven Region. Although housing in Shoalhaven is generally still lower in cost compared with much of the Illawarra, the incomes of local people are also much lower. Housing is increasingly unaffordable for residents on very low and low incomes, both to rent and purchase. A rising scarcity of rental homes impacts these groups most severely but is also limiting housing options for key workers and moderate income households.

Shoalhaven Private Rental Statistics

In the 5 years to June 2021, the cost of renting a house in Shoalhaven increased by **+47.6%**¹. This is the most pronounced change in the region (Kiama +19%; Shellharbour +13% & Wollongong +10%), and is **even higher than Byron Bay's significant rental price increase of 41.9% over the last 5 years.**

A recent study by advocacy group *Everybody's Home* found that the South Coast (including Shoalhaven) was one of 78 regions across Australia where an essential care or service worker

¹ Burke, K. 2021 (11 July), *Soaring rental prices creating housing crisis in regional NSW*, Domain.com.au: <https://www.domain.com.au/news/soaring-rental-prices-creating-housing-crisis-in-regional-nsw-1070834/>

would need to spend between **one third and two-thirds** of a normal working week's wages to rent a home (<https://everybodyshome.com.au/national-homelessness-week-rental-crisis-hits-covid-essential-workforce/>).

The median rental price for Shoalhaven LGA in June 2021 was \$517 (up from \$350 in June 2016)¹. For context, the median rental price for a house in Sydney is \$550. A single parent (with a dependent/s) receiving the JobSeeker payment receives \$333.75 a week (excluding any supplement)². A single person receiving the age pension receives \$434.15 a week³ (excluding any supplement). A full-time aged care worker (Level 2) receiving minimum wage (\$22.51 an hour) may earn \$855.50 a week⁴, yet even if they were renting a median-priced home in Nowra-Bomaderry for \$415-\$420 a week⁵, they would be spending close to half their weekly wage on rent.

The 2021 *Anglicare Rental Affordability Snapshot* illustrates how the private rental market is increasingly unaffordable for people on low incomes (<https://anglicare-ras.com/the-findings/>). The regional findings (where Shoalhaven forms part of the Greater Sydney and Illawarra region) highlight that **not one rental was affordable** and appropriate to a person on income support payments in Shoalhaven – rentals were considered affordable if a household could spend less than one third of weekly income on rent and the snapshot assessed advertised rentals on 27-28 March 2021. For a person on minimum wage, only 19 properties were considered affordable in the Southern Highlands and Shoalhaven.

Shoalhaven also has a tightening rental market, with very low vacancy rates for long-term rentals. This means there is increased competition for the few available rentals. Residential vacancy rates on the South Coast since July 2020 have been less than 1.5% (0.5% for 2541 – the Nowra-Bomaderry postcode), compared with at least 2.9% for Sydney⁶.

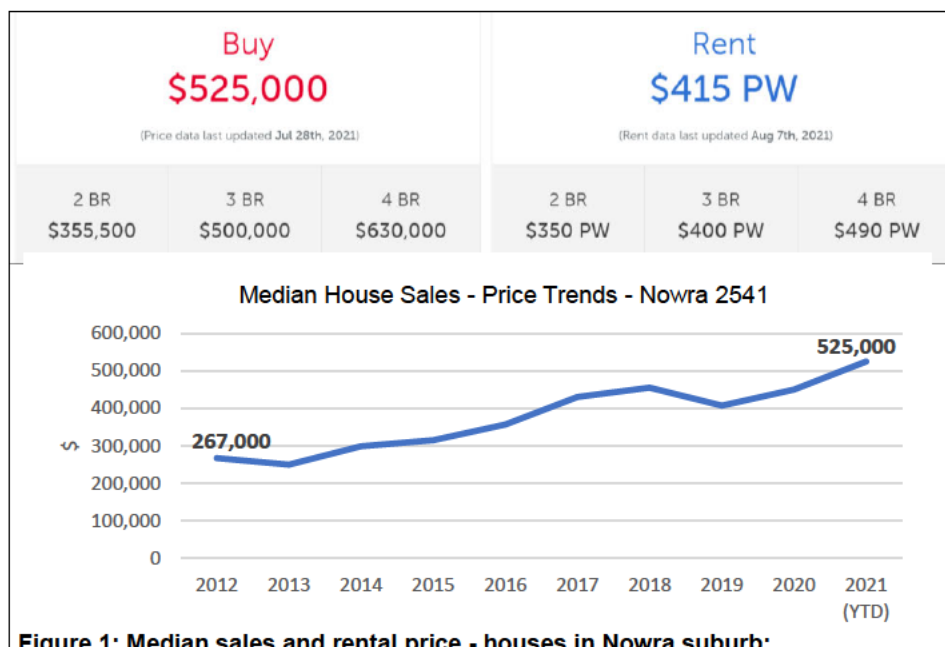


Figure 1: Median sales and rental price - houses in Nowra suburb:
<https://www.realestate.com.au/neighbourhoods/nowra-2541-nsw#body>

² <https://www.servicesaustralia.gov.au/individuals/services/centrelink/jobseeker-payment/how-much-you-can-get>

³ <https://www.servicesaustralia.gov.au/individuals/services/centrelink/age-pension/how-much-you-can-get>

⁴ <https://calculate.fairwork.gov.au/CheckPay/Summary>

⁵ <https://www.realestate.com.au/neighbourhoods/bomaderry-2541-nsw>

⁶ https://sqmresearch.com.au/graph_vacancy.php?region=nsw-South%20Coast%20NSW&type=r&t=1

Options to better support ‘meanwhile use’ (temporary supportive accommodation), and the current major planning barriers to ‘meanwhile use’

Shoalhaven City Council **strongly supports** a **whole-of-government approach** to leveraging government-owned land for meanwhile uses, to assist in addressing the **urgent need** for emergency and temporary supportive accommodation (TSA) across NSW. This is something that Council has been advocating for since at least 2017 (5+ years).

The adopted [Shoalhaven Affordable Housing Strategy](#), prepared by Council and released in 2018, identifies that the redevelopment of surplus or under-utilised government-owned land in partnership with other government or community agencies and/or the private sector is the action **most likely** to have a practical impact locally on the supply of affordable housing.

In this regard, Council has recently provided land and is working with Southern Cross Housing, our local Community Housing Provider (CHP), to redevelop a former Council-owned site within the Bomaderry Town Centre to provide much needed additional permanent affordable housing options (up to 40 dwellings). This will ultimately provide a small but valuable addition to local affordable housing stock and be an ‘exemplar’ project locally. Council also worked with local community groups to enable an underused Council property to make available and provide a homeless shelter in Nowra.

‘Meanwhile use’ theoretically provides an easier option for providing land for temporary housing, given the uses are only intended to allow for a temporary/time limited use before a site’s intended eventual use is realised. Meanwhile uses can be applied to existing vacant or underutilised buildings or though new development on vacant landholdings.

In many cases, government-owned assets and land lies vacant and will not be required for many years or decades to come, especially in the case of land set aside for future road widening or bypass routes (as is the case in Nowra, our main urban centre).

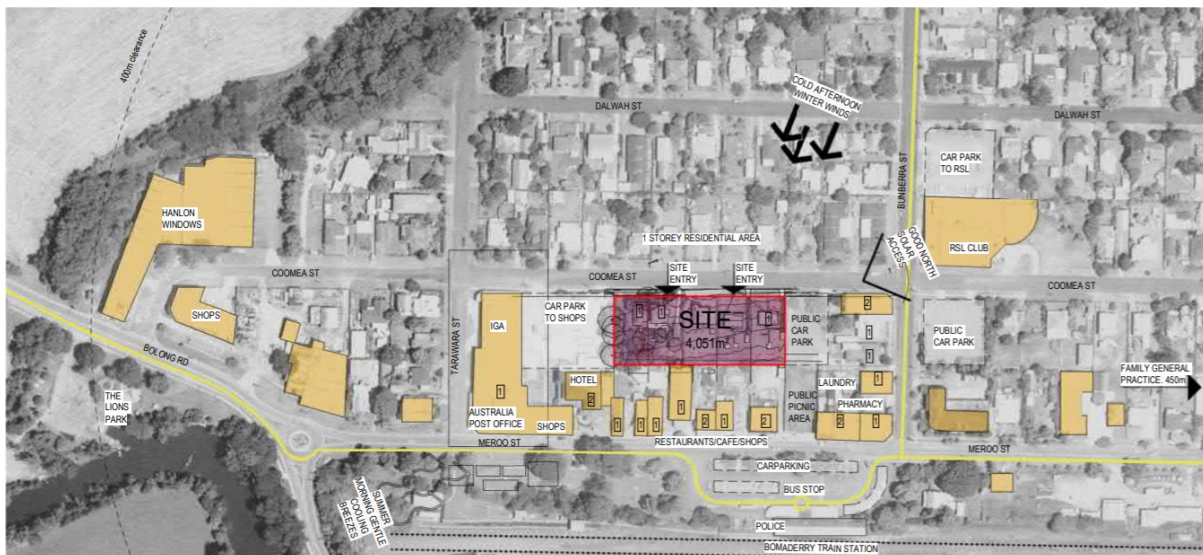


Figure 2: Site analysis plan showing Coomea Street site adjacent to Bomaderry Town Centre and train station (area 4051m² - value \$2.25 million). This site was recently gifted by Council to Southern Cross Housing for the development of up to 40 *permanent* affordable dwellings as an action of the *Shoalhaven Affordable Housing Strategy*: <https://www.scch.org.au/proposed-affordable-housing-development/>

Options to better support Meanwhile Uses

The recently released *NSW Housing Strategy 2041* supports innovative housing products and delivery methods such as supporting meanwhile uses.

Council has prepared a Meanwhile Uses Briefing Paper (*Attachment 1*) which canvasses short and longer term opportunities in the local area. This paper was provided to the NSW Minister for Housing, the Hon Melinda Pavey MP by Shoalhaven's Mayor Amanda Findley on 3rd June 2021 and is understood to be currently under consideration.

Pilot Program – Temporary Supportive Accommodation (TSA)

The associated pilot program arising from the *NSW Housing Strategy 2041* to investigate vacant buildings and land in Wollongong for temporary supportive accommodation is seen as a positive step. It is critical that this work is progressed quickly with clear follow-on actions developed to allow this program to be promptly replicated in other areas.

Council also requests the proactive rollout of this pilot program into other areas to maximise its impact, given the urgency of the situation that is being faced throughout NSW.

Tiny house developments (or similar)

The *Shoalhaven Affordable Housing Strategy* includes an action to develop an affordable Manufactured House Estate (MHE) or Tiny Homes Village on government-owned land. Meanwhile uses lend themselves to tiny house developments or new generation MHE type developments (managed by Community Housing Providers or Not-for-Profit Organisations) given these are quick to construct and generally relocatable.

Quickly producing user-friendly, best-practice building and design guidelines (not necessarily regulation) for safe and comfortable tiny homes could be useful, recognising these as a separate product to other Class 2 buildings. Best practice design and management guidance for tiny house villages/MHE (including successful case studies) could also assist with meanwhile use developments and clearer expectations about what a tiny house/tiny house village is and how they can provide safe and well-designed housing that meets an urgent housing need. Positive examples could also help address stigma and concern in the community regarding these types of uses.



Figures 3 & 4: Tiny homes pilot project in Gosford – Tiny homes foundation:
<https://www.tinyhomesfoundation.org.au/housingform>

Opportunities in Nowra and Ulladulla

Affordable housing and meanwhile uses should ideally be located in accessible locations close to services, with Nowra and Ulladulla obvious choices in Shoalhaven (there may also be opportunities in locations within walking distance to other well-serviced town centres or public transport opportunities across the LGA).

Council has identified an initial opportunity site close to the Nowra CBD at 95 to 99 East Street/Princes Highway, which is a large 2,900 m² parcel of vacant land owned by Transport for NSW, acquired for longer term Highway widening, but which is not immediately needed. Council made an approach about the use of this land for homelessness relief in 2017, but this disappointingly did not result in any outcome, despite similar precedents elsewhere (e.g. VIC Roads/Launch Housing/Yarra City Council – see Figures 5 & 6 below).

From discussions at the time, it was apparent that the NSW Government did not have a clear policy on this type of use and had a potential expectation that any such project would be enabled via a lease at a commercial rate (if it were to occur), making the project unviable. Access to government land for affordable housing must be subsidised, as projects cannot compete or keep up with private market rates.

Council land holdings in Ulladulla are also currently being explored for affordable housing development as an action of the *Shoalhaven Affordable Housing Strategy* but have constraints that require further investigation. Other NSW government-owned land (i.e. not limited to Council-owned land) should be explored for TSA and permanent affordable housing in the Milton-Ulladulla area as it may provide a range of opportunities.



Figures 5 & 6: Photographs of Launch Housing tiny homes development on VicRoads sites – relocatable tiny homes as TSA. Fitting with low-density character of existing suburb.
<https://www.launchhousing.org.au/harris-transportable-housing-project>

Meanwhile use to support longer-term, higher impact urban renewal projects

A significant affordable housing opportunity exists in parts of the former East Nowra, Nowra, Bomaderry and West Nowra areas that were originally developed with significant numbers of NSW Housing Commission homes during the 1970's and with densities like other estates of that time (i.e. single house on a lot of 600 to 800 sq. metres).

A large portfolio of NSW Government owned housing still remains within the overall Nowra-Bomaderry area and elsewhere in Shoalhaven. The majority of these Government properties are now under the care and management of Southern Cross Housing – the main community housing provider in Shoalhaven.

Many of these properties are now very dated, underutilised and are ripe for renewal with the goal of producing additional fit-for-purpose social and affordable housing for households most in need.

Council has made numerous representations to the NSW Government in recent years to encourage a 'three levels of government' approach (plus the community housing sector) to realise a more significant urban renewal project focussed initially on the former East Nowra locality, but potentially covering Shoalhaven as a whole. The requested urban renewal project will take some years to realise.

As such, the opportunity in the shorter term to enable and facilitate the temporary 'meanwhile use' of NSW Government land and assets to enable people to transition into brand new houses that are delivered through broader social housing renewal projects is an initial important urgent step as it will enable people to transition into the new social or affordable housing.

The overarching goal for NSW Government should be to provide people with safe, secure and permanent housing options. Therefore, government commitment to maintaining, renewing and building new longer term social housing developments (including funding) must accompany any meanwhile use policies and projects to provide options in the shorter term.

Meanwhile use products and housing situations, whilst useful to meet immediate needs, cannot replace purpose-built permanent and appropriate housing stock for people on very low and low incomes and at risk of homelessness.



Figure 7: Former East Nowra Area – suggested urban renewal site to provide additional social and affordable housing (a project like this illustrates future planning to allow access for residents of TSA to transition into permanent, secure and fit-for-purpose housing). Properties identified owned by NSW LaHC.

Major Planning Barriers to Meanwhile Use

Barriers to meanwhile uses are not necessarily confined to the planning system, and also relate to the processes, asset planning priorities, risk approaches and financial circumstances, of government agencies and local governments who own land.

It is suggested that meanwhile uses are currently not more frequently explored because agencies and councils do not have the confidence, funds, land development experience, or the resources, knowledge, and support to implement this type of development.

Clear policy settings that encourage this type of use and cover the range of relevant considerations would assist in generally removing the barriers. Publication of guidance and training/education/workshop programs to support councils and agencies could also assist.

In some cases; however, planning barriers do arise and can be summarised as follows:

1. Permissibility.

In many cases land for meanwhile uses will have an appropriate zone permitting affordable housing uses if the site is located in or near a town centre/CBD. However, some land use zones may not allow for residential accommodation or higher density residential accommodation. Planning Proposals to change planning zones or permit additional forms of development can take approximately 1-2 years to finalise if not longer, especially considering councils' existing obligations and significant workloads in assessing proponent-initiated planning proposals (spot rezonings) over private land.

2. Approval pathways

Meanwhile use is not specifically recognised in the planning system and has to follow the same approval pathways and processes as a permanent use. Therefore, a temporary meanwhile use is often held to the same standards as a permanent use. Design and planning approval processes can be lengthy, whilst meanwhile uses are very time-sensitive (and in the case of TSA extremely urgent).

At present, given the need for holistic best practice approaches to the operation of 'meanwhile' uses, including the need for 'wrap around' services, there can often be issues around how the use is defined in a planning sense and as a result its permissibility. In the case of the Tiny Homes Foundation's Gosford project the use was defined as a 'boarding house'.

The NSW Government is currently reviewing the range of planning provisions related to affordable housing and has released a Housing State Environmental Planning Policy (SEPP) to reform approaches to affordable housing provision. Through this process the opportunity should be taken to clarify how 'meanwhile use' for affordable temporary housing can occur in a planning sense.

Fast track, complying development or Part 5 consent pathways for temporary affordable housing developments (meanwhile uses) managed by CHPs or Not-For-Profits (NFPs) in highly accessible locations should be explored.

3. Community concerns

Community opposition can stifle or substantially delay development proposals of this nature, especially if meanwhile use projects are defined in planning terms as 'boarding houses' which can be controversial and misunderstood. Early and meaningful community engagement and highlighting of positive, well-designed case studies could help to address community concerns regarding TSA and boarding house development.

4. Resourcing and skills constraints

There are also resourcing and skills constraints at local government level (and it is assumed for CHPs and other government agencies also).

There are many steps in a process to implement a meanwhile use for an affordable housing development spread across multiple specialities, roles and agencies (e.g. demographic needs analysis, planning approvals, property negotiation, development and leasing, procurement, design and construction, tenancy consultation and management etc.) and responsibility (and funding) for these activities is not clear. It would appear the process would benefit from a brokering/co-ordination or project management agency, which would best sit within the NSW State Government.

Options to improve access to existing accommodation to provide community housing

Long-term solutions for housing affordability

Provision of affordable housing options should ensure that these homes are kept affordable over the long-term. This is a critical point, as statistics show fewer people can afford (and perceive that they will never be able to afford) to purchase their own home. Increasing numbers of people and households (of all age groups and even across a wide range of income levels) will rent for longer periods of their lives, or indeed rent for life.

Therefore, housing solutions and policies should recognise the increased need for long term subsidised housing forms and ensure housing built to be affordable today does not revert back to market rate housing in the near future.

Preferably all mandated social and affordable housing should remain that way in perpetuity, to increase opportunities for greater housing and financial security. This sense of housing security allows people to feel a sense of belonging, to participate in community life and supports social cohesion (e.g. through employment and education, volunteering, establishing friendships etc – all important aspects of wellbeing that are threatened by insecure housing situations and the need to move constantly to access affordable housing or risk becoming homeless). Former time-limited affordability schemes such as the National Rental Affordability Scheme (NRAS) are now ending, exacerbating the current rental crisis (<https://www.abc.net.au/news/2021-04-28/homeless-rise-nras-affordable-rental-scheme-ends/100097588>).

Whilst Council welcomes innovative and new ideas to increase housing choice and affordability, Council raises concerns that some suggestions received to improve housing affordability can overemphasise affordability benefits in order to market a project, or to attract a bonus or planning concession, without delivery of meaningful affordability improvements.

Therefore, care must be taken to ensure new projects are critically evaluated to ensure affordable housing is well-targeted to groups that most need it (i.e. very low income earners), is well-located close to services or public transport opportunities and is provided for a meaningful amount of time, or preferably in perpetuity.

Investigate and Provide Guidance on Building Upgrade/Change of Use requirements under the Building Code of Australia

Vacant or underutilised buildings that are older or involve a change of use may require upgrades to comply with the Building Code of Australia, for example in relation to fire safety, accessibility or other construction standards, and these requirements and their cost implications need to be better understood and factored into the site selection/investigation process where existing accommodation is proposed to be retrofitted for affordable housing.

The urgent need for temporary or crisis accommodation options needs to be balanced against the requirement for any change of use to be fully compliant with the BCA, which will often mean the options are not viable and are not pursued.

It is vital that affordable housing is built to be safe, well-designed, energy efficient and to the same high standard as market-rate housing; however, some construction requirements may need review or the acceptability of performance-based approaches investigated where prescriptive requirements are unable to be met due to building or budget constraints. Some older buildings may not be able to be brought completely up to modern construction or efficiency standards but could still provide safe and suitable affordable housing for many (especially on a meanwhile or temporary basis). People couch surfing in overcrowded dwellings, or exploited in illegal or unhealthy dwellings or sleeping rough are acknowledged as much less safe alternatives, therefore a performance-based approach to retrofitting buildings to meet the BCA is viewed as a desirable avenue for investigation (provided sufficient resources are invested into making sure retrofitted buildings are certified safe and fit-for-purpose).

Alternatively grants could be offered for necessary and costly building upgrades where buildings are retrofitted for long-term affordable housing.

Options for crisis, key worker and other short term accommodation models

Crisis Accommodation Options

Some options for crisis accommodation are explored within this submission, including enabling meanwhile uses, tiny house development, retrofitting of existing buildings and addressing community stigma around homelessness. However, crisis accommodation providers and people with crisis accommodation experiences are best placed to provide advice about needs and opportunities in this area. Accordingly, the NSW Government are encouraged to engage meaningfully with these providers and with people experiencing, or at risk of, homelessness.

Council has previously been involved in helping facilitate crisis accommodation through the establishment of 'Safe Shelter Shoalhaven' in Nowra. This overnight shelter for homeless people in Nowra is run by a local not for profit collective. Council made the building available and facilitated the necessary planning approvals for it to open.

These efforts were made in response to urgent community needs however are outside the traditional core business of local government. The remit of local government is ever-widening with cost shifting stretching resources, especially in regional and rural areas. It should not fall to ratepayers to fund shortfalls in Federal and State government funding for services such as crisis accommodation and social housing more broadly.

Working with others, the NSW Government needs to play a more significant, direct and indirect, involvement in the provision of appropriate crisis accommodation where needed throughout the state.

Key Worker Accommodation and other Short-term Accommodation Models

Key worker accommodation, or housing that is affordable to key workers, is an important and growing consideration, especially in response to recent trends in regional areas of increased demand and significant competition for scarce rental properties, tightening local rental markets and leading to rising rents and low rental vacancy rates.

Housing price rises in many regional areas mean many key workers cannot access affordable or appropriate housing for rent or purchase. This includes retail workers, child care and aged care workers, cleaners, hospitality workers and other service industry workers and also increasingly nurses, teachers, emergency service workers and people employed in professional industries. If key workers are unable to find suitable housing, this has flow-on impacts for the local economy, local business and over time impacts on the sense of community (if key workers need to live outside the communities in which they work).

Co-living and boarding house developments are two short-term housing models that could provide for additional key worker housing (short-term accommodation options). However, besides seasonal workers (e.g. agricultural workers) and some consultant or contracted professionals (construction workers for certain projects), most key workers are generally seeking permanent and secure housing situations (whether that be long-term renting or home ownership) rather than looking for short-term accommodation options.

Many key workers may cycle between short-term rentals or other options (such as share houses, boarding houses, couch surfing) out of necessity rather than choice. Many key workers likely want to live permanently near their place of employment, establish community ties and some may want to raise a family (or care for family members), with these lifestyle aspirations aligned with permanent housing options.

Therefore, key worker housing interventions should also be geared towards meeting the permanent housing aspirations of this key demographic. Housing options to support could include build-to-rent developments with mandated affordable housing; rent-to-buy developments; well-targeted shared-equity models; capped profit developments (e.g. Nightingale Housing Model/Assemble Housing); co-housing/baugruppen and equitably-designed mixed tenure developments. However the financial viability of these types of models can often be difficult in regional areas and may as a result need the involvement of CHPs or similar and be subsidised initially.

Tenants' rights reforms, which increase security for renters and encourage more long-term rentals, could also assist in providing additional key worker housing and attracting (and retaining) skilled workers in the regions.

Finally, expanding housing choices and diversity of housing types available on the market, for example by incentivising/encouraging provision of smaller homes (e.g. one and especially two bedroom, one bathroom homes, or modest 3 bedroom homes), could assist in providing entry-level homes into the market, which could be more affordable for key worker households.



Figure 8 Left: Nightingale capped profit development – The Commons (<https://nightingalehousing.org/completed-projects>). Whilst not affordable housing, the Commons model of capped profit, impact investment housing is an innovative and desirable housing product, that could be built upon to provide more affordable key worker housing.

Figure 9 Right: Baugruppe or co-housing development in White Gum Valley, Freemantle (<http://www.baugruppen.com.au/about.html>)

As these housing types are more widely enabled and adopted, they could become cheaper, more accessible and increasingly viable/able to be adapted/replicated in regional areas: <https://architectureau.com/articles/nightingale-housing-five-years-on/>

Barriers to additional supply across NSW, including for smaller non-CHP housing providers

Community opposition can stifle development proposals

Significant unwarranted stigma is often attached to social and affordable housing and people at risk of, or experiencing, homelessness. Even a perceived increase in private rental housing in an established area can attract opposition. Opposition also often relates to character and infrastructure implications of new development (especially if increased densities are proposed). Parking impacts are often a key point of contention in regional areas where public transport options are limited. It is important that future tenants feel that they belong in an area and feel accepted and part of a local community.

The best and most successful developments will be those that engage and involve the local community, involving them in understanding local issues, addressing local housing needs and having early input into the design and operation of the development.

To challenge preconceived notions of TSA/social housing, new development must be built to address tenants' needs, with sufficient funding for maintenance and provision of allied or 'wrap around' services. Good quality design that is respectful of place (not necessarily much more expensive) and reduces ongoing costs (e.g. energy efficient design) is also important to positively influence community views of social, affordable housing and TSA. Council has produced a short yet useful local guide to help increase understanding regarding homelessness entitled: [Where are you sleeping tonight? – Homelessness not just sleeping rough March 2020](#).

It is also critical that CHPs and others gather and present factual evidence associated with developments that they do as this is often currently lacking and not widely promoted. At present developments often attract community criticism when they are first proposed, but once they are built and operating the concerns are not realised or do not eventuate. Gathering factual pre and post development feedback data would be useful to help demonstrate that most concerns do not become a reality and would help with future developments that may attract opposition. For example building upon research by AHURI (2013) which found that neighbour’s fears of impacts related to affordable housing developments were worse than actual impacts could be useful (Understanding and addressing community opposition to affordable housing development <https://www.ahuri.edu.au/research/final-reports/211> ; reported in The Conversation: <https://theconversation.com/neighbours-fears-about-affordable-housing-are-worse-than-any-impacts-69291>)

Providing housing diversity and choice – incentivise the ‘missing middle’

The planning system currently incentivises the continued provision of mostly large, low density homes in standardised designs and configurations (in greenfield ‘new release’ subdivision areas) and small, high density ‘luxury’ apartments (mostly in high value metro areas), and largely forgoes provision of the ‘missing middle’, medium density housing or smaller (or modestly sized) housing types.

This translates to a lack of housing diversity and choice and exacerbates affordability issues as fewer new homes are being built at entry-level or more affordable price points. Therefore, housing affordability becomes more heavily influenced by location, with little differentiation in housing types or products, housing in desirable locations (such as inner city areas close to jobs or lifestyle destinations such as Shoalhaven/South Coast) rises in price and no cheaper options remain or are built for households that cannot compete on price.

Greater differentiation and choice in housing products (for example houses of different sizes, configurations and specifications) could provide greater housing options for a wider range of population cohorts and income levels, leading to more inclusive and equitable communities. Smaller CHPs, NFPs and boutique small development and building firms are probably more likely to develop missing middle housing types in regional areas, but do face barriers to accessing finance and well-located and affordable land parcels.



Figure 10: The missing middle graphic (adapted from NSW Department of Planning, Industry & Environment)

With homes becoming more expensive to purchase and rent, other housing products with a wider range of price points are needed to meet the range of housing needs and aspirations of diverse local communities, including in well-served areas of regional communities.

There are opportunities for CHPs and NFPs to provide infill housing to address local housing supply gaps, and the proposed development at Coomea Street, Bomaderry in partnership with Southern Cross Housing is one example.

Infill housing, delivering a range of housing types and choices, could provide a number of benefits but must be well-designed to be sensitive to existing neighbourhood character and supported by suitable infrastructure and services. The [Low-Rise Housing Diversity Code](#) recently introduced (as of July 2020) planning controls seeking to provide more 'missing middle' housing, yet it is not yet known what impact this reform has had in terms of delivering such housing and if there have been any impacts in terms of improved affordability. The NSW Government is encouraged to collect and share data on the operation of the Code, including within regional areas, including highlighting of positive case studies.

In this regard, infill housing in regional areas must be different to infill housing approaches and housing products for inner city areas and suburbs. Regional planning policies and approaches to infill housing must also include engagement with local communities. An example of work undertaken on infill housing in a regional context with community input is the [Infill Capacity Study and Infill Design Study by Bellingen Shire Council](#), which models how infill housing could be delivered and what it could look like, to shape planning policy (including the Bellingen Shire Local Housing Strategy and future development controls) and provide positive housing outcomes whilst respecting the character of established neighbourhoods.

As detailed in the *Shoalhaven Affordable Housing Strategy*, Council supports delivery of well-planned housing that provides true housing choices and improved affordability to residents in well-serviced locations.

Support for and accountability of registered community housing providers

Improve access to land for redevelopment and new development for CHPs

Through engagement with Community Housing Providers, and review of research, it is clear that access to affordable land is a key factor in CHPs providing additional fit-for-purpose social and affordable housing.

The *Shoalhaven Affordable Housing Strategy* identifies that the direct provision of land is one of the 'levers' that Council can pull to assist with the provision of additional affordable housing in our City. Council has taken initial steps in this regard and recently transferred a substantial property to our local CHP to facilitate the direct provision of up to 40 new affordable housing units.

Whilst funding from the NSW State Government via grants continue to be welcomed, initiatives such as the National Housing Finance and Investment Corporation (NHFIC) has improved access to finance for CHPs, the direct provision of land, either via transfers or through leasing arrangements, remains a significant barrier (and opportunity) to delivering additional housing. Rising land values and the overheated private property market means CHPs cannot often compete with private, for-profit developers to access land. Land costs (if land is not heavily subsidised/gifted/leased on a subsidised basis) mean that the viability of housing developments according to the prevailing CHP business model are constrained or limited.

Therefore, access to unused or underused government-owned land is critical and provides CHPs with a vital avenue to build additional social and affordable housing.

Inclusionary Zoning (requiring a percentage of new development to be affordable)

An additional mechanism to provide land and/or housing stock for CHPs and affordable housing is to introduce inclusionary zoning controls into the planning system.

Inclusionary zoning means where a development of a certain size is proposed (whether that be unit development or greenfield subdivision) a percentage of that development's housing must be made affordable as defined by planning laws (usually rented at below median or market rates). This affordable housing is usually given to (or managed by) a CHP or similar housing association. Sometimes, in lieu of providing housing, monetary contributions can be paid to be spent on affordable housing developments.

Inclusionary zoning is widely practised in Europe, some parts of North America and recently in South Australia. NSW examples in Sydney include:

City West

<https://www.cityofsydney.nsw.gov.au/affordable-housing-contributions/city-west-affordable-housing-program>)

Green Square

<https://www.cityofsydney.nsw.gov.au/affordable-housing-contributions/green-square-affordable-housing-program>

At present inclusionary zoning is applied inconsistently across the state, is resource-intensive, appears to have little support from the development industry outside of the Sydney metro area and in some cases where it is applied, the 'affordable housing' components provide below-market rate housing which remains unaffordable for very low and low income earners.

Affordable Housing Schemes such as those able to be implemented under *State Environmental Planning Policy 70 Affordable Housing Revised Schemes*, which allow for councils to levy affordable housing contributions on certain development are resource intensive to set up and administer and difficult for regional councils to apply as they can be seen as a disincentive for local development/investment (where developers would simply move to invest in localities without such provisions) or are not economically viable given local land economics and/or the size and scale of the proposed development.

The development feasibility analysis required for such schemes is also difficult to resource and work through in complex large geographical areas like Shoalhaven (which has a very broad range of diverse development contexts) and changeable market/economic conditions and pressures. As such it needs to be accepted that regional housing markets and development settings are very different to those in metropolitan areas and just because inclusionary zoning schemes work there does not mean they are automatically transferrable to regional setting. Additionally, any contributions collected under such schemes may take many years to be actually used for an affordable housing development.

Thus, affordable housing levies and inclusionary zoning provisions are probably more appropriate for application at the federal or state level, to help create an equal playing field for the development industry and so as not to distort localised housing markets and development activity. If a consistent requirement to provide a percentage of affordable housing in a development was adopted across the state, the development industry could possibly factor this into their initial feasibility analyses and purchase land at lower cost (this would also avoid the risk scenario of required affordable housing being cross-subsidised by higher housing costs that are passed on to market rate purchasers/renters).

Urban Renewal Projects – Broaden Bulk Social Housing Transfer Land Development Options

Bulk social housing transfers to Community Housing Providers should enable sensitive renewal options and allow for improved housing outcomes and increased social housing places, rather than maintaining the status quo. Aged social housing dwellings are often located on sites that could accommodate increased yields whilst also respecting local character. This is something that Council has been strongly lobbying for and would be keen to work with the NSW Government, CHPs and other on, particularly the opportunities that could exist with the Nowra area and other areas in our city with a concentration of older government owned dwellings. This potentially provides a realistic option to provide much needed additional new social and affordable housing stock.

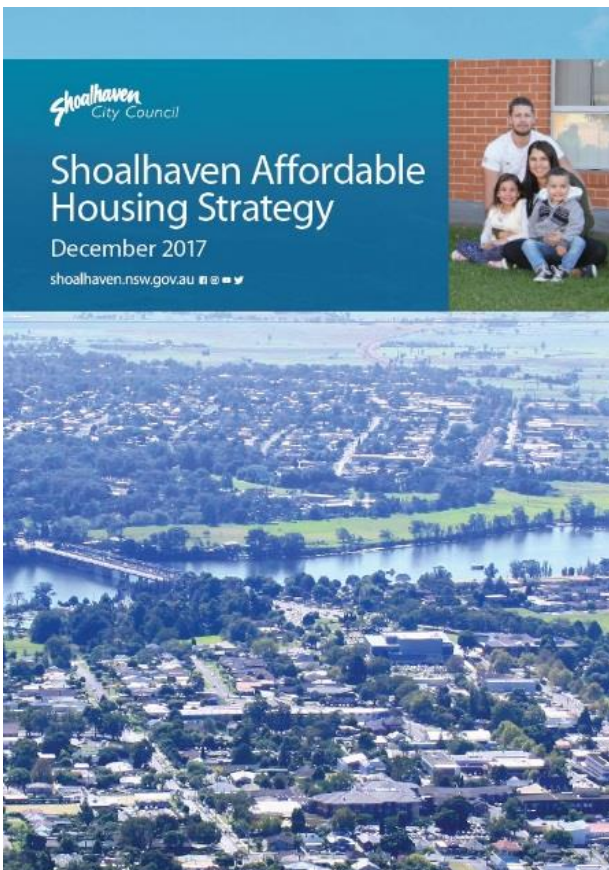
As previously mentioned, Council has already partnered with Southern Cross Housing to directly deliver affordable and social housing development on Council-owned land in Bomaderry. This process highlighted a number of issues or impediments. Council strongly urges that the NSW Government look to remove as many impediments as possible to enable the use of Council-owned land for social and affordable housing. For example simplifying the land dealings and Public Private Partnership process in the NSW Local Government Act for low-risk proposals. Low risk proposals would include where local government partners with a Tier 1 Community Housing Provider to provide social and/or affordable housing development on Council-owned land. It is noted that guidelines similar to those recently introduced for the NSW Land and Housing Corporation – *'Policy for Small Scale Direct Dealing with Community Housing Providers December 2020'* which could be expanded to apply to Councils.

Council would also welcome a dedicated funding stream targeted at encouraging partnership approaches between Councils, CHP's and NFPs to deliver on-the-ground affordable housing.

Design competitions, pilot projects, awards programs and demonstration projects linked to funding and/or provision of land can also all help to encourage innovation in affordable housing products. Fostering and promoting good design in social and affordable housing is an essential step to help build community confidence in this form of development, noting that current opposition is often driven by previous experiences with poorly designed and poorly built/maintained developments.

Attachment 1: Meanwhile Uses Briefing Paper

**NSW Government Land
Linked 'Meanwhile Use' and Urban Renewal Opportunities
Shoalhaven Local Government Area**



For further information contact:

Mayor Amanda Findley

Shoalhaven City Council

Phone: 02 4429 5579

Email: findleya@shoalhaven.nsw.gov.au

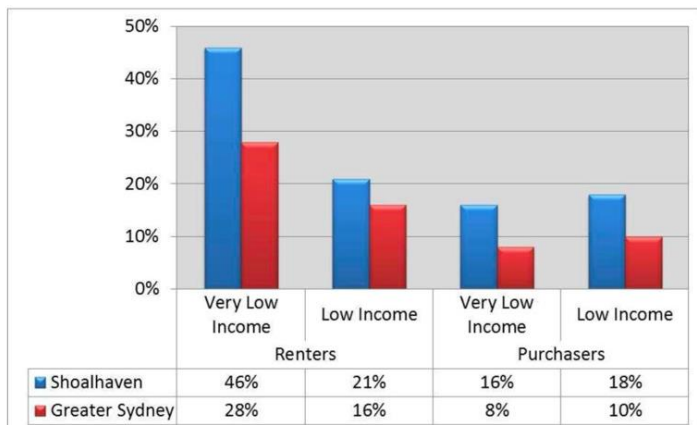
Web: www.shoalhaven.nsw.gov.au

Background

The [Shoalhaven Affordable Housing Strategy](#) (2018) identified an existing and growing demand for affordable housing given that Shoalhaven was (and still is) experiencing:

- Growing homelessness;
- High housing stress despite the relative lower cost of housing;
- Affordable housing not being created through the market for those who most need it;
- Increasing pressure from Sydney and region;
- Aging population; and
- Public funding constraints for social housing.

These issues remain current and have recently increased and become more acute as a result of the Covid-19 pandemic and related population influx and demographic changes. This has also been exacerbated by the natural disaster events (bushfire, flood etc) that directly impacted Shoalhaven in the last two years. Hundreds of homes were destroyed during the 2020 bushfires, pushing residents into rentals while homes are rebuilt. As a result local housing providers and rental agencies now have long waiting lists and there are simply not enough homes to meet the current demands. House prices are up 20% and rents are up 28%.



The most serious affordable housing issue is among very **low-income renters** who currently make up a large percentage of households in housing stress, with an increasing demand coming from older private renters needing to relocate close to service centres. Their needs are most likely to be met through direct provision of community and public housing and encouraging or facilitating an increase in the market supply of smaller strata dwellings in well located areas close to services.

Shoalhaven is expected to take its share of national population growth and is a desirable location for many given its proximity to Sydney and Canberra. However, like other regional Cities our population is aging and has significant pockets of low socio-economic demographics. Because of this and other related factors the City has one of the highest levels of housing stress and continues to be one of the least affordable areas in the Illawarra-Shoalhaven Region

'Meanwhile Use' linked to Urban Renewal Opportunities

The recent release of *Housing 2041 – NSW Housing Strategy* is welcomed. Focussing on leveraging government owned land and encouraging/allowing innovative proposals to deliver better economic, social and other outcomes for the people of NSW is strongly supported. The proposed pilot program to investigate vacant buildings and land in Wollongong for temporary supportive accommodation is a positive step. However there is an urgent need to proactively roll this out to other areas of need as part of a structured option.

The Shoalhaven Affordable Housing Strategy also identifies that the redevelopment of surplus or under-utilised Council or public land in partnership with other government or community agencies and/or the private sector is the action most likely to have a practical impact on the supply of affordable housing.

Council is working with Southern Cross Housing to redevelop a Council site within the Bomaderry Town Centre for much needed affordable housing options (up to 40 dwellings). This will ultimately provide a small but valuable addition to local affordable housing stock.

However, a more significant affordable housing opportunity exists in parts of the former East Nowra, Nowra, Bomaderry and West Nowra areas that were originally developed with significant numbers of NSW Housing Commission homes during the 1970's and with densities like other estates of that time (i.e. single house on a lot of 600 to 800 sq. metres). A large portfolio of NSW Government owned housing still remains within the overall Nowra-Bomaderry area and elsewhere in Shoalhaven.

The majority of these Government properties are now under the care and management of Southern Cross Housing – the main community housing provider in Shoalhaven. Many of these properties are now very dated or underutilised and are ripe for renewal.

Given the immediate need for additional affordable housing in Shoalhaven, the opportunity to redevelop these areas is now urgent and a 'three levels of government' approach (plus the community housing sector) should be used to realise a more significant urban renewal project focussed initially on the former East Nowra locality (map on the last page shows the NSW Government ownership in this location). This approach can be based around achieving a mix of residential densities (including medium density) in appropriate areas and focussing on providing an increase in available dwellings through a general appropriate increase in densities.

Benefits of an urban renewal project in this broad location are many and include, amongst others:

- Additional social and affordable housing stock
- Mixed housing stock (private affordable and social) – de-concentrate current stock, improved social cohesion and potentially help new home buyers build equity
- Better quality homes that cost less for social and affordable housing tenants to run
- Increased population and housing opportunities to boost Nowra's economy
- Provide much needed accommodation for essential and other workers
- Assist in bringing more people into the Nowra town centre improving viability
- Has the potential to be self-funding if planned and managed properly
- Improves the value of the transferred asset
- Pilot project could help test viability for similar precincts in other regional areas

The requested urban renewal project will take some years to realise. The opportunity in the shorter term to enable and facilitate the temporary 'meanwhile use' of NSW Government land and assets to enable people to transition into brand new houses that are delivered through the broader renewal project is an initial important urgent step. This will also ensure that any land that is used temporarily can ultimately be used for its intended use when needed. One example opportunity in this regard is a large 2,900 m² parcel of vacant land owned by Transport for NSW close to the Nowra CBD that was acquired for highway widening but is not immediately needed. Council made an approach about the use of this land for homelessness relief in 2017, but this disappointingly amounted to nothing, despite their being existing similar precedents elsewhere (VIC Roads).

The overall proposition outlined in this paper is consistent with the NSW Government's *Housing 2041 – NSW Housing Strategy* and we request its serious and urgent consideration.

It is requested that the NSW Government:


Actively work in partnership with Shoalhaven City Council, Southern Cross Housing and the Federal Government and provide budget allocations to:

- **Enable the urgent 'meanwhile use' of NSW Government owned land and assets in Shoalhaven for emergency and temporary housing; and**
- **Realise opportunities to create additional affordable housing through urban renewal projects based around NSW Government land in Shoalhaven, initially in the Nowra-Bomaderry area.**

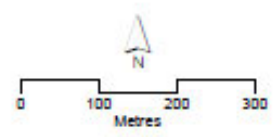
NSW Government Ownership



Legend

 Subject Land

Nowra Area



From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 10:27:18 PM
Attachments: [fgibson-and-loakley-submission-to-regional-housing-taskforce_aug2021.pdf](#)

Submitted on Fri, 27/08/2021 - 22:24

Submitted by: Anonymous

Submitted values are:

Submission Type

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Fiona Gibson

Last name

Laura Oakley

I would like my submission to remain confidential

No

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Email

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Suburb/Town & Postcode

2486

Submission file

[fgibson-and-loakley-submission-to-regional-housing-taskforce_aug2021.pdf](#)

Submission

Please see attached joint submission by Fiona Gibson and Laura Oakley.

I agree to the above statement

Yes

Coordination Required – Submission to the Regional Housing Taskforce

27 August 2021

Dear Mr Garry Fielding
Chair
NSW Regional Housing Taskforce

Please accept this joint submission from Fiona Gibson and Laura Oakley as residents of the Northern Rivers, and not in our roles as Senior Planning Officers in the Department of Planning, Industry and Environment to which we publicly disclose.

It is with great privilege that we can make a submission to demonstrate our support to the government's attention in responding to the increasing pressures of housing across regional New South Wales. Please consider the proposed perspective and recommendation of our submission in your report to the Hon. Rob Stokes MP, Minister for Planning and Public Spaces.

It is clear across regional NSW, there are discrepancies between the amount of land which is already zoned for residential uses, and the availability of dwellings for purchase or rent on the private market, or social housing. The resurgence of regional towns that make up the rich fabric of our state is an opportunity our generation must continue to support.

It is not solely the role of the NSW Planning System to resolve the supply and affordability of housing in regional NSW, it will require a collective of initiatives, incentives and reforms and coordination from all stakeholders involved.

The establishment of a coordination role is required to implement the recommendations that the planning system can facilitate in driving a strong economy and supporting the places where more and more people are choosing to live. A respected coordination and concierge service is critical to liaise between local and state government agencies, Local Aboriginal Land Councils and the community, which includes the development industry (private and public). This coordination is essential to ensure the sensible addition of residential infill and the opportunities of facilitating the important growth and prosperity that regional NSW has to offer.

Increasing the labour force, creating innovation in the arts, manufacturing, education and the delivery of services, capacity building our planning and construction industry, fostering our agriculture and resources, all play a role in the coordination of achieving better housing outcomes for regional NSW through the planning system.

It is often not multi-national companies navigating the planning system to deliver the variety of housing tenure that is required in regional NSW. It includes the 'Mum and Dad' investor who may only ever make one foray into residential development. This further supports the establishment of a housing concierge service for a common and vital user of the planning system. Support of this kind will provide the lever for all stakeholders to work together to facilitate and drive the delivery of housing matched to community needs.

There are many reasons for the important need of this service to the people of NSW. For example, through a review of Local Strategic Planning Statements, issues related to the timely delivery of housing become clear. Ballina Shire, a strategic centre on the North Coast

will see an estimated population growth of 8,700 people, requiring an additional 4,400 dwellings. As of 2020, a yield of more than 5,000 lots were available on land zoned for residential use. According to the Real Estate Institute of NSW, the Northern Rivers experienced a drop in rental vacancy rates from 2.1 to 1.6% in the last 12 months, the average house price has increased by 21.9%. This is demonstrative of the critical issue seen in the provision of housing across regional NSW.

In many instances, there is sufficient demand for new homes, as well as land available and zoned for development. Examples of land banking in the Northern Rivers are common, yet there are other complex mechanisms behind a lack of housing stock. Limited community appetite and foresight to encourage negotiation and delivery of critical infrastructure is a contributing factor. An action in which a coordination service could work towards unpacking as a planning barrier.

From the detailed consultation and data analysis that has been undertaken there is no denying there are unique housing challenges linked to changes in migration patterns, growing unaffordability, economic, social and environmental pressures. In order to improve the housing outcomes in regional NSW in the context of the NSW Housing Strategy and legislative role of the planning system, we urge you to consider the establishment of a respected coordination and concierge service for regional NSW.

Sincerely

Fiona Gibson and Laura Oakley

[Redacted signature block]

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To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 2:12:24 PM
Attachments: [crjo-regional-housing-taskforce-submission.pdf](#)

Submitted on Fri, 27/08/2021 - 14:10

Submitted by: Anonymous

Submitted values are:

Submission Type

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I would like my submission to remain confidential

No

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Email

[REDACTED]

Suburb/Town & Postcode

2609

Submission file

[crjo-regional-housing-taskforce-submission.pdf](#)

Submission

Dear Mr Fielding,

Please see attached the submission from the Canberra Region Joint Organisation.

We thank you for your consideration.

Kind regards,

Kalina Koloff
CEO
Canberra Region Joint Organisation

I agree to the above statement

Yes



27 August 2021

Mr Gary Fielding
Chair
Regional Housing Taskforce

Dear Mr Fielding,

RE: Submission to the Regional Housing Taskforce

The Canberra Region Joint Organisation thanks you for the opportunity to contribute to the resolution of an issue that we view as critical to the future wellbeing and success of our region.

In this submission, we have addressed the following terms of reference:

1. Critical housing supply issues in our region
2. Barriers to overcoming these issues
3. Solutions to delivery housing on zoned land
4. Barriers to housing diversity
5. Actions recommended for the NSW Government

We believe that the terms of reference for taskforce is limited and not reflective of the complexity and interrelatedness of many of the issues impacting housing including the stimulus of major infrastructure and development, requirements and pressures for jobs creation, and investment attraction. However, we have done our best to respond to the prompts established for this consultation in a way that will reflect the true nature and scope of the problem. We hope that this submission, included below, will provide a greater understanding of the current situation, as well as inform reformatory action.

Sincerely

Rowena Abbey
Chair
Canberra Region Joint Organisation

What are critical housing supply issues in your local area?

Availability

A consistently reported issue in the Canberra Region is an abject lack of available housing for existing or new residents. This issue is exemplified in member council, Snowy Monaro Regional Council, in which housing vacancy rates dropped to as low as 0.4% in May 2021¹. While vacancy rates in this council were already low in previous months (below 1%)², this issue has been exacerbated by the incoming workforce associated with the Snowy Hydro 2.0 project. While some temporary housing has been provided to cope with the sudden demand for housing, there is still a significant strain seen on the local housing market as a result of the joint venture.

A similar housing availability issue has been reported in Queanbeyan Palerang Regional Council's (QPRC) town of Braidwood, where a gold mine reopening has consumed much of the available housing, restricting the ability of local businesses to house their staff. Much like many other communities within South Eastern NSW, QPRC is still recovering from the 2019-2020 bushfires that ravaged the state. Within the broader region, approximately 2000 residences were damaged or eradicated by the fires, of which less than 10% have been rebuilt. The combination of a rapidly expanding workforce in conjunction with the consequences of ongoing natural disasters left many community members displaced and left to councils that lack the means and capacity to support them.

Recovery efforts have been further hindered by increased competition for trades, materials and labour required to produce housing. This competition has been the result of escalating demand for services and reduced production capacity for materials due to COVID-19 pandemic restrictions. While the pandemic was unforeseeable, there has been a continuous delay in meeting the rising demands across the state for increased materials and labour that accompany the growing population. This issue may pertain to a failure in long-term planning initiatives, including the provision of expanded production facilities for building materials and the training of a new labour workforce.

The COVID-19 pandemic has also contributed to the housing shortage, driving intra-state migration from larger cities, such as Sydney. According to the Australian Bureau of Statistics (ABS), a net 43,000 people moved from Australia's capital cities to regional areas in 2020³. This mass-migration has placed an even greater strain on existing resources and infrastructure in regional communities, which only continues to worsen over time.

¹ Core Logic Monthly Housing and Economic Report - May 2021

² Core Logic Monthly Housing and Economic Report – January 2021

³ <https://www.abs.gov.au/media-centre/media-releases/net-migration-regions-highest-record>

Affordability

Further, the cost of housing in many parts of the region is excessively high and disproportionate to average household income. For example, in Snowy Monaro Regional Council, the median cost of housing increased from \$300-\$400 per week from March 2019-2021, while the average rent is approximately 33% of household income⁴. Similarly, housing affordability was recognised as problematic in the Goulburn Mulwaree LGA, by Anglicare's Rental Affordability Snapshot 2021. This report found that a large majority of available housing was unaffordable, defined as exceeding 30% of household income⁵.

While growing native populations and associated competition for housing is likely to be the source of this affordability issue, the occurrence of pandemic-led migration is exacerbating this issue to an extensive degree. In kind, migration associated with grand infrastructure developments, such as the Snowy Hydro 2.0 project, are further increasing competition and consequently, cost.

The issues of housing unavailability and unaffordability in these member councils, in addition to many others in the Canberra region, demonstrate a need for rapid action as these communities continue to experience significant growth⁶.

What are the key barriers to resolving these issues?

Lack of skilled labour

A foundational issue that appears to be exacerbating a lack of housing availability and affordability in the region is a lack of skilled workers to deliver housing development. This shortage of workers extends from labourers and architects to council staff who are adequately trained to coordinate development efforts. Several issues relating to planning have also become apparent in the region.

Planning

Due to ongoing natural disasters and rapid infrastructure growth, planning efforts have been focused on the development of short-term housing to accommodate a surging workforce. However, this has led to a neglect in long-term housing planning. As seen in the Snowy Monaro region, this strategy has had adverse and ongoing impacts on residential housing availability^{1,2}. This planning issue is further exacerbated by a rapid and unexpected increase in resident populations moving from metro areas to regional cities, as was seen during the past year, which was likely driven by the COVID-19 pandemic⁵.

⁴ <https://www.facs.nsw.gov.au/providers/housing/affordable/about#1>

⁵ <https://www.anglicare.asn.au/research-advocacy/rental-affordability/>

⁶ <https://www.planningportal.nsw.gov.au/population/>

Further, the CRJO supports QPRC's suggestion to implement a conclusive, actionable, and holistic housing strategy that aligns with recently released government strategies, including the Transport 2056, Economic Vision for Regional NSW 2020, and the NSW Housing Strategy 2041. These strategies should align with ABS population data, considering qualitative changes in these populations that may determine the types of housing needed. Such planning should also consider the infrastructure and employment capacities for the growing residential populations in regional area, followed by the actioning of plans to ensure that communities will be adequately serviced as they expand.

Short-term rental accommodation (STRA)

Another significant contributor to a lack of housing availability in the region is short-term rental accommodation (STRA), particularly in high tourism areas. The presence of STRA in the region limits availability of long-term rentals for residents, thus contributing to the broader issue. Snowy Monaro Regional Council is particularly affected by STRA, reporting that approximately 30% of dwellings in the tourism town of Jindabyne are reserved for STRA. Of these properties, majority have owners that primarily reside in Sydney or Canberra and use these dwellings for investment⁷. However, despite previously attempted action against the persistent STRA problem in the region⁸, no significant action has been taken by the NSW Government to effectively regulate STRA.

How can we best deliver houses on land already zoned for housing?

Skilled labour

The delivery of housing previously zoned for this purpose can be improved and expedited through the provision of a skilled mobile workforce. This may include addressing an issue of a general labour shortage, through the implementation and promotion of relevant training programs. While this solution may not show immediate positive results, it will assist with the prevention of the present issue recurring.

Council-driven coordination

It may also be beneficial to fund a council position which focuses on coordinating infrastructure, planning, and housing developers. At present, councils are expressing that there is misalignment between planning processes, infrastructure developments, and the labour workforce, which is ultimately limiting potential housing delivery. Having a dedicated team member to coordinate project plans and approval would improve efficiency in that regard.

⁷ City Plan – Jindabyne Housing and Demographic Study 2019 - Section 5.2 pg.88

⁸ <https://yoursaysnowymonaro.com.au/62137/widgets/313142/documents/184238>

What are the main barriers to delivering more diverse housing types to suit the varying needs of people in your region?

Beyond a lack of skilled labour and effective long-term planning, there are additional barriers to housing diversity in our region, including a lack of infill development, land banking by developers and landowners, and crown land constraints.

Infill development

There is opportunity in regional towns to use infill developments as a means to increase housing availability. However, despite opportunity in the Snowy Monaro region, there has been limited uptake by developers. This has been viewed as a market failure by the council, although there is acknowledgement that there must be greater incentives for such projects. Although, in Goulburn Mulwaree Council, the NSW Government announced the Goulburn Mulwaree Urban & Fringe Housing Strategy⁹ in late 2020, which aims to use infill development as a means of increasing housing supply and housing diversity.

A similar plan has been enacted in QPRC, whereby the Council has negotiated one-bedroom or studio flats be installed above garages of new terrace town houses and other 1-3 bed terrace housing around new town centre developments. This initiative aims to increase density, diversity, and affordability of housing in the LGA. Both of these councils should be commended on these fantastic initiatives, which could be implemented in other regional councils to achieve the same benefits.

Land Banking

Land banking in NSW is largely unregulated. This option remains attractive due to low interest rates. However, this scheme effectively limits land that is available for development. The ACT Government has adopted a policy such that landowners are allowed 2 years to commence construction and 2 years to complete it¹⁰. This policy prevents land zoned for housing remaining undeveloped and ultimately promotes housing availability in the community.

Crown land constraints

Issues relating to native title and compensation on Crown lands has resulted in long bureaucratic processes that have limited housing development on Crown land that has been zoned for this purpose¹¹. The Snowy Monaro Regional Council towns of Cooma and

⁹ <https://www.goulburn.nsw.gov.au/News-articles/Endorsement-for-future-growth-of-our-region>

¹⁰ <https://www.legislation.act.gov.au/View/a/2007-24/current/PDF/2007-24.PDF>

¹¹ https://lgnsw.org.au/Public/Public/Policy/Planning/planning_Crown-Lands.aspx

Adaminaby both possess a significant area of Crown land zoned for this purpose, although are limited in their ability to use this area to resolve their extreme housing shortage.

Overall, what can the NSW Government do to support housing delivery in the region?

In order for the NSW Government to support housing delivery in the region, the CRJO recommends:

1. The development of a conclusive regional housing strategy by the NSW Government that aligns with the Transport 2056, Economic Vision for Regional NSW 2020, and the NSW Housing Strategy 2041. This strategy must consider the unique challenges that apply to regional areas and enact initiatives to support these communities.
2. The regulation of STRA to improve long-term rental options for locals, as this appears to be a fundamental issue contributing to the present housing crisis in the Canberra Region.
3. The social impact of mobile workforces needs to be better considered as part of the development consent. A solution to this may be a requirement for developers moving into the region to invest in long-term style housing for their workforce, which will remain as a legacy asset upon completion of the development. Considering the scale of the mobile workforce currently active in the region, this condition would provide a significant number of new dwellings for the community.
4. Invest in labour training programs to boost the future workforce, specifically in regional areas. This initiative will reduce reliance on a mobile workforce for essential infrastructure and housing development.
5. Implement legislation restricting land banking that impedes housing provisions in NSW, such as has been adopted by the ACT Government.
6. Incentivise infill development to improve housing prospects in popular residential areas. Alternatively, a state government-driven collaborative strategic plan could be developed with councils, such as was done in Goulburn Mulwaree Council to achieve the Goulburn Mulwaree Urban & Fringe Housing Strategy⁸.
7. Fund a council position that is dedicated to the coordination of housing efforts within a local government area. This should promote the efficient and continuous delivery of housing as is appropriate for local growth.

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 9:38:56 PM

Submitted on Fri, 27/08/2021 - 21:38

Submitted by: Anonymous

Submitted values are:

Submission Type

I am making a personal submission

Name

First name

██████████

Last name

██████████

I would like my submission to remain confidential

Yes

Info

Email

██

Suburb/Town & Postcode

██████████

Submission

Please don't unnecessarily disadvantage "Special Category Visa " holders who due to Federal laws do not have a straight forward pathway to permanent residency or citizenship. In our family two of us are siblings in different parts of regional NSW and are above average earners (late 20s/early 30s) and are trying to enter the housing market in regional NSW and with the recent changes to the First Home Buyers Assistance Scheme that have overnight made us ineligible, that dream is further away. We are hardworking people who have chosen to make Australia home for a number of years, and yet have just had the potential for first home buying slip further away. Housing is in such short supply and the market is near impossible to navigate within such a competitive space. House prices are going up at incredible rates, making the possibility seem more and more impossible.

We are contributing to society in our respective careers and upholding Australian values. We do not believe it is fair to use the change to this rule as a mechanism to improve housing supply and affordability in regional Australia. We are Australian tax payers and we don't believe this is a fair and equitable solution to this issue.

I agree to the above statement

Yes

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 2:23:06 PM
Attachments: [regional-housing-taskforce-submission-and-report-27082021.pdf](#)

Submitted on Fri, 27/08/2021 - 14:21

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

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Todd

I would like my submission to remain confidential

No

Info

Email

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Suburb/Town & Postcode

Narrabri 2390

Submission file

[regional-housing-taskforce-submission-and-report-27082021.pdf](#)

Submission

Please see attached submission on behalf of Narrabri Shire Council

I agree to the above statement

Yes

Our Reference: 1885061:DLA
Your Reference: Housing Taskforce
Contact Name: Donna Ausling

Attention: Mr Garry Feilding, Chair
Regional Housing Taskforce,
NSW Department of Planning, Industry & Environment

By Email: regions.coordination@planning.nsw.gov.au

Monday 23 August 2021

RE: Narrabri Shire Council Submission – Regional Housing Taskforce

Thank you for the opportunity to provide comments on the above matter. Please find enclosed a copy of Council's Submission Report in this regard.

Council trust that the above advice provides the necessary assistance and should you have any questions or require any further clarification on the contents of Council's submission, please contact Ms Donna Ausling, Council's Manager Strategic Planning on (02) 6799 6866 or via council@narrabri.nsw.gov.au.


Kind Regards,



Stewart Todd
General Manager




Narrabri Shire Council
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REGIONAL HOUSING TASKFORCE

NARRABRI SHIRE COUNCIL SUBMISSION REPORT

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Introduction & Background

It is acknowledged that in June 2021 the NSW Government established a Regional Housing Taskforce in response to increasing pressures on the supply and affordability of housing in regional NSW. The Taskforce will build on work undertaken as part of the NSW Housing Strategy 2041 and presents an opportunity to consider planning barriers and potential solutions as they apply to Regional NSW. It is understood that the purpose of this Taskforce is as follows:

- To undertake consultation with local government and experts from the development and housing sectors to identify barriers in the planning system to new supply and develop possible solutions;
- To advise the Minister for Planning and Public Spaces on findings and provide recommendations to achieve better housing outcomes for regional NSW through the planning system;
- To contribute to the evidence base identifying housing challenges and planning barriers to housing delivery, building on existing background work to inform future government housing initiatives and provide advice to the Expert Housing Advisory Panel.

In terms of project scope, it is also acknowledged that the Taskforce will investigate planning barriers and develop associated recommendations with a focus on:

- The planning system and other government levers to stimulate housing supply and address housing needs;
- Removing impediments within the planning system to the delivery of affordable housing types and housing generally;
- Identifying mechanisms within the planning system to facilitate and drive the delivery of housing matched to community needs.

Local Context

Narrabri Shire is a local government area in the North West Slopes region of NSW. The primary settlement of Narrabri is located adjacent to the Namoi River and at the confluence of the Newell and Kamilaroi Highways. The local government area (LGA) is strategically positioned half way between Sydney and Brisbane, and is considered to be resource-rich. Key local industries include mining and agriculture. At the last census (2016) the resident population was 13,084 persons.

Narrabri Shire Council's vision is articulated in the Community Strategic Plan as follows:

"Narrabri Shire will be a strong and vibrant regional growth centre providing a quality living environment for the entire Shire community."

Narrabri has been recently announced as a special activation precinct (SAP) location. The master planning process for Narrabri is currently underway by NSW DPIE.

Through the SAP process it is anticipated that energy-intensive industries and manufacturers, such as plastics, fertilisers and construction material producers will be able to confidently set up in Narrabri with access to commercial quantities of domestic market gas, enabled by the Narrabri Gas Project.

The precinct will also leverage key infrastructure such as the Inland Rail, the Narrabri West Walgett Railway line and the proposed Narrabri Industrial and Logistics Hub to give investors access to global supply chains and markets.

Further information in relation to the Narrabri SAP is available via:

<https://www.nsw.gov.au/snowy-hydro-legacy-fund/special-activation-precincts/narrabri>

The SAP, and increased investment, is likely to create its own specific challenges that are currently unexplored.

Specific Regional Challenges

Local Industry Feedback:

In the formulation of this submission response Council undertook a targeted survey of building and professionals. This collated feedback is provided for the information of the Taskforce as follows:

1. Local challenges regarding the availability of 'developable' and adequately serviced land.
2. Material shortages are creating a significant impact in addition to lack of local stock. There has been a significant recent increase in costs for projects as materials need to be transported from other regional centres, such as Tamworth, located more than 2 hours away. A corresponding identified gap/need is a new trade hardware store with the view of reducing freight costs for many local trades, reduce down-time, and improve efficiencies due to local stock being on hand. Freight costs are also increasing due to associated labour costs.
3. Many local tradespersons involved in the construction sector have needed to alter their business plans, as access to skilled staff has been identified as being almost 'impossible'. The local industry response has been on many occasions to adjust the business model to focus on specific components of the market, largely the 'higher end', with a grow your own approach to build a business-skilled and qualified workforce.
4. The lack of locally qualified staff has contributed to the overall skills shortage. An absence of local business training opportunities geared towards the housing sector exists. There are also barriers to engaging more staff as there are limited incentives to do so. Within our local two-speed economy, competing industries also exist.

5. The industry has identified that there is a 'Positive' to 'Very Positive' outlook for housing in the Narrabri Shire, with very strong demand trends.
6. The ePlanning Portal has been identified by survey participants as being a generally positive initiative, subject to resolution of current 'teething' problems and further system development and refinement.
7. The local industry has identified opportunities for Council to play a greater liaison role with new land purchasers and advise of any available incentives and provide assistance in navigating the DA process (particularly surrounding new housing construction), in a similar fashion to a small business liaison officer.
8. Housing types identified in the survey of greatest need included:
 - Residential dwellings (single storey)
 - Residential dwellings (small acreage)
 - Dual occupancies
 - Medium density housing.

A diversity of housing choice is therefore sought.

The development of medium density housing in proximity to the CBD was identified as an opportunity to stimulate the town centre and encourage economic activity and greater vibrancy.

9. A common theme in all of the survey responses received was the need to improve efficiencies and ensure planning-allied applications are being processed as quickly as possible, as improving turn-around times will increase cash flow, allowing more projects to be completed.
10. Identified opportunities to improve efficiencies include the further development of 'fees calculator' on the NSW ePlanning Portal to enable an accurate assessment of application fees at the time of lodgement. Fixed inspection fees and application costs were also identified as being potentially beneficial to enable the industry and prospective home owners to determine the likely costs with a greater degree of certainty as part of project planning activities.
11. The uncertainty surrounding local state significant development (SSD) and Federal development projects has resulted in local landowners being unwilling to make firm investment decisions. Land banking is therefore occurring.
12. Council has been identified as a potential change agent and advocate in the development of residential land.

Narrabri Shire Council observations:

13. A diversity of housing choice is considered essential in growing rural and regional areas, such as Narrabri.

14. Council has faced significant challenges in recent years with attracting and retaining skilled staff. The prolonged industry shortage in the building certification and town planning professions will continue to be a challenge with the absence of meaningful government and industry interventions.
15. Private Certification has been unable to fill this void due to the remoteness of the Shire, coupled with the unparalleled growth currently being experienced in rural and regional Australia with the metropolitan 'COVID exodus'.
16. Gaps in professional drafting and architectural services, and stress on this industry generally as a result of current industry demand, have also been identified. This has led to poorer design outcomes in some circumstances.
17. NSW DPIE needs to continue to support and further develop local government training opportunities. More effective partnerships are also needed with organisations including TAFE NSW and local universities.
18. Financial assistance should be provided to those Councils facing local housing stress with the view of undertaking stimulus activities surrounding the development of land.
19. A Housing Strategy for Narrabri is urgently required.

Infrastructure Alignment & Sequencing

20. Infrastructure construction and sequencing challenges are considered to be a long-standing, particularly in rural and regional areas, where access to capital is limited and lending authorities are often reluctant to finance such projects. This is further exacerbated by the fact that communities are still very much in a drought recovery phase and gradually rebuilding. The recent drought continues to influence decision-making and conversations surrounding housing access and affordability need to incorporate and recognise resilience and likelihood of increased numbers of adverse events.
21. Narrabri Shire Council is expected to experience more adverse events into the future. More intensive droughts and flood events are anticipated arising from anthropogenic activities. This will continue to be a major factor in housing affordability as affordable commercial solutions remain expensive and the state government policy framework has been slow to react to potential innovative solutions.
22. With ongoing rate-pegging, asset and infrastructure backlogs and increased community service expectations, rural and regional Councils are not currently well-positioned to provide support in the construction of shared infrastructure projects. Given these constraints, local government funding cannot be viewed as a panacea for these long-standing challenges.

23. The current Infrastructure Contributions Bill recently introduced by the NSW government is likely to deleteriously impact local housing affordability. Increasing section 7.12 contributions for residential development types is likely to form a barrier. It is anticipated that NSC will join the current Local Government NSW (LGNSW) campaign to defer this Bill.

Diverse and Affordable Housing

24. The definition of affordable housing in itself is unclear and inconsistent in its application across government. The NSW Department of Communities and Justice (formerly Family and Community Services) defines affordable housing as:

“Affordable housing is housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care and education. As a rule of thumb, housing is usually considered affordable if it costs less than 30% of gross household income¹.

In this context, affordable housing refers to housing that has been developed with some assistance from the NSW and/or Commonwealth governments including through planning incentives. It may include a range of housing types and sizes, including single or multi-bedroom units or houses, as well as studio apartments. It is only available in some locations and eligibility criteria apply.

Although affordable housing is sometimes available for purchase, it is most commonly available for rent. Affordable rental housing may be owned by private developers and investors, local governments, charitable organisations or community housing providers. It is usually managed by not-for-profit community housing providers, and sometimes by private organisations.

Affordable housing in NSW has been developed in a range of ways and funded through a mix of sources including government (Local/State/Commonwealth) grant or land contributions, planning incentives, philanthropic sources, community housing provider equity contributions and from finance secured against assets and owned by community housing providers.

Note 1: while this figure provides a useful benchmark of housing affordability, the definition of affordability varies according to a household’s individual circumstances. Demands on the same gross income may differ significantly.”

Source: <https://www.facs.nsw.gov.au/providers/housing/affordable/about> accessed on 21 August 2021

Conversely, *State Environmental Planning Policy No. 70 (Affordable Housing)* defines affordable housing under clause 8 of the SEPP, as follows:

For the purposes of the definition of affordable housing in section 1.4 (1) of the Act, very low income households, low income households and moderate income households are those whose gross incomes fall within the following ranges of percentages of the median household income for the time being for the

Greater Sydney (Greater Capital City Statistical Area) or the Rest of NSW (Greater Capital City Statistical Area) according to the Australian Bureau of Statistics:

| | |
|----------------------------------|-------------------------------------|
| <i>Very low income household</i> | <i>less than 50%</i> |
| <i>Low income household</i> | <i>50 or more but less than 80%</i> |
| <i>Moderate income household</i> | <i>80–120%</i> |

Greater consistency and a ‘whole-of-government’ response is required to resolve the current prevailing challenges. The current categorisation of the criteria provided under clause 8 of the SEPP, and the Policy framework generally, requires urgent review.

25. SEPP 70, in its current form, has limited application to many rural and regional areas. The preparation of an Affordable Housing Contributions scheme pursuant to section 7.32(3)(b) of the *Environmental Planning and Assessment Act 1979* (EP&A Act) is likely to have limited community or political support. Such schemes are viewed to be outside of Council’s remit and the focus of the three ‘Rs’: Roads, Rates and Rubbish, which still underpins much of rural local government decision-making and strategic focus. Significant local stigma also exists with respect to affordable and social housing projects.
26. Opportunities to overcome current challenges include providing additional support to rural and regional Councils to prepared local housing strategies. Such strategies should have a clear line of sight to the *NSW Housing Strategy*.

Activating Development

27. In the Narrabri Shire, the impact of flooding is the primary environmental constraint. Narrabri is effectively positioned on a floodplain which is subject to regular inundation. The local soils are also highly reactive, resulting in increased engineering and design costs.

Whilst flooding is a major impediment to development, the impacts of flooding are well understood and accepted by the local community, and there is a good understanding and acceptance of the associated risks. Council has developed a range of successful partnerships with respect to the preparation and delivery of a range of floodplain planning and management programs. One such example includes the WaterRide flooding program.

Councils planning team manages flooding on behalf of Council, without the benefit of a formal floodplain management officer. Accordingly, Council regularly requires advice from floodplain management consultants. Through the waterRIDE CLOUD framework, Council has been able to engage directly with relevant industry experts, and receive and implement their professional advice remotely.

This provision of remote professional services is particularly interesting. Not only does Council have access

to a wider geographic spread of experts, those experts also have instant access to Councils information, without the need to move 100's of gigabytes of data around. Naturally, the same principle could also apply to the sharing of datasets to other relevant users such as developers.

Adding a WaaS subscription (waterRIDE as a Service) has recently allowed Council to completely streamline the way it uses waterRIDE and effectively "outsource" management of its flooding datasets. For example, when the recently adopted Boggabri Flood Study was completed, the datasets were added to Councils certificates system seamlessly.

Further opportunities may exist to adopt technological solutions to other current barriers.

28. Given much of the land surrounding the township of Narrabri is Biophysical Strategic Agricultural Land (BSAL), future investigations and discussions surrounding new housing release areas on BSAL-constrained land is expected to be both problematic and challenging. Some flexibility with current state government policy needs to exist and implementation of appropriate mechanisms to navigate the system and achieve balanced outcomes where competing demands exist.
29. The current development assessment process is widely acknowledged as being complex. Streamlining of the process, the reduction of green tape and further transition to the 'one-stop-shop' approvals system is needed. Increased certainty in approvals processes and improvement of approval timeframes , as detailed in Part 1 of this submission, will also assist in managing construction commencement delays.

Activating Development

30. Narrabri Shire Council is currently well-serviced in the area of seasonal and itinerant worker accommodation. Two (2) villages focused on itinerant worker accommodation (DIDO and FIFO) have been established, as managed by Civeo Pty Ltd, as follows:
 - *Narrabri Civeo Village*: this facility has more than 500 standard ensuite rooms in demountable-type buildings, providing three meals daily. The facility is located within walking distance of the CBD. The facility also caters for local agricultural and service-sectors.
 - *Boggabri Civeo Village*: this facility is located outside of the village of Boggabri and has more than 600 standard ensuite rooms. This particular facility primarily caters for the local mining workforce.

The Civeo villages have alleviated some demand on the local rental market, however, it is likely that they have disrupted traditional settlement trends. Some mining companies, such as Whitehaven Limited, have sought to address this particular issue via de-incentivisation of long term accommodation stays in their Social Impact Management Plans (SIMPs). The Company's financial contribution/rental subsidisation rates progressively decrease over time with the view of encouraging permanent relocation.

Motels also play a significant role in accommodating local itinerant workers. These facilities are, however, frequently 'at capacity', which requires workers to commute from other nearby regional centres including Tamworth, Gunnedah and Moree. Both the Civeo and motel accommodation options are comparatively expensive. The Civeo weekly rate is in the order of \$750.

31. Over recent years, Council has progressively experienced an increase in compliance issues associated with short term accommodation options. Key premises of concern have been located in the CBD area with unauthorised conversion of shop top housing and wide-spread failure to comply with fire safety regulations. This has resulted in increasing compliance and legal costs for Council.

Council Initiatives and Partnerships

32. Council has recently programmed a *Mayoral Housing Summit*, to be convened in late September 2021 with the view of addressing some of the local housing challenges. The information collected at this forum will underpin a preliminary Housing Strategy.
33. A more active role in developing local partnerships and local collaborative responses to issues has also been pursued. A recent example includes the ePlanning implementation wherein Council partnered with the HIA to deliver local training and professional development points were available to participating trades.
34. The use of technologies, including the WaterRide software, is an example of how technology can be used to address industry skills gaps and facilitate the more efficient use of resources.

Conclusion

The provision of suitable local housing is a key issue of concern and interest for Narrabri Shire Council.

Council appreciates the opportunity to participate in this process and trusts that these comments are of assistance to the Taskforce.

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 7:12:50 PM
Attachments: [bdaa-submission.pdf](#)

Submitted on Fri, 27/08/2021 - 19:11

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

John

Last name

Hatch

I would like my submission to remain confidential

No

Info

Email

john.hatch@bdaa.com.au

Suburb/Town & Postcode

North Sydney 2059

Submission file

[bdaa-submission.pdf](#)

Submission

Please find attached submission

I agree to the above statement

Yes



NSW GOVERNMENT

Regional Housing Taskforce

SUBMISSION BY

**BUILDING DESIGNERS ASSOCIATION OF AUSTRALIA
(BDAA)**

27 AUGUST 2021

Who is Building Designers Association of Australia?

A champion for building designers. The Building Designers Association of Australia (BDAA) is the single national association that represents, advocates for, promotes and connects building designers throughout Australia.

Our membership includes residential, commercial, and industrial building designers, architects, landscape architects, planners, specifiers, thermal performance assessors and design students. Many of our members have featured on major design websites and in the pages of style magazines and major metropolitan newspapers. In addition, BDAA CEO Chris Knierim is a trusted media consultant regarding news coverage that concerns the built environment.

The BDAA has been cited as a consultant and direct influence on nationwide building reform, with association leaders advising national councils in a constant quest to preserve and enhance the Australian built environment.

What is a Building Designer?

A building designer is a highly skilled, endlessly creative, and sustainably innovative building industry professional; one who might apply their considerable, carefully honed skills to residential, commercial, industrial, and institutional designs. Building designers thoroughly and consistently study their trade throughout their careers, always keeping up to date with both changes in building designs and styles, along with the laws and codes that govern their construction.

The aims of the Regional Housing Taskforce are identified as being:

- The taskforce is focussing on four housing issues:
 - Supply
 - Affordability
 - Diversity
 - Resilience
- The Regional Housing Taskforce aims to:
 - identify and resolve barriers in the planning system to housing supply and affordability
 - provide recommendations on ways to speed up the delivery of new homes in regional NSW
 - find ways to unlock land and encourage the building of new houses

The BDAA is of the view that current housing choices do not reflect the flexibility in housing choice that communities and people within those communities require over time.

There is a development industry driven goal to maximise monetary return at the expense of affordability. This means that owning your own home or finding a rental property is difficult and not achievable for all.

With the supply of homes what needs to be considered is that most people start off requiring a small home, then, if they have a family a slightly larger home for a while before finding out that a smaller home might be more suitable as they age.

To address the above many building designers discuss and advise their clients as to having housing choice for their projects, think about what you need today and what do you need for tomorrow and then in 20 – 30+ years' time.

The requirements and usage for housing fluctuates and, in this respect, the following housing supply options should be further considered:

- Multi-generational housing – designed in pavilions or zones suitable for family or rental or carers as time determines.
- Secondary dwellings
- Villas and townhouses
- Dual occupancies, Manor Homes and Terraces
- More assimilated small scale housing developments with homes up to 60 sq metres in area with public area integration
- some residential unit developments may also be appropriate subject to bulk, scale, and density

In some ways the housing choice above could be delivered at greater levels, and quicker through the NSW Housing Code and the Low-rise diversity code for dual occupancies, terraces homes and manor homes. This type of housing choice could be delivered faster than larger estate developments and could be considered appropriate in regional town centres where greater density in regional town centres could be of benefit.

There seems to be a greater focus on individual single homes in large estates with little unique character within developments appropriate to the location.

There are some developments which deliver a sense of place, but most do not. The original Tullimbar housing development near Albion Park is a good example of well-considered housing estate but later development at Tullimbar appears to have destroyed the original intention.

The lack of affordability of homes requires more creative housing choice and options for financing home ownership to be made available.

The housing choices available as previously described should include the design and construction of smaller, smarter housing with the capacity to be made adaptable over time for those with either disabilities, illness, injury or age. It is essential though that aside from being functional that the character of housing is delivered, maintained and relatable in bulk, scale, and density appropriate to a locality. This will always be a subjective discussion but development appropriate to the human scale is desirable. If the investment in these housing choices is shared, then the benefits in this housing and communities created is shared. The sharing of services, creation of good public infrastructure including public transport reducing private vehicle expenses, enables greater financial resources for individuals to access and finance housing choice and affordability options.

Other options for housing affordability in regional locations could include:

- Individuals developing housing choice options as previously described for ownership and / or rental market
- Shared housing developments could be considered between families, friends and / or through the creation of cooperatives investing in such housing choice which would be of mutual benefit to both individuals and the wider community
- Joint housing ventures in partnership with Government, Development industry partners and / or Community groups which could be expanded through greater government involvement and investment
- Combinations of the above housing investment options may also be appropriate.
- Greater investment in social housing should also be considered by government and integrated into regional housing choices

The diversity of homes could likely be achieved through the supply of diversified housing as described and the financial options for sharing the cost of housing development as described.

The resilience of homes in regional areas would be through adherence to NCC and Australian Standards for bushfire, flood, climate change and other natural disasters that may occur. The appropriate level of home insurance should also be verified by insurance companies to ensure that if disaster occurs then reconstruction can be achieved if housing is lost.

The further inclusion of features that will make homes climatically comfortable through functional design and construction should also be delivered to achieve carbon neutral or carbon positive housing. The use of educational resources such as Your Home www.yourhome.gov.au and Passive house principles should be further integrated into achieving good regional housing choices.

Other considerations could include:

- Strategies to maintain housing diverse communities
- Keep people closer to employment opportunities
- Maintenance of villages, regional towns with liveable architecture
- Green spaces rather than heat islands and concrete
- Address the investment housing hoarding
- Utilise empty investment properties

The engagement and inclusion of regional communities on housing diversity and choice is also critical in delivering good outcomes and ensuring development is appropriate to the location.

BDAA wishes to thank the Regional Housing Taskforce for the opportunity to make this submission and if further discussion is required, please feel free to contact the writer.

Regards,

John Hatch

Senior Vice President

Building Designers Association of Australia

Mobile [REDACTED] Email john.hatch@bdaa.com.au

Head Office: 1300 669 854

PO Box 856 North Sydney NSW 2059

www.bdaa.com.au | [Facebook](#) | [LinkedIn](#)

From: [Peter Wigley](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Subject: Re: Regional Housing Taskforce Submission
Date: Friday, 27 August 2021 2:41:03 PM
Attachments: [Bird view 2.png](#)
[98F320A7-31B0-44F4-98C9-DAE73EEB8744.png](#)
[6CAEDF39-432A-4CE6-A822-1299E7B99AF8.png](#)
[078cf19b-0869-41b4-8504-07f11dc04e12.tiff](#)

Hi Madeleine,

Please add the attached my submission to the NSW Regional Housing Taskforce submission.

Today I was made aware of your virtual online meetings that were scheduled to take place last week to address the regional housing affordability issue.

I would of liked to of made a submission had I been aware of the deadline, however I was not sure whether the Northern Rivers was available to join the online meeting ?

My company is “Tiny Homes Australia”, we are building affordable housing outcomes in the Northern Rivers.

I am also the NSW representative for ATHA (Australian Tiny Home Association).

I am making this submission to the task force championing Tiny Homes as a really viable option to resolve this housing affordability crises we are facing.

A tiny house is a moveable dwelling suitable for permanent residential use, with self-contained amenities and services and the option to be grid connected.

A tiny house can be

: A movable tiny house which is a transportable structure with the ability to be moved.

: A tiny house on wheels (THOW) is constructed on a trailer designed to road legal dimensions, which can be moved.

In most cases, a (THOW) complies with the Vehicle Standard Bulletin 1 (VSB1)

https://www.infrastructure.gov.au/vehicles/vehicle_regulation/bulletin/vsb1/index.aspx

I believe the biggest challenge we face is local council planners relying on NSW state based planning laws, which have struggled to keep up with the housing crises.

Further NSW has fallen behind in understanding what other affordable housing alternatives are out there and how to pigeon hole these in the planning landscape.

The current NSW exemptions allow you to:

A: Install no more than 2 caravans, campervans or tents if someone stays short term for no longer than 2 days at a time and no longer than 60 days in a single period of 12 months;

B: Install not more than one caravan or campervan on land occupied by the owner of the caravan or campervan and, where there is an existing dwelling on the land. It must only be used for the habitation of the owner or by members of the owner’s household and maintained in a safe and healthy condition;

C: Install a caravan or campervan on agricultural land if it is only occupied seasonally by people employed as part of the commercially viable agricultural operation of the site. If you don’t meet any of the above exemptions, and you plan to live in your Tiny House

on Wheels long term, Council requires a DA.

77(b) the terms “in connection with” (the owners main dwelling) and “members of the owners household” are far too vague and it is completely inappropriate that local councils /duty planners get to decide who is a member of the owners

I would like to see a framework where for me as a developer of a proposed “Intentional Tiny Home Community” that these onerous, complicated, outdated and unreasonable exemptions be abolished completely.

The framework for our Intentional Tiny Home Community is based on the principles around simple living, shared resources, social connections, food production and common spaces.

We have partnered with a renowned, leading Psychiatrist, who wants to run our Pilot Program and provide onsite care and support options

Our Intentional Tiny Home Community will be able to provide both short and long term housing outcomes.

We will have the capacity to house a range of residents, from families, singles, couples and also older people, as this is what a community is all about.

Utilities such as water, sewerage and power can all be considered in our off grid footprint, with our goal to be carbon neutral.

The objective is to provide immediate affordable housing outcomes

We would like to propose to buy land, build our Tiny Home Community and partner with a housing provider.

We would run a Pilot Program for between 10 - 15, “intended housing outcomes” the housing provider would purchase our Tiny Homes, then we would manage the community with a weekly low cost rental fee.

On that note we have identified a parcel of land in the Ballina LGA of about 20,000SQM.

Zoned RU1, it is ideally suited in establishing a Tiny Home Community of approximately 10 - 15 Tiny Homes, with the intention being fully off grid and self sufficient lowering our carbon footprint to almost zero.





The land is located approximately 10 minutes from the Ballina CBD.

Our Tiny Homes

The pictures below were taken this morning at the Shaws Bay Caravan Park in East Ballina where I have located two of our 9.5 metre x 2.4 metre Tiny Homes.

These two Tiny Homes will be parked there until the 18th December 2021.

The Tiny Home on the left is a 2 bedroom and one bathroom pod, whilst the Tiny Home on the right has a lounge room, kitchen, dining and bathroom.

These purpose built Tiny Homes can easily accommodate 4 people









I invite members of the task force to discuss this opportunity with me, so that we can work together to try and resolve this issue, eliminate the Planning red tape that is getting in the way of resolving this very challenging issue.

I look forward to hearing from you regarding my submission and how we may be able to assist NSW Planning.

Best Regards

Peter Wigley
CEO
Tiny Homes Australia Pty Ltd
[PO Box 247](#)
[Suffolk Park, NSW 2481](#)



On Aug 24, 2021, at 18:22, DPE PSVC Regions Coordination Mailbox
<regions.coordination@planning.nsw.gov.au> wrote:

Hi Peter,

Thank you for contacting the Regional Housing Taskforce.

A roundtable was held for the North Coast region on Tuesday 17 August, I'm sorry to hear that you didn't see the event schedule in time to register.

The Taskforce is still accepting written submissions until this Friday, 27 August. You can either lodge a submission via [the planning portal](#), or alternatively respond to this email to let me know whether you wish for the below be considered as your submission and if your submission is confidential.

Kind regards,

Madeleine Kelly
A/ Senior Planning Officer

Regional Housing Taskforce, Secretariat | Department of Planning, Industry and Environment
T 02 8275 1343 | E regions.coordination@planning.nsw.gov.au
Level 16, 4 Parramatta Square, 12 Darcy Street, Parramatta NSW 2150
www.dpie.nsw.gov.au

[<image009.jpg>](#)

Our Vision: Together, we create thriving environments, communities and economies.

The Department of Planning, Industry and Environment acknowledges that it stands on Aboriginal land. We acknowledge the traditional custodians of the land and we show our respect for elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Monday, 30 August 2021 5:49:25 PM
Attachments: [byron-shire-council-housing-taskforce-submission-with-attach.docx-30-aug.pdf](#)

Submitted on Mon, 30/08/2021 - 17:44

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Natalie

Last name

Hancock

I would like my submission to remain confidential

No

Info

Email

nhancock@byron.nsw.gov.au

Suburb/Town & Postcode

2482

Submission file

[byron-shire-council-housing-taskforce-submission-with-attach.docx-30-aug.pdf](#)

Submission

Hi Taskforce please refer to the attached submission from Byron Shire Council.

I agree to the above statement

Yes



Regional Housing Taskforce Submission August 2021

Dear Taskforce

Since 2016, there have been many resolutions passed by the current Council that have highlighted the need to find a way to address housing availability and affordability in Byron Shire.

However, due to the current state planning framework, and the constraints in which local government operates in terms of finance and partnership options for housing development and its associated infrastructure, progress remains slow on delivery of any of the Council initiated projects.

We commend the Minister for Planning and Open Spaces for setting up the Regional Housing Taskforce to put a spotlight on the housing challenges faced by the councils in the regions, to address the housing needs of local communities in these changing and uncertain times. And welcome the opportunity to collaborate on solutions from the taskforce findings.

Byron Shire Council fully supports the submission made by the Northern Rivers Joint Organisation to the Regional Taskforce and was instrumental in working alongside the other 5 councils in our region to identify the issues that affect us all and solutions/recommendations to address these. Attachment 1.

Council also made a submission to the recent NSW Parliamentary Inquiry into ‘..how to address the social housing shortage..’ A copy is provided as the issues are relevant to the Regional Taskforce terms of reference. See Attachment 2.

This submission is now made on behalf of Byron Shire Council. It talks to our housing crisis, and the despair felt by local community and key workers that have a right to live and work locally and cannot.

The Taskforce's scope extends to investigating planning barriers to housing delivery in the regions and developing recommendations to deliver on same.

It needs to be stressed that removing planning barriers to housing delivery in the regions alone will not fix this systematic and wicked situation. A seismic shift in the way that housing is thought about, planned for, funded, and developed is needed; a full spectrum overhaul.

The primary responsibility for housing policy and housing funding (particularly social housing) lies with federal and state/territory governments not local government. This is frustrating. It has played out in all recent attempts by Byron Shire Council to be effective in providing a local housing response. Our hands have been tied and consequently our acute housing situation is becoming more dire every day.

Byron Shire Council hopes that you give full consideration to our submission and welcomes further engagement with the Regional Taskforce on what we have had to say.

Shannon Burt

Director Sustainable Environment and Economy

Byron Shire Council Submission to Regional Housing Taskforce

Preamble

As stated above, Byron Shire Council fully supports the submission made by the Northern Rivers Joint Organisation to the Regional Taskforce. It is not the intention of this submission to repeat that content.

This submission instead presents the story of us, Byron Shire.

This submission is divided into the following sections.

About us

About our housing situation

About our community and key workers

Business and workers are impacted

Homelessness and at risk of homelessness

Compounding housing stress and short-term rental accommodation use escalation

About our Housing initiatives

Action sought

About us

| |
|---|
| <ul style="list-style-type: none"> • Projected population by 2036 – 37,950 ¹. |
| <ul style="list-style-type: none"> • Requiring additional 3,150 dwellings |
| <ul style="list-style-type: none"> • 74% residents live & work locally |
| <ul style="list-style-type: none"> • 15% residents are in housing stress |
| <ul style="list-style-type: none"> • Median weekly household income - \$1,150 |
| <ul style="list-style-type: none"> • Rents increased by 26.4% in last year to \$885 p/w (higher than the median rent in many Sydney suburbs) |
| <ul style="list-style-type: none"> • Median house price increases in 2020 <ul style="list-style-type: none"> ○ Byron Bay 37% to \$1.68 million ○ Bangalow 24 % to \$1.175 million ○ Mullumbimby 16.6% to \$830,000 |
| <ul style="list-style-type: none"> • Managing 4.5 million visitor nights annually |

About our housing situation

| |
|---|
| <ul style="list-style-type: none"> • Increasing median property prices |
| <ul style="list-style-type: none"> • Increasing median rents |
| <ul style="list-style-type: none"> • Decreasing private rental vacancies |
| <ul style="list-style-type: none"> • Large deficit in available social housing supply |
| <ul style="list-style-type: none"> • Increasing STRA use take up by property owners and or FIFO workers |
| <ul style="list-style-type: none"> • Land supply subject to 'drip release' |
| <ul style="list-style-type: none"> • Land supply subject to land banking |
| <ul style="list-style-type: none"> • Rental supply largely private market driven |
| <ul style="list-style-type: none"> • Attractive property investment climate with \$ advantages |
| <ul style="list-style-type: none"> • Return of 'ex pats', international and interstate travellers and residents to their homes |
| <ul style="list-style-type: none"> • Tree and sea changers buying up |
| <ul style="list-style-type: none"> • Housing Crisis declaration – Byron, Tweed, Lismore, Coffs Harbour |
| <ul style="list-style-type: none"> • Status quo of state and commonwealth policy and funding initiatives to incentivise attainable and diverse housing stock |
| <ul style="list-style-type: none"> • Divergent community views on what is, and where affordable housing should be located |
| <ul style="list-style-type: none"> • Inability for employers to attract and retain key worker (nurses, medical support staff, teachers and child carers, hospitality and retail workers, artists, and musicians) due to housing crisis |
| <ul style="list-style-type: none"> • Housing displacement reported and unreported – many stories of community and key workers falling between the cracks |

- New categories of citizens
 - Rough sleepers
 - Car Campers
 - Couch surfers
 - Van Packers
 - STRA nomads

We are artists and musicians

We add to the vibrancy of all communities and are the heart and sole of the creative northern rivers.

We earn, on average, \$30.00 per hour for an artist. A full time equivalent artist on this wage can comfortably afford \$315 per week in rent. 56% of us work full time.

We earn, on average, \$72.00 per hour for a musician. A full time equivalent musician on this wage can comfortably afford \$756 per week in rent. 30% of us work full time.

Because we often work varied hours and locations we usually need a car and cannot rely on public transport. We often work outside standard working hours. Most of us work part time and supplement our income with other work.

As a single person I may be able to afford rent in Richmond Valley, Kyogle or Lismore but I cannot afford Byron or Ballina.



Typical makeshift rough sleeper shelter – location Brunswick Heads

We are teachers and child carers.

We are part of the third highest industry category in Ballina and Lismore.

We work at child care centres, preschools, long day care centres, public schools, high schools, TAFE and universities throughout the region.

We earn, on average, \$72,500 per annum or \$1,394 per week for a high school teacher. A full time equivalent teacher on this wage can comfortably afford \$418 per week in rent. 76% of us work full time.

We earn, on average, \$70,000 per annum or \$1,346 per week for a primary school teacher. A full time equivalent teacher in this wage can comfortably afford \$403 per week in rent. 65% of us work full time.

We earn, on average, \$58,476 per annum or \$1,124 per week for an early childcare worker. A full time equivalent childcare worker can comfortably afford \$337 per week in rent. 47% of us work full time.

If we work out of our area we are unable to rely on public transport, we usually need a car.

As a single person I may be able to afford rent in Richmond Valley, Kyogle or Lismore but I cannot afford Byron or Ballina. I may need to travel further than my local community for work.

-
1. North Coast Regional Plan 2036
 2. NR Planners HWG Draft Scoping Plan by Planit Consulting Pty Ltd June 2021
 3. Income information for this section <https://www.nationalskillscommission.gov.au>; <https://www.employmentinnovations.com>; <https://www.payscale.com/research/AU/Job>; <https://joboutlook.gov.au/> Accessed 7 and 8 June 2021

About our community and key workers

Business and worker impacts

With one of Australia's largest visitor economies, in 2020, the Shire's Gross Regional Product was \$1.85 billion. The Accommodation and Food Services sector had the largest total exports by industry, generating \$208 million in 2019/20.⁴

The Business NSW – early results from the June 2021 Workforce Skill Survey Data showed:

- 73% of businesses reported currently experiencing a skills shortage –this is far higher than in 2019 (55%) and for Accommodation and Food Services (i.e., Hospitality) this figure rose to 89%
- 42% reported that the shortages were causing significant negative impacts such as losing customers and missing new business opportunities
- 35% reported that it is equally difficult to fill entry-level positions as it is to find experienced staff, a significant issue that needs to be addressed.

Council and business in our region see that the simple act of offering local workers a choice to reside locally will reduce such barriers. This is crucial for Council and other service agencies to provide effective services and for local businesses to maintain a competitive advantage including an efficient recovery from covid impacts.

Limited housing supply (compounded by holiday letting as discussed in the following section), a general lack of housing diversity and rapid price growth has stretched affordability in the long-term rental market. The Byron Shire long term rental market is characterized by low vacancy rates and high costs, with the impact predominately felt by key workers in the community collecting typically lower wages. Unlike metropolitan areas, there are no neighboring suburbs to provide alternative cheaper housing options within a viable travel distance. Unlike Sydney public transport is also limited.

Compared to a national median weekly rent of \$395.00/week, Byron Shire's median weekly rents are:

- Bryon Bay \$1100/week
- Mullumbimby \$650/week
- Ocean Shores \$700/week.

Neighbouring local government urban area median weekly rents that are within a 30-minute drive of Byron Bay (our Shire's main work destination zone) are Lennox Heads \$650/wk. and Ballina & Tweed Heads \$500 - \$525/wk. Extending further, neighboring LGAs over an hour drive (on a rural standard road) from Byron Bay are- Lismore, Kyogle and Casino with rents between \$330 – \$380/wk. ⁵ It is however not just the cost, affordable product availability for very low to low incomes is extremely low if nonexistent. ⁶

Women are being disproportionately affected. In 2016, women made up 63.5% (3,918) of the workers in the top four employing industries in Byron Shire - Accommodation and food services, Healthcare and social assistance, Retail trade and Education and training. Of female workers in these top four employing industries, 41.6 % earned less than \$650 per week. By comparison, 36.3% of all male workers in these industries earned less than \$650 per week. ^{4/7}.

Homelessness and at risk of homelessness

A government-backed street count in March 2021 found more than 40 per cent of the 1,131 people sleeping rough in New South Wales, were on the North Coast.

- Byron Shire, with 198 rough sleepers, is second only to the City of Sydney council area with 272 rough sleepers.
- Other North Coast locations high on the list included Tweed Shire with 58 rough sleepers (third on the list) and Lismore with 48 sleeping rough (fifth on the list). ⁸

Social housing levels are significantly low in the Northern Rivers region. Tweed LGA even with only 3% of housing stock as social rental still managed to drop between 2006 - 2016 to only 2.8%. Ballina, Lismore, and Richmond Valley LGAs have < 4% and Byron and Kyogle LGAs < 2% of social housing. ⁹ Limited land supply compounding issues for Northern Rivers community housing providers.

Housing affordability broadly refers to the cost of housing services and shelter – both for renters and owner occupiers – relative to a given individual's or household's disposable income. ¹⁰.

With parts of the Northern Rivers having a large cohort of the population living from week-to-week on low pay, insecure and casual jobs or social security payments, the gap between disposable income and cost of housing will never close unless the root issues affecting below average incomes is addressed. As an example, the percentage of Byron's workforce age population on jobseeker and youth allowance, continues to rise from 8.1% in March 2019 to 8.6% in March 2020 to recently 11.7% in June 2021. ¹¹ Furthermore there is an overall, major difference between the workforce in Byron Shire and NSW in that more people work less hours than the state average (2016 data). Byron Shire has:

- a larger percentage of local workers who worked 1 hour - 15 hours (16.8% compared to NSW 10.8%)
- a larger percentage of local workers who worked 25 hours - 34 hours (17.1% compared to NSW 10.5%)
- a smaller percentage of local workers who worked 35 hours - 39 hours (14.5% compared to NSW 19.1%)
- a smaller percentage of local workers who worked 40 hours (14.5% compared to NSW 20.0%) ¹².

Consequently, Byron Shire Council being at the forefront of local homelessness issues, is taking a multi-faceted approach:

- Caring for people and supporting them to connect to temporary housing outside the Shire; currently facilitates the only temporary option for women and children escaping domestic violence.
- Working with the business community to generate ways to establish employment opportunities and initiatives and incentives, help people to engaged in the workforce and increase participation rates, and hence lower the number of households receiving income support.
- Pursing planning and development solutions through our housing initiatives and other community development programs.

Compounding housing stress and short-term rental accommodation use escalation

The North Coast Regional Plan in setting dwelling targets does not account for significant increases in dwellings being used as holiday lets, nor did it foresee the significant growth in its use to provide for visitor nights. The future: by 2030 Byron Shire can expect 4.5 million visitor nights/year if trends continue ¹³. The now paused SEPP - STRA provisions provided no rationale nor analysis of these implications to house supply and access by long-term residents.

The quantum of housing stock reassigned to short-term rental accommodation (STRA) over the last three years has escalated in the order of:

- Byron Shire 260% growth (3515 entire homes)
- Ballina Shire 219% growth (623 entire homes).

With some 25% of Byron Shire's total housing stock now STRA there is a pressing need to manage the effects of holiday letting in residential areas.¹⁴

The latest house price figures from CoreLogic¹⁵ show property values on the Northern Rivers have risen more in the past 12 months than any other regional area in Australia, with median house prices in the Byron Shire now exceeding the median price value of Greater Sydney.

House values in the Richmond-Tweed climbed 21.9 per cent in the 12 months to April, while unit values increased by 15.5 per cent, according to the data. In comparison, house prices in Sydney rose 11.2 per cent over the same period.

Compared to a national median house price of \$485,000, Byron Shire's median house prices are:

- Byron Bay \$2.6m
- Mullumbimby \$885,000
- Ocean Shores \$900,000,
- Bangalow \$1.4m⁵.

Neighboring local government urban areas median house prices are: Tweed Heads \$842,000, Ballina \$650,000 and Lismore \$420,000, Kyogle and Casino between \$315,000 – \$380,000.

The rate of housing stress among renting households in all relevant income groups in the Byron Shire is far higher than average for the rest of NSW:

- Very low income – 85% compared to 77%
- Low income – 80% compared to 59%
- Moderate income – 71% compared to 31%.

This is due to the very high cost of rent compared with most other regional areas of NSW, and the fact that the percentage of low-income earning persons (\$500 - \$649/wk) is higher than Regional NSW and NSW in general.¹⁶

4. [Economic profile | Byron | economy.id](#)

5. <https://www.propertyvalue.com.au/> Accessed 7 and 8 July 2021 & 11 Aug 2021

6. Byron Shire SEPP 70 Affordable Housing Contribution Scheme analysis by Judith Stubbs & associates of domain.com.au 3 January 2020 data

7. [Home | Byron Shire | Community profile \(id.com.au\)](#)

8. ABC News 8 March 2021 & [Technical-paper-NSW-Statewide-Street-Count-2021.pdf](#)

9. [Housing tenure | Byron Shire | Community profile \(id.com.au\)](#)

10. [Housing affordability - Australian Institute of Health and Welfare \(aihw.gov.au\)](#)

11. [JobSeeker | Byron Shire | Community profile \(id.com.au\)](#)

12. [Local workers hours worked | Byron | economy.id](#)

13. Byron Shire Tourism Forecasts (Covid Revision 1.0); Peter Valerio, July 2020.

14. [analysis is based on data from AirDNA 2019-21](#)

15. CoreLogic April 2021

16. ABS (2016) Census.

About our housing initiatives

Byron Shire acknowledges that the traditional way to deliver housing policy and development is through:

- State and Regional Plans
- Local Housing Strategy
- Statutory response through LEP and DCP
- Monitor land supply and demand and plan servicing around orderly growth to meet population and dwelling targets (NCRP)
- Provide incentives to encourage development:
 - Fee/contribution waivers
 - Fast track Planning proposals and Development Application assessment services
 - Development standard and planning control variations.

However, issues remain - supply/demand are market driven, and land development/release is controlled by the landowner/developer.

This appeared to be the starting point for the Regional Taskforce discussions held recently via the online engagement.

Due to Byron Shire's compounding set of circumstances, the traditional way is no longer effective for us.

In March 2021, Byron Shire Council finally declared a housing emergency.

Foreseeing this, Byron Shire Council had already been working proactively with the community, to deliver a housing program aimed at addressing supply constraints, expanding housing options, and providing affordable housing for key workers and members of the community who are vulnerable to housing stress.

The initiatives being pursued by Council since 2016 are many and are complimentary to the now endorsed NSW Housing Strategy Action Plan 2021-22.

Our current initiatives are summarised below:

- a) Providing a housing delivery framework tailored to our community in the Byron Shire Residential Strategy (adopted December 2020).
- b) Adopting an Affordable Housing Contribution Policy to provide a framework to facilitate, provide and manage affordable housing contributions in our Shire. It provides a mechanism to secure land and or monetary contributions to deliver affordable housing on certain land identified in the Residential Strategy. (adopted August 2020).
- c) 2021, preparing and submitting to the DPIE a SEPP 70 Affordable Housing Contribution Scheme (AHCS) and Planning Proposal to detail how, where, and at what rate development contributions can be collected by council for affordable housing. First regional LGA to do so.
- d) 2021, following an earlier investigation into alternate governance models for housing delivery, Council resolved to seek approval of the Local Government Minister to establish a Land Trust Entity under the Local Government Act. First LGA in NSW to do so.

- e) 2018, preparing and submitting a Planning Proposal (V1 and V2) to rezone and reclassify part of Council-owned land at Lot 22 (DP 1073165) Stuart Street, Mullumbimby to provide for additional tailored and bespoke residential development for our community including transitional supported, diverse, and affordable stock.
- f) 2018, preparing and submitting a Planning Proposal under a LGA specific Ministerial Direction to manage the effects of 'holiday letting' by imposing a differential day cap on unhosted holiday let accommodation in our residential areas to reclaim these as homes. Only LGA in NSW to have this Ministerial Direction.
- g) 2018, preparing and submitting a Planning Proposal for 'Tiny Homes' development on Council land to pilot the provision of transitional supported accommodation in response to our housing shortage and local homelessness crisis.
- h) Looking at meanwhile use opportunities on Council, other Government and private buildings and lands for short term / transitional supported residential accommodation.
- i) Establishing relationships and building partnerships with housing providers like Landcom and Community Housing Organisations to support and or undertake joint venture developments for housing.

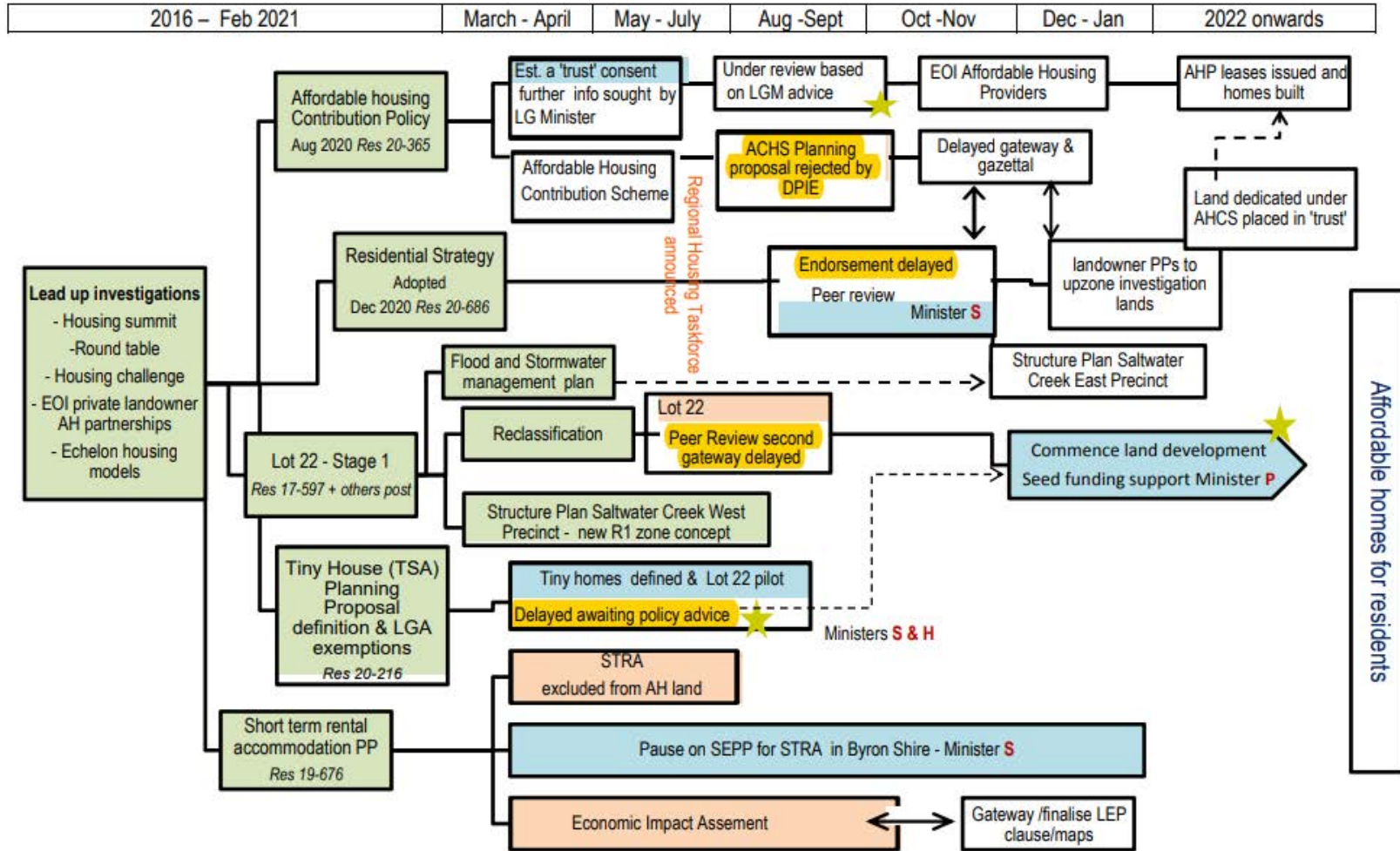
More details and background information on each of the above initiatives can be found here:

[Housing Affordability Initiatives - Byron Shire Council \(nsw.gov.au\)](https://www.nsw.gov.au/housing-affordability-initiatives-byron-shire-council)

The diagram below shows the progress made on each initiative to date and the planning barriers or other that have impeded success to date.

- Council progressed
- Matter for discussion with DPIE Delays
- Request of a Minister - **S** = Minister Stokes **H** = Minister Hancock **P** = Minister Pavey
- ★ Seed/pilot project funding opportunity for State govt. to be involved in housing delivery

The big picture



Just this year, there have been multiple submissions to, and meetings with the DPIE about these projects without resolution; and advocacy direct to various Ministers on same to no avail. This is as disappointing as it is frustrating given the ongoing media coverage of our housing crisis. Some examples follow:

[Banning Airbnb and shipping in portable homes considered as housing crisis bites in coastal towns - ABC News](#)

<https://www.abc.net.au/news/2021-03-01/rental-housing-crisis-in-byron-bay-worsens/13179236>

<https://www.theguardian.com/australia-news/2021/may/29/hollywood-and-homelessness-the-two-sides-of-byron-bay>

<https://www.smh.com.au/national/nsw/how-a-perfect-storm-of-covid-19-influencers-and-airbnb-created-byron-bay-s-housing-crisis-20210422-p57lmw.html>

<https://www.abc.net.au/news/2021-04-09/byron-bay-housing-emergency-council-establishes-land-trust/100057680>

Housing Affordability Stress Definition: When a household is in the bottom 40% of income distribution and spends more than 30% of household income on rent or mortgage payments, adjusted for household size, they are considered in housing stress. (Australian Housing and Urban Research Institute, 2019)

To put it simply, the stalled progress of our initiatives is resulting in significant missed opportunities on the ground:

- If AHCS fails – potential loss of 110 affordable housing dwellings (attained via private landowner development)
- If Lot 22 fails – potential loss of 100 affordable housing dwellings (attained via development of Council owned land)
- If STRA fails – potential loss of over 3500 long term rental dwellings
- If 'Tiny Homes' (supported transitional housing) fails – potential lost opportunity to provide shelter, security and support to those sleeping rough in Byron Shire.

Actions

So where to from here? Byron Shire Council strongly advocates for the following recommendations to the Minister.

Recommendation 1- Planning moving away from a one size fits all standard SEPP and LEP framework

The state government provides regulations, guidance, tools, and general information to assist local government to undertake planning for their local area. However, too often these have been crafted with a metropolitan focus. Consequently, when it comes to application by a regional council there is an implementation disconnect.

To make the most the planning system, one that is efficient and effective when it comes to reflecting the government's priorities to stimulate housing supply - including affordable and social housing needs, the standard instrument LEP would benefit from a focus more strongly centred on outcome base planning.

Zoning and land use options need to reflect and respond to the characteristics of the land and the local area. Grounded on sound evidence underpinning an outcome of supporting liveable communities.

Planning is a complexity of layers and local government should be able to choose to use overlays or locally specific provisions, such as local plans, to integrate state interests as articulated in SEPPs or regional plans, to advance regional interests, and identify and consider local interests. Local governments need to be able to take into consideration the local nuances such as:

- small rate base
- infrastructure funding, delivery, and economic rationale for example the absence or practicality of public transport in regional areas
- greater distances between villages and towns
- economies that may be reliant on only a few key industry sectors.

This would enable innovative housing proposals to be expediently considered on their merits – assessed against their ability to deliver on and enhance the housing outcomes relevant for an area and its community.

Recommendation 2- Partnerships enabled to lever local housing opportunities with others

Byron Shire, like many other regional councils, is called upon to provide a broader range of services than urban counterparts, often services that are usually provided by other levels of government. To provide these services partnerships may need to be forged to enable and enhance our skill base and financial capacity. These collaborative relationships with other service and housing providers are a critical next step to successfully developing and implementing a diverse and innovative range of local housing given the current crisis. A review of the planning framework is required to identify, understand, and redress impediments (administrative and legislative) to local government in partnering with both government and not-for profit organisation in the delivery of housing.

Recommendation 3- Pilots programs rolled out now to instil community confidence in local housing delivery

Council is proactively seeking to trial and pilot new and different ways to deliver housing on the ground. With several projects already endorsed by Council and generally supported by our community, their progression would generate success stories, help set models for more broader regional application, aid in improvements to the overall planning system and most importantly see affordable housing being delivered to house our community. Example of our projects currently delayed or stalled have been given in this submission already.

Attachment 1

Submission to Regional Housing Taskforce by
Northern Rivers Joint Organisation
August 2021

For further information on this submission please contact:

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Regional Housing Taskforce Scope:

The Taskforce will investigate planning barriers and develop recommendations to address regional housing issues with a focus on:

- The planning system and other government levers to stimulate housing supply and address housing needs
- Removing impediments within the planning system to the delivery of affordable housing types and housing generally
- Identifying mechanisms within the planning system to facilitate and drive the delivery of housing matched to community needs

The terms of reference: [NSW Department of Planning, Industry and Environment publication \(amazonaws.com\)](https://www.amazonaws.com)

Who are we?

The Northern Rivers Joint Organisation (NRJO) represents the Ballina, Byron, Kyogle, Lismore, Richmond Valley and Tweed NSW local government areas.

With representation by the mayors and general managers of each Council, NRJO's role is to facilitate and lead advocacy, political representation and cooperative action on matters of regional significance.



Map of NRJO local government areas

Acknowledgement

The NRJO acknowledges the traditional owners and custodians of these lands. People who have lived in and derived their physical and spiritual needs from the forests, rivers, lakes and streams of this land over many thousands of years.

Northern Rivers Housing Crisis

The trend towards outward migration from cities to regional areas has been steadily rising. Technological advancements allowing for a decentralized workplace were already driving a portion of this migration, however the COVID pandemic has seen this trend rapidly increase.

This region, being an attractive option for metropolitan expatriates, has felt the full effects of this trend, with the resulting supply/demand housing squeeze leading to the displacement of lower paid key workers and other vulnerable demographic groups. Short-term holiday letting in residential areas has compounded the housing supply squeeze, resulting in a perfect storm for Byron Shire and emerging in surrounding local government areas.

In response to the situation, the elected Councils of Ballina, Byron, Lismore and Tweed have declared that their local government areas face an affordable housing crisis.

Appendix A: Background and Context provides further details on the Northern Rivers housing situation.

Ready to assist

To address the crisis, the NRJO promote recommendations to target addressing supply constraints, expanding housing options, and providing affordable housing for key workers and members of the community who are vulnerable to housing stress.

To assist in delivery of regionally appropriate solutions the NRJO is aided by a Housing Working Group (HWG). The group was set up by the Northern Rivers Local Government Planners Group. Formed to support advocacy and collaboration on innovative solutions to housing affordability and working with Department of Planning, Industry and Environment – Local & Regional Planning Northern Region representation.

It is hoped that solutions proposed in this document can activate the timely rollout of housing solutions for our communities.

Key Submission messages

1. The factors contributing to the Northern Rivers, and essentially Australian wide housing crisis extends well outside issues with the planning system and local government. To continue with an approach targeted at peripherally tweaking the planning system will NOT resolve the housing crisis.
2. Despite the common rhetorical explanation of high house prices being a simple function of lack of housing supply, the drivers of the current housing situation are more complex and reach far beyond the sphere of local government.

Taking a deeper view, research undertaken by the Australian Housing and Urban Research Institute (AHURI) points to changes in the 'institutional framework' for housing in Australia, which has entrenched a policy framework that appears unable to address housing affordability concerns in a significant way.

These 'institutional factors' include:

- Labour market deregulation has resulted in increases in insecure work through casualisation and wage stagnation making home purchase out of reach of some workers
- Increased workforce participation has increased the purchasing power of two income households, thus raising the minimum income required to compete in the housing market
- Financial sector deregulation that has led to housing sector "financialisation" whereby society has increasingly come to see 'housing more as investment vehicle than shelter
- The emergence of a policy environment that is not conducive to broad based home ownership, with the development of powerful lobby groups representing vested interests which work to protect policies that advantage housing investment over home ownership (such as the significant tax advantages provided for housing investors over homeowners).

These institutional factors need to be addressed to realistically respond to the affordable housing crisis. Focusing on planning system changes alone risks further reinforcing the fundamental problems.

3. Importantly, the financialisation of housing markets combined with a social and economic architecture that encourages property speculation as the pathway to personal wealth (supported through taxation settings, bank lending standards and Government programs) is the key driving factor that needs to be redressed by Government.
4. Recent (and foreshadowed) changes to the developer contribution system are exacerbating rather than helping the situation. Whilst these changes support the development sector (which arguably does not need this support given strong profitability), they undermine the financial capacity of local government to delivery necessary infrastructure and thereby run the risk of compromising efficient and timely development.

Arguments that developer contributions somehow push up house prices bare no relationship to reality and need to be strongly repudiated.

5. The current process for enabling an Affordable Housing Contribution Scheme is onerous on local government and lacks a clear commitment to achieving affordable housing outcomes.

A case in example is Byron Shire Council (SC) progression with an AHCS through the state government. Council has pursued its suite of housing initiatives against the backdrop of State planning legislation, the North Coast Regional Plan, and published DPIE AHCS guidelines. In general, the requirements of Council and the corresponding DPIE assessment path are clearly articulated in published documents. Departing from this framework the Northern Regional Office has refused Gateway assessment of the AHCS until after the Byron Residential Strategy has been finalised.

6. The core responsibility for providing affordable and social housing is with the State and Federal governments and not individual local councils. In this regard the NRJO advise that **Ballina and Byron Councils intend to lodge a submission on Crisis Housing Inquiry by the** Committee on Community Services.
7. The Northern Rivers, whilst regional is on the perimeter of SEQ urban area. Brisbane has won hosting rights to the 2032 Olympic Games and the QLD Pacific Motorway is expanding to be 3 lanes all the way to Tweed Heads. This will likely mean increased demand for people to live, work and travel to the Northern Rivers. The Taskforce should meet with the Border Commissioner to better align housing and infrastructure funding and deliver outcomes between states.
8. Noting that the Taskforce is limited to 'planning barriers' the NRJO puts forward key recommendations focusing within the context of the planning system.

The NRJO is encouraged by the NSW Housing Strategy and the 2021-22 Action Plan and commends the commitment to working with local governments and communities to achieve the NSW Government housing objectives, as well as recognising the unique role of local government in the delivery of housing and achieving housing goals for the community.

The housing initiatives being pursued by our member councils are complimentary to the Strategy and action plan. Specific references to relevant actions are provided in the recommendations of this submission as proposed ways to deliver housing initiatives.

Note: Actions referenced below are as identified in the NSW Housing Strategy Action Plan 2021 - 22. [NSW-Housing-2021-22-Action-Plan-mayv2-2021.pdf](#)

Recommendations

Recommendation 1: Pause for the Northern Rivers the implementation of STRA SEPP - High priority & immediate

The NSW Government should pause the introduction of the SEPP for the Northern Rivers (NR) until a social impact assessment of Short-Term Rental Accommodation (STRA) has been undertaken, particularly in high tourism coastal regions.

A regional pilot process is recommended to establish a bespoke planning STRA response for the NR prior to the introduction of the SEPP. Government should work with the NRJO – HWG to set a framework that establishes a sustainable and healthy (economic and social) balance between facilitating some NR housing stock to be used for STRA (non- hosted) and ensuring that there is available and secure long term private rental, particularly affordable rental housing.

It is noted that Housing Strategy Action set 2.3 is seeking to review occupancy laws – this information would also be of assistance to this action as it may identify where the occupancy laws could be strengthened to better protect tenants seeking a long-term tenancy.

Recommendation 2: Modernise Government housing stock and utilise Government land and surplus buildings- High Priority over next 6 -12 months

The NSW Government should commit to the delivery of additional affordable housing on State Government and Crown Land. As part of delivery the NSW Housing Strategy Actions 1.3.2, 3.1.1 & 3.13 regarding the Land and Housing Corporation (LHC) portfolio review.

Step 1: Modernise exiting Government housing stock and activate LHC land that could be redeveloped (retained in the ownership of Government, councils or registered CHPs).

Step 2: Prioritise a register of NSW Government land in the NR.

Step 3: Engage with NRJO - HWG to assess this register to determine the best fit housing type and ways to expedited suitable NR Government land into social, affordable or community housing. Ensuring the land is suitable for redevelopment is a crucial step.

Step 4: Ensure if LHC land is suitable for redevelopment that a priority pilot project occurs in the NRs.

Step 5: Support and encourage the Federal Government’s prompt introduction of the CHP funding mechanism for affordable housing projects outlined in the paper titled ‘Delivering More Affordable Housing: An Innovative Solution’ dated May 2021.

Recommendation 3: NR Homelessness and Crisis Housing Action Plan

3 a) Provide NR Councils and CHP with information on NSW homelessness program & how it will be implemented in the NR - High to Medium Priority in next 6 months

A Government-backed state street count in March found more than 40 per cent of the 1,131 people sleeping rough in New South Wales, were on the North Coast.

- Byron Shire, with 198 rough sleepers, is second only to the City of Sydney Council area with 272 in terms of problem areas.
- Other North Coast locations high on the list include Tweed Shire with 58 people sleeping rough. (Source - ABC News 8 March 2021).

The NSW Housing Strategy Action Plan 2021-22 Action 2.6.2 is to partner with LGAs to trial way to facilitate temporary supportive accommodation options for people experiencing homelessness. Action 3.3.2 seeks to reduce homelessness in the state by 50% by 2025. The NRJO request Action delivery program details in particular, direct intervention actions for this region.

The NSW Government needs to take the lead to produce a delivery program on this Action and provide funds to implement.

3b) Identify and fund utilisation of other private buildings - High Priority in next 6 months

This could involve tapping into the private market by assisting the NRJO – HWG & NR Community Housing Providers (CHP) in an EOI to identify & register private market land/dwellings/other buildings where NSW Government /CHP could take a head lease to provide temporary & social housing including as a stop gap housing whilst LHC sites are being redeveloped.

As a case in example Tweed Shire Council is considering motels - however the Council would not have the funds to purchase or take a long- term lease on these properties. In this instance the NSW Government could provide a deliver program and funding.

This further aided by a fast-track affordable housing assessment process for councils and community housing providers.

Point of note: anecdotal employers are making their own homes available to workers – need to ensure that this does not culminate in fringe benefit tax issues for such employers/ees.

Recommendation 4: Support current NRJO LGA housing initiatives - High Priority & Immediate

As part of delivery as part of NSW Housing Strategy Action 5.1.3 supporting the use of under-utilised land by assisting in the progression of:

- Byron SC Lot 22 planning proposal – Lot 22 DP1073165 Mullumbimby
- Byron SC Tiny house planning proposal – Lot 22 DP1073165 Mullumbimby
- Tweed SC proposal “Smart and Sustainable Village” - Lot 1 in DP1069561, Wardrop Valley Road, Wardrop Valley with NSW Government funds and management to advance the development.

These projects to be advanced by a fast-track affordable housing assessment process and where appropriate infrastructure funding.

Recommendation 5: Review the AHCS template appropriateness for regions - High to Medium Priority in next 12 months

Undertake a review in consultation with the NRJO - HWG of the appropriateness of the current SEPP 70 AHCS template (including means to seek a contribution) in relation to the NR to support delivery of Action 5.2.2 on AHCSs. Furthermore, support progression:

- Byron SC Affordable Housing Contribution Scheme – (currently constrained in delivering due the DPIE refusal to accept a planning proposal submitted in June 2021) – this planning proposal whilst having the capacity to act as a pilot case for other regional councils, is not progressing for reasons unclear to Council. It does not appear to be based on policy or procedures available for review by Council.
- Tweed SC Affordable Housing Contribution Scheme underway and expected to be completed within 2021/22.

Recommendation 6: A program to deliver the full spectrum of housing in the Northern Rivers as part of NCRP review - High to Medium Priority in next 12 months

The North Coast Regional Plan 2036 is under review. The world has moved on since the adoption of this plan – including growth of STRA, increasing use of homes as investment rather than shelter and covid changing work patterns and access to housing etc. The next NCRP needs to:

- deliver a more detailed analysis, projection, and range of housing target scenarios
- to ensure the review entails funding and work to unify Northern Rivers data and analysis information on housing and infrastructure.

The NSW Government must take the lead on this action, and the NRJO recommends the DPIE research the model successfully implemented by the QLD Government in producing a regional planning framework, where the State is responsible for managing the collection and ongoing updates of housing data.

The work, to be undertaken in unison with the NRJO - HWG and local stakeholders who provide and manage residential land and housing such as CHP, should include the following:

- Quantify the pattern of dwelling use in the NR
- Quantify the profile of current and project housing requirements across the NR using the NSW Housing Strategy spectrum
- Relate these aspects to identify where there are:
 - Shortfalls
 - Oversupply
 - Mismatch of residents to housing types
- Within the subsets of the housing spectrum determine options for a housing mix (detached/multi-dwelling etc) etc to set targets by location – short term – long term
- As housing affordability broadly refers to the cost of housing services and shelter – both for renters and owner occupiers – relative to a given individual's or household's disposable income – investigations should help to better understand the relationship to workforce participation including employment opportunities, initiatives, and incentives
- Based on the issues/drivers/ emerging solutions determine the best mechanism to deliver the NSW Housing Strategy' spectrum of housing'. This not to be limited to planning system solutions and to include infrastructure funding and delivery.

The NSW Housing Strategy spectrum of housing and our understanding of the relationship to the planning system is articulated in Appendix A.

Recommendation 7: Appraise the impact of land banking and identify options to address - High to Medium Priority in next 12 months

Not an action identified in the NSW HS Action plan however a significant issue for private land supply in the NR – particularly Tweed and Ballina Shire.

Preliminary suggested measures to address by the HWG include:

- If development delays are due to lack of infrastructure funding, the NSW Government could provide the upfront capital to deliver the infrastructure with the return on their investment being the provision of affordable housing. HWG suggests (subject to viability) the application of 20% of development yield to be allocated to affordable housing in such circumstances.
- Where land banking is not caused by infrastructure funding or planning delays, Government should enable Councils to apply higher Council rate charges on vacant residential land. This would discourage land banking and the additional funds raised could be directed to helping fund affordable housing projects.
- Alternatively, NSW Government could establish a sunset clause on vacant land requiring development to proceed in a timely manner. Where the land development does not meet the set timeframe; the land would revert to rural zoning. This would encourage developers to bring residential lots to the market. Typically, however, strategic urban development

sites are limited due to environmental and infrastructure constraints. Therefore, where the private sector is inhibiting the timely development of land, Government could strengthen compulsory acquisition powers to enable local government or Landcom to purchase such sites and proceed with development. As the main risks associated with greenfield development are regulatory and finance-related, these could be readily managed by Government. Potential conflict of interest issues could be adequately addressed by the establishment of appropriate governance arrangements.

Currently, market-based incentives are proving counterproductive to delivering affordable housing outcomes in greenfield development areas. These perverse market incentives are further exacerbated as land prices rise. The fact that local housing supply is a functional oligopoly supports the argument for increased government intervention to address such market failure.

Recommendation 8: Local involvement in housing design guides and delivery of case studies - longer term

As part of the delivery of NSW Housing Strategy Action set 2.5. – Adaptable housing and developing a unified housing design guide are to be developed. Action 4.4.1 entails developing & release case studies to promote diverse housing that needs the needs of all cohorts.

Whilst supportive of this action, it is considered that the NSW State Government needs to replace the current BASIX system and objectives-based design criteria, with much clearer, stringent ESD outcomes criteria and controls for new developments.

The NSW Government should also work with HWG to include a subtropical and NR design response and case studies for reasons including:

- Increase the acceptance of medium density development, as some community sectors remain resistant to housing other than the detached house and raising issue with character, density, building height and parking.
- The climate changes in this region may warrant a different design response
- Need to engage with the insurance sector (insurance is a growing housing cost)
- Opportunity to look a new means of infrastructure provision to reduce on-going household costs (such as a program to facilitate roof top solar on rental properties to the benefit of tenants)
- Improve acceptance of medium density development by industry – the local housing development sector tends towards the low-risk approach of providing what the market traditionally has demanded (single detached housing) rather than catering to growing demands for smaller dwelling options. Regionally appropriate exemplars are needed to encourage industry to shift towards providing a more diverse housing stock.

Recommendation 9: Address NSW Government policy uncertainty and enhance councils' capacity to respond

NR councils are pursuing housing initiatives in accordance with NSW Government planning legislation, the North Coast Regional Plan, and published DPIE guidelines. These policies outline directions, limits, principles, and guidance for decision making.

Importantly they provide a means to establish uniformity, consistency, clarity and transparency in the process for those directly involved as well as the broader community.

The NRJO understands that policies and procedures may need to be modified and new ones developed for various reasons:

- Response to perceived issues/problems/external circumstances including formal and informal complaints
- Regular review
- Departmental initiative
- Changes to enabling legislation at a state or federal level.

The NRJO appreciates past practice of the NSW DPIE when seeking to modify or introduce regulations and guidelines to:

- draft a scope regarding the change/updated policy,
- seek stakeholder feedback which often involves local government and to a lesser extent the wider community
- review this feed back
- make the policy changes, and
- then implement.

More recently has been the experience of some of the NR councils:

- an apparent absence of understanding by DPIE of council staff capacity – over the last 2 - 3 years councils have been hit by a barrage of NSW Government regulatory change – local strategic planning statements - housing regulation reforms including the low-rise housing diversity code - and more recently employment zone reforms. Timeframes to make submission and update internal document are short with little or no cognisance of the need to report to council and engage with community.
- an increasing need to operate with a small pool of strategic land use planners, due to limited funds and a growing inability to attract additional staff (partly due to the cost of housing). Reforms such as State Regulation to cease compliance levies by the end of 2021 only compound the issue.
- regulation/policy introduced without adequate research, risk assessment and policy rational such as the:
 - low rise medium density code – intended to expedite and intensity housing delivery, yet failed address syncing with infrastructure

- short term rental accommodation SEPP.
- decision making and assessment framework being applied by the Northern Regional Office inconsistent with published guidelines and established practices of the Department. Consequently, when lodging documentation that accords with the guidelines, councils hit a roadblock due to regional policy positions that are divergent, if not inconsistent with the guidelines.

The result has been a lack of clarity for councils and staff burn out. For the community, this adds up to:

- continued expenditure of council limited funds and staff resources on addressing confused and conflicting policy positions rather than focussing on a program that delivers housing
- significant delays
- a shortage of secure homes
- increasing social disruption
- an emerging polarisation between residents and non-resident landowners
- increased business costs and disruption of the local and regional economy.

Appendix A: Background and Context – Housing in the Northern Rivers

Compiled by: Northern Rivers Planning Group Housing Working Group

A1. Why set up the HWG?

Whilst the primary responsibility for housing policy and housing funding (particularly social housing) lies with Federal and State/Territory Governments, local governments are under increasing pressure to play a role in facilitating housing delivery and retaining existing affordable housing.

Recognising this, the Northern Rivers Council Planners Group at its meeting in September 2020 agreed to establish a Housing Working subgroup (HWG) – comprising Ballina, Byron, Lismore, Kyogle, Richmond Valley and Tweed Council planners - to support advocacy and collaboration on innovative solutions to housing affordability.

The HWG came together in May 2021 to share experiences and broadly map out a path for moving forward to facilitate housing for our communities. Communities of over 254,000 people.

A2. Are we taking the necessary steps for us to live, work and play in spectacular and vibrant communities?

The Northern Rivers is part of the North Coast Region, a State Government declared strategic planning region under the *Environmental Planning and Assessment Act 1979* (the Act). This region extends along the NSW coastline from Port Macquarie to Tweed Heads.

The NSW Government's *North Coast Regional Plan* (NCRP) vision is to be '*the best region in Australia to live, work and play thanks to its spectacular and vibrant communities*'.

The planning for this region is directly influenced by a combination of environmental attributes, strong and highly valued character, proximity to South-East Queensland (particularly its population catchment, infrastructure, and provision of services) and suite of employment anchors (such as Lismore Base Hospital) and enabling infrastructure (such as the Pacific Highway and Ballina-Byron Airport). The collective of these drivers has resulted in strong and sustained population growth, a thriving tourism economy and a 'clean and green' agricultural market and niche. On the surface presenting an enviable position.

The reality is however that for a growing segment of our community, the NCRP vision is becoming increasingly unattainable.

A Housing Crisis has been declared by Byron, Ballina, Tweed, Lismore and Coffs Harbour LGAs.

Disappointingly, endeavours by local government to be more effective in a local housing response are being directly and indirectly constrained by the Federal and State Government policy, institutional and funding framework.

Table A1 below highlights the issues, drivers, and barriers.

| Issues | Drivers & Barriers |
|--|---|
| <ul style="list-style-type: none"> • inability for employers to attract and retain key worker (nurses, medical support staff, teachers and child carers, hospitality and retail workers, artists, and musicians) due to housing crisis • increasing median property prices • increasing median rents • decreasing private rental vacancies • large deficit in available social housing supply • increasing short term rental accommodation (STRA) use take up by property owners • land supply subject to 'drip release' • land supply subject to land banking • rental supply largely private market driven. | <ul style="list-style-type: none"> • attractive property investment climate with financial incentives and advantages • return of 'ex pats', international and interstate travellers and residents to their homes • tree and sea changers buying up • part time residents aka FIFO city commuters • status quo of State and Commonwealth policy and funding initiatives to incentivise attainable and diverse housing stock • divergent community views on what is, and where affordable housing should be located • local government access to funding to deliver housing and supporting infrastructure. |

Leading from this the following looks at issues in the context of the NCRP and the submission recommendations.

Program to deliver a full spectrum of housing appropriate to the NR community with the infrastructure to support. (Recommendation 6)

The NCRP simply allocates minimum numbers of dwellings for each LGA to deliver by 2036 without considering the profile of our communities:

Even though Ballina, Byron, and Kyogle LGAs are on track with delivery targets embodied within the North Coast Regional Plan 2036, Lismore, and Richmond Valley to a lesser degree but not significant, with Tweed LGA the only one below the annual minimum target by around 200 homes:

- Many households are in rental stress
- Very low to low-income households make up a large portion of our households such as:
 - Byron Shire - 40% of households and of these 60% spend more than 50% of gross household income on rent
 - Tweed Shire low-income households increased by 931 between 2011 and 2016 – 24 %.
- Worker housing needs are not being met with business impacted:
 - Byron Shire survey 2021 - 73% of businesses reported currently experiencing a skills shortage – this is far higher than in 2019 (55%) and for Accommodation and Food Services (i.e., Hospitality) this figure rose to 89%.
 - 42% of respondents reported that the shortages were causing significant negative impacts such as losing customers and missing new business opportunities.
 - 35% of respondents reported that it is equally difficult to fill entry-level positions as it is to find experienced staff, a significant issue that needs to be addressed.
 - Up to 23% of the Tweed’s working population cross the border for employment in Queensland each day, while 17% of people working in the Tweed live in Queensland.
- Lismore City Council notes that hospital patients are unable to transition to suitable housing.
- This means a high need to provide both social and affordable rental housing – this is explored more in Section A4

Better balance on the quantum of housing used by holiday let (Recommendation 1)

The NCRP in setting dwelling targets does not account for significant increases in dwellings being used as holiday lets, nor did it foresee the significant growth in its use to provide for visitor nights. The future: by 2030 Byron Shire alone can expect 8.5 million visitor nights if trends continue. Consequently, the real dwelling supply is being reduced by a failure to account for STRA in regional housing projections.

- the now paused SEPP - STRA provisions provide no rationale nor analysis on the implications to NCRP minimum house supply numbers
- there has been a growing quantum of permanent housing stock reassigned to STRA - over last three years in the order of:
 - Byron Shire 260% growth (3515 entire homes)
 - Ballina Shire 219% growth (623 entire homes)
- Byron Shire. of total housing stock 25% is now short-term rental accommodation

- There is a pressing need to manage the effects of holiday letting in residential areas as Median weekly rents are in the order of: Lennox Heads & Mullumbimby \$650, Ballina & Evan Heads \$500, Tweed Heads \$525, and Lismore, Kyogle and Casino between \$330 – \$380 ¹.
- Compared to a national average Median weekly rent of \$395
- Byron Shire to support a case for a bespoke planning proposal response to STRA is required to undertake an EIA (at a cost of over \$100,000 - joint funding by NSW Govt & Council) – given this is the first in depth analysis and that Byron Shire is part of a larger North Coast tourism area, it is logical that the pause should apply for the whole of the NR to allow for provisions tailored to the region’s economy and overall housing balance sheets.

Modernised and add to Government stock & activate private underutilised stock and help CHP with a supply of land (Recommendations 2 & 5)

- A Government-backed State street count in March found more than 40 per cent of the 1,131 people sleeping rough in New South Wales, were on the North Coast.
- Byron Shire, with 198 rough sleepers, is second only to the City of Sydney Council area with 272 in terms of problem areas.
- Tweed Shire with 58 people sleeping rough ²
- Social housing levels are significantly low - Tweed Shire even with only 3% of housing stock as social rental still managed to drop between 2006 - 2016 to only 2.8%
- Ballina, Lismore, and Richmond Valley stand at < 4%, Byron and Kyogle Shires < 2% of housing.
- Ballina public housing is reaching the later stages of economic life with potential for redevelopment and delivery of more appropriate housing
- NR Community housing providers are finding land is limited in supply - Councils are working to support such as the Lismore City Council partnership with a community housing provider to develop land at 44 Bristol Circuit, Goonellabah and guarantee a fast-track DA approval and contributions discount/waiver.
- The Byron Shire AHCS has capacity to supply land and working with CHP over of 200 affordable rental dwellings – the DPIE refuse to accept the Planning Proposal.

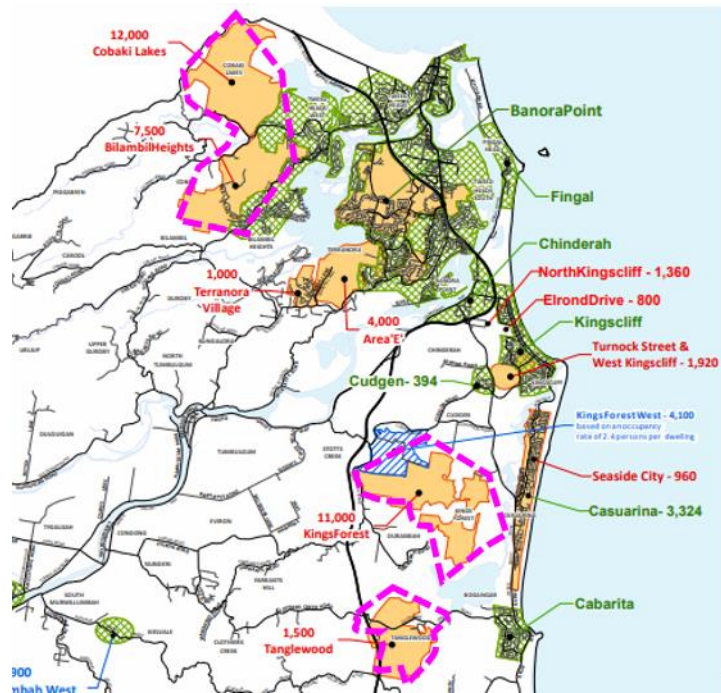
Activate the supply by addressing land banking &/or market hesitancy (Recommendation 7 & 5)

The NCRP Action 22.1 *Deliver an appropriate supply of residential land within local growth management strategies and local plans to meet the region’s projected housing needs.*

According to the DPIE North Coast Land Monitor, as of FY2016-17, the Northern Rivers Region had a supply of vacant residential land in the order of 3,074 Hectares. At an estimated average development yield of 15 dwellings per hectare, this area could yield approximately 46,110 dwelling units.

Presently Ballina Shire alone has 20-30yrs supply of vacant residential land and Tweed is in a similar situation.

Notwithstanding the large supplies of vacant residential land in some parts of the region, land banking by developers has the practical effect of limiting the supply of vacant housing lots to the market particularly in Tweed Shire.



○ Areas with land zoned but not developed in Tweed Shire

Project Viability & Risk Aversion

- Financial feasibility testing undertaken by Ballina Council indicates that project viability for the redevelopment of sites is often compromised by the high residual land price (as a single house site) combined with demolition costs, when considering the degree to which unit prices are discounted in the market compared with detached housing.
- Lismore Council whilst allocated area for medium density housing around the hospital and university it appears there is hesitancy over the financial risk. Single dwellings are seen as the stable and safe “development option”.
- Richmond Valley land is owned by farming families (not developers) high cost of developing the property and the long lead-time and complexities in meeting planning requirements, is a deterrent.

Impact on access to housing

- The latest house price figures from CoreLogic show property values on the Northern Rivers have risen more in the past 12 months than any other regional area in Australia, with median house prices in the Byron LGA now exceeding the median price value of Greater Sydney.
- House values in the Richmond-Tweed climbed 21.9 per cent in the 12 months to April, while unit values increased by 15.5 per cent, according to the data. In comparison, house prices in Sydney rose 11.2 per cent over the same period.³
- Median sale price Mullumbimby \$885,00, Tweed Heads \$842,000, Ballina \$650,00, Lismore, Kyogle and Casino between \$315,00 – \$380,000¹.
- National Median sale price –\$485,000

Support local initiatives (Recommendation 4)

- Council specific Affordable Housing Development Policy accompanied by:
 - Affordable Housing Contribution Scheme (SEPP 70).
 - Planning Agreements (for planning proposal and development application)
- Inclusionary zone provisions (LEP and DCP)
- Land banking sunset clause to activate of land development
- Meanwhile Uses (repurposing vacant buildings, interim use of vacant crown and council lands e.g., road reserves, rail corridors for alternate uses such as short term/transitional residential accommodation)
- Create affordable land holding entities such as the Byron Shire Land Limited to provide a supply of affordable housing in perpetuity.

Embed infrastructure as part of the planning (Recommendation 6)

- State Government limitations on the contribution value local councils can charge developers for the provision of infrastructure, has not resulted in improvements to housing affordability - NSW Government's foreshadowed reforms to the contributions system only further reinforce these problems
- The broader implications of major infrastructure being considered in greater detail and in advance of the infrastructure delivery such as have been the case with Richmond Valley - impacted by major infrastructure projects such as highway upgrades and the Grafton jail construction and operation, which have increased housing demand for construction workers in the locality, particularly rental.

Unpack employment opportunities and the housing affordability equation (Recommendation 6)

There are two sides to the equation, but many conversations are centred around provision of housing only. Housing affordability broadly refers to the cost of housing services and shelter – both for renters and owner occupiers – relative to a given individual's or household's disposable income. ⁴

- Parts of the NR have a large cohort of the population live from week-to-week on social security payments, the gap between disposable income and cost of housing will never close unless the root issues affecting below average incomes is addressed
- Need to unpack why parts of northern NSW have high unemployment rates and number of households receiving income support,
- Generate ways to establish employment opportunities and initiatives and incentives to be engaged in the workforce.

Sources:

1. <https://www.propertyvalue.com.au/> Accessed 7 and 8 July 2021 & 11 Aug 2021
2. *ABC News 8 March 2021*
3. *CoreLogic April 2021*
[Housing affordability - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au/reports/affordable-housing)

A3 Capacity for the Planning System to resolve?

Typically, councils have not been responsible for developing housing but given the current housing crisis many regional councils, are investigating possible options with State Government entities and community housing providers. The types of housing that councils could have a role in facilitating on its own land are types 3, 4 and 6 in the Spectrum identified in Table A2.

Table A2: NSW housing Strategy 2041 – Action Plan 2021 -22 Housing spectrum in relation to the planning system

| Housing types by resident need | Explanation | - Relationship to the ‘planning system’ - Key responsibility to deliver and or support |
|-------------------------------------|---|---|
| 1. Crisis housing | Emergency temporary accommodation factors such as: <ul style="list-style-type: none"> * domestic or family violence situation * has custody of children & homeless * natural disasters ¹. | Delivery largely outside the planning system NSW Government Department of Communities and Justice (DCJ) |
| 2. Social housing | Social housing is secure and affordable rental housing for people on <u>low incomes</u> with housing assistance needs. It includes public, community and Aboriginal housing. ¹ . | Delivery largely outside the planning system Fed: National rental assistance State: NSW Govt FACs |
| 3. Affordable rental housing | Affordable housing is housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care and education. ¹ . | Fed: National rental assistance State: NSW Govt FACs Private rental where the tenant’s rent is subsidised |
| 4. Private rental | Rental accommodation in the private market even if this rent is subsidised or partly refunded. | Delivery effected by planning system – SEPP enabling STRA |

| Housing types by resident need | Explanation | <ul style="list-style-type: none"> - Relationship to the ‘planning system’ - Key responsibility to deliver and or support |
|------------------------------------|--|---|
| | Historical role as a transitional housing sector for households moving into home ownership or social housing to a long-term housing sector for a significant number of Australian households | Private rental market - in the NSW, most private sector tenancies are regulated by the Residential Tenancies Act 2010 (NSW). |
| 5. Supported home ownership | A type of home ownership that can take a variety of forms and largely requires innovative financing arrangements to support the buyer to enter the market. Includes (but are not limited to) shared equity arrangements, rent-to-buy models, and co-living arrangements. | Delivery largely outside the planning system The equity partner assists by sharing ownership, usually up to 30% of the property. |
| 6. Homeownership | Households who own the property in which they usually reside and have either: <ul style="list-style-type: none"> - owner with mortgage - owner without mortgage | Delivery effected by planning system |
| 7. Specialist housing | Accommodation designed for unique needs such as housing for people with | Delivery effected by planning system under SEPP |
| | <ul style="list-style-type: none"> - disability (including group homes) - older people (such as residential care units) | |
| | <ul style="list-style-type: none"> - Vanlife (emerging new form not listed but suggest could fit this category) | Delivery effected by planning system under SEPP |

Notes:

1. [SAHF Frequently Asked Questions | Family & Community Services \(nsw.gov.au\)](#)

How is affordable housing different to social housing?

Affordable housing is not the same as social housing. Affordable housing is open to a broader range of household incomes than social housing, Households do not have to be eligible for social housing to apply for affordable housing, though people who are eligible for social housing may also be eligible for affordable housing properties. Environmental Planning and Assessment Act 1979 and State Environmental Planning Policy No 70—Affordable Housing (Revised Schemes): sets

- very low – 50% of median income
- low – 50%–80% of median income
- moderate – 80%–120% median income.

[NSW-Housing-2021-22-Action-Plan-mayv2-2021.pdf](#)

A4 Who in our community needs affordable housing?



We are nurses and medical support staff.

We are part of the highest industry category in Ballina, Byron and Lismore and the second highest in Richmond Valley.

We work at medical centres, aged care, allied health, Ballina District Hospital, Byron District Hospital, Lismore Hospital and travel to Tweed Hospital and Gold Coast Hospitals for work.

We earn, on average, \$73,000 per annum or \$1,400 per week for a registered nurse. A full time equivalent registered nurse on this wage can comfortably afford \$420 per week in rent. 49% of us work full time.

We earn, on average, \$55,000 per annum or \$1,057 per week for an orderly. A full time equivalent orderly on this wage can comfortably afford \$320 per week in rent. 60% of us work full time.

We earn, on average, \$42,700 per annum or \$822 per week for an aged care worker. A full time equivalent aged care worker on this wage can comfortably afford \$250 per week in rent. 40% of us work full time.

Because we often work shift work we usually need a car and cannot rely on public transport. We work outside standard working hours and sometimes rely on after hours child care. We often work at multiple worksites to make up F/T work.

As a single person I may be able to afford rent in Richmond Valley, Kyogle or Lismore but I cannot afford Byron or Ballina. I may need to travel to larger hospitals and allied health facilities in northern NSW and the Gold Coast for work.



We are teachers and child carers.

We are part of the third highest industry category in Ballina and Lismore.

We work at child care centres, preschools, long day care centres, public schools, high schools, TAFE and universities throughout the region.

We earn, on average, \$72,500 per annum or \$1,394 per week for a high school teacher. A full time equivalent teacher on this wage can comfortably afford \$418 per week in rent. 76% of us work full time.

We earn, on average, \$70,000 per annum or \$1,346 per week for a primary school teacher. A full time equivalent teacher in this wage can comfortably afford \$403 per week in rent. 65% of us work full time.

We earn, on average, \$58,476 per annum or \$1,124 per week for an early childcare worker. A full time equivalent childcare worker can comfortably afford \$337 per week in rent. 47% of us work full time.

If we work out of our area we are unable to rely on public transport, we usually need a car.



We are the hospitality industry.

We are part of the second highest industry category in Byron.

We work at cafes, restaurants, boutique breweries, hotels, cleaners for house holiday lets and hotels.

We earn, on average, \$21.00 per hour for café staff. Full time equivalent café staff can comfortably afford \$220 per week in rent. 16% of us work full time.

We earn, on average, \$22.80 per hour for a cleaner such as holiday lets or hotel. A full time equivalent cleaner in this wage can comfortably afford \$239 per week in rent. 16% of us work full time.

We earn, on average, \$62,000 per annum or \$1,192 per week for head brewer. A full time equivalent brewer can comfortably afford \$357 per week in rent. 85% of us work full time.

We earn on average \$23.50 per hour for a chef. A full time equivalent chef can comfortably afford \$241 per week in rent. 48% of us work full time.

Because we often work shift work we usually need a car and cannot rely on public transport. We work outside standard working hours and sometimes rely on afterhours child care. We often work at multiple worksites to make up F/T work.



We are retail workers.

We are part of the second highest industry category in Ballina and Lismore and the third highest industry category in Byron and Kyogle.

We work at shops, grocery stores, chemists, hairdressers, butchers, bakeries, hardware etc.

We earn, on average, \$21.00 per hour for retail staff. Full time equivalent retail staff on this wage can comfortably afford \$220 per week in rent. 50% of us work full time.

We earn, on average, \$24.00 per hour for a hairdresser. A full time equivalent hairdresser on this wage can comfortably afford \$252 per week in rent. 51% of us work full time.

We earn on average \$23.50 per hour for a butcher. A full time equivalent butcher on this wage can comfortably afford \$241 per week in rent. 82% of us work full time.

Because we often work shift work we usually need a car and cannot rely on public transport. We work outside standard working hours and sometimes rely on after hours child care.

Most of us work part time, we are all ages, however, many of us are young, single and often in share housing. As a single person I may be able to afford rent in Richmond Valley, Kyogle or Lismore but I cannot afford Byron or Ballina.



We are artists and musicians

We add to the vibrancy of all communities and are the heart and sole of the creative northern rivers.

We earn, on average, \$30.00 per hour for an artist. A full time equivalent artist on this wage can comfortably afford \$315 per week in rent. 56% of us work full time.

We earn, on average, \$72.00 per hour for a musician. A full time equivalent musician on this wage can comfortably afford \$756 per week in rent. 30% of us work full time.

Because we often work varied hours and locations we usually need a car and cannot rely on public transport. We often work outside standard working hours. Most of us work part time and supplement our income with other work.

As a single person I may be able to afford rent in Richmond Valley, Kyogle or Lismore but I cannot afford Byron or Ballina.

A5 What does this mean for a household?

Household example 1 - Sarah and Geoff

Sarah works part time, up to 24 hours per week at the local pharmacy. Geoff works full time selling solar panels.

Sarah earns on average \$576 per week and Geoff earns a \$65,000 salary. Together they earn \$94,992 per annum or \$1826 per week. They have 1 child at the local public school and live in Kyogle.

They can comfortably afford (30% of income) housing costs of \$547 per week. Current rents for a 3-bedroom house range between \$400 - \$460 per week (2 rentals available).

Repayments of \$547 per week would service a housing loan (at 2.47%) of \$530,000. This level of income can service a loan for any housing in Kyogle where the current lowest 3-bedroom house is for sale at \$365,000.

Household example 2 – Jess and Adam

Jess works full time, as a primary school teacher. Adam works full time as a radiographer.

Jess earns on average \$72,000 per annum and Adam earns a \$75,000 salary. Together they earn \$147,000 per annum. They have 3 children at the local public and high school and live in Byron Bay.

They can comfortably afford (30% of income) housing costs of \$848 per week, however current rents for a 4-bedroom house range between \$850 - \$3,460 per week (5 rentals available).

Repayments of \$848 per week would service a housing loan (at 2.47%) of \$860,000. This level of income cannot service a loan for any housing in Byron Shire where the current lowest 4-bedroom house is for sale at \$1,800,000.

Household example 3 – Susie and Graham

Susie works part time, up to 20 hours per week as a receptionist at the local medical centre. Geoff is a plumber, close to retirement.

Susie earns on average \$520 per week and Geoff earns a \$73,000 salary. Together they earn \$97,960 per annum or \$1,883 per week. They have 3 children and 5 grandchildren and live in Ballina.

They can comfortably afford (30% of income) housing costs of \$564 per week. Current rents for a 3-bedroom house range between \$630- \$700 per week (3 rentals available).

Repayments of \$564 per week would service a housing loan (at 2.47%) of \$555,000. This level of income can service a loan for any housing in Kyogle and Richmond Valley. They could extend themselves to a higher level of debt servicing (35%) for an average housing cost in Ballina of \$645,000. However, access to a 30-year housing loan may be difficult, given their limited remaining working period.

Sources:

NR Planners HWG Draft Scoping Plan by Planit Consulting Pty Ltd June 2021

Income information for this section <https://www.nationalskillscommission.gov.au>;
<https://www.employmentinnovations.com>; <https://www.payscale.com/research/AU/Job>;
<https://joboutlook.gov.au/> Accessed 7 and 8 June 2021

A6 What does this mean for our communities and good governance?

Under the *Local Government Act 1993* Section 8 - included in the *Object of principles* is helping enable *'councils to carry out their functions in a way that facilitates local communities that are strong, healthy and prosperous'*.

In the opening message of the Housing Strategy 2041 the Minister for Water, Property and Housing - The Hon, Minister Pavey, recognises that: *'a place to call home is central to our lives. Living in a secure, comfortable and affordable home is important to our wellbeing.'*

By supporting the recommendations outlined in this submission the NSW Government will be working with councils to support, promote and improve communities throughout our state.



Attachment 2

NSW LEGISLATIVE ASSEMBLY COMMITTEE ON COMMUNITY SERVICES' INQUIRY INTO

OPTIONS TO IMPROVE ACCESS TO EXISTING AND ALTERNATE ACCOMMODATION TO ADDRESS THE SOCIAL HOUSING SHORTAGE

SUBMISSION FROM BYRON SHIRE COUNCIL

AUGUST 2021



Acknowledgement to Country

Byron Shire Council recognises the traditional owners of this land, the people and the wider Bundjalung Nation, Arakwal people, the Widjabal people, the Minjungbul people and the wider Bundjalung Nation.

We recognise that the most enduring and relevant legacy Indigenous people offer is their understanding of the significance of land and their local, deep commitment to place.

The Council respect and embrace this approach by engaging with the community and acknowledging that our resources are precious and must be looked after for future generations.

Byron Shire Council welcomes the opportunity to respond to the Legislative Assembly Committee on Community Services' Inquiry into options to improve access to existing and alternate accommodation to address the social housing shortage.

Housing - where does local government fit in?

In Australia, housing policy has not been the traditional domain of local government. While councils have a strong role in setting and implementing planning controls, they have not typically been involved in broader aspects of housing policy, which has been the responsibility of the Commonwealth and State Governments.

Commonwealth and State Government legislation and policy directly influence the provision and cost of housing in Byron Shire.

Commonwealth policy has a major influence on housing supply and demand, through economic investment and the setting of economic policy, taxation policy, pension benefits, immigration levels, and residential aged care, which in turn influences interest rates, income levels and employment.

The State Government sets planning policy, which influences housing provision, through the New South Wales Planning Provisions, including the State Planning Policy Framework and the suite of zones, overlays and other planning controls that are made available to Councils as part of their local environmental plans. State Government is also responsible for the provision of social housing and enabling community housing providers through transferral of housing management/ownership.

Typically, Councils have not been responsible for developing housing but given the current housing crisis, many, like Byron Shire Council, are investigating possible options with state government entities and community housing providers.

Byron Shire Council submission and recommendations

This submission addresses the Committee inquiry into and report on options to improve access to existing and alternate accommodation in order to help address the social housing shortage in NSW, with particular reference to:

- a) *options to better support 'meanwhile use' (temporary -supportive accommodation), and the current major planning barriers to 'meanwhile use'*
- b) *options to improve access to existing accommodation to provide community housing*
- c) *options for crisis, keyworker and other short-term accommodation models*
- d) *barriers to additional supply across NSW, including for smaller non-CHP housing providers*
- e) *support for and accountability of registered community housing providers.*

Items b) & e) are not within scope of our submission. The following submission offers response and recommendations regarding items a), c) and d).

Byron Shire Council's response to the Terms of Reference is as follows:

a) options to better support 'meanwhile use' (temporary -supportive accommodation), and the current major planning barriers to 'meanwhile use'

Context

Byron Shire Council welcomes Action 2.6.2 of the *NSW Housing Strategy Action Plan 2021-22*. This action commits the State government to partner with local government to trial ways to facilitate temporary supportive accommodation options for people experiencing homelessness.

The core responsibility for providing affordable and social housing is with the State and Federal government and not individual local councils. However, given the housing crisis, Byron Shire Council (alongside other Northern River Councils), is seeking to support the State by providing additional temporary housing through 'tiny home' villages/relocatable home parks and caravan parks.

The fundamental barrier for Councils to be able to assist in this way is that planning policy and guidance remains bereft of a well-defined 'meanwhile use' policy approach due to the following issues:

- current planning system definitions and permissibility are often ill-suited, leading to delays and planning impediments;
- appropriate unconstrained and well-serviced sites are inherently in short supply in the Northern Rivers region;
- there are difficulties in ensuring such facilities are temporary in nature and do not become a long-term (sub-optimal) "solution";
- the provision of such housing solutions needs to be provided with appropriate, adequately funded support services, which State and Federal Government appear reluctant to invest in, resource or provide; and
- private sector (profit driven) models have the potential to further reinforce social disadvantage and lead to exploitation of residents for regulatory arbitrage (to gain planning outcomes).

Innovative initiatives, such as Byron Shire Council's tiny house project in Mullumbimby, remain inactivated as they are stalled in a lengthy planning proposal process.

We have seen instances where the NSW government has acted quickly in response to crisis. Important precedents include how the NSW government sought to prioritise amending the *Affordable Rental Housing SEPP (ARHSEPP) 2009* to recognise 'short term rental accommodation' as a practice of homeowners and expeditiously set regulations to enable and manage it; and the changes to *Infrastructure SEPP 2007- Hospitals* that were made to improve the delivery of critical

infrastructure projects when seen as essential to the health and wellbeing of NSW communities and to support growth in the local economy, particularly those affected by recent bushfires and the impact of COVID-19.

Further, it is our view that *ARHSEPP 2009* could be expediently amended to recognise low scale 'meanwhile uses – critical shelter'. 'Meanwhile uses' are a sought-after practice by landowners of under-utilised land and buildings and a practical avenue to provide critical temporary supportive accommodation under the umbrella of community infrastructure for:

- domestic or family violence situations
- homeless people (with prioritisation of homeless people with children)
- natural disasters.

It is a practice with capacity to provide both tangible outputs and intangible benefits. The report *Meanwhile Use for London*, authored by ARUP for the Greater London Authority in November 2020 (link provided below), provides useful research and case studies on the opportunities that come with its support.

Source: [Meanwhile Use for London Final Draft - Copy.indd](#)

To quote this source (p78): *There are many opportunities to create a more meanwhile-friendly approach to planning; one that is more pro-active to responding to meanwhile opportunities and in establishing a meanwhile narrative within the wider planning policy context. There are opportunities that exist within the existing framework which could lead to 'quick wins' in addressing some current challenges, as well as opportunities in the longer term.*

In this context the following recommendation is made:

Recommendation 1: That the State Government takes a lead to activate a 'meanwhile use – critical shelter' housing model with allocated funds towards delivery. High priority – in next 3 months.

The model should be delivered in two phases and underpinned by a guideline:

1. Phase 1 - Council land 'meanwhile use - critical shelter' activation to:
 - establish a new definition of a 'meanwhile use – critical shelter' independent to and in addition to caravan parks and primitive camping grounds;
 - ensure the State government will provide funding to enable Councils to activate and facilitate meanwhile use on local government-owned or -managed land, under set guidelines.

The meanwhile use activation potentially enables the following:

- a complying development pathway where a 'plan of management' supports the use such as is the case for Lot 22 in Mullumbimby;
- a development application pathway where not identified in a plan of management;
- where the land has Native Title implications, to work with Local Aboriginal Land Councils (LALCs) or relevant representative bodies to identify avenues to provide

culturally appropriate temporary dwellings to be allocated for the traditional owners, and working towards closing the gap.

2. Phase 2 - CHP and private lands 'meanwhile use-critical shelter' activation to:
 - direct the State to work with LGAs to create a database of sites and underused/ vacant buildings with community groups and other stakeholders expressing interest in meanwhile uses;
 - enable Councils to impose conditions that require/enable developers to deliver meanwhile uses on the site or in a building – possibly by a short-term lease at a peppercorn rent to CHP (this is important to ensure the property is professionally managed and maintained) until such time as the development site is to ready for a permanent or staged development;
 - promote existing and develop new funding streams to activate these sites – noting that regarding *meanwhile use – critical shelters*:
 - providers are often charities/not for profit
 - may be perceived as unsustainable structures due to their time-constrained nature, so securing capital is challenging.

3. A Guideline for Critical Shelter best practice be provided by the State. This guide could set outcomes and requirements for a meanwhile use critical shelter project such as directions to:
 - explicitly address local socioeconomic and sustainability challenges;
 - establish a clear link between short-term meanwhile initiatives and long-term housing policy delivery priorities. Meanwhile uses are not to be viewed as a remedy in themselves, rather they are to provide effective entry points into secure housing. Transition to permanent accommodation from these sites will be problematic without broader systems reform, therefore meanwhile initiatives are not a substitute for systemic solutions to the failure of our housing market to deliver long term affordable housing in the rental sector;
 - utilise modern methods of construction which can easily be disassembled and reassembled in other vacant sites, continuing the legacy of the project;
 - establish a set of main issues for considerations such as but not be limited to:
 - Principle of Development
 - Urban Design
 - Amenity
 - Transport
 - Refuse
 - Inclusive design
 - investigate whether site and buildings could be identified as 'transitional urban sites' in a Development Control Plan schedule (with a linked to a 10.7 certificate notification requirement); and
 - provide a list of grounds where a site cannot be used for such purposes – i.e. the approach should be inclusive and operate under the assumption that every urban

site has potential unless there is an environmental, safety or accessibility, servicing or other specific issues that render it inappropriate.

c) options for crisis, keyworker and other short-term accommodation models

Crisis accommodation

Context

According to Street Counts conducted by the NSW Department of Communities and Justice (2021) Byron Shire LGA has the second-highest number of people sleeping rough in the state, second only to the City of Sydney. There is no crisis accommodation available in the Byron Shire for people experiencing homelessness, and these numbers are rising.

Given the absence of state-supported Emergency Accommodation and the salience of this issue in our shire, Byron Shire Council has passed a number of resolutions to address the urgent need for local crisis accommodation. Proposed initiatives include:

- Van packer accommodation
- Emergency accommodation in caravan parks
- Emergency accommodation in unused student accommodation

Despite these varied proposals, Council as recognised that it is vital that any options for crisis accommodation be provided in a coordinated manner, including adequately funded support services and housing providers. This is in recognition of the acute vulnerability of individuals and families during these periods of crisis, and the need for appropriate, experienced providers to help support people into longer-term options. Appropriate planning, time and resources will be required to establish a safe temporary space for individuals and families and will include at a minimum co-design and co-management by appropriate support services and agencies.

The numbers of people and families experiencing homelessness continue to rise in our Shire, with Council declaring a Housing Crisis in March 2021. Neighbouring Councils have proceeded to declare Housing Emergencies in Tweed and Lismore LGAs. There is an urgent need for a nationally-recognised definition of 'Housing Emergency, and international precedents could inform this functional definition. By defining the housing crisis as an 'emergency', with persons requiring 'emergency shelter', Councils can draw upon best practice in emergency planning and responses such as the *Preferred Sheltering Practices for Emergency Sheltering in Australia* (Australian Red Cross, 2014). There is an opportunity for Councils to facilitate an adequately planned/resourced multi-agency response to ensure better community outcomes and safeguard the public health, safety and welfare of these particularly vulnerable groups.

In this context, the following Recommendation is made:

Recommendation 2: That the State government immediately review locations of state-provided Emergency Accommodation and amend legislation to assist in the provision of emergency accommodation for persons affected by Housing Emergencies. Urgent priority – within 3 months.

This recommendation has two parts:

1. NSW Department of Communities and Justice to review location of current emergency crisis accommodation and:
 - ensure locational provision of emergency crisis accommodation be based upon statistical evidence of homelessness/rough sleeping; and
 - consider locationally-specific barriers related to accessing emergency accommodation, including lack of public transportation and disparate location of support services for vulnerable groups in regional areas.
2. NSW Department of Planning, Industry and Environment to make amendments to the *Local Government (Manufactured Homes Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2005* to allow for the provision of emergency accommodation for persons affected by Housing Emergencies (as declared by Local Councils).

It is noted that this legislation was [recently amended](#) to support the housing needs of people affected by bushfire events. It is proposed that the legislation be further amended to include Council-declared Housing Emergencies. This addition would allow for:

- extended stays in caravan parks or camping grounds (up to two years without the need for council approval);
- installation of movable dwellings on land without council approval for up to two years.
- councils' modification of conditions for camping grounds in designated large public spaces, giving councils the flexibility to modify conditions to which a primitive camping ground is subject.

Key worker and other short term accommodation models

Context

Since 2016, there have been many resolutions passed by the current Council that have highlighted the need to find a way to address housing availability and affordability in the Byron Shire.

However, due to the current state planning framework, and the constraints in which local government operates in terms of finance and co-investment options for housing development and its associated infrastructure, progress remains slow on delivery of any of the Council-initiated projects.

Council has adopted a Residential Strategy and policy framework and has an innovative housing initiatives program to address our housing crisis, which has now been stalled/delayed by the DPIE. See: [Housing Affordability Initiatives - Byron Shire Council \(nsw.gov.au\)](https://www.nsw.gov.au/housing-affordability-initiatives-byron-shire-council)

Just this year, there have been multiple submissions to and meetings with the DPIE about these projects without resolution; and advocacy direct to various Ministers on same have all been to no avail. This is as disappointing as it is frustrating given the difficult experience of many residents and the current media coverage of and community concern regarding acute housing stress in our region.

Recent resolutions of Council include:

- *19-152 SEPP 70*
- *20-016 Tiny Homes*
- *20-021 STRA*
- *20-365 AHC scheme*
- *20-069 EOI Carparks*
- *20-611 Lot 22*
- *20-686 Residential Strategy*
- *21-062 Role in Housing Delivery*
- *21-066 Key Workers*
- *21-112 Housing Crisis*
- *21-123 Land Trust*

In this context the following recommendation is made:

Recommendation 3: Support current LGA housing initiatives. High Priority – within 3 months.

As part of the delivery of NSW Housing Strategy Action 5.1.3, support the use of under-utilised Council land by assisting in the progression of multiple innovative housing initiatives are currently stalled/delayed by the DPIE including:

- Lot 22 Planning Proposal,
- Tiny Homes Planning Proposal,
- Affordable Housing Contributions Scheme (SEPP 70),
- Residential Strategy.

This support should include:

- fast tracking of the assessment process;
- where appropriate, provide infrastructure delivery funding;
- direct support for developing partnerships with Landcom;
- progression of the Short Term Rental Accommodation Planning Proposal.

d) barriers to additional supply across NSW, including for smaller non-CHP housing providers

Context

In acknowledgement of the seriousness of the issues surrounding housing supply across the region, Byron Shire Council planners have joined a Housing Working subgroup (HWG) of the Northern Rivers Planners Group – with Ballina, Lismore, Kyogle, Richmond Valley and Tweed Councils. This group compiles and analyses frontline data to support advocacy and collaboration on innovative solutions to housing affordability. The HWG is preparing a submission to the Regional Housing Taskforce and have identified a number of critically important issues in the region, including increased numbers of rough sleepers and an inability for employers to attract and retain key worker (nurses, medical support staff, teachers and child carers, hospitality and retail workers, artists and musicians) due to the housing crisis.

To adequately address these issues, housing supply needs to address the full housing spectrum, from those temporarily without a home to those seeking housing that better suits their needs. There are a number of barriers into and across the housing spectrum, particularly given that housing and rental supply is largely driven by the private market model and therefore subject to supply and demand mechanisms that are rarely matched with social need. The major barriers include:

- *Increasing cost of housing*: whether through rent or purchase, there is wide evidence of the rising cost of housing through increasing median property prices and increasing median rents. Combined with decreasing real incomes, housing affordability is a major barrier to secure housing;
- *Decreasing supply of housing and private rental vacancies*: whether through the return of 'ex-pats', FIFO workers, or increasing short-term rental accommodation (STRA)-use being taken up by property owners, housing supply does not meet current requirements;
- *Deficit of land supply*: 'drip release' mechanisms and land banking strategies, mostly utilised to increase private returns through attempts to limit and control supply, lead to significant interruptions in land development;
- *Uneven policy settings*: these settings promote an attractive property investment climate with financial incentives and taxation advantages that favour profit driven housing-as-investment over housing-as-shelter uses;
- *Deficit of social housing*: the over-reliance on, and subsequent failure of, private markets to provide adequate housing across locations and housing types requires a re-investment in social housing at a broader scale.

Whilst these challenges exist across the State, the Byron Shire and broader Northern Rivers region have been particularly impacted by shifts in population patterns brought about by the COVID pandemic. Whilst some of these issues are a result of broader structural inequities, there are potential solutions being explored by Councils and local communities, including the development of:

- Council-specific Affordable Housing Development Policy;
- Planning Agreements (for planning proposal and development application);
- Inclusionary zone provisions (in Council-specific LEP and DCP development);

- Land Banking sunset clause to activate land development;
- Meanwhile use provisions (repurposing vacant buildings, interim use of vacant crown and council lands e.g., road reserves, rail corridors for alternate uses such as short term/transitional residential accommodation)
- Land Trust entities such as the Byron Shire Land Limited under Res 21-123;
- Affordable Housing Contribution Schemes (SEPP 70).

That said, it is important to note that it is essential to ensure the provision of housing to all household income groups – very low, low, moderate and higher groups – and across the spectrum of housing needs. According to the NSW Government’s housing strategy *Housing 2041*, adequate supply includes the amount, location and timing of the supply and “should respond to environmental, employment and investment considerations, and population dynamics”. To achieve this, the strategy has identified the use of data as a Priority Area, aimed at “enabling access to and promoting the use of data and evidence-based decision-making” (p.11). Given the fast-moving shifts in supply and demand for housing in our region, such as population growth, household composition and availability of housing types, Byron Shire Council supports the need for data collection and evidence-based decision-making.

In this context the following recommendation is made:

Recommendation 4: Develop a program to deliver the full spectrum of housing in the Northern Rivers as part of the North Coast Regional Plan (NCRP) review. High to Medium Priority - next 12 months.

The North Coast Regional Plan 2036 is under review. The world has moved on since the adoption of this plan, including the many significant impacts of changing demand and supply patterns associated with the COVID pandemic. The next Regional Plan needs to deliver a more detailed analysis, projection, and range of housing target scenarios. There is a significant need to ensure the review entails funding and work to unify Northern Rivers data and analysis information on housing. The work, to be undertaken in unison with the HWG and local stakeholders who provide and manage residential land and housing, should include the following priorities:

- quantify the pattern of dwelling use in the Northern Rivers;
- quantify the profile of current and project housing requirements across the Northern Rivers using the NSW Housing Strategy ‘spectrum of housing’;
- relate these aspects to identify where there are:
 - shortfalls,
 - oversupply,
 - mismatch of residents to housing types;
- within the subsets of the housing spectrum, determine options for a housing mix (detached/multi-dwelling etc) to set targets by location; by short term; and by long term requirements;

- based on the issues/drivers/emerging solutions, determine the best mechanism to deliver the NSW Housing Strategy 'spectrum of housing'. This should not be limited to planning system solutions.

It is suggested NSW Government could look at the Queensland approach to a regional level of data collection of housing stock: [Queensland Housing Profiles \(qgso.qld.gov.au\)](http://qgso.qld.gov.au)

The below table summarises the housing types by residents (Spectrum) and the relationship to the planning system and responsible level of government and or agency to deliver.

| Housing types by resident need | Explanation | - Relationship to the 'planning system' - Key responsibility to deliver and or support |
|----------------------------------|---|---|
| Crisis housing | Emergency temporary accommodation factors such as: * domestic or family violence situation * homelessness * natural disasters | Delivery largely outside the planning system NSW Government Department of Communities and Justice (DCJ) |
| Social housing | Social housing is secure and affordable rental housing for people on <u>low incomes</u> with housing assistance needs. It includes public, community and Aboriginal housing. | Delivery largely outside the planning system Fed: National rental assistance State: NSW Govt DCJ |
| Affordable rental housing | Affordable housing is housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care and education. | Federal: National rental assistance State: NSW Govt DCJ Private rental where the tenant's rent is subsidised |
| Private rental | Rental accommodation in the private market even if this rent is subsidised or partly refunded. Historical role as a transitional housing sector for households moving into home ownership or social housing to a long-term housing sector for a significant number of Australian households | Delivery effected by planning system – SEPP enabling STRA Private rental market - in the NSW, most private sector tenancies are regulated by the Residential Tenancies Act 2010 (NSW). |
| Supported home ownership | A type of home ownership that can take a variety of forms and largely requires innovative financing arrangements to support the buyer to enter the market. Includes (but are not limited to) shared equity arrangements, rent-to-buy models, and co-living arrangements. | Delivery largely outside the planning system The equity partner assists by sharing ownership, usually up to 30% of the property. |
| Homeownership | Households who own the property in which they usually reside and have either: - owner with mortgage - owner without mortgage | Delivery effected by planning system |
| Specialist housing | Accommodation designed for unique needs such as housing for people with - disability (including group homes) - older people (such as residential care units) | Delivery effected by planning system under SEPP |
| | - Vanlife (emerging new form not listed but suggest could fit this category) | Delivery effected by planning system under SEPP |

END OF SUBMISSION

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 6:41:38 PM
Attachments: [submission---regional-housing-taskforce---singleton-council.pdf](#)

Submitted on Fri, 27/08/2021 - 18:34

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Mary-Anne

Last name

Crawford

I would like my submission to remain confidential

No

Info

Email

mcrawford@singleton.nsw.gov.au

Suburb/Town & Postcode

Singleton 2330

Submission file

[submission---regional-housing-taskforce---singleton-council.pdf](#)

Submission

Please refer to the attached letter.

I agree to the above statement

Yes

Contact: Mary-Anne Crawford
Our Ref: 20/00082

26 August 2021

Mr Garry Fielding
Chair - Regional Housing Taskforce
NSW Department of Planning, Industry and Environment
GPO Box 39
Sydney NSW 2001

Dear Mr Fielding

Regional Housing Taskforce – Singleton Council

In June 2021, the NSW Government established the Regional Housing Taskforce (the **Taskforce**) in response to the changing landscape of housing supply and demand, and the affordability of housing, in regional NSW. The Taskforce has been established to investigate the planning barriers that exist in regional areas and determine these through consultation with local government and industry experts.

Singleton Council welcomes the establishment of the Taskforce. As a regional council on the fringe of the Newcastle Metropolitan Plan, Singleton is well placed to experience and understand the pressures of housing supply. Singleton is also unique in that a large proportion of the local government area is constrained with significant mining development. This constraint creates both housing demand and affordability impacts and opportunities. The median house price in Singleton in 2020 was \$445,000 whilst median rental was \$400 per week. In the Hunter Region, Singleton rates highest behind Dungog for median house price and the highest median rental outside the Newcastle Metropolitan Plan area (Newcastle, Maitland, Lake Macquarie, Port Stephens, and Cessnock)¹.

The Singleton local government area had 10,200 dwellings (2016 census data) and is projected to increase 20% over the next 15 years, with growth expected to occur in urban and environmental living zones. Current growth areas are anticipated to yield over 5,100 lots over the next 15 years, with a majority of these lots to be within urban zones (4,214), where the *Singleton Local Environmental Plan 2013* does not have a minimum lot size. The remaining lot yields are lifestyle living (lots greater than 4000m²), employment and tourism.

Over 96% of housing in Singleton is single dwelling houses and lacks housing diversity to cater for the younger and older members of the community, particularly as the Singleton population ages. This lack of diversity is a significant constraint and has been

¹ NSW FACS Rent and Sales Report (September 2020)

raised by the community in consultation on the Local Strategic Planning Statement and Housing Strategy.

In planning for housing growth, the environmental impacts of development expansion must be considered. The outward expansion of housing development has the potential to limit other land uses in the local government area, including agricultural, mining, natural and open spaces.

These factors were taken into consideration when Singleton prepared its Local Strategic Planning Statement, adopted by Council in July 2020. The Singleton LSPS identified the following strategic planning policies for housing:

- Measures to diversify housing and land supply to meet the needs of the growing population will be explored
- We will plan for high, medium and low growth scenarios
- We will investigate and identify opportunities for the provision of compact and grouped medium density housing in suitable locations within the Singleton Township
- Opportunities to better utilise existing urban land and growth areas will be investigated to avoid the need for extension of growth areas
- Where the need for expansion of growth areas is identified, we will prioritise placement of such growth areas along existing growth corridors where connections to existing metropolitan and town areas can be strengthened.
- We will undertake data collection activities and reporting to better understand current trends in housing delivery.
- We will advocate for inclusion of Singleton's urban growth areas to be included in the State government's Urban Development Program.

These planning priorities resulted in the following actions within the LSPS:

2.3.1 Develop a housing strategy that includes:

- *A planned approach to rural dwellings;*
- *Consideration of diversity in housing and land supply;*
- *Minimisation of urban sprawl;*
- *Requirements for support infrastructure;*
- *Sustainable design;*
- *Climate change adaptation;*
- *Neighbourhood character; and*
- *Minimisation of land use conflict.*

2.3.2 Establish a monitoring and reporting system to monitor implementation of the housing strategy.

Action 2.3.1 demonstrates the complex housing environment that existing within Singleton, with a spectrum of issues ranging from a need to balance housing development in rural areas through to developing local neighbourhood character and liveability statements to support the lifestyle offering that Singleton provides to its

community. These complexities highlight the differences needed in decision making around housing between metropolitan and rural areas.

Singleton Council is currently developing a Local Housing Strategy that addresses these actions.

Critical Housing Issues, Drivers and Opportunities

Whilst Action 2.3.1 of the Local Strategic Planning Statement identifies the list of issues facing housing development in Singleton, the critical housing issues are infrastructure, affordability and rural lifestyle living. As people migrate outside of more densely populated metropolitan areas, the demand for lifestyle living increases. As noted above, Singleton has several strategic growth areas that specifically cater for this type of offering. These lots tend to be located outside servicing areas for infrastructure such as potable water and sewer, leading to lower lot yields and greater cost of development.

Consultation with the community has also identified an increasing demand for developments that cater to over 55s, who are looking to downsize, and younger people, who are looking to enter the market, through medium or compact housing located centrally to service areas (including medical, transport, commercial and recreational). In Singleton this type of housing offering is available as infill development and is located within the water and sewer service area. However, because most of the housing in Singleton is single dwelling, additional or increased density of housing would place downward pressure on existing infrastructure from a servicing perspective, which adds to the cost of development.

Both scenarios described rely on the adequate and timely provision of infrastructure to support housing growth and a realistic return on investment. Concurrently with the development of the Local Housing Strategy, as the local water and sewer authority, Singleton Council is developing an Integrated Water Cycle Management Strategy. Both strategies will work to determine the long-term housing and infrastructure needs to support anticipated growth in the local government area. Should growth predictions accelerate, the lead time for infrastructure will significantly impact delivery of housing.

Rural housing development is complex. In the preparation of the Local Strategic Planning Statement and during consultation on the Housing Strategy, Council has identified gaps in relation to rural housing land in the Singleton local government area. These gaps include a need to develop a strategic approach to housing in rural zones, which supports rural activities and agribusiness, and the provision of small hobby farm lots below the minimum lot size (40 hectares), that are unconstrained by vegetation, where dwellings may be suitable. Whilst recognising that addressing these gaps must be consistent and considered, Council is considering how to respond to provide certainty to current and future rural landholders.

Concluding Comments

Council is continuing to investigate issues and opportunities for housing through the development of its Local Housing Strategy, which is not due for adoption by Council until early 2022. The outcomes of the Regional Housing Taskforce will be critical to

supporting the development of council's strategy and Council appreciates the taskforce's consideration of the complex issues raised in this submission in advice to the Expert Housing Advisory Panel. I would like to again acknowledge Council's support of the development of the Regional Housing Taskforce and thank you for the opportunity to provide a submission. Please contact me on 02 6578 7290 if you have any questions.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Mary-Anne Crawford', with a long, sweeping underline that extends to the right.

Mary-Anne Crawford
Manager Development and Environmental Services



27 August 2021

Mr Garry Fielding
Independent Chair
Regional Housing Taskforce
Via email regions.coordination@planning.nsw.gov.au

Dear Mr Fielding,

Congratulations on your appointment to lead the Regional Housing Taskforce. This comes at a critically important time for people across the towns and cities of NSW as they deal with an unprecedented demand for well-built, well-located, diverse affordable housing.

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

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

We welcome the establishment of the Regional Housing Taskforce and ask that this letter be considered as a formal submission to your consultation process.

Since 2018 we have worked together as a diverse group of stakeholders to advocate to the Premier of NSW for what we regard as 'good growth proposals'. Since that time, we have 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. These proposals have underpinned our joint advocacy regarding the NSW Housing Strategy and more recently the proposed new Housing SEPP for example.

While the focus of our advocacy has been on Sydney, we believe most of our 'good growth proposals' have relevance across the state.

They include the following:

- Establish a Premier's Priority focusing on housing choice, security, affordability, and diversity to drive a collaborative, whole-of-government approach to delivering better housing outcomes.



- Commit to annual net growth targets for additional social, affordable, and key worker housing, and ensure these targets can be achieved by providing ongoing funding for new housing supply.
- Deliver at least 5,000 additional social housing dwellings per year for the next 10 years by establishing a Capital Growth Fund and leveraging government-owned land to boost supply. Responsibility for delivery should be shared evenly between the NSW Government and NSW community housing sector.
- Reduce all types of homelessness by committing to a fully funded state-wide action plan, with the goal of ending homelessness in NSW by 2030.
- Ensure good growth is for everyone by delivering timely and equitable access to public transport, jobs, education, community infrastructure, jobs, and housing, including for very low to medium income and vulnerable communities. This could be achieved by:
 - Adopting an integrated place-based approach to infrastructure planning, funding and delivery that is aligned to growth planning.
 - Implementing the recommendations of the Productivity Commissioner to increase certainty and efficiency in the contributions system, whilst ensuring sufficient funding is available to deliver the infrastructure that communities need.
- Establish a Housing Innovation Fund to drive innovations in housing design that reduce the cost of living, respond to changing work practices, and realise the ambition of a zero net carbon future. Alongside this fund, the NSW Government must work to remove regulatory barriers to delivering innovative models, including “meanwhile uses” of land and buildings.
- Provide additional funding and support to councils to fast-track the implementation of actions within their local strategic planning statements and local housing strategies. This includes streamlining the adoption of affordable rental housing targets and other planning mechanisms to incentivise supply.
- Introduce further reforms to the planning system to improve transparency and streamline the development approvals process at the state and local level by:
 - Expanding the Council Accelerated Assessment Program across all NSW councils to overcome delays in the delivery of local housing targets
 - Requiring councils to report annually on progress against implementing their strategic plans and achieving their housing delivery targets, including development assessment times. This monitoring could be overseen by a Housing Supply Panel tasked with working with Councils to overcome delays in delivering on strategic aims



We look forward to establishing a productive relationship with your Taskforce and welcome any opportunities to provide further insight. You will note that a number of our organisations have a membership base across the state so we are well-placed to test ideas and provide local and regional context to our broad proposals if that is useful to you and your taskforce.

Thank you for accepting this submission. Please feel free to contact John Engeler, CEO Shelter NSW on 0410 402 212 or by email at admin@shelter.nsw.org.au if you or any taskforce staff have any queries.

Yours sincerely,

Luke Achterstraat
NSW Executive Director
Property Council of Australia

Mark Degotardi
Chief Executive Officer
NSW Community Housing Industry Association

Damian Kelly
Acting Executive Director
Business Sydney

Katherine McKernan
Chief Executive Officer
Homelessness NSW

Gabriel Metcalf
Chief Executive Director
Committee for Sydney

John Engeler
Chief Executive Officer
Shelter NSW

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 6:13:53 PM
Attachments: [dantia-nsw-regional-housing-taskforce-submission-august-2021-final.pdf](#)

Submitted on Fri, 27/08/2021 - 18:11

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Katherine

Last name

O'Regan

I would like my submission to remain confidential

No

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Charlestown, Lake Macquarie 2290

Submission file

[dantia-nsw-regional-housing-taskforce-submission-august-2021-final.pdf](#)

Submission

Please see attached.

I agree to the above statement

Yes

27 August 2021

Mr Garry Fielding
Chair, NSW Regional Housing Taskforce
Department of Planning, Industry and Environment
Locked Bag 5022 Parramatta NSW 2124

Submitted via online portal

Dear Mr Fielding,

NSW Regional Housing Taskforce

Dantia is the Lake Macquarie City economic development company. Unique in the Australian landscape, Dantia is the independent thought leader that drives, represents, and delivers Lake Macquarie City's bold vision for growth and prosperity in the region.

Dantia values the opportunity to provide input into the NSW Regional Housing Taskforce and congratulates the Government on the comprehensive consideration of how to achieve better housing outcomes for regional NSW through the planning system.

Lake Macquarie is the third largest regional city in NSW. Its population of over 207,000 is expected to grow by 28,000 by 2036, driving demand for 13,500 new dwellings and 12,000 new jobs. Its proximity to Sydney together with its wealth of economically underutilised and potentially available land, positions Lake Macquarie to be one of the most significant liveable regional cities in NSW.

The economic growth and opportunity of the city, and the value it adds to the emerging Sydney mega region, commands an urgent need for residential lots and new dwellings. Accelerating the construction of a diverse range of housing stock will also increase housing affordability, support inbound migration, and stimulate jobs and investment.

Dantia supports the Government's efforts to streamline and simplify the current planning regulations controlling new developments while improving quality and sustainability in NSW. We also support recent efforts to remove unnecessary 'red-tape' as a way of stimulating the NSW economy and value the Government's focus on the specific challenges and planning barriers to housing delivery facing regional NSW.

In providing input to the Taskforce, this submission sets out the Lake Macquarie strategic context and then addresses issues and makes recommendations according to the four pillars of the NSW Housing Strategy, *Housing 2041*: supply, diversity, affordability, and resilience.

Inherent in the submission is a recognition that the delivery of housing is a multi-faceted challenge, but the focus of the Taskforce is on the planning system. The submission also seeks to focus on the unique critical challenges faced by Lake Macquarie acknowledging that there are broader and shared challenges across the Hunter region that are addressed in other submissions.

STRATEGIC CONTEXT

Lake Macquarie City Local Strategic Planning Statement sets the goal for the city to be one of the most productive, adaptable, sustainable, and liveable places in Australia. The City's economic centres anchor and activate the significant growth in population and provide the stimulus for housing, jobs, recreation, and services. The growth of these centres also facilitates accessibility and the opportunity to diversify the economy.

Increasing both total housing and the diversity of housing across the four growth areas of the Northwest, Northeast, Southeast and Southwest, is critical to support a population that has a higher proportion of people under 25 than aged over 65, the aging of this population, and to attract new skilled workers and businesses.

To meet the needs of this changing and growing population there requires an increase in the development of medium to high density dwellings such as apartments, townhouses, and homes on small lots in and around the economic centres, as well as housing in well-located and serviced new release areas.

SUPPLY housing supply delivered in the right location at the right time

Zoning

The Lake Macquarie Housing Study suggests there is enough zoned land to permit dwellings in the City's urban areas to accommodate the population growth to 2050. However, further examination indicates that much of this land while suitable for the development of large-scale housing projects is constrained through land ownership, notably Crown ownership.

There are opportunities such as in Morrissett located in the southwest growth area that are not currently accessible for private investment.

Recommendation:

[Enhanced strategic engagement of Crown Lands in the development of the regional strategic plans to ensure greater alignment with housing delivery goals and opportunities.](#)

[Enhanced private sector understanding of unsolicited bid process.](#)

Biodiversity

A further constraint on housing supply are the legislative requirements of NSW Biodiversity Conservation Act.

In Lake Macquarie local government area, the development of the economic centres and greenfield sites across the four growth centres have potential impact on threatened species and ecological communities. As biodiversity is expected to remain a key issue for land use in the city it is critical that the biodiversity offset system is not only fair and transparent, but it is easy to use and affordable.

While the natural environment and assets are a defining feature of the Lake Macquarie region, its identity, health and economy, the cost burden of biodiversity conservation and offsetting not only reduce the feasibility of development but also negatively impact housing affordability.

Recommendation:

Greater collaboration between State and local government and the development sector to improve the certainty and transparency of biodiversity offset calculations and to better align the timing of payments with development stages.

Infrastructure

The delivery of enabling infrastructure is critical to addressing housing supply and providing certainty in investment. Lake Macquarie's existing enabling infrastructure in the form of heavy rail, water, and sewerage, not only provides a strong foundation for housing investment but it suggests a higher return on investment for greenfield development relative to areas that demand delivery of extensive enabling infrastructure such as the Western Sydney Aerotropolis.

However much of Lake Macquarie housing supply remains stalled due to a lack of transport, notably road.

In 2020, Dantia identified that the detrimental impact of project delays on the economic, growth and new investment in the Hunter region were:

- \$21.8 billion lost in construction-associated benefits
- \$15.1 billion each year in foregone operational benefits
- the loss of 33,931 construction jobs, and
- the loss of 26,689 operational jobs (in perpetuity)
- the loss of 18,108 new dwellings.

Some of the reasons identified for project delays that have been partially addressed include Transport for NSW consistently exceeding timeframes for Development Application referrals and Works Authorisation Deed contract negotiations; and changes in advice or requirements with minimal evidence-based reasons.

Another significant reason for transport project delays was a lack of planning and delivery of critical infrastructure aligned to housing or employment goals. This arises from a lack of integrated strategic planning notably in the development of the *Hunter Regional Plan*, the *Greater Newcastle Metropolitan Plan* and the *Hunter Regional Transport Plan*.

A misalignment of priorities and/or delivery time frames and the lack of flexibility in the administration of these plans are having a significant impact on the delivery of housing outcomes. The current review of the *Hunter Regional Plan* and the *Hunter Regional Transport Plan* provides a valuable opportunity to address this issue.

Greater alignment between transport and housing delivery can also be achieved at the local level through the development of the Local Strategic Planning Statements. These Statements provide critical input into the Regional Plan; and provide enhanced transparency and accountability of housing priorities and opportunities. As housing in the regions is largely delivered through local firms, it is imperative that these firms are actively consulted in the development of the Local Strategic Planning Statements.

Recommendations:

Establish a coordinated and integrated review of the Greater Newcastle Metropolitan Plan and the Hunter Regional Transport Plan.

Enhance consultation with local firms in the development of the Local Strategic Planning Statements.

DIVERSITY **housing is diverse, meeting varied and changing needs of people across their life**

Lake Macquarie City Council data indicates that the current housing stock is dominated by larger single detached dwellings with some 90.7 per cent of residents living in a separate house, with the remainder living in semi-detached (4.3%), flat or apartment (2.9%), or other dwelling type (2.1%).

While detached dwellings are dominant in the settlement pattern, this type of living does not appear to be by choice.

The 2019 Lake Macquarie Housing Preference Study indicates that only 73.3 per cent of residents prefer this housing type with an unmet demand for semi-detached, flat and apartment living.

This gap in supply and demand in relation to housing type can be reduced through the provision of incentives in the planning system to accelerate development in key growth areas. Most notable would be the ability to fast track complying development for semi-detached, flat and apartment living.

Recommendation:

Accelerated development consent for complying development for semi-detached, flat and apartment living.

AFFORDABILITY **housing that is affordable and secure**

To meet the growing demand for housing, further enhancements to the planning process can be made to accelerate development approval in key growth areas to minimise the pressure on housing affordability. The establishment of the NSW Planning Delivery Unit is supported. However, this Unit needs greater authority and influence across government agencies to reduce the friction and delays in the planning pathway.

Council data also indicates that there is a growing lag between development approval and construction. One reason attributed to this is the delay in the time taken to issue construction certificates. Improved Council resourcing and a more streamlined process for construction certificates has the potential to increase housing speed to market offsetting some supply pressure and impact on affordability.

Recommendation:

Enhance the authority and influence of the NSW Planning Delivery Unit to reduce the friction and delays in the planning pathway.

Improve Council resourcing and streamline process for issuing Construction Certificates.

RESILIENCE **housing that is enduring and resilient to natural and social change**

Sustaining the natural environment is integral to the attractiveness and liveability of Lake Macquarie City; and the bushfire assessments for development applications are essential for the lives and livelihoods of the community members.

These assessments however are taking extended periods - sometimes up to six months. In other circumstances there has been a lack of certainty as to the level of threat associated with pieces of land and the level of risk.

Greater resourcing, training, and accountability of performance of assessment time frames associated with the bushfire process will improve the quality of assessments reducing costs and risk.

Recommendations:

Enhance the quality of the bushfire maps to ensure detailed site-specific information is available

Improve resources for RFS to enhance assessment capability and speed.

Enhance performance measures for bushfire assessments to ensure timely development assessments.

The delivery of affordable and diverse housing is critical to meet the economic growth and prosperity of the Lake Macquarie region now and for the decades ahead.

This requires a planning framework that is fit for purpose for the region. To do this it must integrate strategy at a local and State level, as well as proactively drive State inter-agency strategic planning and coordination. It must also facilitate a planning process that minimises friction and cost and is appropriately resourced.

Dantia is pleased to provide input to the Regional Housing Taskforce.

Should you have any questions in relation to this submission or would like to discuss in more detail, please feel free to contact me email: katherine@dantia.com.au or phone: 0419 411 801.

Yours sincerely,



Katherine O'Regan
CEO

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 5:50:27 PM
Attachments: [tamara-smith-mp---housing-taskforce-submission-27.08.21.docx.pdf](#)

Submitted on Fri, 27/08/2021 - 17:48

Submitted by: Anonymous

Submitted values are:

Submission Type

I am making a personal submission

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Last name

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I would like my submission to remain confidential

No

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Ballina

Submission file

[tamara-smith-mp---housing-taskforce-submission-27.08.21.docx.pdf](#)

Submission

Please find attached Ms Tamara Smith's submission.

I agree to the above statement

Yes



TAMARA SMITH MP

MEMBER FOR BALLINA

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27th August 2021

Mr Garry Fielding
Chairperson, Regional Housing Taskforce

By Email

Dear Mr Fielding

Thank you for the opportunity to make a submission to the Regional Housing Taskforce and thank you for the recent virtual community roundtable in Northern NSW which I was able to attend. On behalf of the community, I thank the taskforce for recognising that regional communities are in an absolute housing crisis. I also thank the Minister for Planning and Public Spaces for initiating the taskforce and for being willing to be informed by communities and by further research so as to achieve better housing outcomes for regional NSW through the planning system.

As the Member for Ballina since March 2015, hundreds of constituents have raised with me directly their concerns about the dire state of housing and homelessness in our region. In many ways, we are a decade into the crisis, and even imminent measures will take time to make a difference. Housing stress is a major concern in this electorate. This is evidenced by the consistent responses I have received since 2015 from seven community surveys and the monthly welcome surveys to new residents in the electorate.

We are currently in a perfect storm of housing stress in the Ballina electorate. We see almost zero rental availability, very high rents, and substantial increases in land and property values in the last 12 months. A recent profile of northern New South Wales reported that Byron Shire had the highest proportion of households in rental stress in NSW (17.2%), compared to the NSW average of 12.9%. Businesses constantly inform my office of ongoing stresses around finding rental accommodation for their workers, lower- to middle-income families have increasingly had to move away from the coast due to housing displacement – away from their communities of support and schools for their children, and Byron Shire is increasingly becoming predominantly a Short-Term Holiday Let (STHL) town. The loss of permanent resident communities and concomitant social infrastructure is devastating on the character and resilience of our community more broadly.

There are almost no properties available to rent either short term, or long term (particularly in Byron Shire but increasingly in Ballina Shire also) because between 2000–3000 whole homes at any one time are being let as Short-Term Holiday Letting (STHL) via online platforms such as Airbnb and Stayz. Many of these homes can be vacant for much of the year, but the return on investment in Byron Shire means that they do not need to be available year-round for the owner to make a significant profit. Hopefully, the 90-day cap on STHL that we are anticipating the NSW Government to lock in for Byron Shire at the end of 2021 will drive some of the STHL market into long-term rental accommodation. But whatever the Taskforce looks at, **more research and understanding about the impacts of STHL on tourist communities needs to be explored by this Taskforce.**

Homelessness in Australia increased by 13.7% from 2011 to 2016, while in Byron LGA, the February 2021 Street Count revealed a 36% increase in rough sleepers in only three years. Even more worrying is the growing number of children and women who are rough sleepers. According to the *Nowhere to Go* Equity Economics report, between March 2020 and March 2021, there was a 5.9% increase in the



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number of women seeking specialist homelessness services who had experienced domestic violence compared to a 0.4% decrease across all other client groups.

Unless there are triggers in the planning system that support the availability of long-term rental accommodation that is affordable, and that promote the building of genuinely affordable housing to purchase, we will continue to see the housing crisis persist.

Incentives and mechanisms to incentivise landlords to lease homes to long-term residents

In NSW, as across Australia, more people are renting, and they are renting for longer. The 2016 Census found a significant increase in the number of people renting in New South Wales, including a shift away from home ownership towards renting: the renting population increased from 30.1% in 2011 to 31.8% in 2016. In NSW there were 826,922 renter households at the 2016 Census, 83,870 more than there were in 2011. This is an increase almost double that identified between 2006 and 2011. The current ABS estimate for 2017–18 of 983,237 (2,603,530 persons) indicates this trend is continuing.

As the Member for Ballina, I endorse the views expressed by the Tenants Union of NSW in their submission on housing needs over the next 20 years, *A Housing Strategy for NSW: NSW Department of Planning, Industry and Environment* made in August 2020 [Link here](#);

“A 20-year NSW Housing Strategy that hopes to deliver security, affordability, liveability, resilience, accessibility and diversity of housing, must consider the experience of people who rent their homes. Delivering these outcomes for all people and communities across NSW is not solely or even primarily a question of supply, but requires explicit commitments in the NSW Housing Strategy, and corresponding targets in relevant state agencies’ action plans on:

- Necessary reform of current legislation including tenancy, tax and planning laws,
- Investment in public and community housing as essential infrastructure required to ensure provision of housing as an essential service, and
- The adequate resourcing of advocacy and supports for renters.”

Incentives and mechanisms to incentivise genuinely affordable rents under planning regimes designed to facilitate affordable housing.

Schemes can be designed so that the implicit affordable housing planning subsidy is retained. When housing is to be provided as affordable rental accommodation, there can be a requirement that the affordability obligation is maintained in perpetuity or for a defined period of time. The longer the affordability requirement is to be maintained, the higher the affordability contribution, so this needs to be recognised when undertaking a viability assessment.

When housing is to be provided as low-cost or discounted home ownership, there are different arrangements for preserving affordability or preserving the subsidy (rather than the dwelling). The most common and flexible approach is to implement an equity sharing arrangement where the 'planning subsidy' is calculated and converted to an equity share which is then retained by an affordable housing entity. The equity share is then purchased back by the household over time or repaid when the unit is sold.



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Other approaches include a community land trust model, where the dwelling is owned by the household, but the land held in trust. This approach is not yet common in Australia. Restrictive covenants can also be used to maintain the unit as an affordable home ownership product; for instance, by limiting future sales to eligible owners, and/or by limiting price increases to a predetermined range. However, restrictive covenants may raise problems for households seeking home finance.

Amend The Affordable Housing SEPP (State Environmental Planning Policy (Affordable Rental Housing) 2009)

The Affordable Housing SEPP (State Environmental Planning Policy (Affordable Rental Housing) 2009) sets out the policy framework in NSW for facilitating effective delivery of new affordable rental housing. Unfortunately, as research undertaken by City Futures Research Centre and others has identified, the SEPP has fast-tracked a significant amount of new housing but has not delivered housing that is affordable for those on lower incomes.

There have also been failures in relation to monitoring and enforcement of provisions. Certainly they have not provided additional or alternative housing options for those on very low incomes, those who we previously have seen accommodated in 'traditional' older-style boarding houses. Instead we are seeing 'boarding houses' which deliver smaller, compromised design and reduced amenity but not affordability. The impact of this has degraded the social licence of buildings created through the SEPP.

Currently, the Affordable Housing SEPP operates to allow various exemptions from planning controls for the purpose of affordability but has no mechanism to ensure affordability flows from the SEPP. Given the generous exemptions or variations for planning requirements the ARH SEPP provides, it should be more explicitly tied to an affordability requirement.

Recommendation: Amend the SEPP to facilitate affordable rent setting requirements where exemptions on the basis of affordability have been provided. Reconsider the requirements and available compliance and enforcement mechanisms of the Affordable Housing SEPP.

Amend State Environmental Planning Policy No. 70 – Affordable Housing (Revised Schemes) (SEPP70)

The location and design of affordable housing delivered through the planning system should be considered in relation to the local context and target group needs. While outer urban locations have the advantage of requiring little subsidy to achieve price benchmarks, the homes may not be affordable when transport costs are considered. With limited public transport in the Northern Rivers, this SEPP needs to be locally nuanced to support regional communities.

Even mandatory affordable housing requirements must be used in conjunction with other Government subsidies or support if affordable outcomes are to be delivered at a scale similar to that achieved internationally and commensurate with housing need, particularly in higher-value housing markets. Without capital funding to subsidise construction in higher-value markets, even affordable home ownership outcomes may be difficult to secure.

Inclusionary housing schemes can be effective in both higher-value and lower-value market conditions (and across market cycles), but the design of the mechanism and intended outcome should reflect the availability of additional subsidies to meet the 'gap' between an affordable price point and the cost of



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delivering the affordable home. Other considerations are the new value created by plan changes and/or new infrastructure development within a particular location, which offset the inclusionary planning requirement.

Inclusionary requirements can be set to support varying proportions of affordable housing as part of mixed developments, depending on the availability of other subsidies, the target group, and the market context. The objective of the inclusionary requirement is to help address the (locally defined) 'affordability gap', which is the difference between the market value of appropriate dwellings and the affordable price/rent threshold for the target household.

Affordability gap = Market value (price or rent) – Affordable price or rent (for target household) Subsidy—through the planning system and other sources, then addresses the difference between the affordability gap and the actual cost of delivering the housing units.

Subsidy gap = Market value (MV) – affordable price (AP) – cost of producing housing unit (PC)

By securing access to land at 'pre-zoned' values, or by generating 'free' land (through increased development potential), planning system mechanisms should reduce the subsidy required to meet the difference between affordable housing production costs and the affordable price/rent.

In lower-value markets, the 'affordability gap' will be lower because of lower land values. However, in higher-value markets, once the land component of the cost of producing the affordable housing unit is controlled, the higher affordability gap will also be reduced by the implicit 'planning subsidy'. For the developer, the cost of foregone profits should be passed 'back' to land sellers in the form of a lower land price, thus not affecting total viability of the scheme. The 'affordability gap' and the subsidy requirements to meet this gap will differ depending on the target group and the local housing market. For moderate-income groups, an implicit planning subsidy might be the only intervention required to secure an affordable outcome, even in higher land value settings, because the moderate-income groups are able to meet the construction and related costs associated with producing their home.

I look forward to receiving the report from submissions made.

Yours sincerely

A handwritten signature in blue ink that reads 'Tamara Smith'.

Tamara Smith MP
Member for Ballina

From: [Loretta Talevski](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [Linda Davis](#); [cstewart](#); [David Green](#)
Subject: Wollongong City Council submission - Regional Housing Taskforce
Date: Friday, 27 August 2021 5:32:34 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[Regional Housing Taskforce submission - August 2021.pdf](#)

Attention: Garry Fielding

Please find attached Regional Housing Taskforce submission from Wollongong City Council.

Regards, Loretta



Loretta Talevski

Personal Assistant to Director Planning + Environment

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Our Values SUSTAINABLE COURAGE RESPECT INTEGRITY ONE TEAM



Mr Garry Fielding
Chair
Regional Housing Taskforce
Regions.coordination@planning.nsw.gov.au

Our Ref:
File:
Date:

Z21/161260
CST-100.03.073
27 August 2021

Dear Mr Fielding

REGIONAL HOUSING TASKFORCE SUBMISSION

Thank you for the opportunity to make a submission to the Taskforce.

The City of Wollongong Local Government Area has a population of 220,000 persons who live in 84,000 dwellings and is growing at 1% per annum.

In 2017 Wollongong was reportedly the third least affordable City in Australia. Over the past year, house prices have continued to increase by 15-20% in most areas, despite the economic impact of COVID-19.

Wollongong is unique compared to other regional centres due to its size and proximity to Sydney. The proximity is beneficial in terms of access to services and employment opportunities but means that Wollongong has had a consistent rate of residents commuting to Metro Sydney for work. Wollongong does not want to be a commuter suburb of Sydney.

In Wollongong and other centres, employment is a key component of a sustainable, liveable and productive community. Wollongong's Economic Development Strategy (2019) seeks to increase local jobs by 10,500 new jobs over the next ten years.

Wollongong is fortunate to be able to provide a variety of housing products, from new release areas, to apartments and infill housing. Wollongong is well supplied with zoned residential land however there are challenges in bringing this supply to market and delivering a consistent supply of diverse and affordable product.

The attached submission responds to the Taskforce's terms and reference and provides an overview of housing supply and delivery across development types. To provide further detail, also attached is our recent submission to the Inquiry into options to improve access to existing and alternate accommodation to address the social housing shortage, and an overview of Council's position on matters recently considered by the Parliamentary Inquiry of the Development Contributions Bill.

Council officers would welcome the opportunity for the Taskforce members to visit Wollongong and tour the West Dapto Urban Release Area. Council would also welcome the opportunity to host a meeting with councils from the Illawarra–Shoalhaven region and local develop industry representatives.

Should you require any further information, please contact Council's Manager City Strategy, Mr Chris Stewart on 4227 7681 or cstewart@wollongong.nsw.gov.au

This letter is authorised by

Linda Davis
Director Planning & Environment
Wollongong City Council
Telephone (02) 4227 7111

Regional Housing Taskforce submission

Wollongong City Council

August 2021

In 2020 Council exhibited the draft Housing and Affordable Housing Options Paper which reviewed housing supply and demand, challenges, and options to address the challenges.

A key housing challenge facing Wollongong is the lack of affordable housing for households on very low, low and moderate incomes. This has flow on effects to increase the demand on social housing, crisis housing and homelessness.

Overall, Wollongong has capacity to supply a range of housing and is well placed to meet projected demand. However, the forward funding of enabling infrastructure is a challenge and there is a need to review the housing mix, with a greater number of smaller dwellings required.

This paper addresses the Terms of Reference and then provides some background information and context addressing housing supply issues in new release areas, Wollongong City Centre and infill housing.

1. TERMS OF REFERENCE

1.1 What are the critical housing supply issues in your local area?

West Dapto Release Area:

- Land ownership fragmentation - When West Dapto was being planned in 2004-08, there were over 245 lots and 138 different owners. There has been little consolidation of land holdings by developers, and development occurs site by site.
- West Dapto is a high cost / low yield release area, due to extensive flood plains and ecological issues.
- High land prices - Current landowners expect a land release product price for their undeveloped properties, which makes acquisition by developers a challenge.
- Infrastructure funding - Council has been successful in obtaining a number of grants and loans to forward fund key infrastructure (roads) in West Dapto but funding gaps still remain. The funding application assessment timeframes could be improved. Council received approval to progress a Business Case for the Fowlers Rd – Fairwater Drive bridge (\$90m), after the construction had commenced. The grant then had to be reallocated to another project that was eligible for funding. The preparation of Business Cases whilst necessary to ensure projects provide value, also seems to be a mechanism to delay project funding and increase consultancy fees. The infrastructure required to service West Dapto is well known, has been reviewed by IPART twice, yet has to be reviewed again to achieve grant funding.

LGA generally:

- Proximity to Sydney – increased housing demand.
- Narrow coastal strip means that land is not available for further outward expansion.
- Working from home from Regional locations has, due to COVID, been demonstrated to be possible, which has contributed to housing demand.
- Lack of Affordable Rental Housing - In 2017 Wollongong was reportedly the third least affordable City in Australia. Over the past year, house prices have continued to increase some 15-20%. With 53% of all households in Wollongong LGA (or 44,853 households) considered as being in the affordable housing income range by definition. Of these households 49% (or 21,978 households) experience housing stress. The proportion of these households increased 5% from 2001 and 2016.
- Increasing homelessness - There is currently an estimated homeless population of 811 persons. This is almost double the estimated homeless population from 2011 which was 440.
- Short-term holiday accommodation reducing long term rental accommodation.

1.2 What are the key elements contributing to these issues?

There are many contribution factors, depending on location and what sector of the housing market is being considered. The housing issues, challenges and opportunities vary across Wollongong and are discussed in later commentary.

1.3 How can we best deliver houses on land already zoned for housing?

- Infrastructure coordination and commitment - The State agencies are aware of land being rezoned, yet don't seem to adjust their programs. The State agencies only commit to projects in their 4 year budgets, not to the delivery of infrastructure on 10-20 year timeframes.
- Local infrastructure needs to connect to regional infrastructure, to which there is no timeframe.
- Local contribution plans are required to indicate the timing of infrastructure delivery, the Special Infrastructure Contribution Plans (SIC) are more akin to a wish list with no timing or commitment.
- State agencies need to be better aligned with development in new release areas and focus on the priority to deliver housing in these areas, rather than focus on their single issue and State-wide guidelines. Each agency has their own priorities which could be better co-ordinated or prioritised.

1.4 What are the main barriers to delivering more diverse housing types to suit the varying needs of people in your region?

- Financing - Easier for a family to finance the construction of a dwelling house than for a developer to obtain funding to build a medium density development.
- The hot property market and high land prices means that all housing products are aimed at the upper end of the market, to achieve returns.
- Developers have to pay high prices to buy development sites and need to maximise their returns.
- Community Housing Providers cannot compete with land developers for the acquisition of sites to provide affordable housing.

1.5 Overall, what can the NSW Government do to support housing delivery in the regions?

- Provide upfront funding for enabling infrastructure. West Dapto needs a fund that Sydney Water, Endeavour Energy, Department of Education, Transport NSW and Council can draw from to forward fund critical lead in infrastructure.
- Amend the Local Government Act 1993 to enable Council to potentially partner with Community Housing Providers to deliver on affordable rental housing. In particular amend the Public Private Partnership provisions and 30 year lease restrictions.

2. URBAN RELEASE AREAS

There are three Urban Release Areas in the Wollongong LGA:

1. West Dapto
2. Tallawarra
3. Calderwood (Note: the majority is in the Shellharbour LGA)

2.1 West Dapto Urban Release Area

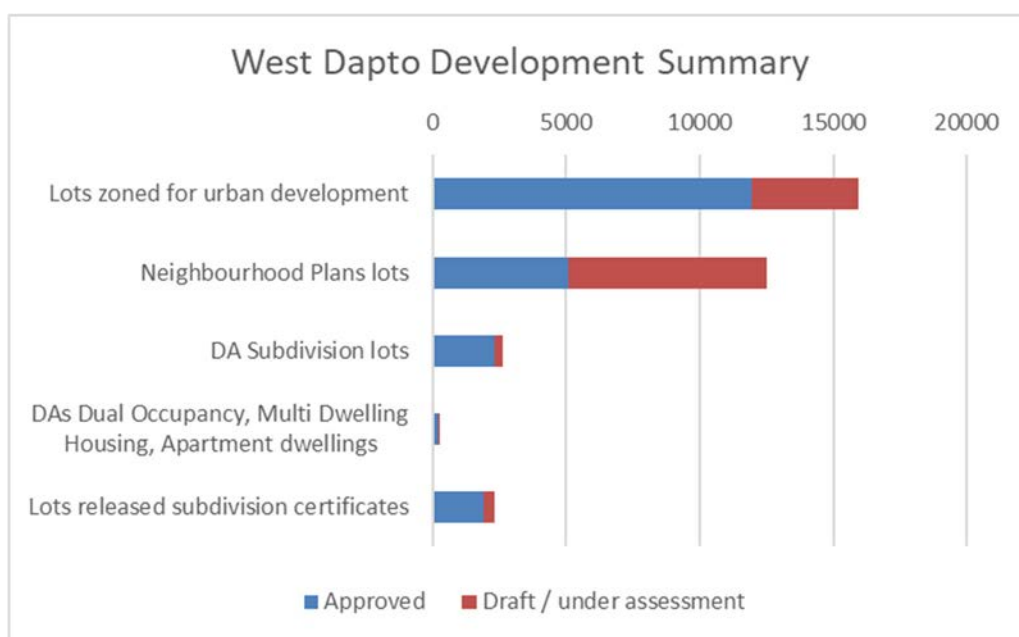
The West Dapto Urban Release Area is one of the largest release areas outside Sydney. Ultimately it is expected to have some 19,500 dwellings and a population of 56,500. The West Dapto development pipeline has a number of key stages including:

- Planning Proposals for rezoning;
- Neighbourhood Plans for precinct planning; and
- development applications for subdivision approvals.

The first stages were rezoned in 2010. To date, Council has zoned land that could accommodate 12,000 lots or 60% of the total lot capacity. Council has recently endorsed a draft Planning Proposal for exhibition that would enable an additional 2,888 lots and is assessing a draft Planning Proposal for a further 700 lots. Accordingly, West Dapto does not have a zoned housing supply issue.

At the time of rezoning, it was anticipated that West Dapto would release up to 500 lots per year to cater for the local market demand for new detached housing. The development rate has not ramped up as expected and at the current average development rate of 200 lots/year, the zoned land would take 60 years to develop.

West Dapto has a fragmented ownership pattern, of 10-20 hectare rural properties and majority of land is not owned by recognised developers. To ensure land is developed in a coordinated and economic manner, Council has adopted a Neighbourhood / Precinct Planning approach which ensures sites are not considered in isolation. Neighbourhood Plans ensure that matters such as collector roads, water cycle management, land form, district parks and community facilities is planned across properties taking a precinct / catchment approach rather than site by site.



Council has approved 10 Neighbourhood Plans for 5200 lots and is assessing draft Neighbourhood Plans for another 7400 lots.

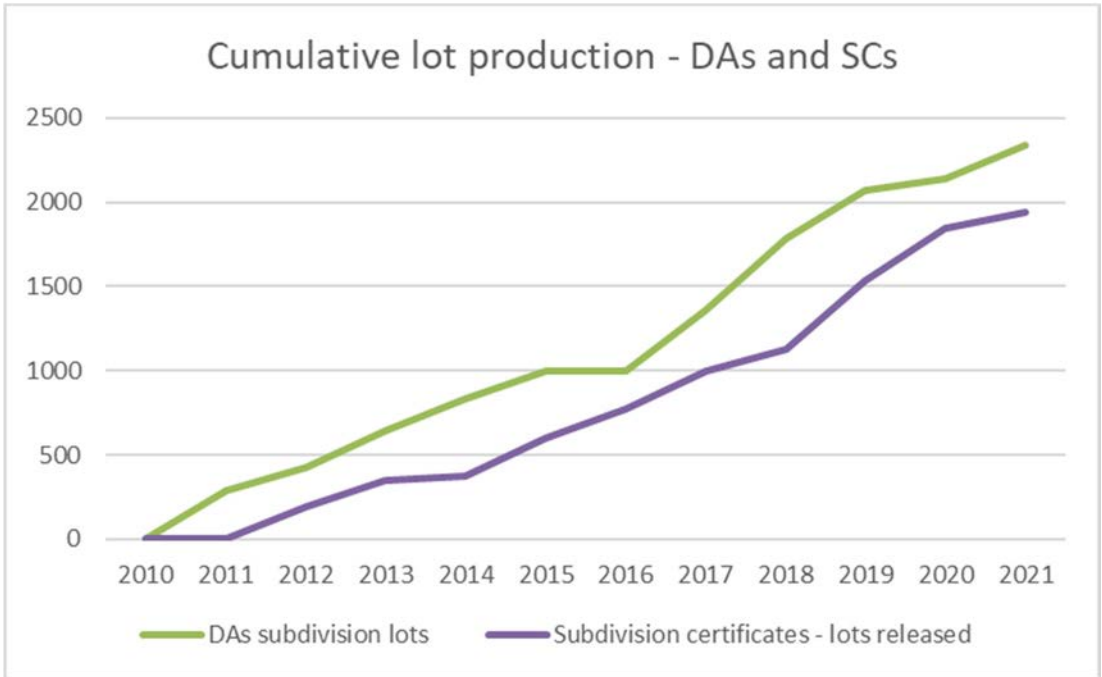
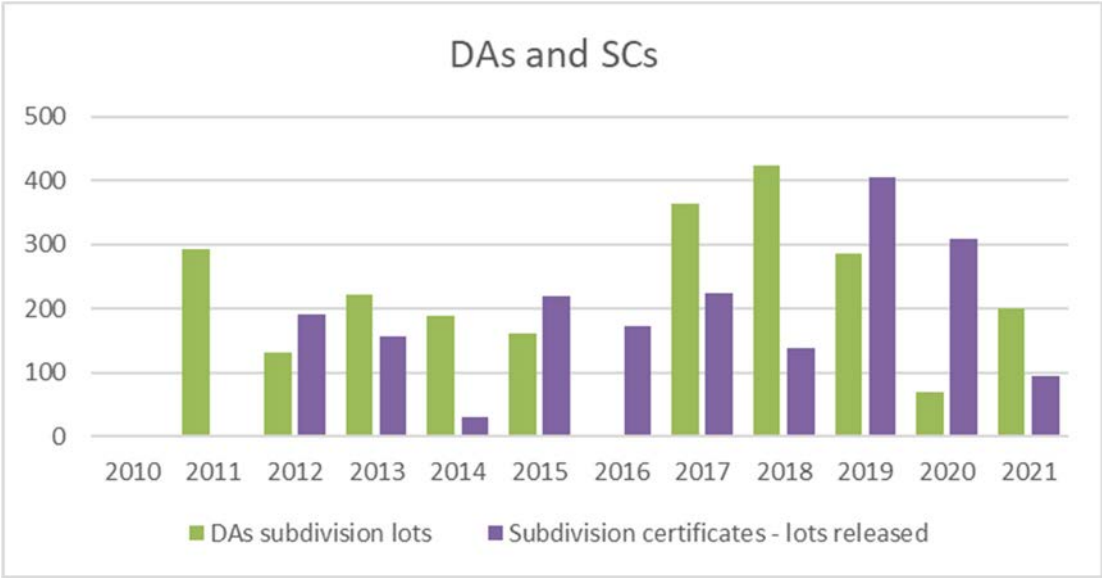
In response to ongoing concern that the Neighbourhood Planning process adds cost and time to the development pipeline, Council has reviewed the process to refine the assessment steps and nominated target timeframes for finalisation of Neighbourhood Plans. Revised draft DCP requirements are currently being exhibited for comment.

Council officers are aware of land owned by developers where the zoning and Neighbourhood Plan has been approved, but the development application has not been lodged. It is unclear whether developers are land banking or waiting for more certainty about infrastructure provision or waiting for improved project financial viability. Improved housing delivery outcomes at West Dapto will also rely on proactive measures from industry to ensure developers are improving their own delivery processes. Too often the blame is attributed to government and council whereas shared responsibility approach to delivery is needed.

While West Dapto does not have a zoned land supply issue, it does have a land supply challenge, as evidenced by the low number of applications under assessment or under construction.

Since 2010, Council has approved 35 Development Applications for subdivision (excluding dual occupancies) that would create 2340 lots. Of those approved lots, 1,938 have been released for housing and the balance is under construction. Council is currently only assessing 3 development applications for 318 lots. The low number of lots under construction and under assessment will mean low supply will continue for a number of years and have flow on effects for Council's contribution income and ability to delivery infrastructure.

Development Applications lodgement and approvals have peaked and troughed over the past 10 years, leading to uneven supply. On average, 222 lots per year have been approved. Similarly, on average 176 lots per year are released through subdivision certificates. As the release area matured, Council officers had expected the numbers of lots approved and released to rise to an average of 400-500 per annum. To date, all the subdivision certificates have been in stages 1 and 2 of the release area. To increase available supply, Council has rezoned stage 5 and has endorsed a draft Planning Proposal for 2800 lots in stage 3.



The uneven supply also has a flow on affect to development contributions and Council’s cashflow for supporting infrastructure. Council has spent \$122 million on capital infrastructure to support the release area and received \$68 million in development contributions and LIGS payments.

A downside of the rezonings and the creation of multiple development fronts, is the impact it has on Council ability to upgrade existing roads, provide new parks and facilities, with Council's resources being spread thin over many competing priorities to deliver.

In terms of sales, developers have indicated that there was a surprising increase in demand for lots during the 2020 COVID lockdown, which has contributed to the current high demand and short supply.

It is worth discussion infrastructure delays in more detail:

- Sydney Water has a Part 3A approval for the delivery of water and sewerage to West Dapto and was initially very proactive. However in recent years, Sydney Water appears less focussed on delivery of infrastructure at West Dapto. There is a chicken and egg situation, where Sydney Water won't provide lead in infrastructure until developers obtain development consents. Whereas developers are reluctant to invest in a precinct unless water and sewer is available. Council is reluctant to issue development consent if services are not available or are not forecast to be provided in the near future. It is understood that Sydney Water does not want to provide infrastructure that is not used. However, Sydney Water should recognise the land that has been zoned and has Neighbourhood Plans approved as representing developer interest.

Whilst there is an estimated service capacity to release 2000 lots in Stages 1 and 2, Sydney Water recently advised that there no spare capacity in the sewerage system to service Stage 3 of the release area, which is a big concern, and is contrary to advice previously provided. Sydney Water needs to progress the enabling infrastructure to facilitate development and land release.

- Council is concerned that the NSW Department of Education has not yet invested in 1 new school site in West Dapto. The Department has recently expanded the Dapto Primary School (located at Horsley) but has not agreed to any future school sites. Council has offered part of one of its strategic land holdings as a potential school site. Schools are critical infrastructure for future communities and can influence road hierarchy, bus networks, active transport planning, the location of shops and recreation areas.

The 2008 West Dapto Vision, 2011 draft West Lake Illawarra Special Infrastructure Plan and the current West Dapto DCP chapter note the need for 7 primary schools and 2 high schools in West Dapto.

The recently released West Lake Illawarra Special Infrastructure Plan (2021) does not include funding for school sites in West Dapto, and only notes the provision of 3 sites in Calderwood which are being delivered by the developer through a Planning Agreement.

2.2 Tallawarra

The Tallawarra Urban Release Area was rezoned by Council in 2010. The Project Plan and stage 1 Project Approval was granted by the NSW Department of Planning, Industry and Environment in 2013 and an amendment approved in 2021. The release area is expected to generate 1000 dwellings, as well as employment lands, conservation areas and tourism opportunities. To date no lots have been created.

In 2017 part of the site changed ownership with the new owner wanted to revisit the previous approval and increase the yield and density of the site and expand the zone boundaries. This is an example of development that frustrates the community. Concept plans and draft Planning Proposals are exhibited, debated, approved and accepted by the community. The land was then on sold to a new owner who presumably wants to increase their return by starting the process again to increase the project yield and potentially revisit the delivery of employment outcomes in conjunction with residential development. This pre-development cyclic approach to landing dealings can ultimately affect the viability of project delivery. This issue has been witnessed in the growth areas of south western Sydney. The community would prefer the developer to get on with the development, rather than keep expending energy on reviewing and commenting on changing proposals.

It has been 11 years since the site was rezoned and not 1 lot has been produced. The NSW Planning system allows for the constant review of proposals, rather than requiring development to progress and new housing created. At the least, a developer should demonstrate commitment to a project by constructing the first half of the development, before seeking amendment to the later stages.

2.3 Calderwood

The majority of the Calderwood Urban Release Area is located within the Shellharbour LGA, with only 100ha situated within the Wollongong LGA. The release area was subject to a Part 3A approval and then zoned by the State through SEPP State Significant Precincts (2005) – Appendix 15.

Lendlease, the lead developer of Calderwood, has indicated that the development of the land within the Wollongong LGA will be the last stages of the release. No development applications have been lodged with Wollongong City Council.

Council and Lendlease have executed a Planning Agreement for the partial funding of roads at Yallah, Marshall Mount within the Wollongong LGA.

Council has also executed Planning Agreements with 3 other landowners / developers located within the Calderwood Release Area.

2.4 Development Contributions

The West Dapto Development Contribution Plan (2020) is an IPART reviewed contribution plan and requires the contribution of \$53,000 per new lot / dwelling. The West Dapto Release Area is also subject to the Illawarra Shoalhaven Special Infrastructure Contribution Plan (commenced June 2021) which currently requires a contribution of \$62,238 / hectare for residential land release, which will increase to \$124,477 / hectare (plus CPI) in 2023.

The commencement of the SIC, while welcome, has created uncertainty around how key infrastructure projects will be programmed and funded. The West Lake Illawarra Major spine road was a \$260m project in the West Dapto Development Contribution Plan. It is now a \$260m project in the SIC, which will result in a decrease to the local contribution. However, the SIC is only proposed to collect 10% of the \$260m, thereby requiring the Government to fund the remaining \$231m. This has created uncertainty about the funding, timing and design requirements for the road. Unlike local contribution plans, SICs don't have infrastructure timing estimates. It is understood that the draft West Lake Illawarra SIC (2011) collected about \$10m over 10 years. If the new SIC has similar income levels, regionally important infrastructure won't be delivered in a timely manner. In 2020, the Department launched a State VPA program for the allocation of the collected funds towards business cases. Council was successful in receiving funding for a Strategic Business Case for the Northcliffe Drive extension and Princes Highway / Railway over bridge. Council has partnered with Transport for NSW to prepare the strategic business case which will better clarify the timing need for the significant release area access project.

3. WOLLONGONG CITY CENTRE

Over the past 5 years, there have been some 1,885 apartment units constructed within the Wollongong City Centre. The City Centre apartments are an important part of Council's housing supply, as they are a more efficient use of land and offer housing choice. The apartment housing suits those families who want to live close to services and don't want yards to maintain. However many new units have the same price as greenfield housing, so it is not providing a cheaper price point which was historically the case. Units in older developments are the most affordable option within the city centre.

4. INFILL HOUSING

The Housing and Affordable Housing Options Paper identified that development opportunities were not being taken-up in the R3 Medium Density Housing precincts, with the housing type still dominated by single dwellings. As part of the preparation of the draft Housing and Affordable Housing Strategy Council is reviewing the planning controls for these areas, including floor space ratios, height, minimum lot widths and lot sizes.

The high cost of land is a barrier to development and encourages the development of premium product to cover costs and make a profit, rather than delivering more affordable housing types.

Economic investigations as part of town centre studies have shown that units have a similar price point to dwelling houses in the same suburb, and are therefore not offering a cheaper alternative product.

However, Council cannot adjust taxation and financial settings to encourage or stimulate the delivery of different housing types and choice.

Parliament of NSW
Legislative Assembly Committee on Community Services
communityservices@parliament.nsw.gov.au

Our Ref:
File:
Date:

Z21/159081
CST-100.03.073
17 August 2021

Dear Sir/Madam

POTENTIAL INQUIRY INTO OPTIONS TO IMPROVE ACCESS TO EXISTING AND ALTERNATE ACCOMMODATION TO ADDRESS THE SOCIAL HOUSING SHORTAGE

Thank you for the opportunity to make a submission to the Inquiry.

The City of Wollongong Local Government Area has a population of 220,000 persons who live in 84,000 dwellings. Some 6,731 of those dwellings provide social housing to the community. Additionally, there are 35 social housing dwellings provided for Aboriginal community. The social housing dwellings are spread across the LGA, although there are large concentrations in suburbs like Bellambi, Mangerton and Berkeley.

The 2016 Census showed that -

- 29% of residents (or 58,929 persons) were aged 55 years or older.
- 6.4% of residents (or 13,090 persons) identified as needing assistance in their day to day lives. This proportion had increased from 4.9% in 2006.
- 4% of residents (or 8,049 persons) had arrived in Australia within the 5 years prior to 2016. 80.7% of these recent arrivals spoke a language other than English at home.
- 2.63% of residents (or 5348 persons) identified as being Aboriginal and / or Torres Strait Islander, an increase of 1,122 residents from the 2011 census.
- Housing affordability and affordable housing is a large and growing issue for many residents. With 53% of all households in Wollongong LGA (or 44,853 households) considered as being in the affordable housing income range by definition. Of these households 49% (or 21,978 households) experience housing stress. The proportion of these households increased 5% from 2001 and 2016.
- An estimated homeless population of 811 persons. This is almost double the estimated homeless population from 2011 which was 440.

In 2017 Wollongong was reportedly the third least affordable City in Australia. Over the past year, house prices have continued to increase some 15-20%.

The recent Anglicare Rental Affordability Snapshot report (2021) indicated that there was effectively no Affordable Rental Housing accommodation available in Wollongong.

As a consequence of this background, Council has been pursuing a number of initiatives to increase social and affordable housing, including -

- 1 In 2021, Council and NSW Land and Housing Corporation signed a Memorandum of Understanding to work together to progress opportunities to renew the social housing stock in the LGA, including -
 - Renewal of ageing housing stock, which no longer matches tenants needs (e.g. redeveloping 2 or 3 adjoining cottages into 10-15 town houses)
 - Communities Plus program
 - Investigate opportunities to renew some of the social housing precincts (in the early stages).
- 2 As part of the recently announced NSW Housing 2041 Strategy, Council offered to investigate the opportunity to use Council-owned vacant land and buildings for housing options to provide temporary supportive accommodation.

- 3 Council has utilised a Federal Grant fund to allocate funding to a Community Housing Provider to provide 17 affordable rental dwellings, and is commencing a second funding round.
- 4 As part of draft Planning Proposal / rezoning proposals seeking to increase residential densities, Council has been requiring a 5% Affordable Rental Housing component to be required.
- 5 In 2020 Council prepared and exhibited a draft Housing and Affordable Housing Options Paper and is currently preparing a draft Housing and Affordable Housing Strategy. The draft Options Paper highlighted that the lack of affordable housing was a key housing issue to be addressed.

Terms of Reference

- a Options to better support 'meanwhile use' (temporary supportive accommodation), and the current major planning barriers to 'meanwhile use'.

It is agreed that vacant suitable buildings could be repurposed wherever practicable to offer short-term social housing to people who require temporary accommodation. Repurposing empty accommodation or other appropriate buildings could lead to a large increase in the amount of social and community housing that is available.

During the 2020 Covid lockdown, the NSW Government found temporary accommodation in motels and hotels for a number of homeless people. It is understood that combined with support services, this initiative had a positive effect. A continuation of this type of scheme should be pursued, although utilising other buildings.

Wollongong City Council does not own many unutilised buildings. The majority of Council assets are parks and reserves.

The State should require each Government Department to review their assets. There are vacant schools, police stations, and other buildings across the State. It is understood that Property NSW is the agency that disposes State properties. Their portfolio should be the first reviewed, as it means that other Departments no longer need the asset and they are earmarked for disposal. There may be the opportunity to utilise some of the assets for short-term accommodation. For example, although not in Wollongong, Council officers have seen media reports concerning the former Macquarie Boys High School which closed in 2008, was extensively vandalised and the buildings have been removed. It is unknown whether the site is still owned by the State. Moveable dwellings could be installed on vacant school sites, rather than converting classrooms.

As a consequence of the COVID 19 pandemic, the number of vacant shops and commercial premises in town centres is growing. Most LEPs would permit housing in most Business zones, or the NSW Department of Planning, Industry and Environment could amend the SEPP Affordable Rental Housing. It is understood that one of the main constraints to the use of vacant premises for start-up retail use has been land owner reluctance. Some landowners seem to prefer receiving no rent, rather than having their shop occupied. It is anticipated that a similar situation would occur for a residential use. The landowner would want the Government to pay the installation costs, rent and make-good costs at the end.

The *Crown Lands Management Act 2016* guides the use of Crown Reserves, many of which are managed by Council. The Crown Reserves gazetted purpose is a barrier to the use of Crown Reserves for residential accommodation. The Act requires the use of a Crown Reserve to be consistent with the Reserve Purpose, and this determines the classification, categorisation of the reserve. The majority of reserves are reserved for public recreation or park. A vacant building on a recreation reserve could not be used for accommodation, as it would be contrary to the reserve purpose. Some reserves contain caretaker cottages.

The *Local Government Act 1993* controls the use of Council owned land. The majority of Council land is classified as "Community land", which includes parks, sportsfields, bushland reserves, community buildings, drainage reserves and other land that is accessible to the public. To sell or issue long-term leases, Council is required to reclassify Community land to "Operational land" via a Planning Proposal. The privatisation of public land is rightly opposed by the community and Council. Similarly, the Minister for Planning and Public Spaces seems to be opposed to the loss of public reserves, as evidenced by the one year delay in signing an amending LEP, that includes opportunities for seniors housing and possible community housing providers. However, there is some public land that has minimal recreation or public values and would be suitable for short term housing, or even long term housing opportunities.

NSW Housing 2041 includes an action for Council to review their Operational Land holdings. If other Councils, similar to Wollongong, have minimal operational land, the review will not achieve much. It appears the State did

not want to reference Council owned Community land, as it would generate concerns about the loss of public land, privatisation or signal that it was open to receiving draft Planning Proposals for the reclassification of land.

a Options to improve access to existing accommodation to provide community housing

Options to improve access to sites for community housing are similar to those detailed above.

Community Housing Providers need access to land or dwellings.

Council officers are aware that Shoalhaven City Council have been unable to develop a site for Affordable Housing due to Part 6 of the *Local Government Act 1993* which restricts Public Private Partnerships.

b Options for crisis, key-worker and other short term accommodation models

During the pandemic, it has been surprising that the NSW Government has not allocated funding towards the construction of additional Social Housing, as a stimulus measure. Additional housing would support the construction industry, as well as increase the amount of social housing. An increase in social housing would have flow on benefits for the availability of affordable housing, key-worker housing and crisis housing.

Key worker housing relies on long-term rentals being available. In the current housing market, any property sold at a reduced price for key-worker housing, could be re-sold for a profit. Council has not seen any development applications utilising the Build to Rent provisions that were introduced to the Affordable Rental Housing SEPP earlier this year. It would appear that Build to Sell remains the developers preferred housing model.

c Barriers to additional supply across NSW, including for smaller non-CHP housing providers

The high cost of land is the main barrier for the provision of social or affordable housing. Not for profit, Community Housing Providers need to compete on the open housing market to purchase properties to be used for affordable housing. Developers are able to pay more, as they will seek to build higher quality apartments and sell for a profit. The cost of land is a challenge for all non-residential uses and service providers, including churches, schools and even Council. The high cost of residential land limits Council's opportunity to buy land for parks to service community needs.

The NSW Land and Housing Corporation (L&HC) is self-funded. Their key direction is to renew social housing with no budget. The majority of the current social housing stock in Wollongong LGA is old and not meeting needs of the current social housing population e.g. dwellings are larger than household size, many are not accessible for people with mobility needs, the homes are not energy efficient and are not making the best use of land available. While L&HC aims to increase its housing portfolio, it needs to sell social housing sites to maintain or renew other assets. This effectively slows the increase in social housing.

d Support for and accountability of registered community housing providers

Within the Illawarra there are two main Community Housing Providers -

- Illawarra Community Housing Trust.
- Illawarra Retirement Trust (IRT). The IRT is more focused on housing for seniors, but also provides Affordable Housing.

Council has supported the Illawarra Community Housing Trust over many years, and was instrumental in its establishment in 1983. In December 2020, Council resolved to enter into a funding agreement with the Illawarra Community Housing Trust to allocate \$4.3m in funding for the provision and maintenance of 17 Affordable Rental dwellings from a Federal Grants Program.

Council needs to balance its social objectives and support for organisations like the Illawarra Community Housing Trust, against other principles such as good governance and financial sustainability. Council sells any surplus land at auction to ensure an open and transparent public process. Council cannot give land or sell land directly to organisations like the Illawarra Community Housing Trust, as the community may question Council's ethics and whether a fair or highest price has been paid.

Other issues - SEPP 70

The provision of more Affordable Housing would reduce the demand for social housing.

Since February 2020, SEPP 70 has applied to NSW rather than to Greater Sydney. However, only the City of Sydney, Willoughby, Ryde and Randwick Councils have been able to incorporate an Affordable Housing clause in their Local Environmental Plan.

The NSW Department of Planning, Industry and Environment's Affordable Housing Guidelines outlines a process that takes years to complete and it needs review and simplification. It is well known that there is a housing affordability issue across the State, yet Councils have to demonstrate it to the Department. The Department requires an LGA wide economic analysis, rather than an assessment as part of individual draft Planning Proposals. It would be interesting to know how many Councils are trying to work through the guidelines and the timeframes.

Rather than requiring each Council to go through the hoops, the Department should amend the Standard LEP Instrument to insert the Affordable Housing clause. This would allow Councils to collect funds to allocate towards the provision of Affordable Housing. The NSW Housing Strategy 2041 promotes the use of Inclusion Zoning as a means of collecting developer contributions. Council officers are aware that the development industry bodies such as the UDIA, are opposed to increased taxes on development without increased development yields.

Council's current alternative pathway is to prepare Planning Agreements with developers for the provision of Affordable Housing as part of draft Planning Proposals.

Specialist housing for people with disability

The need for assistance (ABS Census, 2016) is a measure of the number of people with profound or severe disability, defined as people who need assistance in their day to day lives with any or all of the following core activities: self-care; mobility; or communication because of disability, long-term health condition or old age. In 2016, Wollongong LGA had 6.4% of residents needing such assistance. There is a significant gap in the market for highly specialised disability accommodation. As at September 2018, the Department of Health reported there were 5,905 younger people in Australia aged 65 and under living in aged care. Of these 4,000 younger people had been deemed eligible for assistance via the National Disability Insurance Scheme (NDIS) and only 32 of these young people had been approved for Supported Disability Accommodation. Supported Disability Accommodation (SDA) is housing for people who require specialist housing to assist with the delivery of support to people with very high needs. Improving access to SDA under the NDIS is key to reducing the number of younger people living in aged care.

The Australian Government have developed a Younger People in Residential Aged Care – Action Plan to improve the existing situation. There is currently a shortfall in the availability of SDA for younger people who require this level of support. The SDA accommodation market is not yet mature, with very limited supply, land for demand data for potential investors, and significant lead-time required for development of new stock.

Social Futures Australia and the Summer Foundation prepared the Specialist Disability Accommodation in Australia report released in March 2019. This report indicated that the shortfall in specialist disability accommodation in the Illawarra is 93 places. The SDA housing market is new and is expected to create new dwellings for people with disability over the next few years.

Group Homes are currently permitted with consent in all residentially zoned land throughout Wollongong LGA.

For further information please contact Council's Director Planning and Environment, Ms Linda Davis (02) 4227 7111.

Yours faithfully

Greg Doyle
General Manager
Wollongong City Council
Telephone: (02) 4227 7111

Inquiry into the Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021 (the Bill) - Public hearing

Summary of Wollongong City Council staff comments:

- We support LGNSW submission and the Shellharbour Council submission as an ISJO member. Due to the scale of reform we seek:
 - More supporting information (draft regulation/s, practice notes) to understand how the Bill would be implemented.
 - Allowing time for all stakeholders to undertake more analysis of that supporting information.
 - A subsequent structured engagement with Local Government prior to progression of the Bill should be undertaken.
- Wollongong Council has been a long term advocate for nexus, equity, transparency and accountability to be entrenched across all contribution schemes local and state.
- The Bill covers only part of the 29 Productivity recommendations. Understanding the detailed implementation of all recommendations is important.
- More guidance is required on the administration relationship of the various levy schemes proposed i.e.: Regional Infrastructure Contributions, Transport Contributions, Special Infrastructure Contributions, local Contributions Plans. Clear understanding of the role of each and guidance on the type of infrastructure each would fund. Essential infrastructure works guidance is only currently available for s7.11 Plans.
- The table below provides additional comment that follows the Department of Planning Industry and Environment guide to the Bill.

| Productivity Commission Rec | State Proposed amendment | Act Sect. | Bill ref. | Wollongong Council staff comment |
|-----------------------------|--|--------------------|--------------|--|
| 4.1 | Align contributions plans with rezoning | 7.17(1) (e) | [23] | Generally support requiring contributions plans at the time of certain planning proposals. |
| 4.2 | Introduce a land value contribution mechanism to improve efficiency and certainty for funding land acquisition | 7.16B-F | [22] | Concept generally supported. Reducing the time gap between when contributions are calculated and land is acquired will reduce risk of funding shortfalls. However, clear guidelines on administration, including land valuation process would be needed. |
| 4.9 | Encourage councils to forward fund infrastructure through borrowing and pooling funds | 7.3(2) 7.11(2) | [10] [19] | The proposed Act amendments are generally supported. Many Councils already do this. WCC has done this at West Dapto (Fowlers to Fairwater bridge). It should be acknowledged that there is a real risk to Councils. That risk will remain as the key determinant will be the housing market. If development is slow, Council's recoup of funds will be slow. Forward funding of key enabling infrastructure is also needed more at a State level to deliver SIC / RIC infrastructure sooner rather than later. |
| 4.10 | Defer payment of contributions to occupation certificate stage | 7.17(1 A) and (1B) | [24] | Councils take on risk to forward fund as encouraged under recommendation 4.9 above. However, recommendation 4.10 would result in recoupment being further delayed. There is also increased risks to Council by relying on certifiers to ensure contributions are paid. Our experience is that there are existing failings of the system and portal re: accounting for contributions. |

| Productivity Commission Rec | State Proposed amendment | Act Sect. | Bill ref. | Wollongong Council staff comment |
|-----------------------------|--|---------------------------------------|-----------------|--|
| | | | | The Bill drafting also does not restrict the Minister Direction to occupation stage. There is concern that drafting in the current form creates uncertainty. |
| 4.11 | Increase maximum section 7.12 fixed development consent levies | 7.12(5) (a) | [19] | Productivity Commission recommendation generally supported to ensure contributions more aligned with increasing cost of infrastructure. However, the drafting of the Bill seems to allow too much discretion for the Minister that does not ensure increase in maximum s7.12 fixed levies. |
| 4.12 | Planning agreements consistent with principles-based approach | Schedule 1, clause 6A 7.5, 7.10 | [33] [16-17] | Generally support exhibition of Planning Agreements v's current notification process. Support removing need for hard copy PAs being available as they are available on line. |
| 5.1 | Adopt regional infrastructure contributions | 7.22-7.30 | [27] | Council is concerned with replacing the Illawarra Shoalhaven SIC that only came into effect on 4 June 2021. Council has been advocating for finalisation of SIC determination for development at West Dapto for more than 10 years. The reform package proposal to preserving SIC determinations is supported. |
| | | 7.23(3) | | The use of a SEPP to centralise various State based contributions schemes is supported if they all schemes are consolidated into one SEPP. |
| | | 7.25(1) (c) | | Spending funds within the region where they are collected is supported. Certainty that spending in the region where funds have been collected does not come from the Bill as drafted. |
| | | 7.31 | | Establishment of a fund to manage regional contributions is generally supported. However, genuine input of Councils is required to inform spending priorities. |
| | | Schedule 4 | | Transitional arrangements that preserve SIC determinations is supported. This should be explicit in the legislation. |
| | | | | There is concern that the RIC v's SIC scenario may lead to uncertainty about who pays. Developer v's 'mum and dad' project builders. |
| 5.3 | Adopt transport contributions | 7.25(1) (f)(i) | [27] | The proposed transport contribution appears to only apply where a regional infrastructure contribution would apply? In areas where a SIC determination will be preserved certainty should be provided by Government that the SIC areas would not be at a disadvantage. I.e. equitable transport contributions are made between SIC and Regional Infrastructure Contribution areas. |
| 5.4 | Adopt strategic biodiversity contributions | 7.24, 7.25(1) (f)(ii) | [27] | Generally support strategic biodiversity contributions. The reforms should ensure equitable collection and spending between Regional infrastructure and SIC regions. |

| Productivity Commission Rec | State Proposed amendment | Act Sect. | Bill ref. | Wollongong Council staff comment |
|-----------------------------|--|-----------|-----------|--|
| 6.1 | Use digital tools to make contributions simpler and more transparent | 7.18(2) | [25] | Generally support use of eplanning tools. Sufficient time should be provided to allow Councils to develop, implement and transition to such tools. Where significant cost is required to upgrade Council systems State support should be provided. |
| 6.5 | Better synchronise State and local strategic planning frameworks | 3.9 | [4] | Synchronised strategic planning frameworks is supported. Council resource implications associated with bringing forward LSPS reviews from 7 to 5 years should be considered. Where needed supported from the State should be provided. |

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 4:51:18 PM
Attachments: [igs-housing-2021-wrap-up.docx](#)

Submitted on Fri, 27/08/2021 - 16:48

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Rachel

Last name

Whiting

I would like my submission to remain confidential

No

Info

Email

ceo@rdariverina.org.au

Suburb/Town & Postcode

Wagga Wagga 2650

Submission file

[igs-housing-2021-wrap-up.docx](#)

Submission

RDA Riverina recently ran a housing forum (Inland Growth Summit - Housing 2021) in partnership with RDA Orana. RDA Orana have submitted a detailed report. We support this report.

In addition we have attached the summary of the Inland Growth Summit - Housing 2021. We are prepared to provide any of the presentations or further information from the summit.

We are very pleased by the number of submissions coming from our region. We believe that whilst community and affordable housing projects add real value to our region, it is the lack of housing of all types and sizes that causes the current market failure. We are concerned that this will not be resolved quickly but acknowledge the excellent thought being put into this space especially by RivJO and REROC and Tony Balding from the HIA. Because of the difficulty of quickly resolving the lack of housing in the Riverina, areas we feel must be considered by the Regional Housing Taskforce include:

1. opportunities for short and medium term housing supply.

This was addressed in presentations at the Summit by the service worker accommodation program where rents could be managed separate to the market. This included utilising lifestyle village construction. Prefabricated homes was also considered as an option as was camp style accommodation.

2. available transition housing so that people who do come to the regions can build relationships and decide to stay. Currently because of expensive and unobtainable rentals, this is very difficult to do. Longterm rental agreements also make it difficult for people to move where the jobs are once they are in a first regional location. Transition housing could assist.

Thank you,
Rachel Whiting
CEO and Director of Regional Development - RDA Riverina

I agree to the above statement

Yes

Demographic changes, regional growth, employment demand, and multiple other factors have collided to create a really stressful situation in a number of inland communities. And of course we lay over that COVID and what it might mean for the longterm. It's an interesting situation to find ourselves in as The Hon Mark Coultan MP pointed out at the beginning of the day, not long ago communities were offering farmhouses for peppercorn rents, so desperate were we to get people into some areas of regional New South Wales. Now, the focus is so strongly on people moving to the regions. So, we need some innovative solutions. And Assistant Minister Marino is always one to argue strongly for a collective response across all levels of government. And that mateship and collaboration are very much in our DNA as regional Australians. So, let's try to leverage that.

It's particularly important when, as we've heard a number of times today, we've got a multi-billion dollar infrastructure spend coming down the pipeline that will be of enormous benefit, but we'll also continue to put real pressure on housing. Minister Pavey also noted that this is essentially a positive issue in many respects, but one that requires flexible solutions. Among them, the New South Wales government has identified and indexed all the crown land that's available, all 250,000 parcels of it. And that includes land where zoning could be changed. We've listed the site where you can find that on the New South Wales government's site and I think that will also be distributed. Really interesting data from Peta Gilholme from Domain, COVID and housing had this fascinating effect where the market remains extremely strong in many areas and COVID could be a generational change for housing and regional community growth.

It's not a flash in the pan. This is a real 'C' change in housing pressures in inland New South Wales, particularly because current workforce trends are really enabling dispersed work patterns. And that's not just the high profile coastal destinations, but also the major regional centers. I loved her phrase that rivers outrank beaches, which is good news for many of us and that in-depth data she was able to access about who's moving where and why and from where. Data that many of you identified as very valuable.

Neil Barber from Red Cross pointed out the positive economic influence of migration and that migration to the regions is not disconnected from urban migration patterns. Much regional migration is still temporary, but there are ways to harness it for regional benefit. Large migration clusters in major cities do stress services. So, there's a push to bring migrants into regional areas and to keep them there. That's problematic in some ways there's a risk of exploitation with some private rental arrangements, particularly given it can be very tough for refugees and migrants to access employment, but there's an opportunity for some lateral thinking around incentives. If we can work together across government and private providers to meet their needs and to acknowledge that for migrants and refugees, smaller communities, places like Temora and Leeton and Walla Walla and Culcairn could be quite appealing for some families in that cohort.

Julie Briggs from the Riverina JO also talked to us about a flexible local approach to solving these problems. And it is really stressful. It was astonishing to hear that there's not a single house to rent in West Wyalong down the road from where I grew up. And with that billions of dollars in infrastructure investment on its way, the lack of housing can be a handbrake on growth. So, how do we unlock land that's zoned for housing, but not being developed? Julie suggested possibly a revolving infrastructure fund that recognized the upfront costs of things like water and electricity and sewage is enormous. It's got a long lead time. So, could the state work via local government with developers and repayments

would be made as sales are made? Or also perhaps delay upfront payments like biodiversity offsets as a possibility?

Kim Houghton from RAI talked to us about some of the key economic drivers in this situation pent up demand, regional growth driven by prices that were originally significantly lower than the urban centers, demographic trends that are bringing cashed up urban people to the regions and putting pressure on the locals. And he said, importantly that many more people are choosing to stay in the regions and that's driving historically low availability in many areas. Well below the long-term average, rentals are tied up for new arrivals, locals can't get in. There is on the positive side, a record letting a level of building approvals. Although, we don't have good data on what investors are doing in the regions. It will all take time to flow through and mend that supply issue. But Kim warned us that population predictions have often been on the low side. So, we need to just be conscious of those growth scenarios, particularly in the larger centers.

Session two was on ideas and solutions. Mike Day talked to us about the art of timeless town planning and the neighborhood unit. He seeded the idea of affordable living versus affordable housing and pointed out that well-designed neighborhoods can actually be cheaper to live in. They reduce transport costs, they reduce heating costs. It's quite old fashioned thinking in many ways about what makes people feel comfortable and connected and at home, really simple things: the north face in courtyards, good street frontages, pleasant well-designed spaces, even if they're small, walkable neighborhoods.

Brendan Grylls also gave us a really powerful presentation on housing pressures and warned us about what had happened in the Pilbara with that massive mining-led growth as a template for what we're experiencing and perhaps what we need to avoid. So, social housing models might be well-established, but where do we go beyond that for workers? How do we avoid those damaging boom and bust cycles for service workers? And the answer in the Pilbara was the service worker housing program where rents could be managed separate to the market. And we got to this notion of the lifestyle villages, not a concept, you might've imagined coming from the minds of the Pilbara, but Brendan made the powerful point that the market wasn't normal and when that happens, it doesn't attract normal levels of investments. So, it requires robust policy approaches to ensure that we don't lose service workers via a completely unfettered housing market.

Peter Vlatko from Cobar Shire shared his real life experience of that in Western NSW. The remarkable notion that mines don't necessarily engage themselves in these growth issues. They want the people, but they're not so invested in ensuring that they remain in communities. He pointed to a difficult social issues where the miners are welcomed, whether they become part of the community, social and economic structure. And if miners are flying in or flying out or busing or busing out, that doesn't happen. So, local government needs to work really hard to try to bring those people into the community without developing mining camps.

In our Innovations Session, we talked to Tom O'Dea from the NBN who talked to us about digital infrastructure, now recognized as critical as roads and water. The potential upgrade paths are evolving

constantly, including the sky muster satellite. And again, we heard about a huge amount of network investment, \$4.5 billion worth of it coming to enable more Australians to access higher speed. He says 75% of people in fixed line networks should be able to do so. I'm always a little dubious about that. Call me a cynic, but I'm a farmer's wife. And I hope that that's what happens. And certainly it becomes a necessity. We could all have an average of up to 30 connected devices in our homes in the next decade. So, it's critical for business, but a strong personal expectation for building regional communities.

Nick Lane that told us that it takes around three years for people to fully settle into their new communities. And he pointed to the need for available transition housing so that people who do come to the regions can build relationships and decide to stay. It takes a long time, he said, to meet the rising demand, but coupled with that is a sustained infrastructure boom that gives us huge opportunities for social and economic uplift. Riverina alone has many, many millions of dollars in the infrastructure pipeline with more than 7,000 jobs attached to it and that needs capacity. There need to be workers to build everything that's associated with that infrastructure. If we're without the capacity, we miss out on opportunities, we create stressful and difficult situations for the existing workforce, and reminding ourselves that existing regional populations are aging. So, let's not repeat the mining boom issues that are so well outlined by Brendan and Peter. We need housing to be a critical factor in the planning processes as the boom gathers speed.

Catherine Brazier talked to us about efficient environmentally sustainable opportunities for well-designed prefabricated homes, not what you would have thought of in the past. I grew out of the fifties and sixties housing crisis, but perceptions are beginning to change. We're talking construction on steel frames with double glazing insulation, so much more attractive as an option. And it also responds to the skill shortage we've been hearing about. It's a small part of the construction industry, but growing fast with plenty of opportunities for not just houses, but also other sustainable buildings and facilities for communities.

And we also heard from Tony Balding about the possibilities for resilient housing that meets particular needs, but is well-made and it's efficient, particularly for people who've been through disasters. He mentioned an eight hour install with building pros methods for house, plus a granny flat, painters inside within weeks. The capacity for adaption to extreme fire zones, meeting insurance requirements, and that in turn makes refinancing and rebuilding more possible.

Our final session was challenging the norm. We started with Garry Feilding, who talked to us about the search for solutions within the New South Wales planning system, including identifying the issues and trends in regional communities. The act of search for solutions for greater housing choice, supply, and affordability are being identified in regional New South Wales. We expect that report in October this year, but Garry said the impact of very little rental availability is abundantly clear in many regional areas. Housing stress and the following on pressures are growing rapidly. And that includes social pressures too. Where do you find social housing, for example? Where do you find crisis accommodation in this demand heavy market, especially when the pipeline is slow to respond? And added to this there is the issue around the stock itself, is unlocking new sites always the answer? Not necessarily.

David Fisher from Housing Plus also stressed to us just recently how difficult this all becomes when there are 1.4 million people in some form of housing stress right now, and by affordable housing, we mean

housing 20% below the market average. Where then do we put people who need refuge? People who need emergency accommodation? Aboriginal community housing providers? And the like. He pointed out that community housing providers are charitable. They don't pay GST or land tax or stamp duty. So, collaborating with them regarding community housing makes it possible to achieve good solutions for your community efficiently and effectively. Now, it won't be the only solution. There are 50,000 people on the waiting list and growing, nothing will be solved by a single agency, but that collaboration with community housing providers does mean that there are economic benefits and that's in construction, in securing workforce, in all the issues that we've been talking about.

You heard from Brett Stonestreet Griffith City Council and Justin Nyholm Argyle Housing about how effective those collaborative approaches can be and also the lessons learned. Among them, the need for really extensive community consultation, understanding what the community values, which might be unexpected, perhaps not what you would have thought it would be, but we also saw the picture of what long-term close collaboration can achieve. And from Jenni Matilla from CIVITAS just now that it does take time. That fast grants and quick political won't budge deep seated complex housing issues.

So, just to summarize, there are both big pressures and big opportunities ahead for us in inland New South Wales. A huge infrastructure pipeline skills and labor shortage in the regions, which promise so many good things for our continued economic sustainability, but how, and where do we support that with appropriate housing? And that housing needs to be well-built, it should be responsive to people's real needs. It should be connected with how they want to live and work. There's a big demographic shift going on that those of us in the Bush and the regions find ourselves right in the middle of. So, let's get that right. Let's not turn regional inland New South Wales into another Pilbara. Let's ensure that housing is a critical factor in the planning process, that local stakeholders are always part of the process, but that government at all levels recognizes that they also have a responsibility to participate actively, collaboratively, flexibly in these big issues. That warning about the Pilbara was an important one.

Inland Growth Summit 2021
RDA Riverina and RDA Orana

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 5:07:14 PM
Attachments: [2021-27-aug-c4w-submission-regional-housing-taskforce.pdf](#)

Submitted on Fri, 27/08/2021 - 17:06

Submitted by: Anonymous

Submitted values are:

Submission Type

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Wagga Wagga

Submission file

[2021-27-aug-c4w-submission-regional-housing-taskforce.pdf](#)

Submission

27 August 2021

REGIONAL HOUSING TASKFORCE SUBMISSION

The Committee for Wagga welcomes the establishment of the NSW Governments' regional Housing Taskforce.

The Committee for Wagga (C4W) is a not-for-profit, member-funded network that is open to private, public, and not-for-profit organisations, businesses, and individuals in the Wagga Wagga region. Our purpose is to support and promote the City to ensure sustainable accelerated population growth, identify and implement opportunities that will enhance our cultural, social, business, and economic prosperity, and provide a platform for community, business, and government collaboration to effect positive change.

C4W submission to the Regional Housing Taskforce is consistent with the C4Wagga Strategic Plan and the core business goals and objectives of C4W, which are noted below.

The core business of C4W is to champion positive change for a better Wagga Wagga by;

- Supporting and promoting the City to ensure accelerated population growth.
- Identifying and implementing opportunities that will enhance our cultural, social, business, and economic prosperity.
- Providing a platform for community, business, and government collaboration to effect positive change.

The goals of C4Wagga are to;

- Enhance the quality of life within Wagga Wagga.
- Enable the community to initiate and effect positive change.
- Develop and expand the existing and emerging leadership base.
- Facilitate the interaction of community, business, and government.
- Support a flexible and creative business culture.
- Partner to develop city infrastructure.
- Position Wagga Wagga nationally and internationally.

Wagga Wagga is a significant beneficiary of the recent infrastructure investments from both government and private entities. The expected population growth and associated issues have been well documented and referenced through our various partnerships. We have partnered with the Local Housing Institute Australia (Wagga Branch) and Regional Development Australia (Riverina) to deliver the 2019-2020 Land Monitor Report for the Wagga Wagga.

That report outlined the clear gap between lots produced for building (306) and the amount required annually (607) for Wagga Wagga to reach its estimated population growth by 2038. That population is 100,000 as outlined in the NSW governments' 20 Year economic Vision for Regional NSW.

The Regional Development Australia Riverina's - Regional Inland Housing Summit has been held for several years and was recently held virtually. C4W shares the concerns represented at the summit with the reduction in available social and affordable housing.

The C4W would provide support for any submissions that have been provided by our members or partners, including; RDA Riverina, HIA – Wagga sub-branch, Tony Balding – The Building Supply Company, Wagga Wagga City Council, Ryan Knight – Viewco / HIA, Damasa pty ltd, or Ladex Construction Group.

For any further information, please don't hesitate to contact me

Regards

Brett Somerville
Chief Executive Officer

I agree to the above statement

Yes



COMMITTEE FOR WAGGA

Championing positive change through leadership, action, and collaboration for a thriving Wagga Wagga

27 August 2021

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For any further information, please don't hesitate to contact me

Regards

Brett Somerville
Chief Executive Officer

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 5:07:08 PM
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Submitted on Fri, 27/08/2021 - 17:05

Submitted by: Anonymous

Submitted values are:

Submission Type

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Submission file

[regional-housing-taskforce_submission.pdf](#)

Submission

Pls see attached submission.

I agree to the above statement

Yes



27 August 2021

Mr. Garry Fielding
Chairman
Regional Housing Taskforce

Dear Chairman

PUBLIC SUBMISSION – REGIONAL HOUSING TASKFORCE

Huntlee New Town would be one of the largest regional housing developments in NSW, if not the largest. Its development cycle spans 25 years, 7,500 dwellings and will house over 20,000 people. It provides significant regional jobs during development and will provide a broad range of permanent jobs at completion.

Stage 1, comprising about 1/3rd of the whole project, was approved as a State Significant Development pursuant to Part 3A of the EPA Act. Development works commenced in February 2014 and at the time of writing more than \$250M in capital works have been committed and 1,000 homesites completed as well as several commercial developments. This does not account for the hundreds of millions in housing construction work that has been committed and the associated employment generated. Suffice to say, Huntlee is a significant contributor to regional employment and economic activity.

Despite its significance, Huntlee is continuously and repeatedly experiencing inordinate planning delays and extraordinary cost burdens in delivering housing lots. Even its status as a State Significant Development fails to facilitate orderly and proper delivery of housing in the region.

In preparing this submission, we have deliberately avoided providing a detailed litany of the issues being experienced at Huntlee. Rather we have simply provided a dot-point list of some of the overarching issues we see as causing real problems for housing supply in the regions. Naturally these issues are framed in a subjective way, but we believe this is important for the Taskforce to accept given that Huntlee's experiences are real and tangible, rather than being a theoretical exercise.

Key Issues:

- **Plans And Strategies Ignored.** For the Lower Hunter, DPIE has produced the Hunter Regional Plan 2036 and the Greater Newcastle Metropolitan Plan to frame development in the region. These two plans enunciate the planning objectives for the region and provide over-arching objectives for housing, transport, recreation, and the environment.

However, almost without fail, the purpose of these documents rarely plays any role in determining a planning application. In our experience, the objectives or preferred outcomes of such Plans rarely 'inform' or support a planning application; instead the minutiae of a local policy will mould the application.

We have real-world examples, including one where the gradient and alignment of a footpath through a nearby park is delaying \$60M worth of much-needed development. This is a bizarre circumstance for this to be a critical issue at the planning assessment stage.

The Taskforce could identify ways to bring more weight to the objectives of a higher-order Plan in the assessment phase.

- **Paralysis by Analysis.** The inordinate reporting, re-reporting, technical analysis, specialist expertise, and infinite detail demanded by planners to support an application is simply extraordinary. Instead of dealing with the planning issues at hand, it appears that the default response is to require further technical studies, and hence the application becomes paralysed in detail. The time and cost can only be passed on to the price of the end product and hence affordability suffers.

There is no argument that major development applications require significant expert analysis and studies. However, the question arises as to the timing and detail required at the planning phase. Many of the reports that are demanded require considerable detailed design that are much more aligned to the Construction Certificate phase than at the planning assessment phase.

The Taskforce could consider the level and extent of detail required at the planning assessment phase and what information could reasonably be conditioned for more detailed approval at a later phase of the approval process.

- **Planning Overreach:** In a similar vein to the above comments, there is considerable 'creep' into the scope of planning involvement. Town planners are not experts in civil engineering, ecology, architecture, or property economics. Yet, increasingly, town planners are encroaching into these fields in the assessment and approval process. It is not uncommon for a town planner to comment on the architectural design of an application (i.e. beyond key impacts such as height, scale, and setbacks). Or to comment on the size and sequence of stages within a development. It should not be incumbent on an applicant to justify development matters that fall well outside the realm of planning policy. Planning assessments should be refocused to prioritise core planning outcomes.

The Taskforce could consider ways in which planning assessors are refocussed on core planning principles rather than delving into an increasingly larger range of peripheral matters.

These are just some issues we see from an active development perspective. There is a myriad of other concerns that could be raised (e.g. developer contributions, time and delay costs, referral agency responses, and the like), however these are well known issues that have been raised in other industry engagement processes.

We have kept this brief, however we would welcome further engagement with the Taskforce to delve into further matters that have significant impacts on the delivery and affordability of housing within the region.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Stephen Thompson', with a long horizontal flourish extending to the right.

Stephen Thompson

Project Director

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 2:54:55 PM
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Submitted on Fri, 27/08/2021 - 14:52

Submitted by: Anonymous

Submitted values are:

Submission Type

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Dubbo

Submission file

[2108-rdaorana-submissiontonswregionalhousingtaskforce.pdf](#)

Submission

Please find attached a comprehensive submission from RDA Orana to the Regional Housing Taskforce. We look forward to working with the NSW Government to implement solutions for our region.

I agree to the above statement

Yes

Submission to the NSW Regional Housing Taskforce

By

Regional Development Australia (RDA) Orana



27 August 2021

1. Summary

Regional Development Australia (RDA) Orana welcomes the opportunity to provide this submission to the Regional Housing Taskforce. We applaud moves to ensure that the issue of housing is looked into closely and relevant solutions sought particularly in inland regional and rural NSW.

RDA Orana is an incorporated not for profit association, led by a regional committee of industry representatives supporting economic development across the Orana region. We engage with the local community, including Aboriginal groups, as well as businesses to identify issues and gaps in provision and advocating for the region to ensure that these gaps are filled.

We recognise that housing markets tend to be regional and that housing availability and affordability are likely to be as influenced by local demand and supply conditions as by broad national conditions.

In the last three months, we have been heavily involved in researching issues highly relevant to the Task Force's inquiry into housing delivery. We achieved this through a combination of stakeholder consultations, research studies and the Inland Growth Summit held in the beginning of August. The main drivers of our growing attention and research into housing have been:

- Unpredictable population growth in the region
- Shrinking public funds for social housing
- Decreasing housing stock in regional areas as a result of increased demand
- Aging housing stock in rural centres
- Lack of workforce housing that increases pressure on workforce attraction in regional and rural areas
- Growing affordability problems for low and moderate income households
- Greater diversity of client needs that cannot be addressed adequately within the existing service delivery and policy framework.

Our research has helped us develop a comprehensive understanding of the range, availability, supply, and demand of housing, including barriers to investment. We have received great insight and input that we intend to share with you in this submission.

2. Introduction

Orana is the most diverse and largest region in NSW, servicing a population of more than 121,000 people across the central west and western NSW. It covers 200,000km² and represents 25% of the state. The region encompasses 12 local government areas (LGAs), with major regional towns including Dubbo, Mudgee and Cobar. With a fast-growing economy, and strong agricultural and mining sectors, the region relies heavily on skilled, semi-skilled and unskilled workers.

Demographic changes, regional growth, employment demand, and multiple other factors have collided to create a really stressful housing situation in a number of inland communities. That combined with the impact of COVID has created a serious gap in housing supply in regional areas.

Housing needs, preferences, and community expectations have all changed dramatically in the last 50 years. As future generations enter the housing market, demand for innovative and alternative forms of housing will continue to rise.

3. The importance of housing in our regional communities

Not long ago, regional communities were offering farmhouses for peppercorn rents, in a desperate attempt to get people into some areas of regional New South Wales. Now, the focus is so strongly on people moving to the regions that there are significant pressures arising from it. There are both big pressures and big opportunities ahead for inland NSW. There is a huge infrastructure pipeline planned for regional NSW that will generate so many job opportunities for our regional communities. Nevertheless, there is a growing concern about the ability of regional communities to house additional people.

The shortage of affordable housing in our regional towns and centres is the single biggest reason for workers not moving to rapidly growing regional areas. This is especially true for the mining industry. As mines go through the development and construction phase to operations, both economic and social infrastructure struggles to keep pace. Other industries like manufacturing and healthcare have also reported struggling to find suitable workers as a result of inadequate housing.

Housing activities contribute significantly to the domestic economy and the performance of the housing sector has potentially profound implications for macroeconomic performance and economic management and productivity. Housing is also an important source of investment and wealth creation, especially for homeowners, thereby acting as a further economic stimulant.

4. Drivers of housing markets in regional NSW

Drawing on the available public evidence and our own research, we provide below a synthesis of what we would argue are among the most significant problems facing regional housing markets:

- **Demographic changes**-Major demographic trends in the region show an aging population, changing household composition and changing size and age composition of the Indigenous population. Together, these changes suggest the need for significant increases in housing supply particularly in remote areas and low income regions where demand outstrips supply. The changes in demographics are largely due to: longer life expectancy; internal migration; and growing household diversity.
- **Population growth**- The region presents a more varied picture of population change and distribution, with many LGAs experiencing population decline in the last 10 years. Much of the growth has been concentrated in larger towns like Mudgee, Cobar and Dubbo. Housing demand is closely linked to population growth, but for much of the recent era growth in demand has outpaced population growth.

It is also worth noting that **regional population predictions may not be very accurate or take into account changing dynamics**. Therefore, should the regions experience high levels of population growth, there will be increased pressure on housing markets, inflating prices and impacting housing affordability.

- **Ageing population**- Population ageing results in a changing population composition, with older age cohorts growing relative to young age cohorts. Most people would prefer to age in place – whether in their own home or in a form of supported accommodation.
- **Changing migration patterns**- Internal migration trends showed an increasing net gain of residents in regional areas, mainly from major cities. Regional Australia experienced a net inflow of 43,000 people from the capital cities in 2020. We also found that more people are choosing to stay in their regional communities, increasing the demand for housing.
- **Labour market growth**- There are strong and stable geographic links between housing markets and labour markets within the region. Most people live and work in one region – or travel to an adjoining region to work. People move to different parts of the region to follow job opportunities and/or housing opportunities. With the regions experiencing significant infrastructure and project investments, it is expected that housing demand will increase. Local businesses are reporting hardships in attracting appropriate workforce due to unavailability of housing within the region.
- **Economic factors**- There are significant numbers of households with low and insecure incomes across the region. Many inland and rural areas have a significant population

reliant upon statutory incomes, with many households recording low income according to ABS data. This creates an issue of affordability. The problem of affordability has been a function of both strong demand and limited supply. Rising average incomes, a decrease in household size, population growth and cheap, available credit all contribute to the demand for housing.

5. Issues affecting the availability and affordability of housing in regional areas

Critical issues affecting the availability and affordability of housing in regional areas include:

Limited supply of publicly-owned dwellings and social housing - There is very limited public housing stock across regional NSW which in most cases is the older and poorer housing stock. The absence of sufficient public rental housing places additional pressure on the private market.

Changing demographics and mismatched housing stock is causing a lot of pressure on the housing market. From the growing household size to the changing housing composition, we have found that the housing needs are changing, causing a need for diverse housing provision which is inadequate in regional areas.

There are **significant numbers of households with low and insecure incomes across the region**- Central Darling for instance ranks top in the NSW State as the lowest income socioeconomic areas. Other LGAs reported having a significant population reliant upon statutory incomes, with many households recording low income according to ABS data.

The **small size of the rental market** in many regional areas- Majority of the LGA's reported a very small rental market with very few active real estate agents, with some reporting having no real estate agents at all. Of the 12 LGAs, six were found to have no rental houses listed, but had 144 houses for sale. This disparity can be attributed to the owner's preferences to selling over renting, and the fact that most of the houses are old and require significant renovations that owners may not be willing or able to undertake.

Peaks in demand for workers particularly in industries like construction create **short term demand** which drops as soon as the projects end. Legislative reforms allowing for temporary accommodation rentals has influenced long-term supply in that property owners prefer to transfer normal rentals to AirBNB. There has been an increasing number of short term housing, creating increased competition for rental markets especially in larger towns like Mudgee, that also has a growing tourism market.

Across many Shires, it was reported that workers were unable to move in or stay tenants in the community of their choice because housing simply was not available. **Many workers are forced to live outside of the region** with employers opting for FIFO or DIDO to satisfy their labour needs.

Many regional areas have experienced **sudden ‘demand shocks’** (particularly due to the COVID-19 pandemic pushing people away from metropolitan areas) that have adversely affected the rental market. In some areas, land and house prices have risen across the board.

Changing migration patterns are causing increased pressures on regional housing markets as more people are moving from bigger cities to smaller regional towns, and more people are choosing to stay in their regional communities, increasing demand and creating housing pressures.

Uncertain supply processes for the rental market in regional areas have also contributed to the high degree of housing pressures. The study found that the rental stock in the region has been declining, with very few vacant houses being available to rent.

Lack of housing diversity across the region is a major challenge. Higher density housing forms such as townhouses which are frequently used for rental housing in the metropolitan areas, are relatively uncommon across the region. Most of the housing supply is in the form of detached dwellings and there are not many options for smaller households.

Another constraint identified was a **high degree of reliance on small scale investors who live locally**. Our study found that ‘mum and dad’ investors comprised almost the entirety of the rental supply system in most LGAs and this resulted in limited investment overall. Many LGAs reported having no active developers or real estate agents.

6. Barriers to investment and new housing supply

From our research and consultations, we identified the following barriers to investment and new housing supply in regional areas:

- I. **Small pool of developers and investors**-Most regional and rural areas do not have any active developers, which is a big barrier for large investors. Most of the investors in the housing market across the region are mom-and-dad investors, or community providers with limited capacity. It is harder to attract larger investors who would substantially contribute to housing development and supply.
- II. **Return on investment**- The risk-adjusted rate of return on housing in regional areas is viewed as too low by investors. If the returns are not going to compensate for the risk of the investment, development does not occur. Many regional and rural areas are perceived to have low ROIs due to economic, and demographic factors including unpredictable population trends resulting in demand changes. Whenever there is low demand, development is more risky as rates of sales and final revenues are less certain. Population predictions across the region indicate a predicted decrease in population, which means that investors have less confidence in the markets as they anticipate a decrease in

demand. Most regional areas show signs of market failure and are considered high risk by investors, leading to underinvestment and lower valuation.

- III. **Cost of development and construction-** Another important overarching feature is the concept of a minimum price of housing, based on the cost of the land, construction costs, professional fees and minimum acceptable developer return.

Building a house in a remote regional area tends to be more expensive and take longer than metropolitan areas. Regional areas have minimal access to materials and labour, making it expensive to construct a new dwelling. Even though the cost of land tends to be lower, the cost of construction in many cases is high. This means developers are unable to deliver a product to a large part of the population who cannot afford this minimum price because their income is too low, or they lack the necessary savings to meet the deposit requirements of lenders. In other words, there is a gap between prices and affordability for many households. This could only be met through some type of government intervention or a shift in the balance between prices and incomes.

Additionally, most rural and regional areas experience a longer lead time in construction materials, making the construction process longer than it is in metro areas. This along with the high prices of materials and the unavailability of labour acts as a disincentive for major developers or investors who may want to invest in the region.

- IV. **The complexity of the planning system-** The planning system faces challenges in terms of balancing the needs of future housing from existing communities. Most regional areas do not plan for growth and are therefore very unprepared for sudden changes. Population predictions in many of these local areas show an anticipated population decline, which limits infrastructure investment and causes concern for potential investors as they would not want to plan or invest in an area with no expected returns. There also may be some resistance from locals who may not want big developers in their neighbourhoods.

- V. **Long lead time for residential development-** Long lead times in seeking planning and development approvals, the time taken to construct new dwellings, and the long term durability of housing products means that there are inevitably lags between adjustments in consumer preferences due to price signals or changing social and cultural norms, and the housing products which are available to the market. The development approval process in some cases tends to be too long, therefore discouraging potential investors. It was reported that the average length of approval is between 8-12 months in some areas. By the time a developer has secured the land and the necessary development approvals, the market may have changed, and the development may no longer be profitable.

- VI. **Access to finance-** This is especially true for social and community housing providers who rely on funding from the government or capital grants provided by state, territory and Commonwealth governments on an ad hoc basis. Lack of capital grants restricts

private investment once existing assets and cash flows are committed. Private investment in community housing, is fundamentally about whether the combination of capital grants, subsidies and rental income is sufficient to fund construction of new stock and maintain existing stock, pay the cost of capital, while enabling rents to be held at a level that is affordable to the lowest income households.

- VII. **Regulatory fragmentation-** Investors tend to look for scale in markets. Undue fragmentation can, therefore, deter investment. This can stem from various sources, including fragmentation in the market itself: e.g. small investments; multiple actors with different incentives to invest; or barriers to growth. However, it can also be exacerbated by fragmented regulations -different regulations in comparison to the potential size of the market.
- VIII. **Structural barriers-** There are some structural impediments preventing greater institutional investments in the housing sector including; complexity in planning, construction and tenancy management; policy inconsistency and uncertainty; lack of incentives in tax policy; lack of scale and illiquidity of assets.
- IX. **Construction and tenancy management services-** There is an evident gap between trades expertise and that needed for large scale projects, which at this time may not be being effectively met by other construction professionals. This gap is even more significant with the introduction of innovative building methodologies. Many LGAs reported having no access to the required labour to construct or renovate existing houses, creating a disincentive for potential investors.

Many of the LGAs reported having no active developers in the region. Many of these rural towns don't have real estate agents or property managers and rely on word-of-mouth advertisement for available vacancies, which is a great disincentive for big investors who predominantly use these services.

- X. **Land availability and attractiveness-** Our study found that there is adequate land zoned for housing development across the region. We also found that even though there might be significant land available, they may not be attractive to investors. The zoning and sizing of land can limit the type of housing being provided, and in turn discourages big investors.

Additionally, potential investors might face release issues. There are some land owners who are reluctant to develop the land or homeowners who do not want to rent out their houses in favour of selling or short term rental accommodations like AirBNB.

7. Are current policies enough to stimulate housing supply and bridge the housing gap?

From the supply and demand perspective, the current mix of Commonwealth and State policies are likely to be insufficient (with some even being counterproductive) to close the housing gap. There are measures that boost housing demand rather than supply which detract from greater equity participation by the private sector.

Current policies may also be directly and indirectly hindering the supply and demand of affordable housing. Federal Government tax policies such as negative gearing and capital gains tax discount, fuel investor demand for established properties, put upward pressure on prices and drive down rental yields.

National policy has effectively promoted (residential) property ownership investment over home ownership as the top policy priority. Financial deregulation has inadvertently prioritised ‘mum and dad’ property investors relative to the goal of stable family formation and economic participation in vibrant communities.

Government policies have had a critical, if not determinan, influence on the operation of housing markets in regional areas. It is evident that:-

- The First Home Owners Grant, and especially the expanded version of that grant introduced as part of the Nation Building Economic Stimulus Package by the Australian Government, has driven large sections of the housing market and increased participation in many regional areas. However, the increase in participation does not necessarily translate into demand as people still face hurdles like saving for deposits while paying rent in their current accommodations.
- In some remote areas, government provided housing represents virtually the entirety of the social housing stock and that there is no functional market to be identified. This is particularly true in areas with low incomes like Central Darling Shire and Warrumbungle Shire. In many rural and regional areas, the publicly-owned stock is very small, and the stock of publicly-owned dwellings is often inadequate in areas where there are affordability pressures.
- Only those in greatest need are served by social housing, and it is becoming increasingly clear that it cannot accommodate individuals with only low wages. **The gap in the housing stock to accommodate people on low incomes is the most serious potential issue.**
- Other recent affordable housing policy initiatives have had a muted impact on regional areas. There is also very low awareness of these measures.

We believe that there's a shortfall of necessary equity investment by governments and the private sector to deliver new housing in sizable volumes to alleviate the housing shortages. The resources are there, and what the government needs to do is acknowledge the urgency of the housing problem and take steps to prioritise those in need of secure housing.

Some policy development options are likely to boost developers' supply responsiveness. First, although monetary policy does not have a specific housing goal, policymakers should be cognisant of the effects of interest rate changes on housing supply because financing can be a significant barrier to construction, particularly for smaller developers. Second, all other things being equal, the more assurance the government can provide in the development process, the better the supply responsiveness is likely to be. It's also worth noting that developers are profit-maximizing agents. As a result, continuous government intervention will almost certainly be required to cross-subsidize in regional and rural areas where the return on investment is low.

8. What happens if we do not deliver proper housing solutions

A lack of responsiveness of housing supply will affect the economy through two major channels:

- 1. It will have negative impacts on macroeconomic stability (a demand-side impact).**
- 2. It will impede labour market flexibility (a supply-side impact).**

The overall consequence will be subdued economic growth, with the economy operating below its full capacity as housing markets fail to adjust swiftly to demand shocks.

Whether built around agriculture, tourism or mining, our regional towns have a strong sense of identity and community. A large influx of non-resident workers is a permanent disruption to the social fabric and feeling of a town and this 'shadow population' has a serious and negative impact on the safety, image and amenity of communities. Industry needs to be concerned about the decline in supporting communities, particularly in areas with long project lives and untapped resources.

The lack of housing opportunities near jobs creates costs for employers, as the local labor pool contracts, and as turnover, training and placement costs increase. Given that the ability to attract and retain skilled labor has increasingly become a prime determinant in business growth, if there is insufficient housing, then businesses may choose to relocate elsewhere. Workers, in turn, face long commutes from where they can find affordable housing to where they work.

Workforce shortage has been an ongoing concern across regional communities over the last few years. With many local communities recording very low unemployment rates, businesses are forced to rely on external labour to fill their skills needs. There has been an ongoing shortage of general practitioners and medical specialists including nurses, midwives and allied health professionals in regional and remote communities. If adequate housing is not provided, local

businesses will be unable to fill essential positions and experience lost opportunities for economic development.

As the construction phase and higher level of investment and production in the resources sector continues, so too does the high demand for labour. The resource industry's need for labour, which is already greater than the labour market is able to easily provide, is expected to continue to grow. Many resource companies often utilise FIFO arrangements to source workers, especially skilled workers, in the increasingly tight labour market.

A basic lack of available housing will push prices beyond the reach of many workers and make resource towns an unattractive option for new residents. The primary cause of the current housing crisis in resource communities is a lack of adequate planning and appropriate land release. FIFO/DIDO is just a temporary solution to labour shortage in regional communities. The continued failure to address this issue simply has a flow-on effect for non-resource, or 'source' communities.

The use of FIFO for non-remote, on-going resource operations may have the effect of blocking the development of other services delivered by residential providers by limiting the permanent population of affected towns. It also results in a loss of up to 25% employment positions during the construction phase and up to 20% employment positions annually due to reduced worker spending. This constraint on economic growth through loss in expenditure reinforces constraints being imposed by a lack of affordable housing. The regional economy stands to lose up to \$300 million in gross regional product and the upward of 3,000 full time positions annually by contracting FIFO workers instead of using a permanent resident workforce.

Short term letting platforms like Airbnb have an impact on the private rental market. Larger town areas are most affected as long term rental properties are taken out of the market in favour of short term letting. These STL platforms increase the fluidity of the housing market and they also likely reduce the market's ability to provide a steady and sufficient supply of affordable housing.

9. Our Recommendations

Housing supply concerns cut across multiple policy portfolios that are administered by different government agencies. From our research and consultations, we recommend the following:

1. Initiating a holistic approach to housing

Government needs to take a more strategic approach to housing in regional areas by recognising its interrelationship with other sectors of the housing market. Government should adopt a coordinated approach to housing with both public and private sectors. It can do so by; taking a comprehensive approach to the planning and delivery of housing; considering the roles and contributions of all sectors (government, private, financial and community) and including a range of strategies for improving housing stability and affordability.

To ensure this is achieved, we recommend:

- Auditing of housing demand and supply in regional communities to identify gaps and opportunities in development.
- Developing a register of both public and private housing for workers to track what is available and where the gaps are in terms of housing supply and demand
- Investigating housing trends to identify appropriate strategies in order to accommodate housing needs for the emerging industries. This may be by way of adapting existing properties to suit the emerging market demand.
- Working with the state and territory governments to set housing supply targets. We recommend setting an initial minimum headline target of an annual net increase of 250 dwellings for workers and low income households.
- Ensuring enforceable arrangements are in place to meet the set targets.

2. Building stronger partnerships

The delivery of adequate housing relies heavily on partnerships between government and non-government organisations. It is important to capitalise on the strengths of the different sectors to ensure that the objectives are met. Rather than expecting any one sector to carry the bulk of responsibility, we need to engage more effectively to draw on the skills and expertise of community organisations, government agencies and private enterprise for solutions to housing challenges.

We recommend a range of ideas for strengthening partnerships, including:

- Innovative partnership models that allow for shared risk, openness and transparency and information sharing like the DHA model, shared equity models etc.
- Taking an economic infrastructure approach to policy development and funding social and affordable housing.
- Leveraging private finance to create more stock and provide social benefits.

3. Building capacity within the existing housing stock

A lack of knowledge about latent capacity within the existing housing stock, and of the potential for design innovations, tenure, and financial arrangements to better utilise this potential capacity is a major limiting factor to housing supply in the region. Technological innovations and forms of collaborative consumption, such as those associated with the ‘sharing economy’, may present new opportunities to utilise latent housing capacity. This study recommends to:

- Initiate and support the renovation of old existing houses that have been left or abandoned bringing them to appropriate standards
- Redevelopment of existing large sites with old housing stock, to medium density housing

- Explore short term housing solutions for seasonal workers and individual workers like AirBNB, motels, caravan parks etc.
- Support for worker housing by increasing investment in housing by Government for Government and essential workers
- Support private sector employer funded housing to attract skilled workers into the region
- Government to purchase housing and provide head-lease to facilitate short-term/bridging accommodation for professionals and workers moving into the region
- Encourage a mix of housing types to create more socially diverse communities.

4. Support for private investment

Taxation and legislative reforms should aim to reset the market to support the provision of more affordable housing in the private rental as well as home ownership markets. Specific strategies that can be recommended include:

- Introducing incentives to reward investors for investing in affordable housing options in rural and regional areas.
- Providing land tax exemptions to private landlords who provide long-term leases and affordable rents.
- Legislating to allow new hybrid tenure models (such as cooperative ownership, shared equity/ownership, sales and lease back etc).
- Implementing a tax credit to replace the existing benefits available to real estate investors through negative gearing and capital gains to build a new pool of capital or housing investment.

5. Adjusting planning systems and policy settings

Despite more than a decade of planning system reforms, development industry sectors continue to emphasise the role of planning system constraints in undermining supply responsiveness, implying a need to review and quantify the impacts of key reforms on blockages in new housing production. Policy attention and interventions need to focus on factors reducing the responsiveness of new supply to changing demand, acknowledging that these may play out differently in different market settings. We recommend:

- Local government plans to be revisited to identify where affordable housing can be provided and implement any changes needed in planning and approval processes and/or changes in taxes and charges to ensure that targets can and will be met
- Government policy that supports investment in housing by significant/major projects
- Develop strategies that can support housing supply during periods of price stagnation and overcoming problems associated with speculative planning applications, which result in volatile flows of new housing supply

- Take advantage of COVID-19 trends pushing more people out of metro areas into regional areas to alleviate housing pressures and in turn grow regional population and expand economy

6. Increased public and private funding

Further, it is important to work on ensuring wider financial interventions with direct or indirect effects on demand can support, rather than distort housing choices and supply across the market. This can be done by:

- Providing cheaper and longer-term finance for the community housing sector
- Funding to small Councils to construct housing which can then be leased or sold to generate income for councils
- Government guarantees to permit debt financing and negate the need for substantial equity contribution for community providers
- Revolving funds to provide equity to development projects. The equity would be returned once mortgage loans are issued.
- The Commonwealth government should coordinate funding requirements to provide financial incentives for state and territory governments to meet the annual targets for affordable housing provision as well as to meet any remaining financing shortfall through direct subsidies in the form of tax incentives to housing producers.

10. Policy options for stimulating investment

There is a clear and important link between the responsiveness of housing supply and economic development. The housing industry is extremely diverse and policy-makers need to recognise that policy settings will not have a uniform impact across the industry. There remains a need to better understand how particular obstacles in the development process affect different sectors of the industry and to pay more attention to how and where new infrastructure is being provided so as to maximise opportunities for development in areas of high demand.

Increasing housing supply, will likely entail a combination of policy responses across both Commonwealth departments and state government agencies. The policy options in the table below focus on improving housing supply and affordability.

| Issues | Policy Options |
|---------------------------|--|
| 1. Housing demand | |
| Reduce demand for housing | A. Facilitate downsizing (eg by reducing stamp duties for households moving to a cheaper dwelling and/or removing owner- occupied housing exemption from assets test) to allow older people to move to smaller |

| | |
|--|--|
| | <p>housing</p> <p>B. Reduce incentives for speculative investment in housing (eg by reducing asymmetric treatment of capital gains and interest deductions)</p> <p>C. Demand side assistance for disadvantaged households, targeted in a way that will not create undue pressure on prices or rents.</p> |
| 2. Lack of investment housing | |
| Increase investment in housing | <p>A. Reduce burden of land tax on residential investment</p> <p>B. Remove disincentive for large scale investment in rental housing</p> <p>C. Initiate and/or support establishment of a financial intermediary and products to encourage institutional investment and ensure housing providers have access to finance to initiate new stock</p> <p>D. Revising development process to remove barriers and allow for a quick turnaround</p> |
| Increase supply | <p>A. Provide subsidised access to well-located public land for Not for Profit (NFP) providers</p> <p>B. Encourage appropriate planning regulations</p> <p>C. Private and public sector partnership to encourage the implementation of different models across the region</p> <p>D. Facilitate increased supply of affordable housing (eg planning regulations such as inclusionary zoning)</p> |
| 3. Access to appropriate housing | |
| Increase access and supply of appropriate housing to meet demand needs | <p>A. Facilitating a variety of housing options and sizes for different needs</p> <p>B. Increase choice and mobility within housing system</p> <p>C. Regulatory and planning changes to facilitate the provision and delivery of mixed and diverse housing models</p> |
| Reduce upward pressure on rent and house prices | <p>A. Reduce cost pressures on new dwellings</p> |
| 4. Problem of access for FHBs | |
| Increase access for marginal FHBs | <p>A. Assist access for marginal purchasers (eg targeting FHOG by income and price point and limiting to new dwellings and providing transitional access to mortgage finance)</p> |

| | |
|--|--|
| | <p>B. Expand role of hybrid tenures (eg such as shared equity programs as in WA, land rent scheme in ACT, indigenous co-ownership models or community land trust models)</p> |
|--|--|

11. Possible housing models for regional communities

From our consultations and studies, we proposed 5 possible housing models that could be applied across the region, and can be replicated on a larger scale to other regional communities. All these models will require some form of public-private sector collaboration.

- 1. Employer Assisted Housing (EAH)**- This model offers an innovative mechanism for leveraging public and private funds to make housing affordable for working families. EAH programs have been shown to help attract and retain workers, and, ultimately, enhance the economic stability of communities. EAH can be provided through consortiums, partnerships, public funding and housing trust funds.

A few local government entities use this model to provide housing solutions for teachers, public servants, etc. Local governments seem to be particularly inclined to support this model given that these programs promote regional economic development and often leverage private dollars to support housing. If local governments can implement this model for public workers, it could potentially free up houses being occupied by them for other workers. Other employers can also employ this model through either demand side or supply side mechanisms.

Demand-side mechanisms help make more of the existing housing stock affordable to employees. The majority of these mechanisms focus on increasing demand for home ownership, rather than rental, by lowering or restructuring the financial requirements of home purchase in terms of the up-front and monthly carrying costs. They include construction financing, master leases, purchase guarantees, or down payment assistance programs. Supply-side mechanisms add to the ownership- or rental-housing stock by developing or rehabilitating units that are affordable to employees. Supply mechanisms can help employers increase both the affordability of housing and its availability to employees. They involve an employer providing some form of housing-development assistance in exchange for affordability concessions, or assurances that housing units will be made available to employees. Such mechanisms entail some temporal considerations of whether and how unit affordability can be retained, and whether units dedicated for employees can or should be kept as such.

- 2. Live-Work Model-** This model is closely aligned with the way in which ‘villages’ operated in the past. Villages were traditionally places where people lived, worked and satisfied all of their daily needs. They were almost totally self-contained places, existing in the landscape in ways that were generally positively responsive to local environmental conditions. The Live/Work or Co-living model is a setup where a building’s bedrooms are private, but nearly all other spaces and facilities are communal. In this arrangement the building operates as modern “dorms for grown-ups’ “. This model is particularly popular in large cities where there are high rents and a lack of housing choice. It provides flexible, community-driven housing and is attractive to a young, urban, professional and mobile population.

The key theme of the model is the creation of sustainable communities. It stresses that sustainable communities need sufficient, quality housing to meet the needs of the community, a flourishing local economy supported by adequate infrastructure, a high quality, safe and healthy local environment, and the amenities and sense of space and place to support a diverse and vibrant local culture. Traditionally, people like to live where they work. This model allows for just that.

This model would be suitable for local communities to create spaces for creative industries, small business, and start ups and smaller format living. It could be developed in a way which is more affordable for residents and allows efficient use of space, energy consumption and social benefits. The implementation of this model should consider four main principles: Walkability – the ability for residents to walk to most services/facilities; Self-reliance – the extent to which residents can meet their daily needs locally; Active democracy – participation in the local community and Distinctive image – the things that differentiate one village/settlement from another.

- 3. Co-operative Housing Model-** Co-operative housing is an intentional community of private homes clustered around shared space. It seeks to plan for a very specific need to promote sustainability and ensures there isn’t redundant/ poorly used land or interior spaces within the home. There are three models to Co-operative housing:
- **Non-equity model-** No capital gain accrues to the resident members. Housing co-operatives operating under this model supply “at-cost” shelter to their members. This is the most prominent model in the country
 - **Limited-equity co-operatives-** This model allows for a limited amount of capital gain. The formulas by which this gain is calculated vary.
 - **Full-equity housing co-operatives -** The free market determines the value of the dwelling and the owner both benefits from any capital gain and runs the risk of a capital loss. This model is not considered to be “affordable housing.”

Co-operative housing has a good track record in delivering long-term, affordable housing solutions for people on low to moderate incomes. Co-operatives have demonstrated

capacity to grow by assisting governments to respond to a range of priorities and have also demonstrated potential for delivering affordable housing in the most cost effective way compared to other providers. There are international precedents that further highlight the growth potential of co-operative housing. For example, equity cooperatives supply 22% of the entire housing market in Sweden. Both local and international trends provide a foundation to energise the co-operative housing model.

Projects would typically be developed on public land, and financed through a combination of member equity, low-interest loans, and commercial mortgages.

- 4. DHA Sales and Lease Back Model-** A good example of how the public and private sector can work collaboratively is the Defence Housing. The biggest lesson from the DHA model is the potential of a sales and leaseback model to attract private investment into the affordable housing sector. DHA has developed a sustainable model in the sales leaseback space that has created a product that provides advantages for both the DHA and investors. While applying this concept to the affordable housing sector is likely to necessitate some form of government guarantee, the government may not incur significant costs in doing so.

There are two potential ways to implement this model. First, the state government can pursue its own program. This increases the risks for the government because the guarantee pool is smaller. On the other hand, the recurrent costs of the program would be reasonably small. The second option might be to undertake a national program. Given the expertise within DHA, it may make sense to explore the feasibility of DHA expanding its sales and leaseback program into the affordable housing space. The addition of affordable housing investors would provide some portfolio benefits for DHA, in that the affordable housing elements of the program would provide additional dwelling and location choice for potential investors. It would also reduce the entry price for investment given the likely focus of the affordable housing program on smaller dwellings.

This model can be successful if some type of government guarantee was available. The government guarantee, given the current and likely future supply of housing in regional areas, is unlikely to generate large risks for the government and could be partly funded through a guarantee scheme with affordable housing providers.

- 5. Temporary/ Alternative Housing-** In some cases, temporary housing might be the quickest way to alleviate the housing pressures especially for seasonal or temporary workers. Temporary housing plays a critical role in housing by providing temporary or transitional homes before they return or move to their permanent residence. It is usually in the form of low-cost hotels, motels, caravan parks, boarding houses, AirBNB, mining camps, and similar accommodation for people who are experiencing a housing crisis or workers who are in the region for a short period of time.

A possible way to deliver temporary housing to regional areas is through the implementation of the tiny houses. Tiny houses are small and usually relocatable dwellings that may be entirely off-grid or connected to only some reticulated services. Tiny houses can provide temporary or longer term affordable housing options, and can be suitable for large rural properties, and on vacant land prior to its development for other purposes. This model has been applied successfully by Mitchell Shire Council in Victoria, being the site of "Transition Village Wallan ", which will be an off grid tiny house community for homeless people that is to be built on land leased from the state government.

Another way to provide appropriate short term housing for workers especially in mining would be by renovating old housing facilities and infrastructure close to the mines, and turning them into appropriate accommodation facilities for workers.

For alternative housing, prefab houses will be a great fit for regional communities, especially in mining towns like Cobar and Nyngan, and bushfire impacted regions. When combined with the employer sponsored model, this type of housing might just be the way to go. It is a cheaper option for employers, is faster to deliver, usually portable if need be and offers proper living for extended periods of time. This can be a good way to attract workers to stay in the region by offering an opportunity to live closer to work while taking advantage of what the local communities have to offer.

12. Conclusion

There is a strong case, based on overseas experience and previous research studies, for integrating housing support within regional development programs. This allows support to be more precisely targeted to specific needs, and assures that local assistance is reinforced by regional assistance like employment programs, industry location, infrastructure development etc.

There is a need to provide diverse housing types to address social and affordable requirements of today and into the future. Diverse housing typologies and approaches are required which are affordable (reduce upfront costs), appropriate (respond to current and emerging demographics), ensure affordable living (i.e. energy, water and transport), and are resilient (address climate adaptation). This includes the need for consideration of more environmentally, culturally and spiritually responsive housing for remote and very remote Indigenous communities.

Housing should be well-built, responsive to people's real needs, connected to how and where people want to live and work, adaptable, affordable and should be put front and centre in regional planning. There's a big demographic shift going on and inland and regional areas find themselves right in the middle of it. It is crucial that housing is made a critical factor in the planning process, and that local stakeholders are always part of the process. Governments at all

levels should recognize that they also have a responsibility to participate actively, collaboratively, and flexibly in these big issues.

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 3:06:17 PM
Attachments: [letter-to-regional-housing-taskforce---trc-submission---regional-housing-taskforce.pdf](#)

Submitted on Fri, 27/08/2021 - 15:03

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Gina

Last name

Vereker

I would like my submission to remain confidential

No

Info

Email

g.vereker@tamworth.nsw.gov.au

Suburb/Town & Postcode

Tamworth NSW 2340

Submission file

[letter-to-regional-housing-taskforce---trc-submission---regional-housing-taskforce.pdf](#)

Submission

see attached file.

I agree to the above statement

Yes

Regional Housing Taskforce
Locked Bag 5022
Parramatta NSW 2124

Dear Sir / Madam,

SUBMISSION IN RESPONSE TO REGIONAL HOUSING TASKFORCE EXHIBITION

Ref: sv/GV/ Document Set ID 867640

Tamworth Regional Council (Council) appreciates the opportunity to lodge a submission in relation to the Regional Housing Taskforce Exhibition.

It is understood that the Regional Housing Taskforce aims to:

- *identify and resolve barriers in the planning system to housing supply and affordability;*
- *provide recommendations on ways to speed up the delivery of new homes in regional NSW;*
and
- *find ways to unlock land and encourage the building of new houses.*

Housing policy in the Tamworth Region - Blueprint 100

In 2020 Council delivered a significant long term strategic planning initiative, entitled *Blueprint 100*. *Blueprint 100* is presented in two parts and provides an overarching strategy aimed at increasing the current population growth rate for the Tamworth Region to reach a target population of 100,000 by 2041. The preparation of *Blueprint 100* included extensive consultation with, and input from, the Department of Planning, Industry and Environment (the Department), the development industry, State agencies and a wide range of community leaders and organisations.

The *Blueprint 100* project included the production and adoption of the *Tamworth Regional Local Strategic Planning Statement 2020 (Tamworth Regional LSPS (Blueprint Part 2))* which was subsequently endorsed by the Department.

The entire *Blueprint 100* process was underpinned by the directions of the *New England North West Regional Plan 2036* and associated Implementation Plan including *Direction 9: Coordinate growth in the cities of Armidale and Tamworth*.

Blueprint Parts 1 and 2 contain a number of priority themes, one of which is "Facilitate Smart Growth and Housing Choices". Some of the key actions articulated in *Blueprint Parts 1 and 2* are summarised as follows:

- Encouraging and facilitating a wider range of housing choices and levels of affordability;
- Increasing density and affordable housing in new land release areas;
- Encouraging shop top and apartment living in the CBD;
- Improving the variety of housing density around high amenity areas; and
- Improving housing diversity across the LGA.

Affordability and liveability are key themes that are explored throughout the *Blueprint 100* documents, reinforcing Council's clear commitment to aspirational growth which is both sustainable and equitable.

In response to the Taskforce Exhibition, the following comments are provided:

What are the critical housing issues faced by your region and what are the key elements contributing to these issues?

Some of the key housing issues faced by the Tamworth region include:

- Access to affordable housing for young people and those in the lower socio-economic groups (such as single parent families and single aged persons);
- The declining proportion of private rental stock available to meet demand. Rental vacancy rates are currently below 1%;
- Increasing demand for one and two bedroom units as a consequence of an ageing population and other demographic changes such as smaller households and the growing demand for worker accommodation related to the expanding food processing sector. The supply of new housing to meet this demand is currently lagging;
- Access to appropriate, short term, affordable housing for workers associated with the food processing sector is limited in Tamworth (as mentioned above) leading to over-crowding in private rental properties and pressure at the lower end of the private rental market;
- Lack of housing diversity:
 - local resident expectations and perception of what the urban housing built form will continue be into the future – i.e. low density single story detached housing; and
 - investor perception and lack of communication – i.e. the perception of Tamworth as a sleepy rural town and a lack of communication and education as to Council's strategic ambitions re density and population growth.
- No shortage of zoned land for housing, but rather a lack of appropriately zoned (diversity in zoned) land. The City of Tamworth is a regional centre. However, most of the housing stock consists of single detached dwellings.

Tamworth LGA currently has no medium density zones:

- to clearly signal to developers the location of land where increased residential density is welcomed and expected; and
- to provide TfNSW with denser hubs to encourage enhanced public transport.
- Public housing stock is declining in Tamworth. The short fall in suitable accommodation is being partially met by the private sector, however, gaps appear to be widening;
- Perceptions held by the development industry that land is too cheap in Tamworth and development costs too high, therefore margins are narrow.

What are the main planning system barriers to delivering more diverse housing types to suit the varying needs of the community, including housing of different price points, tenures, and types?

- The existing MLS for R1 zoned land is 600m². Medium density housing is concentrated in the inner north and inner west of the city. High density housing is not prevalent in the city of Tamworth and existing stocks of high density units are ageing;

- There is a pronounced preference in the development industry for the construction of single family dwelling houses on 600-800m² blocks. The standard house design is now based on 4 bedrooms/2 bathrooms/family room and media room. This does not permit housing diversity, nor meet the needs of all sectors of the community and is not affordable for those at the lower end of the market;
- There are a lack of players in the local construction and investment industry who have experience and established supply chains for medium density housing.
- Where Council has taken the role of developer for the purpose of increasing the stocks of affordable housing, regional developers have shown significant resistance to being “locked in” to quotas or affordable housing targets. Incentives or subsidies need to be more targeted and supported by all levels of Government.

What policies and approaches are in place in your region to address housing supply issues and what challenges are there in implementation?

Blueprint 100 and the *Tamworth Regional LSPS* address the wider regional impacts of housing affordability in Tamworth and throughout the region’s towns and villages. The Priority Theme of “*Facilitate Smart Growth and Housing Choices*” targets housing affordability via recommendations for potential amendments to planning provisions, investigating financial incentives and entering into partnerships with developers and/or social housing providers.

The encouragement of shop top housing, measures to promote the construction of one and two bedroomed units, increased housing density (particularly medium density), reduced lot sizes, lot yield targets (10 dwellings per hectare) and support for ageing in place are articulated throughout *Blueprint* and the *Tamworth Regional LSPS*. Council’s upcoming LEP review aims to implement these initiatives through changes to planning provisions, where appropriate.

What can the NSW Government do to better support housing delivery in regional NSW via the planning system and other State government levers?

The most significant thing that the NSW Government could to support housing delivery would be to acknowledge that amending the planning system will not solve the issues of housing supply and housing affordability.

There is no one simple solution to the housing problem – it is a multi-faceted issue. Therefore, an expectation that top-down changes to the planning system will solve the problem are bound to disappoint. Instead of mandating State-wide changes that reduce the ability of local (regional) communities to determine their own future, the planning system should be flexible enough to allow regional communities to set their own direction. Council believes that local issues in combination with a myriad of structural, political and systemic factors all contribute to a lack of diversity and increasing affordability pressures in regional areas. Moreover, the relationship between planning, socio-economic change, macro-economic trends, financial and political systems should be acknowledged by the Taskforce and considered holistically.

The following is a brief summary of some of the many issues Council considers to be contributing factors to the growing regional housing crisis:

Trades and services shortages:

- Lack of building and construction materials;
- Regional areas suffer from a chronic shortage of skilled, experienced tradespersons and contractors in the construction industry; and
- Investment in apprenticeship and training programs appears to be decreasing and pathways for new entrants increasingly complex.

Financial systems:

- Lack of support from the banking industry including its lack of understanding of regional development;
- Feedback from the development industry indicates that access to capital for residential development has become increasingly difficult in recent years.

Housing industry culture and perceptions:

- The risk averse nature of regional home building companies to smaller size lots and smaller houses;
- Regional communities that have no experience of smaller lots and medium density and are wary of this as an alternative to the standard 4 bed/2 bath dwelling on an 800 m² block;
- Lack of good quality designs to showcase that smaller dwellings/medium density living can be an attractive option; and
- Land banking by some developers.

Social and cultural issues:

- Increase in homelessness arising from a growing mental health crisis, family breakdown and housing insecurity. Demand for short term crisis accommodation is consistently challenged by supply constraints resulting in increased pressures on the private rental market.

Economic factors:

- Job creation, business development and housing availability/affordability are inextricably linked. Productivity is constrained when key workers cannot be retained in a community where housing is inaccessible, unaffordable or diversity is limited.

Tamworth's current situation is a perfect example of the interplay and combined impact of all the above issues. Land supply is **not** an issue in Tamworth Region. We have approximately 2,700 vacant zoned and serviced residential lots. We have a further potential 2,500 residential lots either commencing or part way through the planning proposal process. We release on average 300-350 allotments a year, (i.e. via subdivision), yet available housing for purchase or rent is extremely scarce (rental vacancy rates as low as 0.7%). Council's adopted strategic vision for the future (*Blueprint 100*) was endorsed by business, developers and the general community. There is no lack of commitment to growth and sensible development by Council; the Tamworth community is supportive of population and investment growth; and there is more than adequate serviced land available for current residential development with more to come on line during the next decade.

It also needs to be acknowledged that solving the housing conundrum is not just about *greenfield* development.

As outlined in *Blueprint 100*, Council is committed to increasing, encouraging and incentivising inner city living (including shop-top housing) within its CBD. This makes sense for a whole range of reasons (night time economy, safety and passive surveillance, positive impact on traffic and parking, and overall liveability). Unfortunately, the Department's recent exhibition of employment zones reform will severely limit Council's ability to achieve this goal as the proposed changes to the CBD (existing Commercial Centre) zone (proposed E2) will discourage higher density residential development within the zone. This appears to be another example of Sydney-focused policy making with little consideration given to how regional towns and cities work and what makes regional cities viable and sustainable. This proposal also works against what this Housing Taskforce is trying to achieve, as surely all experts would agree that encouraging medium and higher density residential

development to locate where retail, commercial, social and transport services are in close proximity, makes good planning sense. This proposed reform is also an indication of the way in which the numerous policy reviews currently being undertaken by different/unrelated teams within the Department leads to contradictory policy outcomes.

Other potential/enhanced state assistance includes:

- The encouragement of robust public-private partnerships, for affordable and social with clear deliverables and whole of project oversight and management. Better state led incentives for developers, particularly in relation to infill development, to make the delivery of affordable housing more attractive to developers;
- Alternative models of tenure – rent to buy options and ‘*Housing for Humanity*’ style models are acknowledged as having great potential, however, take up is low in the regions;
- Economic development guides and media marketing – marketing to metropolitan investment companies and construction firms as to the benefits and opportunities for residential investment and business in regional areas;
- Community housing providers are integral to improving access to social housing. Government led initiatives which improve opportunities for partnerships and relationship building with Councils is encouraged;
- Housing supply, housing diversity and housing affordability cannot be solved by a ‘one size fits all’ approach. The myriad of planning policies currently being reviewed as part of the Department’s planning system modernisation push all show this same approach – a Sydney-centric approach. If any government innovation/policy change is going to work it must be flexible to respond to local and regional not just Sydney trends.

Council appreciates the opportunity to lodge a formal submission to the Taskforce, and would be pleased to be further involved as the Taskforce proceeds with its deliberations should other opportunities arise.

Should you require any additional information or clarification, please do not hesitate to contact the undersigned, (02) 6767 5421 or by email g.vereker@tamworth.nsw.gov.au.

Yours faithfully



Gina Vereker

Director, Planning and Compliance

27 August 2021

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 3:34:49 PM
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Submitted on Fri, 27/08/2021 - 15:31

Submitted by: Anonymous

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Submission file

[submission-to-the-regional-housing-taskforce.pdf](#)

Submission

Submission to the Regional Housing Taskforce from the Association of Consulting Surveyors NSW is attached.
Please call 0411110675 if any problems accessing the file.

I agree to the above statement

Yes



27th August 2021

Garry Fielding, Independent Chair
Regional Housing Taskforce
Department of Planning, Industry and Environment

Dear Mr Fielding

Thank you for the opportunity to make a submission to the NSW Government's Regional Housing Taskforce.

Consulting Surveyors NSW is the association representing the private industry of more than 200 surveying firms around the state. These firms employ Registered Surveyors, technical surveyors, town planners, civil engineers, environmental scientists, landscape architects and other key professionals involved in the land development process. There are Registered Surveyors in every major centre and town across the state. They are the recognised 'land development specialists' encompassing all aspects of the process from the initial site investigations and assessments to the detailed environmental and urban design, through to the final subdivision and land titling requirements.

Registered Surveyors have a long history in designing and contributing to the urban fabric and growth of the state. As such, they play a critical and integral part in the design of our urban and regional spaces. They are quite often the first and the last professional consultant on any development site. Their knowledge and experience lead to better design and development outcomes for urban land. They design and create liveable communities which respect the environment and build a sense of place and well-being for future residents.

Most of our members are Registered Surveyors with considerable experience and in some cases, additional qualifications in Urban & Regional Planning or similar. Their design skills are relied upon for the orderly design and development of both brown and green field development sites. Registered Surveyors are involved in a broad range of projects including the design of large residential estates up to 2,000 allotments or more to the design of the supporting infrastructure and titling systems.

Registered Surveyors are regulated by the NSW State Government under the *Surveying and Spatial Information Act 2002*. To become a Registered Surveyor through the Board of Surveying and Spatial Information (BOSSI), surveyors must hold a degree qualification in surveying and sit further examinations by the Board in Urban Design (Town Planning). They also complete examinations in rural cadastral, urban cadastral, strata and community title and engineering and design.

As a general observation, ACS acknowledges that over the past three years a raft of planning reforms have facilitated some efficiencies in the delivery of housing supply in NSW, particularly in Sydney metropolitan areas. These efficiencies have not necessarily translated to the regional areas. Additionally, from a planning perspective a common and long-standing complaint within these areas is aimed squarely at the local government level.

Common complaints may be broadly broken into three categories.

- (1) Supply:** The current planning for, delivery and monitoring of new housing supply is inadequate. The current assessment of supply has been taken to be the extent of zoned land which gives a false sense of the situation. Too often zoned land is incapable of being converted into housing supply due to biodiversity issues and lack of enabling infrastructure, amongst others.

When rezoning of land occurs by Local and State Government, the land needs to be fit for its intended zoned purpose, or plans put in place for it to become fit for its intended purpose. Too often considerable investigation costs are undertaken by a developer to ensure that residential development can occur on land already zoned for this purpose. Frequently, the imposition of the 'avoid' mechanism under the BCA can significantly reduce if not completely stymie the development of identified urban release areas. Further, these investigations delay the delivery of related housing supply. Such investigation requests are placed by numerous Local & State Government Agencies with no co-ordinated understanding of these cost implications which are ultimately passed onto the consumer. Such investigations and residential certainty should be done upfront and before residential zones are made final by the relevant Government Agency.

The cost of provision of enabling infrastructure is a key driver behind increased Regional Housing prices. The provision of this essential infrastructure related to roads, sewer, water, drainage, schools, hospitals, etc have been continually pushed on the developer as a user pays cost, being both Local and State Contributions. This user pays cost model is having a negative impact on the cost of regional housing.

Recommendation: There should be a better 'whole of government' approach to the delivery of the NSW Government's strategic land use plans. This approach should look at better cross agency coordination on issues such as:

- a. The provision of necessary enabling infrastructure to facilitate delivery of identified housing release areas; and
- b. Improved processes under the Biodiversity Conservation Act to ensure identified housing release areas are not stymied by the application of the avoid mechanism being applied by councils at DA stage.
- c. Monitoring the delivery of new housing to confirm that sufficient supply is being provided to ensure the goals of the relevant NSW Government strategic land use plans are being met.
- d. Provide mechanisms for the escalation of critical issues within Government that are preventing the delivery of sufficient supply.

- (2) Timing:** A relatively recent review of the Integrated Authority process simultaneously helped - but has not resolved - issues with the length of time for external authorities to deal with DA matters. Resolving water quality matters in a timely manner appears to be an ongoing source of angst for some within Water Catchment Areas. Lengthy delays in RFS and TfNSW (RMS) response times are other cases in point. These issues impact all stages of the land development process, from initial site investigations, through the planning proposal and DA phases to the construction/delivery stage.

The other aspect of timing is the efficiency of planning assessment within the particular LGA. Much of this for regional councils comes down to the efficient and effective use of resources. As an 'unpopular' aspect of councils' duties, the assessment of Development Applications is often short-changed, and revenue generated siphoned off by council into more 'popular' community projects. Perhaps this is beyond the scope of feedback for the issue at hand.

Recommendation: There should be a clear response timeframe provided for each referral agency and KPIs for assessing authorities. These response times and KPIs should be monitored with results publicly available through the Planning Portal.

- (3) DCPs:** The introduction of the State Template for LEPs brought regional areas in line with broader State Planning Objectives and has to some extent improved planning for developers and consultants. At some stage, it is envisaged that a State Template for DCPs could achieve a similar outcome in terms of consistency in assessment whilst still providing room for strong local character controls and allow flexibility in application. The experience of our members in the latter is that there is great reluctance at the Local Government planner level to consider the respective DCPs as a guide (as is set out under the Act) and hold a position that is rather more stringent and fixed in application. This is not surprising in those councils where assessment officers are not given the level of trust (from management and from the elected Council) that they need to make a professional judgement that is guided by, but not necessarily totally constrained by, DCP controls (wherein a departure can be sensibly put forth by a developer to achieve a comparable outcome). In such circumstances DCPs over time become static (in that they are rarely reviewed and even more rarely completely replaced) and 'locked in' as though they were a Statutory Control rather than adopted local policy documents.

Variations, although possible, become fraught with process to consider - as a lack of trust may see even the simplest DCP departure requiring escalation either to the senior management or even to the elected representatives.

Recommendation: A standard DCP template and a built-in review period as is done for an LEP may cure many ills by forcing DCPs to be consistent, relevant and dynamic guides to development (noting the focus here upon residential controls).

Consulting Surveyors NSW would be pleased to meet with the Taskforce to provide any additional detail.

I can be contacted directly on 0425 244 055.

Yours sincerely



Michelle Blicavs
Chief Executive Officer

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 3:42:10 PM

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Submitted by: Anonymous

Submitted values are:

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Suburb/Town & Postcode

YASS

Submission

- What are the critical housing issues faced by your region and what are the key elements contributing to these issues?

Property values/rents

Yass Valley along with much of regional NSW has experienced significant increases in house and rental prices. Our location adjacent to the ACT is the main driver for our housing market. Yass Valley's median house price is currently 23% higher than the regional median housing price, with a median house price of \$695K in 2020. Even prior to the pandemic, Yass Valley experienced a consistent shortage of available rental properties. This is due to the high demand combined with high rate of owner occupation and very low proportion of alternative dwelling types other than detached 3+ bedroom dwellings.

Short term accommodation

The shortage of rental accommodation has exacerbated by people being employed on Major Projects in our region. At present, there are a large number of tradespeople working on the construction of wind farms, and approval has also been given for a number of other renewable energy and education projects. Motels, Hotels, Caravan Park and AirBNB's are largely occupied by these employees, which has a flow on impact to the region's tourism through lack of available accommodation. This is a critical issue that needs to be considered as part of any major project approval (i.e. ensuring SEAR's require proponents to develop a workforce accommodation strategy for the duration of construction).

Land banking

It is a challenge in Yass in particular to motivate landowners to develop their land- especially land that has been zoned for a long period of time. Some is due to older landowners wanting to pass the potential for development onto family members. Some lack the knowledge/resources/desire to go through what it often viewed as a complicated development approval process.

Shortage of Social Housing/Crisis Accommodation

There is a small number of properties which are owned by NSW LALC and managed by Community Housing Providers. Residents are long term, with little turnover, however the properties have reached their end of useful life and are located on large properties which could easily be redeveloped. The official statistics for Social Housing wait lists and times do not appear as dire as other allocation zones, however this masks the demands on the ACT housing system as people realise housing is likely to be provided more quickly through that system than NSW. Likewise for crisis accommodation, the nearest facilities are in the ACT, Goulburn or Queanbeyan – over an hour away- a disincentive for accessing when located away from extended family, friends, schools and employment.

Infrastructure Planning

Like many rural and regional councils, there has not been sufficient strategic planning for infrastructure planning and delivery, particularly around the delivery of water and sewer in the Yass Valley. Having a clear understanding of the condition and capacity of existing infrastructure as well as better alignment of upgrade/ extension projects with housing strategies is critical.

- What are the main planning system barriers to delivering more diverse housing types to suit the varying needs of the community, including housing of different price points, tenures, and types?

The increased, sometimes conflicting requirements of legislation including planning for bushfire, flood planning and biodiversity conservation. For instance, the increased evacuation requirements of the SES in a PMF flood event are a major obstacle for progressing residential development in towns and villages- most of which were historically located near a watercourse.

Difficulty in attracting and retaining development staff in local government generally- particularly qualified Building Surveyors. DPIE support/provision of shared resources at a regional level would assist with this.

- What policies and approaches are in place in your region to address housing supply issues and what challenges are there in implementation?

The Yass Valley Settlement Strategy is our adopted framework for where future growth is to be located as well as establishing a settlement framework. The projected growth of Yass and Murrumbateman can only be partially realised unless an alternative secure water source can be secured. To this end, it is imperative that the Regional Water Strategy (Murray and Murrumbidgee) is fast tracked.

In addition, while Yass increased its water storage by raising the dam wall, this needs to be complemented by an upgrade to its Water Treatment Plant to ensure that the water currently available can be treated and utilised for future growth. Yass has requested a variation for funding under the Housing Acceleration Fund/Restart NSW to support this upgrade. DPIE's support is crucial to allow Council to develop a business case and detailed design for the upgrade.

- What can the NSW Government do to better support housing delivery in regional NSW via the planning system and other State government levers?

The NSW Government has tools readily available to begin to address the shortage of Social Housing across the state. Council has been advocating to transfer at no or low cost- the land titles from LAHC properties that are currently managed by Community Housing Providers. Instead of 'sweating' these old assets, a far better outcome is to allow providers whose core business it is, to redevelop these properties. Council has recently had an instance where the housing asset (Pollux St, Yass) was destroyed by fire, and given the large land area, the community housing provider has prepared a development application for its redevelopment. As the title is not in the provider's name, and subsequent control, there have been ongoing challenges in progressing this much needed development.

Incentives for landowners to develop identified existing zoned properties as well as infill development should be explored. These could be density bonuses, or rating penalties (e.g. if not developed within 5-10 years).

The NSW government could undertake comprehensive assessments of particular issues (e.g. Strategic Biodiversity Assessments) on a regional scale, rather than pushing the requirements onto individual landowners with the additional associated costs that are eventually passed onto home buyers. The ever increasing NSW DPIE expectations of supporting studies has a direct impact on housing affordability in the state.

I agree to the above statement

Yes

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 4:57:07 PM
Attachments: [amanda-spalding-affordable-housing-submission.pdf](#)

Submitted on Fri, 27/08/2021 - 16:55

Submitted by: Anonymous

Submitted values are:

Submission Type

I am making a personal submission

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Submission file

[amanda-spalding-affordable-housing-submission.pdf](#)

Submission

Please find attached my submission.

I agree to the above statement

Yes



Amanda Spalding Consulting

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Garry Fielding

Chair of Regional Housing Taskforce

Friday 27th August 2021

Dear Garry,

Submission to the Regional Housing Taskforce

I attended the Mini Affordable Housing Summit hosted by Orange City Council and am now making a personal submission to the regional housing taskforce.

One of the terms of reference of the Regional Housing Taskforce is

- Identifying mechanisms within the planning system to facilitate and drive the delivery of housing matched to community needs.

This is clearly not happening in Orange, NSW and there are many ways that this could be rectified including the NSW Government emulating the Victorian government's \$5.3 billion social housing package announced as part of its COVID recovery economic stimulus. The Victorian Government sees social housing as an investment, not a burden and this compares with the NSW Government's budget of some \$800-900 million. In the time of COVID, economic stimulus has become accepted as a good thing for governments to do.

The market for affordable housing has changed dramatically and government intervention is needed. Orange has an under supply of zoned and serviced land. As soon as developed land hits the market it is sold. One solution would be to incentivise developers.

Another solution is for Councils to release some of their own land holdings for affordable housing. (City of Sydney has done this with a former depot that has been turned into high rise developments of social and affordable housing). Crown Land could also be looked at for release for co-operative housing and e.g. rent to buy.

Previously the main market for affordable housing was for families. Now it is for single people. In England public housing is the responsibility of local government and Councils can currently borrow at lowest ever interest rates. Councils need to consider inter-generational equity and build for the future.

The very high number of Air BnBs in Orange is a significant contributor to the unaffordability of both renting and purchasing housing. Orange 360 intervenes in the local housing market on behalf of the Newcrest gold mine to assist with its accommodation for miners with 25,000



Amanda Spalding Consulting

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bed nights a year and Newcrest arrange their times of highest demand around the time of highest demand for tourists. It is possible to regulate Air BnBs and this should be done.

There certainly are real solutions to this problem that other parts of Australia and NSW are adopting, such as an inclusionary zoning contributions scheme.

Yours sincerely,

AMANDA SPALDING

Amanda Spalding

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 4:45:30 PM
Attachments: [blayney-shire-council---dpie-regional-housing-taskforce-2021-submission.pdf](#)

Submitted on Fri, 27/08/2021 - 16:43

Submitted by: Anonymous

Submitted values are:

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Submission file

[blayney-shire-council---dpie-regional-housing-taskforce-2021-submission.pdf](#)

Submission

Please find Blayney Shire Council submission attached.

I agree to the above statement

Yes



Blayney Shire Council

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27 August 2021

Mr Garry Fielding
Regional Housing Taskforce
Department, Planning Industry & Environment

Lodged through NSW Planning Portal

Dear Garry,

2021 NSW Regional Housing Taskforce

Council refers to the recent virtual roundtables and Councils opportunity to provide further written submissions to the taskforce for consideration.

Blayney Shire Council would like to make the following comments for consideration by the taskforce.

1. Specific Regional Challenges

Blayney Shire Council, like many regional Councils, is currently experiencing unprecedented residential demand. However, for Blayney, the residential pressures are not just related to decentralisation as residents look to relocate from metropolitan areas on the back of the COVID pandemic.

Blayney Shire Council is in a very unique positions as it has 3 State Significant Development (SSD) Projects likely to commence and be concurrently undertaken in 2022;

1. Cadia Valley Gold Mine expansion,
2. Flyers Creek Wind Farm, and
3. Proposed McPhillamys Gold Project (currently still under DPIE assessment).

These 3 projects will culminate in potentially 1,750 construction workers in the Blayney Shire and wider region all at once.

Over the past 5 years, Blayney Shire Council has undertaken unprecedented infrastructure investment into its community and public space assets, with the aim of creating desirable localities which people will want to reside in.

- How have the broad trends manifested in your region or LGA?
Rental accommodation in Blayney Shire is now under significant pressure, mainly because landlords are taking the opportunity to on sell the property given unprecedented capital growth.

Two recent examples, include;

- A 72-year-old lady who received an eviction notice because the land lord wants to sell the property (she has lived in the property for 10 years) no other accommodation available in Blayney,
- An 81-year-old man who has rented a house for over 37 years in Blayney and again being evicted because land-lord wants to sell the property. No other rental accommodation available in Blayney.

Council is also now starting to see Section 77 of the Local Government, Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings Regulation, utilised which is delivering poor planning and social outcomes.

Attached is a photo of a recently installed 'moveable dwelling' on a corner lot which fronts a main road in Blayney. There is no requirement for the van to be behind the main dwelling, the structure is not required to be snow loaded, detracts from the street appeal, no capacity by Council to prevent installation in a Heritage Conservation Area and despite now being a default dual occupancy there is no ability for Council to obtain developer contributions (which we would receive on a traditional dual occupancy).

Council support's the intent of s77 for short term accommodation, however companies now abusing the intent through constructing more semi-permanent accommodation, rather than the traditional caravan. There should be requirements in the regulation, for where the caravan is to be located (not in front or on side of a house), minimum structural certification, it must be a caravan (registered every 12 months) and should only be allowed to stay for say a maximum 8-week period with no approval or up to 12 months if approved under s68 of the Local Government Act.

- Lack of smaller dwellings
The taskforce needs to be very careful when considering a desire to create greater density in both lots sizes and dwellings in regional NSW.

Council recently had a 22 lot subdivision in the village of Millthorpe, which created significant public interest and comment particularly in relation to the proposed density of the subdivision. The lots varied with

the smallest being 585m². Density will also create other requirements for Councils including location and access to parks and public space in close proximity.

The most desirable outcome is a diversity of lot sizes and dwelling sizes in any area creating variety and range. The Standard Instrument LEP does not facilitate this based upon a minimum lot size rather than also including lot averaging provisions.

Community feedback to Council has been significantly strong to not turn the Shire and the region in Western Sydney (which is a main reason residents are relocating to the area). The taskforce needs to carefully consider that the quality of development is not compromised by a desire to hastily deliver quantity to the market.

- Growing social housing wait list.
Blayney Shire does have a growing wait list for social housing. Council undertook a 2 lot subdivision 3 years ago and has sold the lots to a regional social / community housing provider, Housing Plus to construct 6 small dwellings on the 2 allotments.
- Are there any challenges unique or specific to the region?
The greatest challenge for Blayney Shire Council is how the region will absorb the significant number of short term construction workforce for the 3 SSD projects on top of the current booming residential growth.

The town of Blayney is particularly limited for residential growth opportunities, with; Belubula River (and floodplain) to the east and employment lands to the north. Growth is identified to the south and west, however landowners have historically been reserved to develop (they would rather farm) and infrastructure is limited (non-existent) in these areas.

- Are there any innovative planning approaches that have worked in your region?
Council, having previously experienced the significant impact of accommodation issues associated with the construction of an SSD (Cadia East project in late 90s), foresaw the potential perfect storm of 3 SSD projects concurrently undertaken.

Orange360 is a joint central tourism platform for; Blayney, Cabonne and Orange Councils. With Cadia's impending expansion the 3 Councils were able with Cadia's agreement (Cadia funded an accommodation coordinator position at Orange 360) to coordinate and facilitate the booking of contractor accommodation for the Cadia expansion through Orange360.

Orange360, has a significant register of varying accommodation types throughout the 3 Local Government Area's. Essentially, the program is supported by Cadia in that any contractor working on its site must register and book their accommodation needs through Orange360.

Orange360 links contractors with accommodation of various options and also ensures major works were not scheduled concurrently with significant tourism events in the region (i.e a major shut down at Cadia was not timed when Orange Food Week or Bathurst 1000 etc was on).

The program has been very successful, so much so Council has asked the Flyers Creek Wind Farm project to also utilise the program and requested in its submission to DPIE that Regis Resources utilise the program for the McPhillamys Gold Project (if approved).

The current Minimum Lot Size for RU1 Primary Production zoned land in Blayney size is 100ha, which directly adjoins the shires seven villages. There is a number of existing small lots which adjoin the villages, however are significantly under the 100ha minimum to erect a dwelling.

In February 2021, Council adopted the 2020 Blayney Shire Settlement Strategy which included provision to provide the ability for a dwelling entitlement (lodge a DA) on RU1 Primary Production Land (within 500m of the RU5 village zone, have direct frontage to an existing road and is a minimum 1.5ha in size). This provision will only have a 5-year limited opportunity (so owners don't sit on the new entitlement) and will stimulate residential growth of the seven villages within the Blayney Shire.

2. Infrastructure Alignment and Sequencing

Infrastructure is a significantly limiting factor for Blayney Shire Council. Most of the low hanging subdivisions in the existing town pattern will have been completed within the next 12 months.

A significant issue is the capacity of Councils ageing infrastructure, in particular key trunk; road, potable water, sewer and stormwater having no additional (or limited) capacity for the further connection of new lots or dwellings. The infrastructure was simply not designed for the additional capacity.

Council has recently identified a 2 significant sewer and stormwater choke points' that Council will have to upgrade in order to facilitate minimal further residential expansion.

In February 2021, Council adopted the 2020 Blayney Shire Settlement Strategy which identifies growth opportunities throughout the Blayney Shire to 2036.

Council is now considering whether to outlay significant expense and proceed to Master Plan 3 significant residential expansion areas being; Blayney South, Blayney West and Millthorpe.

Whilst it would be expensive, Master Planning would provide greater comfort to the community, in particular adjoining residents as to what form and density of these significant residential expansion areas will take.

Master Planning will also enable key infrastructure planning to be undertaken so that both Council and future developers know exactly what infrastructure is required (and can with certainty calculate a cost to provide).

Financial support for this Master Planning would facilitate the completion of these important plans sooner rather than later. Additionally, creation of a specialist technical team that could provide expert planning and engineering infrastructure advice would also be of great benefit, given the lack of specialist professionals in Regional NSW.

3. Diverse and affordable housing

Diverse and affordable housing has fast become a significant issue. Blayney Shire is heavily reliant on Housing NSW and external providers such as Housing Plus to provide affordable housing.

The term Affordable Housing is a significantly confusing definition within the community, to the point consideration needs to be given to rebrand it to essential housing.

Council was recently involved in a Group Home matter (exempt development under the Affordable Housing SEPP), which was very controversial for neighbours. Councils experience is that whilst the community is supportive of the wider need for affordable housing, immediate neighbours are not supportive of proposed affordable housing being directly next to them. I believe Orange has also experienced similar experiences.

Housing NSW needs to increase investment in regional NSW, given the unprecedented uplift in property values and residential relocation from metropolitan areas to regional NSW.

Noting most developers require a certain amount of lots to be pre sold prior to obtaining finance for a development, there could be opportunity for Housing NSW or other external providers to purchase lot/s off the plan which would assist in increasing land available for affordable housing, dispersing

affordable housing throughout the community whilst also assisting the developers.

4. Activating land currently zoned for residential development

Blayney Shire has historically not seen development of zoned residential land until recently. The challenge has been historically a low market price, with no profit margin for the developer.

Land and property prices have significantly increased in the last 18 months; however, it is also noted construction costs have increased 20% in the last 6 months alone. Sourcing quality contractors is also now an issue as everywhere is booming.

Following a residential forum in July 2017 with landowners, real estate agents and developers, Council had been considering the opportunities and challenges of encouraging housing development in Blayney. In 2018, Council purchased a vacant property, zoned R1 General Residential with the intent of undertaking a 14 Lot residential subdivision.

With a capital cost of \$1.32m Council was successful in receiving a 50 % interest subsidy under the NSW Government Low Cost Loans Initiative (LCLI) program. LCLI aims to increase new housing supply in metropolitan and regional NSW, to fund both enabling and supporting infrastructure that will create and stimulate new residential housing.

The LCLI program reduced the risk to Council of undertaking the project which was not Councils core business. The subdivision was completed in 2020 with all lots sold off the plan and houses currently being constructed on all lots.

The development process is not considered a significantly limiting factor (it is noted, there is always room for improvement). It is more so the fact that we have now developed all of the low hanging fruit and are now into more complex lands and/or areas which require more technical assessment and a greater number of specialist studies (overland flow, flood studies, odour studies, bushfire, contamination etc).

Infrastructure timing and payment is also an issue, often only the individual site is considered for a development, owners do not look outside their property boundary so the wider zone precinct is generally not considered. This creates infrastructure timing and payment issues in regards to who pays for significant trunk infrastructure upgrades when others will then benefit in the future (if they ever develop). Often it gets too hard and only an individual site is developed not providing the optimum planning outcome, nor long term positive outcomes for the community and Council.

The capacity for new developments (new housing lots and/or greater density housing through in fill development) into aging Council infrastructure is also an issue. Most infrastructure was constructed or installed a long time ago and does not have the ability to take additional loads. Who pays for the significant trunk infrastructure upgrade and when is it undertaken?

A significant issue starting to arise is the miss-understanding by the community regarding wider development processes, in particular; land identified during strategic planning, a planning proposal to rezone the land and then a Development Application (DA) to develop the land.

The community often hold significant objections and frustrations over to the DA assessment because they do not understand the wider planning process. The process to bring on additional zoned land is confusing / not understood by the community and becomes resource intensive for Councils to deal with.

As raised earlier, Blayney Shire Council will now consider, whether to outlay significant expense (potentially recouped through increased developer contributions) and staff resources to Master Plan 3 critical key growth areas.

In our opinion, Master Planning would have the distinct benefit of setting and guiding the density of each residential growth area upfront which can be agreed to by the community reducing angst and uncertainty at development application stage.

5. Housing for seasonal / itinerant workers

As previously discussed Blayney Shire uniquely has 3 SSD developments which are likely to have construction overlap in 2022.

The Blayney, Cabonne and Orange Council Orange 360 model has already been discussed on page 3.

The definitions in the Standard Instrument LEP need to be reviewed to create more appropriate definitions. Council recently approved a 92 bed 'motel' which consisted of 26 modular buildings (each containing 4 bedrooms with own ensuite) on the former Blayney Bowling Club site at 62 Osman Street Blayney.

Council acknowledges the construction accommodation predicament it is likely facing in the near future, combined with the current housing crisis, however Council did not want to commit its community to a motel comprised of portable buildings, within a Heritage Conservation Area forever.

The community really struggled to comprehend how 'mining camp' comprising portable buildings could be approved as a motel in the middle of town.

In this regard the developer agreed to a time limited consent of 5 years, in which a modification can be lodged for consideration, or the structures are to be removed.

Whether a new definition of 'construction or contractor accommodation' may be more appropriate, particularly if it is directly linked to a specific project and/or a maximum time period is mandated.

6. Council initiatives and partnerships

It is not Councils core business to provide housing, in particular affordable housing, that is the NSW Government in particular NSW Housing responsibility. Councils cannot be expected to facilitate affordable and diverse housing in addition to its core business.

Other matters and comments

The Government needs to address the lack of Building Certifiers in Regional NSW, in particular the lack of youth and trainee's entering the profession.

Housing Delivery is now so reliant on certifiers, there is a real risk the entire construction industry will be significantly impacted if this skills shortage is not addressed. This skills shortage will be compounded, as the opportunity for the more experienced, unrestricted certifiers to mentor the next generation of certifiers over the next 5 years decreases as the older certifiers begin to retire.

The NSW Government previously assisted Councils with the cost of strategic planning through the Planning Reform Fund, this assistance has not existed for several years with all monies now directed to funding the NSW Planning Portal.

There is an opportunity for the NSW Government to facilitate long term housing planning in regional NSW, by supporting Councils to undertake strategic planning, including Master Planning (even requiring co investment).

DPIE could also consider establishing a Regional NSW Master Planning Task Force, which could act as a specialist taskforce which supporting and assisting Regional NSW Councils (in particular smaller Councils) with specialist planning and engineering expertise to Master Plan residential growth areas within each LGA.

The NSW Government should consider providing assistance through significant expansion of the NSW Government Low Cost Loans Initiative (LCLI) program, providing 50% interest subsidies for projects that deliver;

- Upgrade aging infrastructure to facilitate housing growth, and/or

- Deliver new infrastructure that facilitates new greenfield residential growth.

Another significant matter which has been raised, impacting the ability for home ownership is, outside regional centres is banks only lending to a Loan to Value Ratio of 80%, meaning 20% is required by a purchaser, this is compounded as prices surge at unprecedented rates.

Blayney Shire Council is in a fortunate position to capitalise on current residential growth and SSD opportunities.

Blayney Shire Council, given its small size, together with unique residential and SSD growth opportunities is open to working with the NSW Government as a case study LGA for any identified opportunities recommended by the taskforce that could then assist other LGAs throughout the state.

Should you require further information regarding this matter please contact me on (02) 6368 2104.

Yours faithfully



Mark Dicker
Director Planning & Environmental Services

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 3:50:24 PM
Attachments: [housing-pre-able.docx](#)

Submitted on Fri, 27/08/2021 - 15:43

Submitted by: Anonymous

Submitted values are:

Submission Type

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Suburb/Town & Postcode

Grafton NSW

Submission file

[housing-pre-able.docx](#)

Submission

The attached submission is prepared on behalf of the North Coast Aboriginal Development Alliance, an entity established under the State Government's Local Decision Making Framework.

I agree to the above statement

Yes

SUBMISSION TO REGIONAL HOUSING TASKFORCE.

By the North Coast Aboriginal Development Alliance.

(established under the NSW Governments OCHRE Program - Local Decision Making Framework)

The Big Questions.

- The issue is the lack of available housing stock.
- Do Aboriginal People share the dream of home ownership *(as in the Great Aussie Dream)*.
- How do we house our growing demographic of young people (and young families).
- How best can we use Aboriginal land.

The Challenges.

Home Ownership

The question must be asked do we share this dream which relies heavily on maintaining a burden of financial responsibilities, the ability to maintain long term financially beneficial employment or are our aspirations just to secure a roof over our heads, no matter the condition of the house or the ownership arrangements.

Housing needs of young people into adulthood.

The issue facing our future is the significant population of Aboriginal young people and their need for secure housing, particularly taking in account their desire to build their own family and contribute to the growth of this Nation.

Having flexible housing options will be the challenge.

The Grafton Correctional Centre and the flow on to local housing needs.

The establishment of the largest adult correctional centre in the southern hemisphere has created a fear of real housing shortages across the north coast of NSW but particularly for the Clarence Valley area.

As the criminal justice data highlights Indigenous inmates make up approximately 30% of the overall incarceration rates of Indigenous people at these facilities.

The new Grafton Correction Centre is experiencing high rates of Indigenous people (it is both a male and female facility), which in terms of post release will put pressure on appropriate housing stocks for those inmates released into the community. Many of whom will be relying on post-release support programs with a key focus on securing appropriate housing.

This is particularly so when housing is often a requirement of court release (bail conditions) and post release case management planning and compliance to parole conditions.

Accessing Aboriginal held land to meet housing needs.

There are a number of land titles held by both Local Aboriginal Land Council's and Native Title holders.

Is there a potential to investigate further the ability to build new homes on the land held by these authorities and land owners.

Surely in the spirit of self-determination, if there is an aspiration to develop housing stock on Aboriginal titled land, then those responsible for the planning and development phase of any housing (estate) proposal should look at allowing the potential for Aboriginal economic development which addresses social determinants as the housing, safety, health, mental health and social inclusiveness of Aboriginal people. This approach could surely impact on the strategies towards Closing the Gap on Indigenous health, employment, and life expectancy, not to mention the economic prosperity of the Aboriginal community.

The Feedback from the Aboriginal Community on the NSW North Coast.

After extensive community consultations in 2020 NCADA consultants recounted the concerns of each location through the development of a concise report on the discussions and concerns.

The key comments made at the local community level included;

- Housing is one of the biggest issues -not enough affordable housing for Aboriginal people, particularly in areas like Byron Bay. Families leave Byron seeking affordable housing in other towns
- There is a current 15-20 year wait on Housing NSW waiting list
- People often work on country but live elsewhere. Affordable houses will encourage families back on country.
- Department of Housing need to have Aboriginal staff as advocate for Aboriginal people who apply for housing.
- Our focus should be bringing people back to country.
- More Indigenous social housing required. Aboriginal people have to go to non-Aboriginal housing organisations to get support.
- Aboriginal organisations should build partnership with private real estate agents to support the homeless

- An observation that more older adults are becoming increasingly homeless
- A suggestion was for mobile homes to be set up so that they travel to areas that forces homeless to shelter on the beaches, sand dunes, down side alley or on the street. The mobile homes will give the homeless person a bed to sleep for the night, food and shower. A case management plan to be put in place so transition into permanent shelter of their own can occur.
- A hostel should be set up in the Northern Rivers for those who are homeless.
- Homelessness is a major concern although there are adequate support services.
- Tweed Heads has a very large homeless population including Aboriginal people who are;
 - rough sleeping
 - Couch surfing
 - In the street
 - Need more access to food and shelter.
- Encourage community to buy their houses
- Council's whom have crown land that they can spread housing across. need to offer to community at an affordable price.
- Increased number of Aboriginal housing options including single, small and large families for long term and short-term accommodation needs,
- Existing process to access community housing needs to be streamlined and affectively communicated to ATSI community,
- Development of an Aboriginal Hostel with different size units for short term and long term options with case support for holistic support
- Develop a support system to exit Aboriginal Housing into mainstream housing market through holistic support.
- More information for people to buy homes – rent to buy and other programs needed.

- Lots of people are complaining about their homes in terms of ongoing maintenance requirements not addressed.

Funding of Projects:

- Projects that work well only receive short term funding, need and additional assessments and longer term funding if working well.
- Young people need hope and a vision for a better future
- Current solutions don't seem to work; need practical solutions with work-based skill and cultural inclusion of respect and hope for a better life without crime.
- Housing was raised; there are lots of issues; maintenance, care, affordable in the area for people who might be able to purchase homes and free up community housing.
- Housing rental and affordability was a major issue. A lot of people had to rent private and rents are expensive.
- Need more information and programs on home purchases. Were aware of IBA, but not a lot of knowledge on how to purchase and maintain your own home.
- People rent and over years could have contributed a lot of money to home ownership.
- Discussion too on outer areas of affordable accommodation like Mulli. Do not leave out the areas that are out of towns.
- Youth
- There is a lack of adequate support for youth leaving out of home care once they turn 18.
- Youth are couch surfing as they don't have anywhere to go or they experience problems at home

Funding

- In relation to aged care, funding allocated but the funds are tendered out to other mainstream organisations
- Funding should be allocated on a long term basis and not short term contracts eg: 1 or 2 Years in relation
- “Where is the co-ordination”?

Other Issues

- There is no consultation by funding bodies with service providers Former project planning meetings with government departments were excellent, where service providers got to vote on priorities.
- Issues were many in community; lack of affordable housing stock, jobs for community, lack of respect and cultural ways.

There are many people across the north coast and throughout NSW, no doubt, that have great concerns about the future of housing and the response from the market to the growing need for suitable, affordable housing stocks.

I don't think there is enough appreciation of the players in the housing environment, their capacity to support, their relationship with other housing providers and in particular they identify as support services for Aboriginal and Torres Strait Islanders in need of secure housing.

Obviously this submission is focused on the needs of our First Nations Peoples, but any gains in the capacity to address and improve housing security and affordability, then it would influence the needs and programs delivered to the wider community as well.

Time is required to investigate innovative models to address future housing security across the Aboriginal housing sector. Such an investigation of best practice models of housing management and co-ordination could also inform the wider mainstream social housing programs.

I am seeking further conversations at the local/regional level to better inform the Taskforce on not only the housing needs of Aboriginal people but develop models to support improved housing security, as well.

Prepared by:

Darren Kershaw

Executive Chairperson.

26th August, 2021.

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 4:36:36 PM
Attachments: [submission---bvsc-to-regional-housing-taskforce.pdf](#)

Submitted on Fri, 27/08/2021 - 16:24

Submitted by: Anonymous

Submitted values are:

Submission Type

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Submission file

[submission---bvsc-to-regional-housing-taskforce.pdf](#)

Submission

Please see the attached document.

I agree to the above statement

Yes



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27 August 2021

Mr Garry Fielding
Chair, NSW Regional Housing Taskforce
NSW Department of Planning, Industry and Environment
Via the NSW Planning Portal

Dear Mr Fielding

Submission – Regional Housing Taskforce

Thank you for the opportunity to provide input to your deliberations on the challenges and opportunities to improve housing outcomes in regional NSW. Unfortunately, due to the timing of the Taskforce's work, Bega Valley Shire councillors have not had the opportunity to resolve on this submission. However, at its meeting of 4 August 2021, Council resolved to recognise that Bega Valley Shire is currently experiencing a crisis in housing, which is having profound impacts on people across the housing continuum, and express interest in collaborating with the NSW Government to deliver the *NSW Housing Strategy 2041 2021-22 Action Plan*. In July 2020, Council also resolved to provide feedback on the draft *NSW Housing Strategy 2041* (enclosed).

Background

Bega Valley Shire is a regional local government area on the Far South Coast of NSW. The Shire covers 6,279 km² and has a population of 34,951 living in 18,464 dwellings. The Shire is endowed with significant natural assets, of which around 40% is in the National Park estate. These assets and the mild maritime climate make the Bega Valley Shire an attractive place to live, work and visit.

While the visitor economy is important to local prosperity, it also creates pressure on housing availability and affordability: 19% of housing stock in the Bega Valley Shire is unoccupied on a permanent basis, compared to 10% in regional NSW. Some of this stock is rented on the short-term letting market and some is holiday housing for absentee landowners. This high level of vacancy and temporary occupancy has profound impacts on social cohesion as well as affecting the capacity of key industries such as health, education and public administration to recruit staff from out of the area.

These social impacts are exacerbated by the Black Summer bushfires, which led to the destruction of 467 homes; the coronavirus pandemic, which has stimulated an exodus from metropolitan centres; and low interest rates, which have over-heated the local housing market across Australia.

Residential development is strong in the Bega Valley, with construction of new housing exceeding growth in the number of households. Social housing, however, has not kept pace with growth in demand, making up just 3% of housing stock compared to 5% for NSW.

The population of the Bega Valley is older than the average in NSW, household size is smaller than average, and population growth is relatively low (0.9% per annum). While home ownership is higher than average, at 45%, household income is below average.

Council acknowledges that many of the drivers of housing affordability are outside the planning system, and welcomes the opportunity to work with NSW and Australian governments to address these broader elements in addition to the matters within scope for the Taskforce.

Feedback on matters within the Taskforce's scope

1. The planning system and other government levers to stimulate housing supply and address housing needs

Council acknowledges that land supply is a barrier in many jurisdictions. This is not the case in most areas of Bega Valley Shire, where there is sufficient land zoned for a diverse range of housing. The cost to develop this land, however, is a significant barrier to development. Mechanisms to address peak debt, including options to spread the cost of servicing lots over longer timeframes, and encourage release of these lands to the market are required.

There is significant land value uplift associated with rezoning of rural land for residential uses and rezoning of R2 land to zoning that allows higher density uses such as residential flat buildings and multi dwelling housing. Support to develop local Planning Agreement Policies to assist councils to capture part of the uplift associated with proposals for changes arising from planning proposals would be welcome.

In the Bega Valley Shire, as elsewhere in NSW, large areas of land have been transferred from the Crown to Local Aboriginal Land Councils. Few of these lands are readily able to be developed to support housing security and economic development for local Aboriginal people. Measures to address this inequity are required. For example, Crown Lands could consider rezoning land to an appropriate residential zone prior to land transfer or consideration could be given to providing exemptions for Local Aboriginal Land Councils to enter the Biodiversity Offset Scheme under the *Biodiversity Conservation Act 2016*.

2. Removing impediments within the planning system to the delivery of affordable housing types and housing generally

Council welcomes the reforms identified in the *NSW Housing Strategy 2041* and draft *Housing State Environmental Planning Policy* to address housing supply and diversity. In particular, Council supports mechanisms to enable development of new generation boarding houses, shared housing and smaller studio, one and two bedroom dwellings to provide more affordable housing stock.

Council is currently reviewing development controls in its planning instruments to reduce unnecessary or outdated barriers to development. Matters being investigated include removal of minimum site area controls, increase in building height limits close to town centres, adjustment of setbacks, aligning car parking requirements to match actual ownership and increased reliance on the provisions of the Apartment Design Guide.

Guidelines for caravan parks and manufactured housing estates would be welcome to encourage a higher proportion of permanent sites, where suitable, and providing for a higher proportion of such sites in licensing arrangements. In the immediate term, there may be opportunity to extend the temporary exemptions for bushfire affected residents under the caravan park regulations to the broader community that is at risk of homelessness.

Currently there is uncertainty around manufactured housing estates (MHEs) and in which zones they are permitted because they are an innominate use under the Standard Instrument Local Environmental Plan (SI LEP). Including a definition in the SI LEP would enable councils to clarify in which zones MHEs are permitted with consent. The NSW Government may also wish to consider developing separate land use definitions for tiny homes and tiny home communities to clarify permissibility, building standards and approval pathways for these land uses.

Nearly all residential zoned land in Bega Valley Shire was zoned residential prior to the gazettal of the *Biodiversity Conservation Act 2016*. The cost to comply with this legislation is a significant barrier to development, where it has not been addressed at the rezoning stage. Alternative mechanisms to mitigate impacts on biodiversity, such as assessing habitat value and offsets at the rezoning stage (rather than at the subdivision or development stage) may be a more appropriate mechanism.

Further consideration could be given to developing a land use definition such as shop-front housing to allow the development of adaptable ground-floor units behind shop fronts. This land use would be useful in high street locations where the pattern of development is long, deep blocks but there is limited demand for retail space.

In Bega Valley Shire, there is a strong reliance on individual owner-builders for new housing supply. There may be opportunity for the NSW Department of Planning, Industry and Environment to increase its role as an educator, particularly in regional areas. Consider providing complying development training courses for certifiers in regional areas to increase certifier capability and capacity, especially in relation to the Low-Rise Housing Diversity code.

3. Identifying mechanisms within the planning system to facilitate and drive the delivery of housing matched to community needs

The high percentage of unoccupied housing in the Bega Valley Shire (19%) presents significant issues, as described above. At present, Council is unable to differentiate between housing that is held vacant for holiday use by its owners and housing that is let on the short term rental market. It would be useful to be able to make this distinction to inform appropriate advocacy and policy responses. Council is of the view that the 180-day cap on short term rental accommodation is not a material incentive to transition this housing stock to the permanent rental market. Council would prefer to see limits on the zones in which STRA can take place and disincentives for housing to remain vacant.

Council has identified an expected shortfall of 2,425 dwellings for low income households in Bega Valley Shire by 2036. Around 75% of this shortfall is unlikely to be met through the private property market, as there are no housing products that are affordable for these households. Council would like to see additional planning provisions that require a minimum percentage of affordable housing in residential flat buildings and shop top housing within 400 metres of B2 zones.

Council would welcome further discussion with the NSW Government agencies, including Crown Lands, Property NSW and NSW Land and Housing Corporation, to identify land suitable for redevelopment for affordable housing in collaboration with local community housing providers.

Should you require further information about this submission, please contact me on (02) 6499 2234 or ahowe@begavalley.nsw.gov.au.

Yours faithfully



Alice Howe
Director Community, Environment and Planning

[encl]



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24 July 2020

Housing Strategy Implementation Unit
Land and Housing Corporation
NSW Department of Planning, Industry and Environment
Locked Bag 4009
Ashfield BC, NSW 1800
By email: NSWHousingStrategy@fac.s.nsw.gov.au

Dear Sir/Madam

Submission to NSW Housing Strategy Discussion Paper

Thank you for the opportunity to provide input to the development of the NSW Government's *Housing Strategy 2041* and for the work already undertaken through development of your Discussion Paper. At its meeting of 22 July 2020, Bega Valley Shire Council resolved to make a submission on the Discussion Paper to inform development of the Housing Strategy.

Bega Valley Shire is a regional local government on the Far South Coast of NSW. Population growth and household income in the Shire are slightly lower than regional NSW. Our population is ageing, and households are typically smaller than elsewhere in regional NSW. Housing stock is relatively uniform, with 80% single unit dwellings. A significant proportion (17.5%) of our housing stock is unoccupied and yet rents are rising and 35.4% of households are in rental stress. Addressing the particular housing needs of the Bega Valley community is a key focus for Council.

All levels of government have a role to play in creating the policy settings and policy framework that support people wherever they are on the housing continuum. Council has an adopted Local Strategic Planning Statement and Residential Land Strategy, which seek to create similar outcomes to those identified in the Discussion Paper.

Council welcomes the opportunity to partner with the NSW Government to meet the housing needs of the Bega Valley community. Please don't hesitate to contact me to discuss this submission in more detail.

Yours faithfully

A handwritten signature in black ink, appearing to read "Sharon Tapscott", written in a cursive style.

Cr Sharon Tapscott
Mayor
[encl]

Housing Strategy Vision

Council supports the intent of the vision described in the Discussion Paper; however, it could be stated more powerfully by being simplified as follows:

To support all people at all stages of their lives by supplying diverse, affordable and resilient housing.

Council supports the focus of the vision on supply, diversity, affordability and resilience. These elements align closely with Council's adopted Local Strategic Planning Statement and Residential Land Strategy.

Priority actions for housing in Bega Valley Shire

The specific actions for housing that Council has identified in its Local Strategic Planning Statement, and which Council would like to see the NSW Housing Strategy support, are:

- 11.1 Develop an affordable housing strategy to provide a framework to respond to housing need
- 11.2 Promote the need for housing diversity to local developers and builders
- 11.3 Review planning controls for medium density areas including potential for incentives to encourage greater housing diversity and development uptake
- 11.4 Review areas suitable for seniors housing and assess opportunities to support their development
- 11.5 Review the planning controls in rural zones to increase the provision of affordable housing options without permitting further subdivision of land
- 11.6 Develop plans to guide the future density and form of infill residential development and road servicing requirements in rural villages including Cobargo, Candelo, Bemboka, Wolumla and Wallaga Lake
- 11.7 Investigate opportunities to apply a cap to short-term rental accommodation to balance the economic benefits and housing needs and affordability
- 11.8 Identify planning controls and incentives such as density or height bonuses that deliver different dwelling types, greater bedroom mix and diversity of tenure
- 11.9 Develop and implement urban renewal plans to encourage redevelopment that increases the supply and diversity of housing in Bega, Merimbula and Eden
- 11.10 Review Council's developer contributions policy following the conclusion of the Statement review of the infrastructure contributions system

Council would also welcome amendments to the Seniors Housing State Environmental Planning Policy to ensure that it meets the housing needs of older people in regional areas.

Housing Supply

Council supports the current initiatives and proposed strategic directions described in the Discussion Paper.

Maintain a housing development pipeline in Greater Sydney

Council recognises the importance of Greater Sydney to the culture and economy of NSW. With increasing access to remote modes of working, however, there is opportunity for the NSW Government to support people to relocate to regional areas such as the Bega Valley. This support might include financial incentives, government agency decentralisation, improvements in health and education services, and advocacy to the Australian Government for improved telecommunication services.

Improving data collection, use and access

Council's housing growth projections are based on profile.id data, which are higher than Department of Planning, Industry and Environment (DPIE) forecasts provided in the Discussion Paper and more accurately reflects local conditions. It would be useful if the NSW Government could develop more lead indicators of housing supply to inform State-wide and local decision-making, and more regularly test those forecasts against realised supply variables.

Council supports the introduction of tools such as ePlanning to capture data on new development but would also welcome improved data analytics indicators for the rental market as well as household rental and mortgage stress. These latter indicators are important for the delivery of health and wellbeing services, particularly mental health services.

Coordinate regional development and investment

Council notes that the supply of housing is quite granular across NSW and welcomes the NSW Government's recognition that supply requirements vary significantly across the State. In the Bega Valley, population growth of 10-16% is projected to 2036, requiring an additional 2,450-4,458 dwellings. Council has zoned sufficient land to meet this supply; however, the cost of servicing these lots can be prohibitive.

Council is seeking to consolidate its urban footprint, both to increase liveability of our towns and villages, and reduce conflicts with rural and industrial land uses. Brownfields development is generally more expensive than serviced greenfield sites, which increases pressure for new urban land releases. Assisting developers to smooth their debt profile would be useful in activating suitably zoned land.

In relation to supply of rental accommodation, the short-term letting market significantly limits availability. In some coastal towns, 25-35% of the housing stock is unavailable for long-term rental. This not only affects affordability but can also adversely affect community wellbeing. Increased data availability for Airbnb-listed properties would assist in understanding this segment of the accommodation market. It would also be useful to better understand the drivers for homeowners choosing to let their properties on a short-term, and the barriers for them of long-term letting, so as to develop policy measures that support the objectives of the Housing Strategy. This may include moving more of this stock in to the long-term market, or greater use of short-term letting for crisis accommodation, for example.

Better utilise available NSW Government-owned land

Land held by government at all levels is an important source of supply, as is land held by Local Aboriginal Land Councils. On the Far South Coast, all of these lands are affected by a Native Title claim and cannot be used for housing purposes until that claim is resolved.

Once these Native Title claims are resolved, the NSW Government could enhance its investment in partnerships with community housing providers to increase the stock of affordable and social housing in regional areas.

Land owned by Landcom, such as Eden Cove, is zoned for residential and subdivided for development, but has not progressed, primarily due to biodiversity constraints. It would be useful to work through the barriers to development on paper subdivisions such as this, determine what is required to resolve them, and take positive action to move forward; either to create more supply or utilise these lands for other purposes.

As far as Council is aware, there has been no recent evaluation of NSW Government land within Bega Valley Shire to determine its suitability for residential housing. While a large proportion of the Crown estate is held for forestry and conservation, and is unlikely to be suitable, there may be other suitable parcels that can contribute to supply. This may be either a direct contribution to increased housing stock, or a contribution to resolving land use planning issues on other suitable land by providing biodiversity offsets or being part of an indigenous land use agreement, for example.

Housing Diversity

Council considers that few of the current initiatives to support housing diversity described in the Discussion Paper are being utilised in the Bega Valley and disagrees that councils have strengthened strategic planning powers.

The proposed strategic directions could be expanded to support diversity across a broader range of demographic sectors and life stages: for example, older single women are likely to require significantly different housing to an extended family or a single student. They could also be expanded to support diversity for people at or close to the homeless end of the continuity spectrum, which may involve increased access to holistic support that includes housing, social services and employment. The Bend, Bega, is an example of a housing model that supports diverse living arrangements and shared common spaces.

Improve housing options for older people and people with disability and support a range of housing types and sizes

Housing diversity in the Bega Valley is highly limited, with single unit dwellings making up 80% of housing stock and 42% of stock comprised of three bedroom dwellings. This stock does not reflect the preferences of many in our community. This is partly due to perceptions about demand in the development sector, the low risk appetite for developers to try something new where profit margins are very low, and the slow rate of growth and turnover of housing stock.

The Housing Strategy should reflect that the specific housing needs of particular communities may vary considerably, even within relatively small areas, and provide tools that can be applied as required. For example, the model environmental planning instrument could permit additional or different uses in residential zones where there is a high demand for certain types of living

There is a role for the NSW Government in better educating the development industry, particularly in regional areas, about the demand for alternative types of housing. There is also a role to support

more diverse home ownership and service models that facilitate shared living, particularly for older people wishing to age in place and people with disability wishing to access shared support services.

Diversity of housing should also consider disruptive technology such as artificial intelligence and the Internet of Things, which will increasingly assist older people and people with disability to remain at home.

Housing Affordability

Council supports the objectives for housing affordability described in the Discussion Paper and the work already underway to improve affordability. Council also recognises the efforts of NSW and Federal Governments in supporting people to remain in housing and to invest in improvements to the homes they own as part of the current COVID-19 household support and economic stimulus packages.

In the Bega Valley, home ownership is highest at both the high and low end of the income spectrum, perhaps reflecting the long-term tenure of families within the Shire. However, household income is lower than the average for regional NSW, with 35.1% of households in the lowest income quartile. In the Bega Valley, there is overcrowding in studio, one bedroom and two bedroom housing and underoccupancy in three-six bedroom housing. This most likely reflects both the lack of affordability of larger dwellings and the impediments to downsizing for older people who own larger dwellings.

Affordability of both rental and owner-occupied stock across the Shire is highly variable. On the coast, both existing and greenfield housing stock typically sell well, whereas inland areas are much more challenging. As mentioned above, rental accommodation in coastal areas can be both expensive and scarce due to the influence of the short-term letting market and the migration patterns of retirees. Many retirees who own their homes leave them vacant in winter. Incentives to release this housing stock for crisis accommodation could make a material difference for homeless people.

The Black Summer bushfires and Covid-19 have both had an impact on affordability and supply of housing in the Bega Valley. After the fires, many with the means to do so either purchased or rented accommodation. Local real estate agents report an increase in interest in purchase from metropolitan areas. This appears to be a pandemic-related response to the capacity of many to now live where they'd like to rather than near their place of work and the undesirability of living in highly populated areas at present.

Provide additional support for first home buyers

Council notes that the NSW First Home Owners Grant and Federal First Home Super Saver Scheme provide support to those seeking to purchase a dwelling for the first time.

The first home owners grant may not materially improve affordability for first home owners, as effectively it is added to the market price of housing. Alternative schemes, such as rent to buy and First Home Super Saver Scheme, are likely to be much more effective, as they reduce the primary barriers for first-time purchasers, which is saving for a deposit and being able to secure a loan.

Council supports the principles articulated in *State Environmental Planning Policy (Aboriginal Land) 2019*. Council's adopted Local Strategic Planning Statement includes an action (Action 4.2) to work with local Aboriginal landowners to develop their land to respond to housing needs and support

economic self-determination. Council would welcome the opportunity to partner with the NSW Government and Local Aboriginal Land Councils to progress that action.

Ensure appropriate rights, responsibilities and choices for tenants

There appears to be a cultural expectation in Australia that renting is a temporary state prior to home ownership. Typically, rental agreements are short term and do not engender security for long-term tenants. Council supports reform of the rental market in NSW to increase security for tenants. Build to rent models and long-term tenure for residents, beyond the social housing sector, have potential to materially improve the quality of life for those who can't or choose not to purchase housing.

Modernise affordable housing policies and schemes

Council supports the proposal to modernise the affordable housing system in NSW. In regional areas like Bega Valley, it is unlikely that private sector investment would be a significant contributor due to the relatively low level of investment that occurs, and the small margins involved. In areas like ours, public intervention through policy to encourage private-sector investment in affordable housing and financial investment in social and community housing is required.

The Australian Government has a role to play in improving the affordability of housing, both through the taxation system and by direct financial support to create new housing stock. In relation to taxation, Council supports removal of stamp duty and replacement with a land tax paid to local government. There is also potential for reform in means testing for pensioners, to assist them to downsize, and for Government underwriting of loans to assist lower income households to purchase a new property prior to sale of their current property.

In terms of financial support, Council welcomes financial assistance programs, such as the Social Housing Community Improvement Fund and would encourage both the NSW and Australian governments to continue to invest in innovative partnerships with community housing providers to increase the stock of affordable and social housing. Council is open to partnering with community housing providers to deliver affordable housing through land use planning and provision of land but is less interested in developing or owning housing stock.

Council supports implementation of the recommendations of IPART's 2016 local government rate review, which include improving the capacity for local government to raise revenue for critical infrastructure across its rate base. This would enable councils to invest in lead infrastructure to support housing where the upfront costs are prohibitive for the private sector.

Increase and improve how social housing is built and managed

Council supports an increase in the volume of social housing stock across NSW, and in the Bega Valley. There are currently 394 social housing dwellings within the Shire. Council has little visibility of the demand for this housing or the level of satisfaction of tenants. Council would welcome improved data sharing with NSW Government agencies such as the condition, occupancy and wait list for social housing within a local government area. The Local Government Housing Kit Database is a positive step towards data transparency in this space; however, is limited to comparison between two local government areas based on Census data, so usually does not provide contemporary information.

Better utilise available government-owned land to address homelessness

The rate of release of greenfields sites to market can affect the affordability of new housing. There is a tension for local planning authorities to navigate between increasing the rate of release of residential lots to improve affordability for purchasers and slowing the rate of release to improve profitability and cash flow for developers.

Responsive and Resilient Housing

Council supports the objectives for responsive and resilient housing described in the Discussion Paper, and the work underway to deliver it; however, would like to see greater emphasis on whole of life thinking and circular economy principles.

Continually improve the quality and resilience of new housing

The cost of operating a building over its asset life is typically substantially more than the cost to build it. Current planning controls, such as BASIX, have not kept up with changes in technology and community expectations for sustainable design. Building standards, such as the National Construction Code and Planning for Bushfire Protection 2019, do not adequately consider the impact of climate change on design requirements for resilient housing. For example, the NCC has not increased wind loading requirements as the cyclone belt moves further south and PBP does not consider the increase in fire frequency and intensity that is expected to occur.

Council recognises, however, the important role of planning controls in reducing the risk to life and property from natural disasters. Anecdotal evidence from the Black Summer bushfires suggests that more modern housing that complied with PBP fared much better than older housing stock. In some areas, however, the natural disaster hazard is not able to be adequately addressed through improved design, either now or in the future. The NSW Government should consider measures to support landowners to relocate from these areas.

Council supports broadening BASIX to address elements beyond water and energy use. There is also a role for government to drive housing industry investment in recycled products. For example, policy and procurement requirements could create a market for use of recycled glass in construction (concrete, pipe bedding etc) which would support local government kerbside recycling services, create employment and address a significant waste issue across NSW (and elsewhere).

Reform of the national electricity market and measures to improve grid stability are required to support the uptake of renewable energy. For example, Council understands that, at present, electricity utilities are unable to provide stand alone power systems to more remote properties within an electricity network for more than six-months. In these remote situations, the cost of maintaining connection to the grid far outweighs the cost of providing a stand-alone system.

Council would like to see further consideration of planning controls and design principles that support the use of artificial intelligence. Robotics, autonomous vehicles and the Internet of Things have capacity to improve the quality of life for people with disability and enable them to remain independent at home.

Improve the environmental sustainability of existing housing

Council welcomes proposals in the Discussion Paper to improve the environmental performance of existing housing stock but considers that a broader definition of sustainability could be considered. For example, incentives could be introduced to encourage both tenants and homeowners to invest in measures that include the resilience of housing to natural disasters as well as the consumption of energy and water.

Mandatory environmental performance disclosure of housing stock is welcome; however, any such scheme would need to consider the implementation cost for landlords. Sustainability improvements to strata schemes should also consider source-separation of waste and provision of electric car charging capability; however, Council notes that it can be difficult to retrofit waste management systems. could be expanded to consider capacity to support electric vehicles.

Improve environmental sustainability and resilience in residential precincts

Council supports increased collaboration between local government, developers, Approval Bodies and utilities to deliver improved sustainability and resilience outcomes at the precinct scale. Increased consideration of circular economy principles will be important.

Council notes, however, that in regional areas such as Bega Valley Shire, development margins are extremely tight. Government support is likely to be required to embed measures that do not yet have tangible value for consumers. This support includes informing developers and purchasers of the value of these measures, at both the precinct and lot scales, providing financial incentives for developers to introduce additional elements, such as fibre to the premise or precinct-scale energy systems, at the subdivision stage, and education, training and governance models to support operation of these distributed systems once constructed.

Support housing and residential precincts that are responsive to natural hazards

Council welcomes proposals to further enhance the resilience of housing at the precinct scale. Many of the measures proposed are being applied to various extents. It would be useful to expand thinking in this space into the public domain. This might include design specifications for roads, drains and open spaces that support resilience to the climate and associated natural hazards that these long-lived assets are likely to experience.

Consider alternative transport approaches to major centres

Council considers that this objective should be expanded to consider alternative transport approaches beyond major centres. While acknowledging the particular challenges facing metropolitan areas, rural and regional areas also require support. This may include active transport planning in town centres, the role of small autonomous vehicles in on-demand public transport systems and the roll out of electric vehicle charging stations.

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 4:35:55 PM
Attachments: [0821-udia-submission-regional-housing-taskforce-final.pdf](#)

Submitted on Fri, 27/08/2021 - 16:32

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Elizabeth

Last name

York

I would like my submission to remain confidential

No

Info

Email

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Suburb/Town & Postcode

Sydney

Submission file

[0821-udia-submission-regional-housing-taskforce-final.pdf](#)

Submission

UDIA NSW appreciates the opportunity to provide our recommendations to the Regional Housing Taskforce. We look forward to discussing these issues in more detail.

I agree to the above statement

Yes



Regional Housing Taskforce

UDIA NSW Submission

August 2021

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CONTACT

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ABOUT THE UDIA

Established in 1963, the Urban Development Institute of Australia NSW (UDIA) is the peak industry body representing the leading participants in urban development in NSW. Our more than 500 member companies span all facets of the industry including developers, consultants, local government and state agencies. We have a strong commitment to good growth in the regions. A quarter of our members are based in regional NSW, and we have active Chapters in the Hunter, Central Coast, and Illawarra Shoalhaven. Our advocacy is based on creating liveable, affordable and connected smart cities.

INTRODUCTION

We welcome the creation of the NSW Regional Housing Taskforce (Taskforce). UDIA strongly believes that addressing housing concerns and enabling sustainable growth requires close collaboration between government and the development sector and accordingly, there is a clear facilitation role which UDIA actively provides.

The regions have different challenges compared to Greater Sydney, and every region has its own unique needs and pressures. UDIA has extensive experience in the Hunter, Central Coast, Illawarra and Shoalhaven regions where we have active Chapters. These regions make up what has been referred to as the Sydney Megaregion, being those high-growth regions within a two-hour radius of Greater Sydney. These areas share opportunities and challenges that are different from other regions that are more distant from Sydney. Our submission focuses mainly on the Hunter, Central Coast, Illawarra and Shoalhaven, although our recommendations would likely benefit all regions.

Our research and experience on the ground, both give credence to the existence of housing stress in these regions, where demand is outstripping supply. Unfortunately, the situation is on track to worsen without intervention and thus the Taskforce's work is timely and necessary.

UDIA's submission details our recommendations which are summarised below under three focus areas:

- Establish cross-government coordination to deliver more housing supply
- Accelerate housing delivery
- Create a sustainable housing pipeline

We arrived at these recommendations through workshops with our members and more formal research. Many of our suggestions have been included in other submissions, e.g., to the [Illawarra Shoalhaven Regional Plan 2041](#), and our [NSW 2021 Pre-Budget submission](#).

We have provided links to several detailed reports that outline specific infrastructure items and planning proposals, whose delivery could be accelerated to increase housing supply in the specific regions, and a seniors housing solution.

In addition, we will supplement this submission shortly with further papers that are currently being developed on the topics of biodiversity, the draft Housing SEPP and rezoning reform.

Recommendations:

Focus Area #1: ESTABLISH CROSS-GOVERNMENT COORDINATION

1. “Housing supply” should be measured in terms of the number of dwellings available to be brought to market now, i.e. Developable Supply - land or units that are DA-approved, with biodiversity arrangements in place and fully serviced.
2. To keep prices affordable, a region must coordinate planning to deliver a minimum of twice the supply relative to forecast annual demand.
3. Establish a robust, digitally enabled Urban Development Program Committee (UDP) with government and industry stakeholders in each region that influences planning and funding decisions by the NSW Government Cabinet to better coordinate infrastructure and the delivery of housing.
4. Provide confidence to invest in NSW (including in the regions) by delaying Government Planning Reforms which are in-consultation and will adversely impact on development feasibility and housing supply as industry looks to recover from COVID shutdowns. Policies include:
 - The Design and Place SEPP EIE, and
 - The Housing SEPP

Focus Area #2: ACCELERATE HOUSING DELIVERY

5. Invest in enabling infrastructure now: Create a \$1bn fund, similar to the Housing Acceleration Fund (HAF), to build the infrastructure outlined in the UDIA *Building Blocks* reports (attached).
6. Provide incentives for councils to forward fund their enabling infrastructure by borrowing via TCorp and unlock Development Contributions held by councils. A grant fund up to the value of \$100m would help deliver councils’ existing enabling infrastructure projects, catalysing the spending of \$1bn of infrastructure funding.
7. Utilise a site’s full yield potential as allowed under its zoning by limiting the avoid-minimise test to the rezoning stage. For zoned development sites, biodiversity impacts that are not serious and irreversible impacts (SAII) should be mitigated only through the offset mechanism. For sites seeking rezoning, approval processes should allow for decisions to be given early on SAII entities to provide clarity for all parties.
8. Expand council reporting to include additional development categories.
9. Utilise a project’s detailed study throughout the planning process, rather than requiring “repeat assessments” of the same issue at planning proposal, Development Application and Construction Certificate stages. Where additional detail is required, allow existing work to be built upon instead of duplicated.
10. Use contractors to supplement council resourcing to help address the “backlog” of DAs presently in the system.
11. Extend the First Home Buyer grants and assistance scheme for apartments purchased off the plan.
12. Remove/reduce foreign investor surcharges on new build apartments.
13. Provide loan guarantees in exchange for lower project pre-sales thresholds to get apartment construction moving.
14. Run a positive campaign to restore confidence in the quality of construction for off the plan apartments and the good work the NSW Building Commissioner has done to tackle this issue.

Focus Area #3: CREATE A SUSTAINABLE HOUSING PIPELINE

15. Bring forward the assessment of the planning proposals in UDIA's Greenfield Land Supply Pipeline report (attached). DPIE should lead the process if necessary.
16. Publish deadlines for rezoning decisions and precinct approvals, creating transparency and accountability to enable investment confidence.
17. Review the maximum height controls in Medium Density Residential zones to ensure they enable feasible development.
18. Review the use of SP1 and SP2 special uses zones to ensure they remain fit for purpose, with a view to allowing some existing sites to provide affordable regional housing.
19. Commission a study to explore the viability of expanding the Mines Grouting Fund to cover all areas in NSW that are subject to mine subsidence.
20. Consider the UDIA recommended LEP clause for the Central Coast and other regions where seniors housing is inadvertently constrained by environmental zones.
21. Avoid imposing affordable housing levies on development which will overall reduce housing supply and result in increased prices.
22. Encourage partnerships between local councils and community housing providers to own and manage a dedicated affordable housing dwelling once it has been dedicated to a council.
23. Avoid the provisions of the proposed Housing SEPP that would impede supply of diverse, affordable and seniors housing (see upcoming separate submission).
24. To successfully create lasting change in the regional housing supply pipeline, Government needs to identify how the Taskforce recommendations will be delivered and by whom, with funding and an implementation program including frequent reporting requirements.

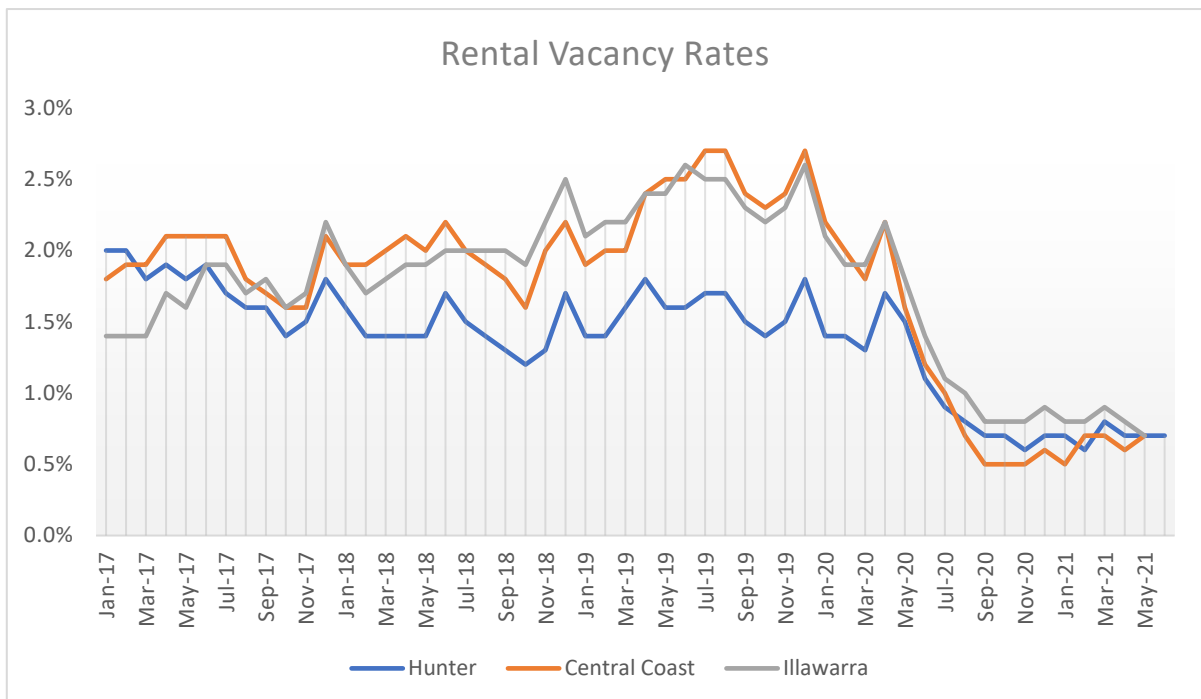
BACKGROUND: INDICATORS OF UNDERSUPPLY

The Taskforce understands that the population of the regions is growing and that the undersupply of housing is leading to rapidly rising prices and rents.

Australian Bureau of Statistics (ABS) data¹ backs up the Taskforce's suppositions, showing that in the 12 months to March 2021, there was a rise in the number of people arriving in the NSW regions and a decline in the number of people leaving the regions. Housing supply is struggling to accommodate demand, particularly in the high-growth outer-Sydney regions of the Hunter, Central Coast and Illawarra Shoalhaven, where we see record low rental vacancy rates, indicating high housing stress and significant undersupply. The Reserve Bank Australia (RBA) has identified² that a 'very low' vacancy rate is indicative of high rental demand, and that a relationship exists between vacancies and dwelling completions. The RBA finds that real rent growth is observed when vacancy rates drop below 3%.

In the case of the Hunter, Central Coast and Illawarra regions, the rental vacancy rates:

- Have been below 3% since 2017 (when the current Regional Plans were implemented)
- Have been below 1% since mid-2020³, indicating a significant undersupply of new dwelling stock.



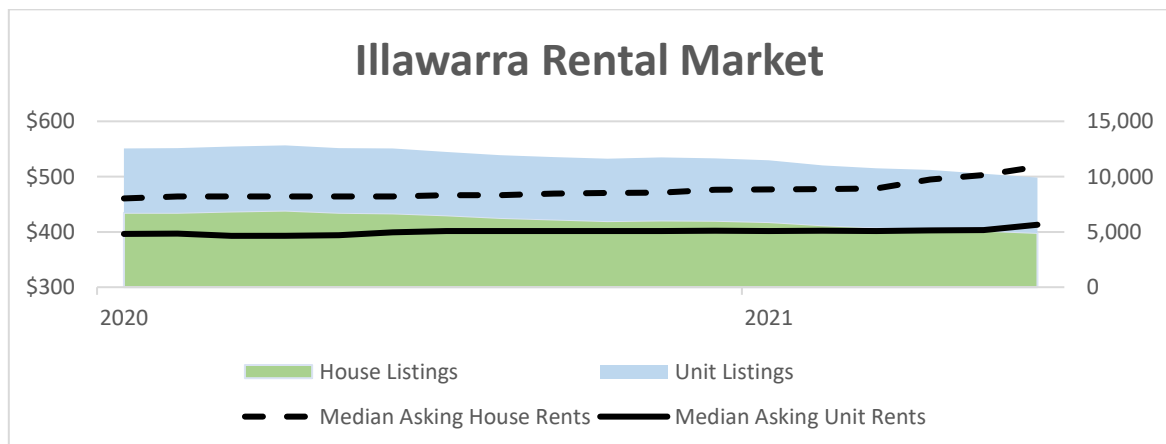
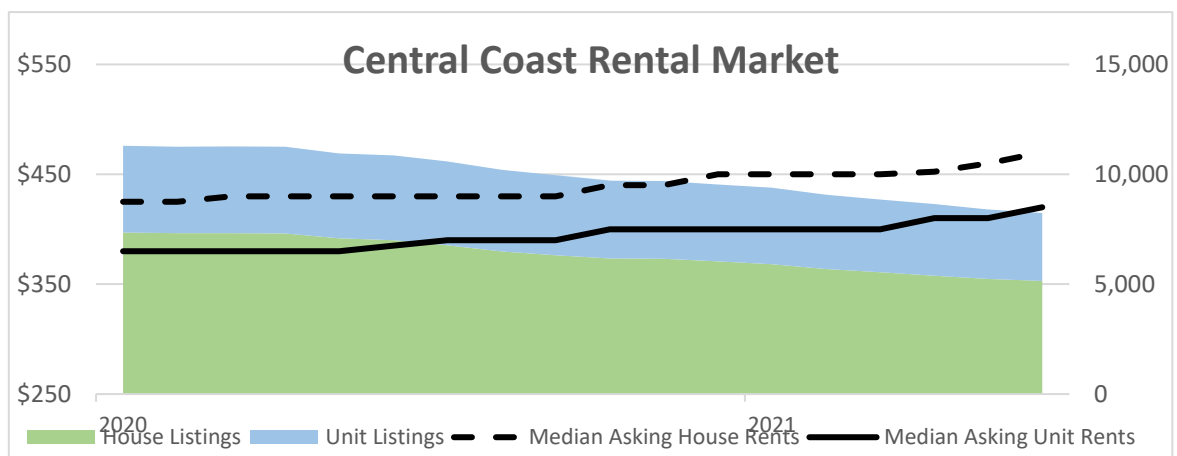
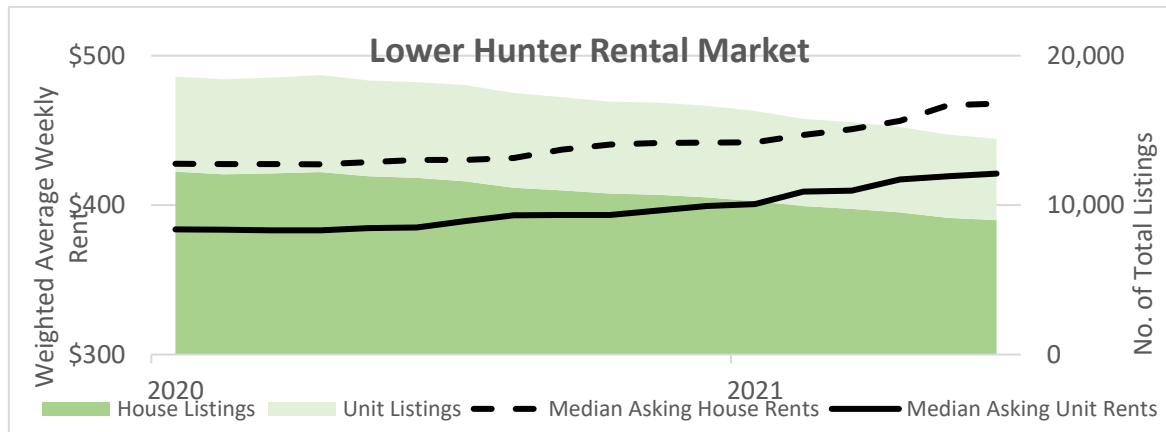
Source: SQM Research (to June 2021)

¹ ABS Regional internal migration estimates, provisional, March 2021

² Saunders, D. and Tulip, P. (2019). *A Model of the Australian Housing Market*, Reserve Bank of Australia

³ SQM Research (to June 2021)

The lower rental vacancy rates correspond to reductions in the number of house and unit rental listings in the Hunter, Central Coast and Illawarra, and recent increases in asking rental prices.



Source: CoreLogic, Median asking rents + Rental listings (data to June 2021)

Falling rental listings, rising rents and record low vacancy rates indicate significant undersupply of housing. Supply should be increased by providing more certainty and coordination in the planning system; accelerating delivery of the existing pipeline; and refilling the pipeline with diverse and affordable stock.

FOCUS #1: ESTABLISH CROSS-GOVERNMENT COORDINATION TO DELIVER MORE HOUSING SUPPLY

UDIA's research partner Research4 has explained the relationship between housing supply and affordability: to keep prices affordable, it is necessary to have a minimum of twice the number of dwellings approved and serviced as the market demands. When a market falls below this 2:1 metric, prices rise into unaffordable territory. The 2:1 factor allows developers to quickly respond to demand pressure and release more lots to market, stabilising prices.

The sales and rental data outlined in the section above supports this hypothesis. We have seen this work in practice in the Maitland greenfield housing market over recent years, where abundant stock keeps prices lower relative to under-supplied LGAs like Lake Macquarie, Central Coast or Wollongong.

Unfortunately, the planning system tends to measure housing "supply" in terms of zoned land. Zoned land does not always convert to developable supply, and when it does, the process is slow. Indeed, it typically takes years to deliver zoned land to market, during which time housing prices and housing stress will rise.

UDIA recommends:

- 1. The NSW Department of Planning, Industry and Environment (DPIE) should track the number of dwellings available to be brought to market quickly, i.e., Developable Supply - land or units that are DA-approved, with biodiversity arrangements in place and fully serviced, and government should use the data to make decisions that enable the maintenance of a healthy housing supply pipeline.**
- 2. When measuring greenfield supply, DPIE should set a target of delivering a minimum of twice the number of developable dwellings compared to forecast demand - the number of dwellings required to meet expected population growth in a region and keep prices affordable.**

The planning system is not fit for purpose to achieve this goal of 2:1 – developable supply to demand. UDIA believes unequivocally that the primary challenge to delivering housing supply in the regions and indeed throughout all of NSW, is the uncertainty and complexity of the NSW planning system and the lack of integrated delivery of enabling infrastructure that results in unnecessary delays and costs.

The planning system touches all parts of the NSW Government, not just the Planning and Assessment functions under the NSW Department of Planning, Industry and Environment (DPIE). In recognition of this reality, our submission adopts a broad definition of "the planning system" and our recommendations sometimes necessarily touch on actions outside of the realm of planning and public spaces. UDIA has endeavoured to prepare this submission to focus specifically on improvements for the benefit of the regions, as per the Taskforce Terms of Reference, although most of our recommendations would benefit the whole of NSW.

So, what is different in the regions?

- Traditionally, planning system challenges are often exacerbated by lower returns on investment due to lower sales prices and slower sales rates. This has changed somewhat over the past year, but it is unclear whether higher prices and turnover in the regions will be maintained.

- New land considered for development faces higher biodiversity challenges. This has become an acute problem since the implementation of the Biodiversity Conservation Act 2016 (BC Act).
- Some planning policies developed in Sydney are one-size-fits-all that are inappropriate in a regional context. For example, affordable housing development standards that require sites to be within a certain distance of a business centre or public transport, may not match a regional town's configuration.
- On the other hand, some innovative planning approaches utilised in Sydney are not applied for the benefit of the regions. For example, tools like Place Infrastructure Compacts and Land Use and Infrastructure Implementation Plans, designed to achieve early agreement across agencies on infrastructure needs for future development, have not been implemented in the regions.
- High-growth regions closest to Sydney have had lower investment in enabling infrastructure. The Illawarra Shoalhaven and Central Coast are facing long delays for critical water and sewer projects. The Hunter, which accounts for 8% of the State's population, has only received 1% of the Transport for NSW (TfNSW) capital works budget over the past 5 years, resulting in 18,000 residential lots constrained by an under provision of regional road infrastructure.

These shortcomings should be addressed through a greater focus on providing more certainty and coordination within each region. Such reforms are essential to meet the critical needs of the high-growth regions in the Sydney Megaregion, i.e., Hunter, Central Coast and Illawarra Shoalhaven, and their implementation across the state will benefit all regions.

Implement an Urban Development Program Committee in Each Region

Both the Illawarra and Hunter regions have their own Urban Development Program (UDP) Committee, which is attended by State and local government officers, members of the development industry and utility providers, who meet quarterly to discuss regional planning and coordination issues.

UDIA firmly believes the UDP Committee's function should be strengthened within the planning and funding governance framework, to directly inform decisions by the NSW Government Cabinet to fund infrastructure that supports housing delivery. We believe that each growth region should have a dedicated UDP Committee consisting of representatives from DPIE, Regional NSW, councils, water authority, TfNSW, electricity distributor and industry.

Each UDP Committee should:

- monitor the delivery of housing and track progress against NSW strategic plans (e.g., Regional Plan);
- agree on and document the enabling infrastructure and other needs of each place and their status in overcoming hurdles;
- prioritise the sequencing of places; and
- recommend infrastructure funding priorities to support the delivery of places.

As a coordinating body, the UDP Committee's recommendations should influence planning and funding decisions by the NSW Government Cabinet, including its agency capital program priorities and

investment of any State developer contributions collected. This could be assisted by the adoption of a digitally enabled UDP tool that can be used to undertake modelling for rapid preparation of infrastructure business cases, so that relatively low-risk investment decisions can be made quickly, supporting housing supply with the ultimate goal of managing affordability outcomes.

UDIA has developed a next generation UDP technology tool in the Southwest Sydney Stage 2 Pilot undertaken in 2020, with the collaboration of DPIE, the NSW Digital Twin, four local councils, utilities providers and developers. The vision is to develop a 'one-source-of truth' of forward residential and supply locations, yields and timings with requisite enabling infrastructure to better inform growth planning and growth servicing. We would be pleased to demonstrate the Urban Pinboard UDP with our technology partner Giraffe Technologies, which visualizes the outputs in a 3D digital twin of the existing city that enables planners to see the necessary infrastructure and decision making required to plan the future city and analyse the best return on investment for enabling infrastructure.

This digital tool delivers better places by providing:

1. An accessible and interactive map of future infrastructure delivery and planned development facilitating better co-ordination, reduced delivery times and lower costs;
2. Planning tools that allow for rapid simulation of different outcomes based on user-defined constraints, enabling a quick exploration of options and timely communication with the community; and
3. Embedding a new collaborative methodology between government agencies, LGAs and industry to coordinate and monitor housing supply and targets in urban renewal areas, infill and new communities in land release areas.

UDIA recommends:

- 3. Establish a robust, digitally enabled Urban Development Program Committee in each region that influences planning and funding decisions by the NSW Government Cabinet to better coordinate infrastructure and the delivery of housing.**

Improve the biodiversity system

Biodiversity represents the greatest uncertainty for a land development site.

When a developer analyses the feasibility of a site, a known risk margin can be applied to most line-item cost assumptions, but not for biodiversity. In trying to understand the cost impacts of biodiversity under the Biodiversity Conservation Act there is no certainty or safety margin that can be justified, nor any way of forecasting the price change. The developer can only guess. Will their yield be reduced by a council's interpretation of the avoid-minimise test? Will the price of their offset obligation stay affordable? The BC Act system is full of surprises, with the only certainty that the cost of offsetting is likely to change, sometimes by 100% or millions of dollars.

The design of the BC Act encourages site-by-site offsetting that produces unlinked pockets of conservation land. A more coordinated approach can be achieved via strategic conservation planning, i.e., bio-certification. DPIE has led broadscale strategic conservation planning in Western Sydney and is currently undertaking the process for many of the zoned sites across the Central Coast, which UDIA supports. While we acknowledge the complexity involved in the project, we are disappointed in the timeframes involved. We encourage the NSW Government to devote more resources to deliver the Central Coast plan sooner, which will provide more confidence to invest and increase housing supply.

This type of broadscale strategic conservation planning should be considered in other regions where housing supply is needed, including the Hunter.

The NSW Government has acknowledged that the current biodiversity offset scheme and the offset payment calculator should be improved to bring more certainty and transparency of pricing. The Biodiversity Conservation Trust (BCT) is currently developing proposed changes to the calculator and pricing model and UDIA is engaging with the BCT in that process. While we are hopeful some improvements can be found on this discrete issue, there are many other issues in the overall biodiversity system that must also be addressed.

To bring more certainty to biodiversity requirements on development and further benefit the environment, UDIA is working on a more comprehensive set of recommendations to improve the biodiversity system. Our paper will be released in mid-September, and we will share its outcomes with the Taskforce at that time.

Provide Confidence to Invest in NSW

The complexity of the NSW planning system adds time and cost to development. Current reform proposals have introduced even more uncertainty and are causing concern in the industry that could hinder new housing supply. UDIA recommends:

- 4. Delay Government Planning Reforms which are in-consultation and will adversely impact on development feasibility and housing supply as industry looks to recover from COVID shutdowns. Policies include:**
 - 1. The Design and Place SEPP EIE, and**
 - 2. The Housing SEPP**

FOCUS #2: ACCELERATE HOUSING DELIVERY

The undersupply of housing can be alleviated in the short term by accelerating the delivery of both greenfield sites that are already zoned for residential purposes, and apartments already approved but not commenced. The delivery of housing supply requires infrastructure investment.

21,000 greenfield lots across the Hunter, Central Coast and Illawarra Shoalhaven regions are unable to be delivered by FY29 due to a lack of enabling infrastructure according to UDIA's *Greenfield Land Supply Pipeline* report. Many zoned sites also experience a reduction in yield under the BC Act which imposes the avoid and minimise test more than once through the land use planning process (i.e., at both rezoning and DA stages).

There are currently 78,000 potential apartment units across NSW that are approved but not commenced. The single biggest issue in the apartment market is the inability to achieve off the plan pre-sales which can then unlock financing.

We believe the best way to increase supply and reduce pressure on housing affordability in the short term, is to find ways of converting existing approvals into construction projects by accelerating enabling infrastructure, utilising the full value of a site's zoning, and tackling apartment financing.

Invest Now in Critical Enabling Infrastructure Identified in UDIA Building Blocks Reports

Many currently zoned sites are constrained by a lack of enabling infrastructure such as state roads, water, sewer and power. The NSW Government should invest now in delivering critical enabling infrastructure to unlock significant housing in the regions.

UDIA has produced three updated *Building Blocks* reports that identify the specific critical enabling infrastructure items currently needed in the Hunter, Central Coast and the Illawarra Shoalhaven regions respectively. Our *Building Blocks* reports are linked to this submission:

- [Building Blocks Hunter](#)
- [Building Blocks Central Coast](#)
- [Building Blocks Illawarra Shoalhaven](#)

To fast-track the delivery of this critical infrastructure and the housing it supports, UDIA recommends:

- 5. Create a \$1bn fund, similar to the Housing Acceleration Fund (HAF), to build the regional infrastructure outlined in the UDIA *Building Blocks* reports.**

When enabling infrastructure falls to councils for delivery, upfront financing is a challenge. Infrastructure contributions collected by councils for pieces of infrastructure can take many years to become fully funded. Unfortunately, until they are fully funded, under the current infrastructure contributions systems, it is very difficult for councils to deliver infrastructure, despite significant unused total contributions. UDIA's *Infrastructure Funding Performance Monitor* report outlines the close to \$350,000 unspent contributions held as restricted assets by councils in the Hunter and Illawarra Shoalhaven regions. The inflexibility of the system results in long delays to housing development. The Productivity Commissioner has recommended making it easier for councils to borrow via TCorp and this has been accepted by the Government. To motivate councils to make use of the facility and create momentum, the NSW Government should provide a council grants program for specific pieces of enabling infrastructure for the final 10% of the cost of infrastructure.

UDIA recommends:

- 6. Provide incentives for councils to forward fund their enabling infrastructure by borrowing via TCorp and unlock Development Contributions held by councils. A grant fund up to the value of \$100m would help deliver councils' existing enabling infrastructure projects, catalysing the spending of \$1bn of infrastructure funding.**

Utilise a Site's Full Yield Potential

When a potential housing site is identified, the prospective developer runs a feasibility analysis to determine the likely costs against the possible yield to make an informed investment decision. During the course of the land use planning process, many variables can change a site's viability. In the sections above, we outlined the risks associated with enabling infrastructure and market barriers. Biodiversity is another major challenge in the regions.

The BC Act is based on the concept of the avoid-minimise-offset hierarchy. When considering land development, the project must first avoid biodiversity impacts as much as possible, by adjusting the development footprint; then it must minimise the impact, again by adjusting the development footprint; and finally, unavoidable impacts must be offset through setting aside other land for conservation, and/or paying into the Biodiversity Conservation Fund.

The BC Act grants wide discretion to councils to interpret the avoid-minimise test. Interpretations vary across councils and even among individual ecologists within a single council. The avoid-minimise test imposes enormous uncertainty, time delays and costs on development and results in reduced housing supply.

Under the BC Act, the avoid-minimise test can be applied at both the rezoning and the DA stages. The result is that a precinct can have its yield reduced at rezoning, and then again when DAs are considered. For example, we are aware of a precinct that was rezoned in 2013, with some land set aside under environmental zoning and some land zoned residential. In other words, the precinct rezoning avoided and minimised the environmental impact by setting aside land for conservation. Investors purchased R2 zoned land in this precinct with the expectation that it could be fully developed. The subsequent implementation of the BC Act has allowed the council to impose additional avoidance and minimisation across the precinct through the DA assessment process. In this example, the council is seeking further avoidance such that the land's housing yield potential would be reduced by 87%. The developer has spent tens of thousands of dollars over several years in trying to negotiate a lesser yield loss that will allow the project to proceed. Their best hope under the BC Act is to be able to get 50% of the original expected yield.

When councils engage in this practice, housing yield is reduced or even eliminated altogether by undermining a project's viability. The outcome cannot be known to the developer at the start of the planning process.

UDIA contends that this double-dipping is completely unreasonable and imposes too much uncertainty and risk on development. We recommend:

- 7. Utilise a site's full yield potential as allowed under its zoning by limiting the avoid-minimise test to the rezoning stage. For zoned development sites, biodiversity impacts that are not serious and irreversible impacts (SAII) should be mitigated only through the offset mechanism. For sites seeking rezoning, approval processes should allow for decisions to be given early on SAII entities to provide clarity for all parties.**

Accelerate Approvals

Many sites could deliver new housing in the short term if their approvals were accelerated. To fully understand the status of housing supply in an LGA, it is important to track the council's true performance in meeting assessment timeframes. UDIA understands that councils have legislative timeframes for DA assessment and that a council's performance is often measured against statewide timeframe averages and Departmental targets as Key Performance Indicators (KPI). These timeframes can be useful for their utility in promoting certainty and timely delivery outcomes, and we fully support their transparent reporting. However, the timeframe KPIs are not the outcome in themselves. Unfortunately, the system can be manipulated, and some councils can find themselves in the perverse situation of having what look like favourable assessment timeframe metrics, but not meeting their housing needs. It is also true that for many councils, reporting is skewed by the high numbers of simple, quickly-assessed DAs that mask the lower number of larger, more complex DAs – typical of UDIA members proposing land subdivision or other urban development – that often fall outside assessment timeframe goals.

To more accurately reflect councils' performance, UDIA recommends that councils report quarterly with a deeper analysis of development categories rather than just median/average turnaround times.

Reporting should be broken down to include the following categories:

- Median turnaround times for DA's >\$5M;
- Median turnaround times for DA's >\$30M;
- Median turnaround times for DA's involving the creation of more than 20 lots; and
- Median turnaround times for DA's involving the creation of more than 100 lots.

We recommend:

- 8. Expand council reporting to include additional development categories as outlined in our submission.**

Duplication of effort at multiple stages in the planning process can add time. Under-resourcing of council staff also presents a challenge, particularly where councils have been unable to fill specialised roles in a timely way. While recruitment is underway, councils can use contractors to assist in assessment, engineering and other crucial roles in the approval process.

We recommend:

- 9. Utilise a project's detailed study throughout the planning process, rather than requiring "repeat assessments" of the same issue at planning proposal, Development Application and Construction Certificate stages. Where additional detail is required, allow existing work to be built upon instead of duplicated.**
- 10. Use contractors to supplement council resourcing to help address the "backlog" of DAs presently in the system.**

Encourage Construction of Approved Units

The apartment market is struggling across NSW with approvals down 46% in the regions from the 2016 peak and commencements down 43% across the state. Currently across the state, there are 78,000 potential units that are approved but not commenced. The single biggest issue in the market is the inability to achieve off the plan pre-sales which can then unlock financing.

Given the need to do something quickly, we believe the best way to fix the apartment market and reduce pressure on housing affordability in the short term is to find ways of converting existing apartment approvals into construction projects, by tackling the financing problem and reducing pre-sales barriers. UDIA has offered the following recommendations to the NSW Treasurer in response to his outreach:

- 11. Extend the First Home Buyer grants and assistance scheme for apartments purchased off the plan.**
- 12. Remove/reduce foreign investor surcharges on new build apartments.**
- 13. Provide loan guarantees in exchange for lower project pre-sales thresholds. The NSW Government provided up to \$750m via a loan guarantee scheme to help universities through the COVID-19 pandemic. We believe that an equivalent scheme for apartments could play a significant role in getting construction moving.**

- 14. Run a positive campaign to restore confidence in the quality of construction for off the plan apartments and the good work the NSW Building Commissioner has done to tackle this issue.**

FOCUS #3: CREATE A SUSTAINABLE HOUSING PIPELINE

Developers are deciding where to invest their money now to get the best returns, and it is essential that developers see that regional NSW is focused on delivering housing supply in the medium term. This means focusing on providing the re-zonings to enable housing supply and removing government initiatives that will undermine feasibility and housing affordability.

Accelerate Approval of Current Planning Proposals

A key barrier to increased supply is the slow rate of new land being rezoned and unlocked for development. UDIA's [Greenfield Land Supply Pipeline](#) report lists the current planning proposals that should be accelerated to bring more housing to the market sooner in the Hunter, Central Coast and Illawarra Shoalhaven. Where planning proposals of strategic importance have not been advanced, for example because of fragmented ownership or insufficient prioritisation by councils, DPIE should intervene and lead the process.

Currently, the NSW Government and Councils do not publish when a re-zoning will be delivered, nor the timing and progression of key milestones in the process. Putting this into the public domain will greatly improve accountability in the rezoning process and support the more reliable delivery of new homes.

We recommend:

- 15. Bring forward the assessment of the planning proposals in UDIA's *Greenfield Land Supply Pipeline* report (attached). DPIE should lead the process if necessary.**
- 16. Publish deadlines for rezoning decisions and precinct approvals, creating transparency and accountability to enable investment confidence.**

We acknowledge that there are efforts underway within DPIE to reform the rezoning process. UDIA is developing recommendations to inform this work and we will continue to engage closely with DPIE on the rezoning process and ongoing reform initiatives.

Encourage Housing Diversity

Having a wide range of housing choice is critical to meet the diverse needs of any community. However, community opposition to infill and new housing typologies often limit their supply.

Maximum building heights on land zoned Medium Density Residential can constrain delivery of housing. Setting maximum height controls at 8m or 9m, as is common, reduces the dwelling yield to the point that the sites are not viable for development. We recommend:

- 17. Review the maximum height controls in Medium Density Residential zones to ensure they enable feasible development.**

Another potential source of housing supply could come from special use zones SP1 and SP2 that apply to historical places of public worship and schools in rural and regional areas. These locations are typically in the heart of or within a few blocks of the local retail, commercial and community land uses in townships, villages and hamlets.

Since the introduction of the Standard Instrument LEP, councils in regional areas have ostensibly applied the SP1/SP2 zone over existing church and school sites to preserve the land use for the community. Unfortunately, this zoning approach can constrain modifying land uses to surrounding zones which are often residential R2 or R3. The special uses zone construct is not relevant to modern times and sterilises the potential of religious organisations and schools to assist in addressing housing affordability. The approach being taken is contrary to a NSW planning circular which discouraged use of the special uses zone for existing uses.

Special uses zoned land in many locations does not correspond to the contemporary way of delivering places of worship or education. Changes in the demographic profile of communities, land acquisition requirements for school infrastructure and the built form of schools have evolved. School Infrastructure NSW has site selection and master planning criteria that do not align with areas of existing special use zoned land.

Many special uses zoned land sites are located in high amenity areas and are suitable for delivery of affordable housing in regional areas. It would be worthwhile to investigate rezoning special uses land or use incentives to unlock this land for affordable regional housing. We recommend:

18. Review the use of SP1 and SP2 special uses zones to ensure they remain fit for purpose, with a view to allowing some existing sites to provide affordable regional housing.

Many regions in NSW were built, literally and figuratively, on coal resources. Undermined land can often be built upon if the void beneath is filled with grout, but this process adds enormous risk to the project. The void area, and therefore the final cost of the grouting, is often unknowable before the grouting begins. To mitigate this risk in the Newcastle central business district, the NSW Government created a type of insurance program whereby \$17 million was set aside to pay the cost of grouting that exceeds a set threshold. The Newcastle Mines Grouting Fund has been hugely successful. Interestingly, payments from the Fund have been exceedingly rare, yet its mere existence has provided the certainty and confidence industry needed to invest and deliver Newcastle's recent revitalisation. The model could be extended to apply throughout NSW wherever mine subsidence is a risk. We recommend:

19. Commission a study to explore the viability of expanding the Mines Grouting Fund to cover all areas in NSW that are subject to mine subsidence.

In seeking to balance the needs and wants of communities, the planning system often sends conflicting messages. As a case in point, the draft Housing SEPP currently on exhibition claims to support housing diversity, including seniors housing and affordable housing, but contains many provisions that directly hinder their delivery. UDIA will make a detailed submission to the draft Housing SEPP, and we encourage the Taskforce to consider our full submission in addition to our comments here.

We particularly call the Taskforce's attention to provisions in both the draft Housing SEPP and the developing Design & Place SEPP that would impose unnecessary restrictions on innovation and affordable typologies such as:

- minimum lot sizes;
- inflexible provisions on bush fire prone land;
- overly prescriptive Urban Design or Apartment Design Guidelines; and
- prohibition of boarding houses from the R2 Low Density Residential Zone which will effectively eliminate co-operative housing from the market

Deliver More Seniors Housing

Many regions in NSW have a disproportionate share of seniors residents. Some regions such as the Central Coast are experiencing a critical shortage of seniors housing due to the challenges of finding a suitable site, with regard for both physical site characteristics and legislative constraints.

This sector is struggling to find appropriate land on the Central Coast where operators can establish facilities intended under the SEPP. In many cases, it is not specific site physical constraints that is the limiting factor, but an historical broad application of environmental zones under the LEP of the former Gosford City Council. A specific clause inserted into the LEP, as suggested below, would provide site-by-site opportunity for a proposal to be considered without circumventing proper planning assessment. See linked letter [Chronic Shortage of Seniors Living Land on the Central Coast](#) for more information.

We recommend:

20. Consider the following LEP clause for the Central Coast and other regions where seniors housing is constrained by environmental zones:

Part X Additional Local Provisions

X. Seniors living

(1) The objective of this clause is to permit development for the purposes of seniors living upon appropriately identified land.

(2) Despite any other provision of this Plan, development consent may be granted for seniors living upon land that is zoned B1, B2, B4, or B6.

(3) Despite any other provision of this Plan, development consent may be granted for seniors living upon land that is zoned E3 or E4, but only if;

- (a) the land adjoins land zoned primarily for urban purposes consistent with the provisions of Cl. 4(4) of State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004, and*
- (b) the proposed development is of a form consistent with Cl. 17 of State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004, and*
- (c) if relevant, the provisions of Cl. 25 (2(c), (2A), 2(B) & (2 C) have been addressed.*

(4) This clause does not apply to a development application made 5 years after the commencement of this Plan.

Provisions in the draft Housing SEPP may hinder seniors housing development through more prescriptive development standards. Some concerns we have with the draft Housing SEPP include:

- a minimum lot size of 1,000m² and 20m road frontage is required ;
- in residential zones where residential flat buildings are not permitted, seniors housing will be limited to 9m height and 2 storeys;
- for independent living units, a maximum FSR of 0.5:1, 30% landscaped area, 15% deep soil zone and private open space requirements (clause 97); and
- seniors housing is being phased out of the R2 Low Density Residential Zone – only residential care facilities will be permitted

UDIA will make a detailed submission to the draft Housing SEPP in the coming days, and we commend the Taskforce to closely examine that submission with regard to seniors housing.

Deliver More Affordable and Social Housing

Reduced housing supply and rising prices in the regions mean more people are experiencing housing stress. Delivering more market housing supply will assist in stabilising or reducing prices making housing more affordable. However, asking the development sector to contribute towards affordable housing, will reduce overall housing supply and be self-defeating. Alternative strategies to providing affordable housing should therefore be considered.

UDIA has been advised that a Community Housing Provider (CHP) can invest double the amount of community housing dwellings for every dwelling accumulated, either through grant funding or dedications from a local council. Like the City of Sydney arrangement with City West Housing, partnerships could be established to enable a regional council to transfer ownership of a dedicated affordable dwelling directly to a CHP to own and manage. This would increase the stock of affordable housing dwellings in regional NSW.

UDIA encourages the Taskforce to explore other innovative ideas with CHPs such as the dedication of surplus Crown or council land to the affordable housing sector, and the use of small lots or tiny houses.

We recommend:

- 21. Avoid affordable housing levies on development which will overall reduce housing supply and result in increased prices.**
- 22. Encourage partnerships between local councils and community housing providers to own and manage a dedicated affordable housing dwelling once it has been dedicated to a council.**

We caution that the proposed Housing SEPP could hinder supply of affordable housing. Some problematic aspects of the draft Housing SEPP include:

- The standardisation of development standards is a one size fits all approach that does not promote innovative market-led solutions.
- The draft SEPP is highly prescriptive and discourages innovative design or the ability to respond to market preferences. The proposed introduction of new development standards needs to be tested from both a design perspective and to determine any impacts to commercial viability.

- Inflexible provisions on, for example, location of affordable housing - Clause 15 requires infill affordable housing to be within 400m of land zoned B2 Local Centre, but often the distance will be slightly longer in the regions.
- The requirement for compatibility with local character can be used to refuse development.
- The limitation of 2 adults per room excludes young families.
- Maximum of 25m precludes any privacy or ability to zone the space for different uses.

UDIA will make a detailed submission to the draft Housing SEPP in the coming days, and we commend the Taskforce to closely examine that submission with regard to seniors housing.

23. Avoid the provisions of the proposed Housing SEPP that would hinder supply of diverse, affordable and seniors housing.

CONCLUSION

The Regional Housing Taskforce is an initiative strongly supported by the UDIA; however, it is only operating for a short period. To successfully create lasting change in the regional housing supply pipeline, we recommend:

24. Government needs to identify how the Taskforce recommendations it makes will be delivered and by whom, with funding and an implementation program including frequent reporting requirements.

UDIA appreciates this opportunity to offer our recommendations to support housing supply in the regions. We have linked several UDIA research documents to provide additional detail to assist the Taskforce:

- UDIA *Building Blocks* reports (July 2021)
 - [Hunter](#)
 - [Central Coast](#)
 - [Illawarra Shoalhaven](#)
- UDIA [Greenfield Land Supply Pipeline Report](#) (June 2021)
- UDIA [Infrastructure Funding Performance Monitor](#) (April 2021)
- Letter: [Chronic Shortage of Seniors Living Land on the Central Coast](#) (19 December 2018)

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New South Wales



Submission to Regional Housing Taskforce

Prepared by Hilltops Council

27 August 2021

Hilltops Council are making this submission to the taskforce to address the feedback we are receiving from our community and community groups/support agencies about lack of affordable housing in the area.

The Hilltops region is currently experiencing a severe shortage in availability of affordable rental accommodation, leading to increased risk of homelessness in the community.

As a community, we have an obligation to ensure that our residents have a safe space to call home. The current housing crisis makes this almost impossible.

We are seeing enormous pressure on the supply and affordability of homes locally and across Regional NSW. House prices have risen 16 per cent in Regional NSW over the 12 months to April 2021 and we seek assistance in overcoming planning barriers to housing supply and affordability, and advice on ways to deliver more housing. We require a solutions based approach that outlines ways to unlock land and encourage the building of new and affordable housing.

There are thirty six outlets in Young offering some form of community assistance, yet the issue of affordable housing is one that cannot be overcome without support of the State and Federal Governments.

It is vitally important that affordable housing providers should be afforded the opportunity to work with the State Government to improve housing affordability across the Hilltops Region and the state more broadly.

Although Council is unable to fund housing, we are keen advocates for any improvements that can be made in this area with State Government assistance.

Council has a section 355 committee, the Hilltops Wellbeing Action Group, which consists of representatives from various community service providers as well as guest speakers, and creates a forum to raise issues that are currently being faced within the community. The issue of housing affordability and lack of crisis accommodation is an issue that is raised often. At their last meeting, held 11 August 2021, The Hilltops Wellbeing Action Group



agreed that the area and much of the country is in crisis mode regarding housing shortage, and in fact the lack of affordable housing has long been on the agenda of this committee.

Figures provided by the Young Crisis Accommodation Centre highlight the issue.

In the 2020-21 financial year, the Young Crisis Accommodation Centre 277 clients. They were only funded to support 122 clients. In comparison, in the 2019-2020 financial year, YCAC supported 202 clients. These figures show an increase in people requiring assistance and lack of funding and housing to assist them.

The below table represents the clients supported by the Young Crisis Accommodation Centre, financial year to date.

| | All reasons for seeking assistance | | Main reason for seeking assistance | |
|---|------------------------------------|--------------|------------------------------------|--------------|
| | Frequency | Percentage | Frequency | Percentage |
| Financial difficulties | 33 | 11.4% | 2 | 1.6% |
| Housing affordability stress | 17 | 5.9% | 2 | 1.6% |
| Housing crisis (e.g. eviction) | 69 | 23.8% | 59 | 46.5% |
| Inadequate or inappropriate dwelling conditions | 10 | 3.4% | 3 | 2.4% |
| Previous accommodation ended | 19 | 6.6% | 5 | 3.9% |
| Time out from family/other situation | 5 | 1.7% | 0 | 0.0% |
| Relationship/family breakdown | 26 | 9.0% | 2 | 1.6% |
| Sexual abuse | 6 | 2.1% | 0 | 0.0% |
| Domestic and family violence | 57 | 19.7% | 51 | 40.2% |
| Non-family violence | 5 | 1.7% | 0 | 0.0% |
| Mental health issues | 24 | 8.3% | 1 | 0.8% |
| Medical issues | 2 | 0.7% | 0 | 0.0% |
| Problematic drug or substance use | 2 | 0.7% | 1 | 0.8% |
| Problematic alcohol use | 0 | 0.0% | 0 | 0.0% |
| Employment difficulties | 1 | 0.3% | 0 | 0.0% |
| Unemployment | 4 | 1.4% | 0 | 0.0% |
| Problematic gambling | 1 | 0.3% | 0 | 0.0% |
| Transition from custodial arrangements | 1 | 0.3% | 1 | 0.8% |
| Transition from foster care and child safety residential placements | 0 | 0.0% | 0 | 0.0% |



| | All reasons for seeking assistance | | Main reason for seeking assistance | |
|---|------------------------------------|------------|------------------------------------|------------|
| | Frequency | Percentage | Frequency | Percentage |
| Transition from other care arrangements | 0 | 0.0% | 0 | 0.0% |
| Discrimination including racial and sexual | 0 | 0.0% | 0 | 0.0% |
| Itinerant | 0 | 0.0% | 0 | 0.0% |
| Unable to return home due to environmental reasons | 0 | 0.0% | 0 | 0.0% |
| Disengagement with school or other education and training | 0 | 0.0% | 0 | 0.0% |
| Lack of family and/or community support | 7 | 2.4% | 0 | 0.0% |
| Other | 1 | 0.3% | 0 | 0.0% |
| Don't know | 0 | 0.0% | 0 | 0.0% |
| <i>Missing</i> | 0 | 0.0% | 0 | 0.0% |
| Total | 290 | 100% | 127 | 100% |

We ask that the Taskforce makes recommendations to the State Government that will remove or reduce barriers to better housing outcomes for regional NSW and to assist in the delivery of affordable housing within the regions.



Anthony O'Reilly
General Manager



From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 4:32:04 PM
Attachments: [regional-housing-taskforce-submission.pdf](#)

Submitted on Fri, 27/08/2021 - 16:20

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Sarah

Last name

Karaitiana

I would like my submission to remain confidential

No

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Suburb/Town & Postcode

Young NSW 2594

Submission file

[regional-housing-taskforce-submission.pdf](#)

Submission

Submission attached above

I agree to the above statement

Yes

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 4:01:45 PM
Attachments: [27082021154528-0001.pdf](#)

Submitted on Fri, 27/08/2021 - 15:57

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

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Colin

Last name

Kane

I would like my submission to remain confidential

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Suburb/Town & Postcode

Culcairn

Submission file

[27082021154528-0001.pdf](#)

Submission

A written response provided

I agree to the above statement

Yes



**Greater
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Mr Garry Fielding
Chair, Regional Housing Taskforce

Submission to the Regional Housing Taskforce

It is advised that I am making this submission as the Director of Environment and Planning for Greater Hume Council however this submission does not have the endorsement of the elected Council.

Greater Hume Council is located in Southern NSW and is bordered by the Victorian Border, the local government areas of Wagga Wagga, Lockhart, Federation, Albury and Snowy Valleys. It has a population of 10 764 people that are dispersed across agricultural land and within five towns and six villages.

There is unprecedented demand for residential allotments and rural residential allotments across the Greater Hume local government area. Demand is strongest in the Jindera area which is the portion of the local government area that is closest to Albury. High levels of demand exist for allotments in the town of Walla Walla, Culcairn, Holbrook and Henty which are located further from the regional cities of Wagga Wagga and Albury.

The high levels of demand has resulted in the available land bank being nearly exhausted. Council has responded through rezoning rural land to residential land in Culcairn and with the assistance of the Department of Planning Industry and Environment (DPIE) releasing the Jindera Residential Land Use Strategy. It has also developed a residential subdivision in Walla, Walla, currently planning the development of a residential subdivision in Culcairn and sold residential land held by Council that is surplus to its needs.

Given the demand for residential and rural residential land Council should be actively engaged in preparing numerous planning proposals for rezoning of suitable rural land to residential land. However Council does not have the planning staff to undertake this task as available planning staff are often fully engaged in development assessment, assessing planning proposals for spot rezoning, answering enquiries and undertaking compliance tasks. Consequently Council uses planning consultants to prepare planning proposal. Whilst consultants provide additional capacity they come at a cost to Council, there is still staff time taken in both providing necessary information and undertaking the procedural aspects of the rezoning process. Collectively these constraints limit Councils ability to rezone land.

A number of possible solutions exist to support Councils strategic planning activities. Firstly it is suggested that the DPIE could temporarily provide staff to assist Council in preparing Planning Proposals and complete rezoning. It is understood that the Victorian Government have instigated similar initiatives. DPIE could facilitate an increase in fees and charges in Part 15 of the Environmental Planning and Assessment Regulation 2000 which would provide Council with additional revenue from planning activities which could be used for Council to employ additional planning staff.

Confidence of the availability of the services such as water and sewer is a key aspect in the rezoning of land for residential use. Some areas of council are starting to reach capacity for the provision of water and sewerage. Council has been engaging with NSW Public Works in the preparation of an Integrated Water Cycle Management Strategy which will outline future works to augment Councils water and sewerage systems and is due for completion in Mid-2022. To remove anxieties about the capacity of systems being exceeded it is necessary for the completion of the Integrated Water Cycle Strategy to occur. Following on from the completion of this plan infrastructure will need to be provided and Council will need to obtain funding to provide this infrastructure. It is often observed that the extension of some services such as trunk sewerage to cater for a particularly development can lead to additional development occurring that can capitalize on this infrastructure.

Traditionally Council has rezoned land and then left nearly all of the design work for the subsequent developer however for the first time Council recently undertook a master-planning exercise to facilitate an orderly planning outcome of a rezoned portion of land that was held in multiple ownership. The process resulted in the preparation of a development control plan (DCP) which depicted a road network, system of stormwater management and provision of services. A precinct section 7.11 plan was also prepared providing contributions on a per lot basis. Not only has this process been very successful in facilitating a better planning outcome but developers moved quickly to purchase land in the master-planned area and the rapid development of the land has been an additional benefit of undertaking this process. It is thought that the master-plan process removed uncertainty for developers as a potential development outcome was already determined with some costs partially calculated.

For areas with significant growth potential Council would like to continue to master-plan areas as a starting point for future development and it would like to move to transition from Section 7.12 contributions to Section 7.11 contributions. As previously mentioned Council would need additional resources to achieve both outcomes either through grants available through DPIE or with increased revenues potentially through increased fees.

The creation of additional rezoned land and increasing supply through developers accessing master – planned areas will lead to more affordable land as there will be more choice for purchasers.

Council has observed that costs to comply with Biodiversity Conservation Act (the Act) has been a barrier for some developers to proceed with development. Unfortunately affected land is already zoned residential and has good access to existing services. It would be beneficial if the costs to obtain credits under the Act could be deferred until the land is sold.

Finally as a consequence of the unaffordability of housing Council is seeing an influx of people illegally residing in unapproved and substandard residences on private land often in situations where the planning instrument does not permit a dwelling. Council has very limited capacity to address this problem despite receiving complaints and it being obvious that the accommodation is sub-standard. Council is hamstrung to address this problem as the occupants have nowhere else to go and the compliance process of taking action through the Environmental Planning and Assessment Act 1979 and then onto the Land and Environment Court is both cumbersome and costly.

It is hoped that the contents of this letter is of some assistance in addressing the affordability of housing in Regional NSW.

Yours faithfully



Colin Kane
Director Environment & Planning
GREATER HUME COUNCIL
27 August 2021
Our Ref: CK:SG

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 4:02:36 PM
Attachments: [wagga-wagga-city-council-regional-housing-taskforce-submission.pdf](#)

Submitted on Fri, 27/08/2021 - 16:00

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Fiona

Last name

Graham

I would like my submission to remain confidential

No

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Suburb/Town & Postcode

Wagga 2650

Submission file

[wagga-wagga-city-council-regional-housing-taskforce-submission.pdf](#)

Submission

27 August 2021

Mr Gary Fielding
Chair
Regional Housing Taskforce

Dear Mr Fielding,

Wagga Wagga City Council Submission to the Regional Housing Taskforce

Thank you for the invitation and opportunity to provide a submission on Regional Housing. This is a critical issue that affects the health and wellbeing of our community and the sustainability and viability of our region.

In our submission, we have responded to the taskforce's terms of reference and put forward the issues that contribute to and exacerbate the current state of housing supply in our region.

Wagga Wagga is an active partner with the NSW Government and industry and we support further discussion and active partnerships with the NSW Government to support our communities and the region.

Regards

Michael Keys
Director Regional Activation

I agree to the above statement

Yes

27 August 2021

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Chair
Regional Housing Taskforce

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Regards



Michael Keys
Director Regional Activation



Wagga Wagga City Council is pleased to provide a submission to the NSW Regional Housing Taskforce, which has been established

set up to identify technical barriers and challenges in the NSW planning system that are preventing the delivery of housing supply in regional NSW, focussed on supply, affordability, diversity and resilience; and to formulate recommendations to government to improve regional housing outcomes.

During initial consultation and engagement the following key areas have been identified and the Taskforce has requested interested parties to provide submissions that address each of these areas. Wagga City Council provides the following comments and information to assist the Taskforce with its consideration and preparation of a report to the NSW Government. We welcome the opportunity to discuss and explore the issues identified in our submission and any other areas on which the Taskforce would like clarification or further consultation on.

The terms of reference for this Taskforce centre around the following questions:

- a) What are the critical housing supply issues in your local area?
- b) What are the key elements contributing to these issues?
- c) How can we best deliver houses on land already zoned for housing?
- d) What are the main barriers to delivering more diverse housing types to suit the varying needs of people in your region?
- e) Overall, what can the NSW Government do to support housing delivery in the regions?

Our response is based on our experiences in the Riverina Murray region, the current challenges and demands being faced in regional areas, consultation with local industry and business representatives as well as planning for the future of a major regional centre.

GENERAL COMMENTS

Regional NSW finds itself in a very unusual position at the present time, for decades regional areas have been working on initiatives and programs to attract and encourage development and particularly new residents to move and establish in the regions. Growth is supported by new development and investment creating jobs and employment opportunities – it is no secret and nothing new that you cannot have growth without jobs.

The situation has changed dramatically over the last 12 to 18 months with regional areas now experiencing unprecedented demand and growth creating congestion in supply and demand for housing both in rental and purchasing markets. This is not due to a single or specific issue but rather a culmination of several factors including:

- i) Major infrastructure projects and investment in the regions
- ii) Changes in population movement – decreased migration out of regional areas
- iii) Continued low interest rates and government incentives or grants
- iv) Market supply – resources and materials

The Riverina Murray Region will see an unprecedented level of investment in major infrastructure projects in the coming years that will drive employment in the area, ongoing investment in new and existing business supporting these projects and net migration through direct and indirect employment supporting these projects. Some of the critical and major projects include:-

- Snowy Hydro II – \$5.10Billion and workforce of 3,000
- Inland Rail - \$1.0Billion – workforce of 500
- Energy Connect - \$2.0Billion – workforce of 1500
- Hume Link - \$2.1Billion and 700 workforce
- Defence Force Base Upgrades - \$1.3Billion
- Wagga Special Activation Precinct - \$150Million – future employment of 6,000
- Riverina Intermodal Freight & Logistics Terminal - \$55Million

These projects are currently driving investment and demand for housing and support services including workforce both skilled and unskilled.

The impacts of Covid19 on migration and population growth has been the subject of discussion and investigation and as more data becomes available the speculation that regional areas are becoming more and more attractive to metropolitan markets is coming to fruition however is not the only or most significant factor in regional population growth and demand. For Wagga Wagga, the restrictions on movement due to lockdowns in Victoria and NSW as well as the evolution and improvements in remote working, training and education has resulted in decreased rates of migration out of regional centres to traditional metropolitan markets. This is driving up demand and reducing supply with subsequent impacts on prices, surrounding rural areas and adjoining local government areas.

The growth in demand, on the back of the uncertainty and reticence at the outbreak of Covid 19 has further tightened and impacted the market especially with regards to supply. This highlights the role and significance of the planning and provision of infrastructure to support growth. Servicing key growth areas is critical and this requires capacity and skills to plan, design and provide the critical infrastructure. In many regional areas there is a shortage of these skills and capacity especially with the rollout and initiation of the major infrastructure projects outlined above. Under normal conditions (read historical growth conditions for regional areas) the ability to roll out new infrastructure to support development has been a challenge and requires substantial time to respond to market changes. Now, under the circumstances outlined above this is even worse and demand for limited resources is at an all time high.

Housing in Regional NSW is a complex issue and as briefly outlined above there are a multitude of contributing factors. The planning system has some influence and impact but is not the sole driver or control point that can turn on supply and relieve demand alone. The emphasis and drive for long term strategic planning is encouraged and embraced by Council. We have recently adopted our Long Strategic Planning Statement that sets out and supports the future growth and development of the City to become NSW first inland regional City of 100,000 people.

The focus and emphasis on long term strategic planning provides greater certainty for community, landowners and developers alike and reduces speculation and conflict. This also prevents adhoc infrastructure planning and implementation supporting and encouraging sustainable environmental and financial outcomes.

Whilst the focus of the enquiry includes direct reference to the planning system, we question the simplicity of focusing on a single area and isolating the planning system as a major contributor. Whilst there is always room for improvements both at a local level, state and federal in the planning system there are many additional externalities and other factors influencing the current and future state of the housing industry. On this basis we believe that there is cause to expand the terms of reference to better reflect the complexity and multitude of influences that impact housing.

- **Acknowledge that housing is not a 'one size fits all' approach across the regions.**

Barriers and opportunities across rural and coastal areas can be different and require a different approach if housing supply is going to be adequately addressed. The impacts from tourism and short term accommodation on housing supply that impact coastal areas are not as significant for inland regional areas that are not as highly reliant or dependant on tourism. Approaches to address tourism impacts on housing supply are not necessarily relevant or applicable in inland regional areas.

- **Support for a 'whole of government' approach.**

The fact that Council has become involved in accommodation including affordable and social housing which are traditionally more the subject of federal and state governments, reinforces that this is a serious matter for consideration by all levels of government. It also highlights that there has been some level of policy deflection toward local government away from the state. It is recommended that a whole of government approach be adopted, identifying where responsibility or partnership opportunities present and what matters can be best addressed at which level of government.

- **Recognise that delivery of infill development is different to greenfield.**

Many cities and towns across the regions have identified a desire and need to encourage more diverse forms of housing including infill development in existing areas. This is being reinforced and promoted strategic policy and directions, including regional growth plans, however market resistance and/or acceptance and take up remains well below forecast or anticipated levels. An increase in housing diversity will be a difficult and challenging outcome due to market resistance and reluctance from developers faced with heightened risk due to community opposition, market acceptance and take up. Greater risk and lower returns are cited by many developers as to why they will not pursue this form of development even considering current conditions and likely demand.

The development pipeline is relatively long, slow and complex. Financial incentives could assist with a variety of outcomes, from piloting of diverse and affordable housing projects, provision of alternative housing product, purchase of land by government, freeing up 'land banking', to infrastructure funding and provision by federal and state governments.

KEY ISSUES IDENTIFIED BY TASKFORCE

Council makes the following specific comments to the matters listed in the Terms of Reference:

- **What are the critical housing supply issues in your local area?**
- There has been a surge in demand for new housing over and above the first home buyers market. Second and third home buyers are upgrading and driving demand for new greenfield sites and this is related to the reduced migration out of the area with many residents instead staying in Wagga Wagga and upgrading taking up any excess supply.
- Residential vacancy rates are at 0.7%. There has been a significant increase in demand for rental accommodation with many now being unable to access the market or paying significantly higher rent for housing stock.
- Housing affordability and availability has been increasingly influenced in recent months by difficulties in accessing building materials, as a combination of bushfire and pandemic impacts in the supply chain. International competition is also impacting on access to and availability of materials in our local markets.
- Delays in production is not just the domain of limited materials but also the labour market. Demand for skilled and unskilled labour is at a premium and availability is scarce for specific trades.
- Waiting times have been extended with some examples quoting delays of up to 9 months from sign up to commencement, this is also extended on the project completion times with project homes now extending beyond 9 months compared to historic 6 months.
- Risk and uncertainty is a critical issue for developers. Whilst there have been significant increases in returns for land already under ownership of developers and either on hold or being developed this is not the case with development being targeted for future development. There is significant speculation and there has also been an increase in interest from metropolitan developers looking in regional markets. Any increase in uncertainty or potential delays adds to the complexity and risk of the project and returns in regional areas typically do not fluctuate as much as metropolitan or coastal markets.
- One area of heightened risk and uncertainty is the recent biodiversity reforms introduced by NSW Government. Wagga has been significantly impacted due to pre-existing biodiversity certification of developable areas being extinguished and recognition of previous commitments and obligations for biodiversity conservation and development have been effectively extinguished. This, in addition to the extraordinary costs and uncertainty of the biodiversity offset scheme is a major obstacle and barrier to new development in greenfield areas.
- Housing diversity is a challenge in regional areas. Developers are reluctant to provide for diversity across the housing spectrum (generally smaller dwellings). Reasons for this include greater restrictions and limitations from financial institutions affecting their capacity for risk and returns required to get projects up and running. There are also addition restrictions related to insurance requirements and costs. The risk for infill or alternative development outside the norm of 700sqm lots with a 4 bedroom

dwelling is high and the rewards limited due to cost of infill sites and the resultant delays in approvals given anticipated objections and resistance from surrounding landowners and residents.

- Supply is traditionally controlled by a limited number of large developers who are better able to carry the risk and costs of large englobo land holdings. These organisations manage the supply in line with their own risk and financial capacity based on traditional demand and takeup. The delivery of new properties on the market is not a quick and easy response, there is significant time lag in the development pipeline. There are also tax incentives and imperatives which affect the timing of new development stages and dictates the release of new areas for development.
- Affordability is a growing concern with the increased demand and resultant increase in both rental and sale prices affordability is increasingly coming to the forefront of concerns. Current stock of social housing is well under demand with 2-5 year waiting lists, limited new supply and the mix or makeup of housing stock is not reflective of current and changing demand.

What are the key elements contributing to these issues?

- Major infrastructure projects undertaken by the NSW Government in the region in recent years have impacted housing availability and affordability. The effects that accommodating temporary workforces may have on affordability and availability of housing is an issue that warrants further consideration and investigation. This includes the major infrastructure projects outlined earlier in this submission including Snowy Hydro and Transgrid projects.
- Wagga is one of a limited number of regional NSW cities that host refugee resettlement. The convergence of housing affordability and availability factors will potentially impact on the capacity for the City to fulfill refugee settlement commitments and intentions.
- Delivery of infrastructure to support new urban release areas has been delayed across the Wagga Wagga area. Council has not ordinarily forward funded developments for infrastructure, and this continues to delay rollout of greenfield release areas, even though many existing areas are already zoned for this purpose. This is a result of a number of factors including human resources to undertake and complete infrastructure design, planning and strategies, project management and implementation. These factors also contribute to the capacity of Council to finance the new infrastructure in a timely manner to meet demand and be provided in advance or in line with development rather than post development and retrospectively. This adds to costs, holds up development and in some cases adds to the cost of development due to duplication or rebuilding infrastructure.

How can we best deliver houses on land already zoned for housing?

- Invest in planning and provision of critical infrastructure – staged rollout and provision in advance of development rather than playing catchup and holding up development reliant on infrastructure. This could be financed by low cost loans from government and repaid over longer period of time with costs and charges to recover. This is dependant on the availability of skilled workforce to design and install

/ construct infrastructure in a timely manner – government assistance to develop and implement which previously used to occur with assistance from Public Works.

- Much of the land outlined within these plans is already zoned for development, but requires infilling and density uplifting.
- Council understands that the NSW Government is currently reviewing contribution planning legislation. Council is concerned that some of these amendments will deflect funds from local government and will make it difficult to establish a nexus to development.
- It is noted that the NSW Government currently administers a number of programs to assist councils to deliver infrastructure, such as the Housing Acceleration Fund and the Low Cost Loans Initiative. It is recommended the Taskforce examine the use and outcomes of these schemes with a view to extending their appeal and use, so as to assist Councils to deliver critical enabling infrastructure where required.
- Council would appreciate assistance from the NSW Government to work with the development industry to understand how to reduce risk and encourage the take up and delivery of medium density and /or infill residential development.

What are the main barriers to delivering more diverse housing types to suit the varying needs of people in your region?

- There is a reluctance to take on the risk and increased costs associated with infill development which are typically the sites that offer the best opportunities for housing diversity due to proximity to services and facilities.
- Investigate options to make infill more acceptable and more attractive to the market
- Nimbyism

Financial models and restrictions from financial institutions

Insurance models and restrictions to funding

Overall, what can the NSW Government do to support housing delivery in the regions?

- The NSW Government, as opposed to Local Government, has a longer history and higher level of responsibility to provide social and affordable housing. Council retains the position that lack of housing stock, ageing housing stock and long waiting lists are matters that can and should be the primary responsibility of the State Government. Wagga City is open to and supportive of genuine partnerships with NSW Government to address these issues but seek a firmer and immediate commitment. Council has committed to working with and being an active partner in a social housing redevelopment project in the Tolland suburb and we are open to further opportunities where the State Government takes the lead and acknowledges their leadership role and responsibility.
- The following matters could be considered, in addition to matters already raised earlier in this submission:
 - a) **Assist delivery of diverse forms of housing.** Limited housing diversity is an issue across NSW and many people cannot access housing of an appropriate size and type to meet their needs. Council

would welcome recommendations made by the Taskforce that explicitly target the delivery of a diverse suite of housing types and sizes, and specifically directed at the difference between infill and greenfield development.

- b) **Support Councils to expedite local strategic planning and statutory amendments.** Zoning new land for development, or carrying out local planning exercises to facilitate increased infill development, requires significant council resources. Currently, Council's ability to deliver are constrained by budget and staff resources. Many councils in NSW would be in similar situations. Council recommends the NSW Government provide support to councils to carry out strategic planning actions outlined in adopted growth management plans to put in place increased opportunities for residential development.
- c) **Assist with timely infrastructure delivery.** Review and provide mechanisms to levy contributions toward critical enabling infrastructure, including public realm outcomes, including connectivity and for creating great places. This is particularly important to support liveability in infill or medium density locations.
- d) **Investigate general incentives for developers.** Developers could be incentivised to provide additional density within identified areas which are already zoned and permissible for higher density. There are significant social advantages to locating social and affordable housing close to services, shops and 'everyday' types facilities, so that they are able to be accessed by walking or cycling to reduce the need for a car. Higher density areas also give rise to incidental socialisation and opportunities for people to interact, so those on their own can have some sort of human contact daily. An effective way to get developers interested in constructing in regional areas is to provide them with monetary incentives to do so.
- e) **Provide information and education to reduce stigma.** There seems to significant stigma associated with the provision of affordable and/or social housing stock, particularly the NIMBY effect. A recent example is that of a development application received by Council for a boarding house in a medium density residential area, which was recommended for approval by planning staff, but which was refused by Council because on the perceived amenity impact on neighbours. This would appear to be a significant barrier to the provision of land stocks. The NSW Government could assist to address the need for new thinking and community education to address issues such as NIMBYism, as well as encouraging the uptake of innovative housing models and finance options.
- f) **Incentives or funding for improved amenity, facilities and services that support infill development?** There are genuine opportunities and positive outcomes that can be delivered for our communities and Cities through increased levels of infill development. Support and initiatives aimed at getting a better understanding and appreciation of the blockages around infill housing could assist in identifying solutions and how to address market concerns around risk and opposition.

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 4:30:22 PM
Attachments: [hmag-submission-to-nsw-regional-housing-taskforce-august-2021_0.pdf](#)

Submitted on Fri, 27/08/2021 - 16:29

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Emma

Last name

Belcher

I would like my submission to remain confidential

No

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Bellingen 2454

Submission file

[hmag-submission-to-nsw-regional-housing-taskforce-august-2021_0.pdf](#)

Submission

Please see attached file that includes our submission as well as two supporting documents.

I agree to the above statement

Yes



Housing Matters

ACTION GROUP INC

SUBMISSION TO THE NSW REGIONAL HOUSING TASKFORCE AUGUST 2021

Who We are:

The Housing Matters Action Group Inc (HMAG) is based in the Bellingen Shire with a regional focus. We are a group of skilled residents and housing professionals working on locally affordable housing solutions. We are determined to find ways to ensure that our communities remain diverse and inclusive by ensuring affordable, safe, secure and liveable housing is available now and into the future.

Our Vision:

Everyone has a safe and secure home

Our Strategic Priorities:

1. Helping residents to undertake infill and rural housing projects
2. Facilitating local housing initiatives which make the most of what we've got
3. Building knowledge about the regional housing system to positively impact change
4. Developing revenue streams to ensure that HMAG is sustainable into the future

Our Current Work Program includes:

Working with local developers and larger NFPs to support their decision making and capacity to increase the diversity of housing stock and respond to local housing need. Current examples include:

- Repurposing of decommissioned residential aged care facilities into affordable rental units for women over 55 (two sites / 30 units in total)
- Inclusion of 10 affordable rental units in planned retirement village (new build)
- Conversion of old motel into a modern boarding house (14 studio rooms)

Working with individual residents to increase housing options and enable people on lower incomes to remain in the community through the:

- Establishment of a Community Hosting Program to provide a supportive process linking people with under-occupied houses with potential lodgers
- Establishment of an Information Service providing free initial advice for people interested in secondary dwellings, retrofitting existing dwellings and/or subdivision
- Development of case studies and resources showcasing innovative housing projects

Development of innovative housing models that have the ability to provide affordability and diversity in housing stock:

- Proof of concept and viability assessment of a Bellingen Shire Community Land Trust in partnership with the Bellingen Shire Council and the Joint Organisation of Councils

Our group has built an important local network of stakeholders, including local government, community housing providers (CHPs), industry and community members. Our regional community should be considered when identifying potential sites for innovative pilot projects and partnerships.

We would welcome ongoing involvement in discussions and are able to send through additional documentation if there is interest in progressing any of the outlined proposals.

Sincerely,



Emma Belcher
Vice Chairperson
Housing Matters Action Group Inc.

P: 0413 661 864

E: emma@housingmatters.org.au

Attachments:

- HMAG MNC Affordability Analysis
- HMAG Housing Matters Hub Pilot Proposal

Executive Summary:

The Housing Matters Action Group Inc enthusiastically welcomes the NSW Regional Housing Taskforce (RHT) focus on the specific housing issues facing regional NSW. For too long, the housing conversation has been metro-focused and regional housing issues have been dismissed as 'still cheaper than Sydney'. We are sure the taskforce appreciates that while there are similarities across regional areas there are also differences and that trying to develop one-size-fits-all solutions will be ineffective at best. The NSW Government certainly has a role in creating and delivering the systemic levers to encourage housing solutions however if approaches are overly simplistic or reduces local decision-making, there is a risk that housing outcomes will not be appropriate to the local dynamic. The current regional housing crisis also presents the NSW Government with some significant opportunities, particularly in relation to key worker housing. Like most if not all community organisations, HMAG supports the calls for a greater investment in social housing and flexible ways to deliver community, affordable and crisis accommodation. However, even large-scale investment in social housing will not address the housing crisis that now reaches across all but the highest income brackets.

There is a need for a sustained and strategic intervention across the housing system to ensure a greater diversity of affordable, sustainable and liveable homes to enable regional communities to continue to survive and thrive. Having a home is the basis of human wellbeing and provides a safe and secure foundation upon which individuals and communities can participate in educational, economic and civic opportunities. The current affordable housing crisis is changing NSW communities and impacting many residents' capacity to live secure, dignified and fulfilling lives. We therefore see the urgent need for the NSW Government to scope a range of targeted interventions across the entirety of the housing system. Unless there is significant work 'upstream', the NSW Government can only expect increasing demand for community housing, crisis and temporary accommodation. And unless we can urgently unlock housing solutions for key workers, we risk losing the very people that keep our community viable. We are seeing increased stratification in our community and the disconnect between local wages and local housing costs is exacerbating the situation to dire levels.

As a resident-led group we see the housing issues directly impacting our community: younger families are being priced out of the area; a growing number of older, single women are retiring into poverty and precarious housing; local workers are unable to secure accommodation and are forced

to move away; even relatively well paid and traditionally secure workers such as teachers and nurses are unable to access secure housing with some local teachers living in vans at the local showground. We need a range of both innovative solutions and proven interventions. We believe that models such as Community Land Trusts (CLTs), shared equity models and housing co-operatives as well as funding localised Housing Hubs to support place based housing solutions tailored to local dynamics are needed if there is to be any hope of providing housing to key workers to keep our local communities functioning.

The NSW Government plays a vital role in the housing system however as a community, we also recognise that we cannot simply wait for centralised government led responses. HMAG calls for the NSW Government to recognise the innovation already happening in the community and consider how it can support, expand and/or replicate models that work. The Housing Hub model (see attachment) and associated pilot projects can enable communities to unlock their own latent community resources and develop tailored place based housing solutions. The Housing Hub model and pilot projects seek to provide a combination of both scaleable and replicable models so that communities are enabled to implement housing solutions that are relevant and appropriate to their local dynamic circumstances.

Regional areas need particular consideration, as they do not have the economies of scale needed for large-scale developers. In high demand areas such as Bellingen there is little scope for large greenfield developments and the community has shown through the community consultation for the Local Housing Strategy that the preference is for good quality infill, subdivision and retrofitting existing housing. Big developers won't deliver these housing models. Instead we need to support local smaller developers and individual residents to unlock the latent housing opportunities that already exist in our local community. Regional communities are also often better able to mobilise their resources (sometimes in unconventional ways) to address locally identified priorities. Examples could include that during HMAG's initial housing forum; Affordable Housing Local Solutions, community members identified a recently decommissioned residential aged care facility could be easily repurposed to provide affordable rental units. Another example is our working group looking at temporary land use requirements and how rural properties could be used to provide short to medium term temporary accommodation, possibly with the deployment of locally made trailer based kitchen and bathroom facilities.

Local councils were asked by the NSW Government to develop Local Housing Strategies. This considerable piece of work has already uncovered many of the potential housing solutions. What are missing are the resources to deliver and implement these solutions. Similarly with the recently released state wide NSW Housing Strategy, we are not aware of any additional funding to enable the strategy to be anything more than aspirational. We are also concerned about the lack of accountability in relation to the provision of state / crown land to development opportunities without clear requirements for developments to deliver affordable and sustainable housing outcomes.

In summary, HMAG welcomes the focus on regional housing issues. We have been exploring innovative housing solutions for a number of years and have been building collaborative relationships with local government, industry, community housing providers (CHPs) and local residents. We were recently successful in securing funding in partnership with Bellingen Shire Council to progress the feasibility study of establishing a Bellingen Shire Community Land Trust and believe that this is a model that offers tremendous potential for delivering perpetually affordable housing for key workers.

Our community is ready to partner with the NSW Government to pursue local solutions to our housing challenges - we welcome further dialogue regarding potential models and the contribution of land for innovative pilot projects and partnerships.

Bellingen Shire Snapshot

- Younger locals and local families can't afford to stay
- Older residents can't downsize
- Local wages don't match local housing costs
- Increasing property prices leading to community stratification
- High unemployment and under employment rates
- Many people don't have secure homes / high rates of unconventional housing

The housing market is not responding to the need in many regional areas. Our community is in the process of becoming more stratified between the city waged remote working professionals, who can afford higher prices for housing; and the service workforce needed to keep healthcare, childcare, education and other essential services going, who are being forced out.

Local workers in the Bellingen Shire, including those on moderate incomes, are being priced out of the market. There is a 0% vacancy rate, and the few homes that become available for rent have long lists of applicants, leading to rent bidding; homes that become available for sale are snapped up at escalating prices. The gap between local wages, rents and house prices means that access to secure housing is no longer an issue confined to low-income earners.

The key industries in the Bellingen Shire are listed below, many of whom are employed directly by the NSW Government.

- Health care and social assistance: 16.8%
- Education and training: 11.1%
- Retail: 9.8%
- Construction: 9.4%

These key workers are vital for our community viability and are facing increasing housing stress and instability. The bulk of households (64.6%) are in the lowest two quartiles for household incomes. The median house price has recently risen to \$762,500 and the median rent has increased by 26.8% to \$520pw. When that is considered in relation to the median income levels for Bellingen Shire or in relation to actual job listings, it is clear that renters are at an extreme risk of housing stress. The stress on low to moderate wage earners is increasing exponentially and unless there is investment in key worker housing models, we expect to experience workforce shortages. *More detail regarding*

housing affordability for key workers across the region is in the supporting documents.

This increasing crisis for low to moderate-income earners represents a significant challenge for our local economy and community going forward. These trends need to be addressed through an increase in social and affordable housing as well as the introduction of housing models that can provide perpetually affordable housing for local workers, otherwise, there is a risk the community will experience increased rates of homelessness, rental/mortgage stress and an out-migration of residents on lower and moderate incomes. Again, we think there is a need for proven as well as disruptive interventions in this space, including shared equity, community land trusts (CLTs), housing co-ops – rental and equity, incentives for private investors, build to rent, modern boarding houses and land share models.

Bellingen Shire represents a case study indicative of other coastal areas across NSW – a regional high demand area in the forefront of experiencing the impacts of our key workers inability to live locally, resulting in flow on effects detrimental to the local economy. The Bellingen Shire is also a place that is open to innovation and would be an ideal location for pilot projects.

HMAG response to NSW Regional Housing Taskforce

Specific Regional Challenges:

The housing market is not responding to the need in many regional areas. Our community is in the process of becoming more stratified between the city waged remote working professionals or those who have been fortunate to profit considerably from housing markets elsewhere, who can afford higher prices for housing; and the local service workforce needed to keep healthcare, childcare, education and other essential services going, many of whom are being forced out of the region.

Local workers in the Bellingen Shire, including those on moderate incomes, are being priced out of the market. There is a 0% vacancy rate, and the few homes that become available for rent have long lists of applicants, leading to rent bidding; homes that become available for sale are snapped up at escalating prices. The gap between local wages, rents and house prices means that access to secure housing is no longer an issue confined to low-income earners. Although much needed, an investment in social housing won't fix the scale of the problem. Without strategic intervention across the housing system, coastal regional areas are predicted to experience community stratification and workforce shortages for essential services.

The Bellingen Shire while one of the highest demand areas along the NSW coast also has one of the slowest growth rates due to the vast amount of national parks and state forestry reserves, along with large amounts of land unsuitable for development due to flooding and bushfire risks. Therefore any increase in migration to regional areas as a result of the COVID pandemic also results in displacement, particularly those on low to moderate incomes.

A vital component to community resilience and stability is access to safe and secure housing. Ensuring that there is adequate housing for people across income brackets is needed to ensure that we have the range of people and skills needed in the community. With the absolute disconnect between local wages and local housing costs, we need to find ways to promote and develop key worker housing models so that our teachers, nurses, police and retail staff are able to remain here.

The bushfires and COVID pandemic have exposed the significant weaknesses that exist in our local housing system. The Bellingen Shire is a high demand location and as such there is an increasing disconnect between local wages and housing costs. The attraction to alternative lifestyles also contributes to the higher than average numbers of people living in unconventional and/or unapproved dwellings such as sheds and caravans. Such arrangements are providing much needed

housing but also present a risk in relation to safety and security as well as a direct risk in relation to bushfire response planning and to individual safety during natural disasters.

As the pressure continues to build in the local housing market more families and key workers are moving into unconventional housing, precarious housing and/or are experiencing even higher rates of housing stress. Poor housing outcomes lead to a lack of community cohesion, poor social and emotional wellbeing, increased poverty and poor health and education outcomes. Stable housing is a precursor to community resilience. Increased homelessness or precarious housing in rural areas is also a bushfire risk factor, particularly in relation to the increasing numbers of people camping in state forests and other bush settings.

There is an urgent need for local regional communities such as ours, with support from government, to work on innovative solutions to the housing crisis by:

- Helping people navigate the planning system to foster quality infill through subdivision and secondary dwellings
- Leveraging community resources through projects to develop viable immediate solutions
- Positively impacting change in the housing market to ensure affordable housing options can be developed and rolled out across other regions
- Working in partnership with local agencies – government and private, to research the housing market and to leverage more opportunities for affordable housing

In the Bellingen Shire Local Housing Strategy 2020 – 2040 it is clear that the bulk of our new supply of housing will be through infill housing, subdivision and retrofitting houses. These will not be built by large-scale developers. Even the limited number of land release opportunities are still being delivered by local smaller scale developers. There needs to be support for local developers to be supported through the planning system if we are realistic about achieving the objectives in the BSC Local Housing Strategy, the NSW Housing Strategy or the issues being identified through this Regional Housing Taskforce.

Recommendations:

- **Support place based approaches that recognise the need for tailored housing solutions while also working collaborating with communities on shared housing issues. *See attached Housing Hub Pilot Proposal as an example.***

- Prioritise the development and piloting of innovative housing models, particularly those that have the potential to provide perpetually affordable housing for key workers and local families
- Support smaller local developers who are better placed to respond to local housing needs and are willing to work at smaller scale through local Housing Hubs

Infrastructure Alignment / Sequencing:

The key industries in the Bellingen Shire are listed below; many of whom are employed directly by the NSW Government.

- Health care and social assistance: 16.8%
- Education and training: 11.1%
- Retail: 9.8%
- Construction: 9.4%

These key workers are vital for our community viability and are key groups facing increasing housing stress and instability. The bulk of Bellingen Shire households (64.6%) are in the lowest two quartiles for household incomes. The median house price has recently risen to \$762,500 and the median rent has increased to \$520pw. The stress on low to moderate wage earners is increasing exponentially and unless there is investment in key worker housing models, we expect to experience workforce shortages.

There is significant potential for the NSW Government &/or industry super funds to invest in key worker housing in regional areas. The NSW Government has access to population growth forecasts as well as insight into the staffing associated with the delivery of health, education and policing services. Models such as Community Land Trusts and / or build to rent models would enable ongoing affordable housing for key workers.

The local Joint Organisation of Councils has recently secured funding for a Community Land Trust feasibility study. The outcomes of this study could inform the viability and establishment of

Community Land Trusts more broadly and there could be significant potential for industry based Community Land Trusts via industry super funds.

Recommendations:

- **Support and resource pilot project and innovative models that can provide ongoing affordable key worker housing.**
- **Consider the role that NSW Government &/or industry super funds could provide in investing in and expanding these models.**

Diverse and Affordable Housing:

Regional areas need housing solutions that are appropriate to the local dynamics and environmental constraints. Supporting place-based initiatives such as the establishment of Housing Hubs can support local communities to identify priorities, solutions and unlock community resources. As outlined above, it was HMAG and the local community that have identified the repurposing of decommissioned aged care facilities into affordable rental units and have worked with the local council, the owners of the building and our state and federal MPs to secure funding. NSW Government funding to pilot, evaluate and replicate the Housing Hub to mobilise latent community resources and encourage local housing initiatives that respond to local housing needs would be a way to ensure tailored, successful housing responses could provide long term desired housing outcomes.

There is a desperate need to expand the range of housing being delivered both in terms of housing diversity and affordability. The traditional options of home ownership, private rental and social housing do not meet modern housing needs. The NSW Government should fund pilot projects in collaboration with developers, councils, planners and architects aimed at developing housing products tailored to diverse housing. The NSW Government could support the collaboration of relevant community and industry stakeholders, along with councils, in developing innovative housing models by raising the status of those projects through competitions and other initiatives that can accelerate the development of diverse housing products.

Funding is needed for the development of case studies and resources to support small, local developers to build affordable housing options such as Modern Boarding Houses, smaller lower impact housing, affordable rental developments with caveats to ensure the properties remain

affordable as well as incentives and/or concessions. These incentives will only be successful if education and support is also provided to support developers in their decision-making processes.

The complete disconnect between local wages and local housing costs risks community stratification, workforce shortages and a hollowing out of community capacity to draw upon during natural disasters. We are already seeing teachers, youth workers, retail staff and even tradespeople being forced out of the area and away from their source of employment. We need to establish models that are affordable for local workers and that provide perpetually affordable housing so that subsidies aren't absorbed into the system and further inflate housing costs for subsequent residents. There is significant potential for NSW Government &/or industry super funds to invest in key worker housing through CLT &/or build to rent models.

Recommendations:

- NSW Government investment and support for development and establishment of perpetually affordable housing models such as Community Land Trusts
- Incentivise private investment in affordable housing models through concessions or linking negative gearing to affordable housing outcomes
- Incentives in the planning system to encourage universally designed housing that enable residents to age in place and/or live with disabilities
- Support and/or incentivise investment in key worker housing particularly from Industry Super funds and SMSFs.
- Capital Infrastructure Funding for repurposing of existing buildings in regional towns to provide affordable housing. Again the use of caveats could provide assurance that properties are used to deliver affordable housing outcomes for key workers or particular groups.
- Drive innovation by funding and/or contributing government-owned land to develop innovative housing models, such as new generation boarding houses, Community Land Trusts, shared ownership models and shared equity co-ops.
- Ensure that any contribution of government-owned land is clearly tied to affordable and socially responsible housing outcomes.

Activating Development:

The current housing system is not delivering the diversity or affordability needed in regional communities. Unlocking more supply without interventions to influence the type and price of housing will just result in more of the same problems currently being experienced. In the Bellingen Shire the growth in housing will be delivered predominantly via infill housing and subdivision. These housing models won't be delivered by large-scale developers. Instead we need to support smaller scale developers, and support the development of local industries that can deliver diverse, affordable and environmentally sustainable housing.

The establishment of Housing Hubs to educate and guide community conversations around local housing needs and the supply of affordable housing can reduce NIMBY reactions and can provide support to smaller, local developers to make informed decisions that lead to increase in affordable, diverse housing that responds to local housing needs. The experience and knowledge creation through the Housing Hub would enable the replication and / or scalability of housing solutions across NSW.

Regional areas need housing that is appropriate for local wage earners and key workers. The increasing demand for housing in high amenity areas means that even land release areas are out of reach for local workers. There is a dire need to deliver a wider variety of housing stock and price range housing. There are models that have the potential to deliver on diversity and affordability, which if supported by government could be piloted and replicated across regional NSW. The NSW Government should investment in the development of innovative, replicable housing models such as co-operative housing, shared ownership models, Community Land Trusts, intergenerational housing models, and new finance products through feasibility studies and pilot projects or in the direct delivery and showcasing of these models.

The establishment of a Capital Infrastructure Fund would enable the repurposing of existing buildings such as decommissioned aged care / respite facilities, old motels and hospitals into affordable and/or community housing units. These projects could be delivered relatively quickly and in order to ensure they truly provide long term affordable rentals for low-income earners are only viable long term if the initial capital infrastructure funds can be secured.

Recommendations:

- **NSW Government commits to funding Housing Hubs to support local activation of community resources and development opportunities.**

- NSW Government establishment of Capital Infrastructure Funding program to repurpose existing buildings into affordable and / or community housing models.
- NSW Government to fund pilot projects to demonstrate new housing models in communities that are looking to innovate and develop resources to enable replication in other areas.
- Investment in the development of innovative, replicable housing models such as co-operative housing, shared ownership models, Community Land Trusts, intergenerational housing models, and new finance products.

Council initiatives and partnerships:

The relationship between Bellingen Shire Council (BSC) and the Housing Matters Action Group is a fantastic example of local government and community working together. Over the past four years we have worked collaboratively with BSC and see this as one of our most important relationships. The Bellingen Shire Local Housing Strategy 2020 – 2040 is an example of our mutually beneficial relationship. The community consultation and engagement around this strategy has resulted in an award winning strategy that is reflective of community values and outlines a clear path to deliver the desired housing outcomes. Local government is closely connected with the community and are well placed to deliver and implement local initiatives if they are able to access adequate resources.

Councils play a key role but need to be resourced to deliver their Local Housing Strategies.

There is a need to ensure equitable investment across NSW including smaller regional centres. Although regional projects may be relatively small in scale, the funding of localised projects can make a huge impact on local communities by enabling key workers, local families, and disadvantaged / vulnerable community members such as those needing temporary accommodation to remain connected to their community and support networks.

The existing partnership between HMAG and BSC makes an ideal foundation to test and deliver pilot projects and innovative approaches to housing that are replicable and/or scalable across NSW.

Summary

HMAG encourages the NSW Government to look at what solutions exist or are being tried in the community and to consider the role government can play in supporting community initiatives such as the Housing Hub Pilot proposal. More information can be provided regarding this model, including a funding breakdown, if there is interest. The Housing Hub is a way that communities can be supported to develop their own solutions for the housing crisis. Not all communities are the same and similarly not all housing solutions are appropriate to roll out across NSW. The Housing Hub looks to help residents undertake appropriate housing projects that are responsive to local community need while sharing knowledge and a collaborative approach to developing and showcasing innovative housing models.

HMAG strongly suggests that the NSW Government, possibly in partnership with the federal government, develops a Capital Infrastructure Fund to enable innovative local housing projects to proceed that would otherwise not be viable. The funding requirements could specify that projects require caveats on the property to ensure they remain dedicated to affordable housing outcomes and/or are managed by CHPs.

We have suggested that the NSW Government needs to invest in additional social and affordable housing stock across our communities; drive innovation by piloting innovative models, such as CLTs and shared equity; and strengthen community resilience through Housing Hubs. There is significant opportunity for the NSW Government and / or industry super funds to invest in Community Land Trusts to provide perpetually affordable housing for key workers.

Our group has built an important local network of stakeholders, including local government, community housing providers (CHPs), industry and community members. Our regional community should be considered when identifying potential sites for innovative pilot projects and partnerships.

We would welcome ongoing involvement in discussions and are able to send through additional documentation if there is interest in progressing any of the outlined proposals.



BELLINGEN SHIRE HOUSING HUB PILOT SUMMARY

The COVID driven tsunami of people moving to the country from cities has tipped many regional communities into a serious housing crisis with many locals facing extreme housing precariousness.

The gap between local wages, rents and house prices means that access to secure housing is no longer an issue confined to low income earners. Although much needed, an investment in social housing won't fix the scale of the problem. Without intervention, coastal regional areas are predicted to experience community stratification and workforce shortages for essential services.

THE HOUSING HUB: A NATIONAL FIRST

The Housing Hub Pilot will help find local solutions by mobilising existing community resources. The Hub will be an incubator for innovative local responses tested in the Bellingen Shire, with tools and resources developed to support roll outs in other communities across the region. The Housing Hub will support the development of a regional housing network as the mechanism to enable the regional roll out with a Regional Development Worker factored into the project budget from Year 2.

STRATEGIC PRIORITIES

1. Helping residents to undertake infill and rural housing projects with a focus on housing for locals
2. Facilitating local housing initiatives which make the most of what we've got
3. Building knowledge about the regional housing system to positively impact change
4. Developing revenue streams to ensure that the housing hub is sustainable into the future

EXAMPLES OF ACTIVITIES AND COST

- linking individual land owners interested in subdivision with potential local purchasers,
- establishing a Community Land Trust for co-ownership and long term rental housing,
- the development of immediate responses to the increase in homelessness including a local lodgers program
- helping locals navigate the planning system with tools and resources for infill e.g. secondary dwellings, retrofits. Refer Housing Hub Plan for more activities.

The pilot will be evaluated with the view to replicability across regional centres. The proposed budget is a significant commitment but the return on investment in improving access to long term housing for locals and retaining the local workforce in high growth areas is likely to be substantial. Note that the budget for Year One is the equivalent of two properties purchased on the private market based on the Bellingen median real estate price, August 2020. Refer Budget detailed costing.

| Housing Hub Budget Summary | Year 1 | Year 2 | Year 3 |
|-----------------------------------|--------------------|--------------------|--------------------|
| Total | \$1,193,795 | \$1,030,794 | \$1,051,482 |

For more information go to www.housingmatters.org.au; watch Home Matters, our recently released documentary and contact our Chair, Kerry Pearse on 0411 671 673 or by email at kerry@housingmatters.org.au.



Housing Matters

ACTION GROUP INC

Bellingen Shire Housing Hub Pilot

VISION

Everyone has a safe and secure home

WHO WE ARE

The Housing Matters Action Group Inc is based in the Bellingen Shire with regional reach. We are a group of skilled residents and housing professionals working on locally affordable housing solutions.

PURPOSE

We help people to find housing solutions that are achievable, affordable and environmentally responsible.

WHAT'S IMPORTANT TO US

Innovation, activating our communities to find local solutions, knowledge creation, collaboration, retaining inclusive communities across the region

OUR STRATEGIC PRIORITIES

1.

Helping residents to undertake infill and rural housing projects

2.

Facilitating local housing initiatives which make the most of what we've got

3.

Building knowledge about the regional housing system to positively impact change

4.

Developing revenue streams to ensure that the Housing Hub is sustainable into the future

OUR KEY ACTIVITIES

Priority 1. Helping residents to undertake infill and rural housing projects

- Increasing awareness of good infill and innovative housing options through communication campaigns
- Helping residents navigate the planning system, understand their options and progress housing projects
- Linking people up with trusted housing professionals such as architects, builders, planners, landscape designers

- Providing resources, guides and case studies to help people with plans, universal design solutions, climate proofing, solar passive design, energy and water saving techniques, landscaping for biodiversity and tips for generally reducing on going costs
- Developing tools and resources outlining legal options for co-ownership models targeted at people on local incomes
- Helping people consider ageing in place and inter-generational housing strategies such as retrofitting existing dwellings, secondary dwellings and sub division

Contact the Housing Matters Action Group

website: housingmatters.org.au | email: kerry@housingmatters.org.au | phone: 0411 671 673

Priority 2. Facilitating local housing initiatives which make the most of what we've got

- Updating the needs mapping project to document the current housing crisis local experiences
- Working with not-for-profit landowners to develop an affordable housing initiative in Bellingham
- Developing and supporting a local lodgers program for people in precarious housing
- Linking up individual landowners interested in infill subdivision with potential local purchasers
- Establishing a long term private rental headlease pilot program for local families and key workers at a subsidised rent
- Establishing and promoting a local affordable housing fund
- Establishing the Community Land Trust for co-ownership and long term rental housing for locals
- Working with Council and private landowners to enable land hosting initiatives for people in precarious housing
- Activating the development of affordable housing initiatives on government owned land
- Working with employers, government and the community to identify demand and develop workforce housing initiatives
- Working with the private sector to encourage for purpose housing developments including shared equity, build to rent and modern boarding houses
- Working with government and the finance sector to pilot shared ownership financing products
- Establishing a community of practice for local housing professionals to share knowledge on well designed low cost housing options

Priority 3. Building knowledge about the regional housing market to positively impact change

- Partnering with universities and government to develop a research program on: affordable housing demand forecasts including workforce housing needs; a Community Land Trust proof of concept; understanding the impact of short term holiday lettings on the rental market
- Creating a pilot place-based data dashboard to understand what is happening across the local housing system in real time
- Identifying and documenting local case studies including secondary dwellings, dual occupancies, ageing in place, co-housing

initiatives and tiny houses

- Supporting a regional housing network to share information and build the knowledge base
- Regional development and support to incubate and rollout relevant projects in other regional locations
- Building partnerships with key stakeholders, government agencies and industry groups
- Establishing an Advisory Group involving Commonwealth, State and Local Government representatives to provide an ongoing substantive forum to contribute to program and policy development
- Working closely with all tiers of government to pilot and evaluate Housing Hub initiatives with a view to replicability

Priority 4. Developing social enterprise activities to ensure that the Housing Hub is sustainable into the future

- Scope revenue streams including: housing expos, brokerage to trusted professional services, fee for service building project advising and support, education and consulting services
- Secure philanthropic support
- Develop and implement a 5 year business plan

WHAT SUCCESS LOOKS LIKE

- We are the go to place for information and advice on a wide range of affordable housing projects
- We are recognised for our understanding of the local housing market and innovative responses that improve access to affordable housing
- People value our products, tools and resources and use them
- Key industries and employers are able to retain their workforce and are not impacted by staff shortages
- More local families and working people have housing options they can afford and don't leave the area
- Policy makers partner with us to pilot new approaches and develop nuanced regional housing policy responses
- The pilot projects incubated by the Housing Hub are replicated in other locations
- The Housing Hub demonstrates a strong return on government investment and is replicable in other locations



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HOUSING CRISIS IN THE BELLINGEN SHIRE

IMPACT ON LOCAL FAMILIES AND WORKERS

The gap between local wages, rents and house prices means that access to secure housing is no longer an issue confined to low income earners. Although much needed, an investment in social housing won't fix the scale of the problem. Innovative housing models and programs are needed to meet the needs of moderate income earners who are being priced out of rapidly escalating housing markets. Without intervention, coastal regional areas are predicted to experience community stratification and workforce shortages for essential services.

0% RENTAL VACANCY RATE AND SOARING PRICES

There is a 0% vacancy rate in the Bellingen Shire and many other parts of the North Coast. The few homes that are for rent have long lists of applicants, leading to rent bidding; homes that become available for sale are snapped up at escalating prices. Bellingen is currently in the top 10 locations in NSW for increased rent and is recognised as one of the most expensive regional locations nationally. The cost of renting or purchasing on a mortgage is now unaffordable for key workers such as teachers, police constables, and office workers in Bellingen. People on income support have nowhere to go in this area to find affordable housing.

POTENTIAL FOR KEY WORKER SHORTAGES

The housing market is not responding to the need in this area. Our community is becoming highly stratified between the city waged remote working professionals, who can afford higher prices for housing; and the service workforce needed to keep healthcare, childcare, education and other essential services going, who are being forced out. **Bellingen Shire represents a case study indicative of other coastal areas across NSW** – a regional high demand area in the forefront of experiencing the impacts of our key workers inability to live locally, resulting in flow on effects detrimental to the local economy.

COMMUNITY RESPONSES ARE URGENTLY NEEDED

There is an urgent need for local communities, with support from government, to work on innovative solutions to the housing crisis by:

- Helping people navigate the planning system to foster quality infill through subdivision and secondary dwellings
- Leveraging community resources through projects to develop viable immediate solutions
- Positively impacting change in the housing market to ensure affordable housing options can be developed and rolled out across other regions
- Working in partnership with local agencies – government and private, to research the housing market and to leverage more opportunities for affordable housing

The Bellingen Shire Housing Hub is an innovative local response that supports community resilience in the face of this crisis and facilitate housing diversity to meet the range of price points needed to maintain a functioning community.

For more information go to www.housingmatters.org.au; watch Home Matters, our recently released documentary and contact our Chair, Kerry Pearse on 0411 671 673 or by email at kerry@housingmatters.org.au.

| Housing Hub Budget Summary | | | |
|--|-----------------|-----------------|-----------------|
| | Year 1 | Year 2 | Year 3 |
| Core Operational Funding | | | |
| Staffing | \$ 505,135.07 | \$ 634,433.63 | \$ 647,122.30 |
| Operating Costs | \$ 153,660.00 | \$ 116,360.00 | \$ 119,360.00 |
| Capital works | \$ 50,000.00 | - | - |
| Project Funding | | | |
| Priority 1: Helping residents to undertake infill and rural housing projects | \$ 70,000.00 | \$ 50,000.00 | \$ 50,000.00 |
| Priority 2: Facilitating local housing initiatives which make the most of what we've got | \$ 290,000.00 | \$ 140,000.00 | \$ 140,000.00 |
| Priority 3: Building knowledge about the regional housing market to positively impact change | \$ 95,000.00 | \$ 60,000.00 | \$ 80,000.00 |
| Priority 4: Developing revenue streams to ensure that the housing hub is sustainable into the fi | \$ 30,000.00 | \$ 30,000.00 | \$ 15,000.00 |
| Total | \$ 1,193,795.07 | \$ 1,030,793.63 | \$ 1,051,482.30 |



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| Housing Hub Core Operational Budget | | | | | | | |
|--|----------------------|--------------|----------------------|--------------|----------------------|--------------|---|
| STAFFING COSTS | Year One | | Year Two | | Year Three | | Comments |
| | Wages | Oncosts | Wages | On Costs | Wages | OnCosts | |
| Manager | \$ 110,000.00 | \$ 32,338.94 | \$ 112,200.00 | \$ 32,985.72 | \$ 114,444.00 | \$ 33,645.43 | SCHADSI 8.3 1FTE (2% increase p.a.) |
| Project Officer | \$ 97,815.64 | \$ 28,756.86 | \$ 99,771.95 | \$ 29,332.00 | \$ 101,767.39 | \$ 29,918.64 | SCHCADSI 7.1 1FTE (2% increase p.a.) |
| Volunteer Coordinator | \$ 90,439.00 | \$ 28,756.86 | \$ 92,247.78 | \$ 29,332.00 | \$ 94,092.74 | \$ 29,918.64 | SCHCADSI 6.1 1FTE (2% increase p.a.) |
| Regional Development Officer | - | - | \$ 90,439.00 | \$ 28,756.86 | \$ 92,247.78 | \$ 29,332.00 | SCHCADSI 6.1 1FTE (2% increase p.a.) |
| Operations Officer | \$ 90,439.44 | \$ 26,588.33 | \$ 92,248.23 | \$ 27,120.10 | \$ 94,093.19 | \$ 27,662.50 | SCHCADSI 6.1 1FTE (2% increase p.a.) |
| Total Staffing Costs | \$ 505,135.07 | | \$ 634,433.63 | | \$ 647,122.30 | | |
| OPERATING COSTS | Year One | | Year Two | | Year Three | | Comments |
| Administration Costs | \$ 6,000.00 | | \$ 5,000.00 | | \$ 5,000.00 | | |
| Rent and Rates | \$ 500.00 | | \$ 500.00 | | \$ 500.00 | | Rent is anticipated to be waived as part of council contribution to project / rates \$500pa |
| Utilities | \$ 7,000.00 | | \$ 7,000.00 | | \$ 7,000.00 | | NSW SME using 20,000 kWh single rate |
| Security | \$ 720.00 | | \$ 720.00 | | \$ 720.00 | | \$60 per month |
| Cleaning | \$ 3,640.00 | | \$ 3,640.00 | | \$ 3,640.00 | | 2 hours \$70pw |
| Insurances | \$ 6,500.00 | | \$ 6,500.00 | | \$ 6,500.00 | | Professional indemnity \$4000 / Public Liability and Volunteers \$2500 |
| ICT | \$ 10,000.00 | | \$ 3,000.00 | | \$ 3,000.00 | | Y1 includes office equipment, software purchases as well as ongoing |
| Stationary | \$ 2,500.00 | | \$ 2,500.00 | | \$ 2,500.00 | | |
| Printing and Publications | \$ 4,500.00 | | \$ 2,500.00 | | \$ 2,500.00 | | Y1 will involve initial development of resources / publications |
| Website development | \$ 6,500.00 | | \$ 2,000.00 | | \$ 2,000.00 | | Complex website to provide good repository & clearinghouse functionality |
| Marketing and communication | \$ 10,000.00 | | \$ 5,000.00 | | \$ 5,000.00 | | |
| Contractors | \$ 60,000.00 | | \$ 40,000.00 | | \$ 40,000.00 | | Specialist assistance that needs to be bought in for specific tasks/projects |
| Events | \$ 5,000.00 | | \$ 5,000.00 | | \$ 5,000.00 | | Partnerships and sponsorships will be sought for larger regional events |
| Travel and accomodation | \$ 8,000.00 | | \$ 12,000.00 | | \$ 15,000.00 | | Will increase once regional rollout increases |
| Discretionary contingency fund | \$ 10,000.00 | | \$ 10,000.00 | | \$ 10,000.00 | | |
| Car fleet | \$ 8,000.00 | | \$ 8,000.00 | | \$ 8,000.00 | | 1 shared fleet car |
| Performance reporting system | \$ 4,800.00 | | \$ 3,000.00 | | \$ 3,000.00 | | To develop KPIs and monitor hub performance - database development |
| Total Operating Costs | \$ 153,660.00 | | \$ 116,360.00 | | \$ 119,360.00 | | |
| Capital Cost | Year One | | Year Two | | Year Three | | Comments |
| Building Fit Out | \$ 50,000.00 | | - | | - | | Currently in discussions regarding two potential suitable sites |
| Total Capital Costs | \$ 50,000.00 | | - | | - | | |

Housing Hub Project Budget

Priority 1. Helping residents to undertake infill and rural housing projects

| Ref | Project | Year 1 | Year 2 | Year 3 | Staffing Budget | Skilled Volunteers | Specialist Contractors | Comments |
|------------------|--|-----------------|-----------------|-----------------|-----------------|--------------------|------------------------|--|
| 1.1 | Communications campaign | \$20,000 | 20,000 | 20,000 | X | X | X | Targeting owners, investors, small scale developers, key stakeholders & local residents |
| 1.2 | Helping residents to undertake infill and rural housing projects | - | - | - | X | X | | Volunteer Coordinator & Skilled Volunteers |
| 1.3 | Linking people up with trusted professionals | - | - | - | X | X | X | Includes Community of Practice of Housing Professionals |
| 1.4 | Developing resources | \$30,000 | \$20,000 | \$20,000 | X | X | X | Factsheets, guides, case studies, low cost plans - developed locally but relevant regionally |
| 1.5 | Developing co-ownership legal resources | \$20,000 | \$10,000 | \$10,000 | X | | X | Will require development input from external specialists e.g. legal & financial advice |
| 1.6 | Ageing in place and inter-generational housing strategies | - | - | - | X | X | X | Assisting residents to consider relevant options |
| Sub Total | | \$70,000 | \$50,000 | \$50,000 | | | | |

Housing Hub Project Budget

Priority 2. Facilitating local housing initiatives which make the most of what we've got

| Ref | Project | Year 1 | Year 2 | Year 3 | Staffing Budget | Skilled Volunteers | Specialist Contractors | Comments |
|------------------|---|------------------|------------------|------------------|-----------------|--------------------|------------------------|--|
| 2.1 | Updating needs mapping project to capture current housing crisis experience | \$10,000 | \$5,000 | \$5,000 | X | X | | Includes engagement with key industries and employers to understand the broader economic impacts of the housing crisis / Year 1 includes development of templates for regional rollout |
| 2.2 | Working with not for profit land owners to develop an affordable housing initiative in Bellinghen | - | - | - | X | X | | Funding from external sources |
| 2.3 | Developing and supporting a local lodgers program for people in precarious housing | \$20,000 | - | - | X | X | | Development of program and initial resources then run by skilled volunteers |
| 2.4 | Linking up individual landowners interested in subdividing with potential local purchasers | \$20,000 | \$10,000 | \$10,000 | X | X | X | May require some external advice |
| 2.5 | Establishing long term private rental headlease pilot program for local families and key workers incl subsidised rent | \$30,000 | \$15,000 | \$15,000 | X | | | Tenancy management / real estate licence (rental subsidy would need to be secured additionally) |
| 2.6 | Establishing and promoting affordable housing fund | \$20,000 | \$10,000 | \$10,000 | X | X | X | |
| 2.7 | Establishing Community Land Trust | \$50,000 | \$50,000 | \$50,000 | X | X | X | |
| 2.8 | Working with Council and private land owners to enable land hosting initiatives for people in precarious housing | \$80,000 | \$15,000 | \$15,000 | X | X | | Includes portable infrastructure, storage of infrastructure and collateral |
| 2.9 | Activating the development of affordable housing initiatives on government owned land | \$20,000 | \$20,000 | \$20,000 | X | X | X | Feasibility reports & proposals |
| 2.10 | Working with employers, government and the community to identify demand and develop workforce housing initiatives | - | - | - | X | X | | |
| 2.11 | Working with the private sector to encourage for purpose housing developments including shared equity, build to rent and modern boarding houses | - | - | - | X | | | |
| 2.12 | Working with government and the finance sector to develop shared ownership finance products | \$50,000 | \$20,000 | \$20,000 | X | | X | Will require external specialists regarding financial products |
| 2.13 | Establishing a community of practice for local housing professionals to share knowledge on well design low cost housing options | - | - | - | X | X | | |
| Sub total | | \$290,000 | \$140,000 | \$140,000 | | | | |

Housing Hub Project Budget

Priority 3. Building knowledge about the regional housing market to positively impact change

| Ref | Project | Year 1 | Year 2 | Year 3 | Staffing Budget | Skilled Volunteers | Specialist Contractors | Comments |
|------------------|---|-----------------|-----------------|-----------------|-----------------|--------------------|------------------------|---|
| 3.1 | Partnering with universities and government to develop a research program | - | - | - | X | X | | No budget for research - need to develop research proposals and seek external funding in partnership |
| 3.2 | Creating a pilot place-based data dashboard | \$30,000 | - | - | X | | X | Would enable real time data from range of sources - piloted locally, easily replicable |
| 3.3 | Identifying and documenting local case studies | \$30,000 | \$30,000 | \$30,000 | X | X | | Year 1 - Bellingen Shire, Years 2 & 3 would include other regional sites |
| 3.4 | Supporting a regional housing network to share information and locally driven solutions | - | - | - | X | X | | Working across the housing system and regional locations with interested councils and community organisations |
| 3.5 | Regional development and support to incubate and rollout relevant projects in other locations | - | \$10,000 | \$15,000 | X | X | X | Regional Dev Officer to provide support, resources and guidance to other interested locations |
| 3.6 | Building partnerships with key stakeholders, government and industry groups to influence change | - | - | - | X | X | | This could include the development of models with the potential widespread impact that may require legislation incentives |
| 3.7 | Establishing Advisory Group with all levels of govt and key stakeholders | - | - | - | X | | | Enable ongoing substantive forum to contribute to program and policy development |
| 3.8 | Working closely with all tiers of government to pilot and evaluate housing hub | \$35,000 | \$20,000 | \$35,000 | X | X | X | Evaluation would look at the Housing Hub as a model as well as pilot projects and key initiatives |
| Sub total | | \$95,000 | \$60,000 | \$80,000 | | | | |

Housing Hub Project Budget

Priority 4. Developing revenue streams to ensure that the housing hub is sustainable into the future

| Ref | Project | Year 1 | Year 2 | Year 3 | Staffing Budget | Skilled Volunteers | Specialist Contractors | Comments |
|-------------------|---|-----------------|-----------------|-----------------|-----------------|--------------------|------------------------|--|
| 4.1 | Scope revenue streams including housing expos, professional services brokerage, fee for service work, education and consulting services | \$30,000 | - | - | X | X | X | Business case and scoping project - specialist consultant. Scoping work in year 1 so income generation activities kick in year 2 |
| 4.2 | Secure philanthropic support | - | - | - | X | X | | |
| 4.3 | Develop and implement 5 year business plan | - | \$30,000 | \$15,000 | X | | X | Specialist consultant - develop 5 year business plan to kick in from Year 3 - takes out year to year 8. |
| Sub totals | | \$30,000 | \$30,000 | \$15,000 | | | | |

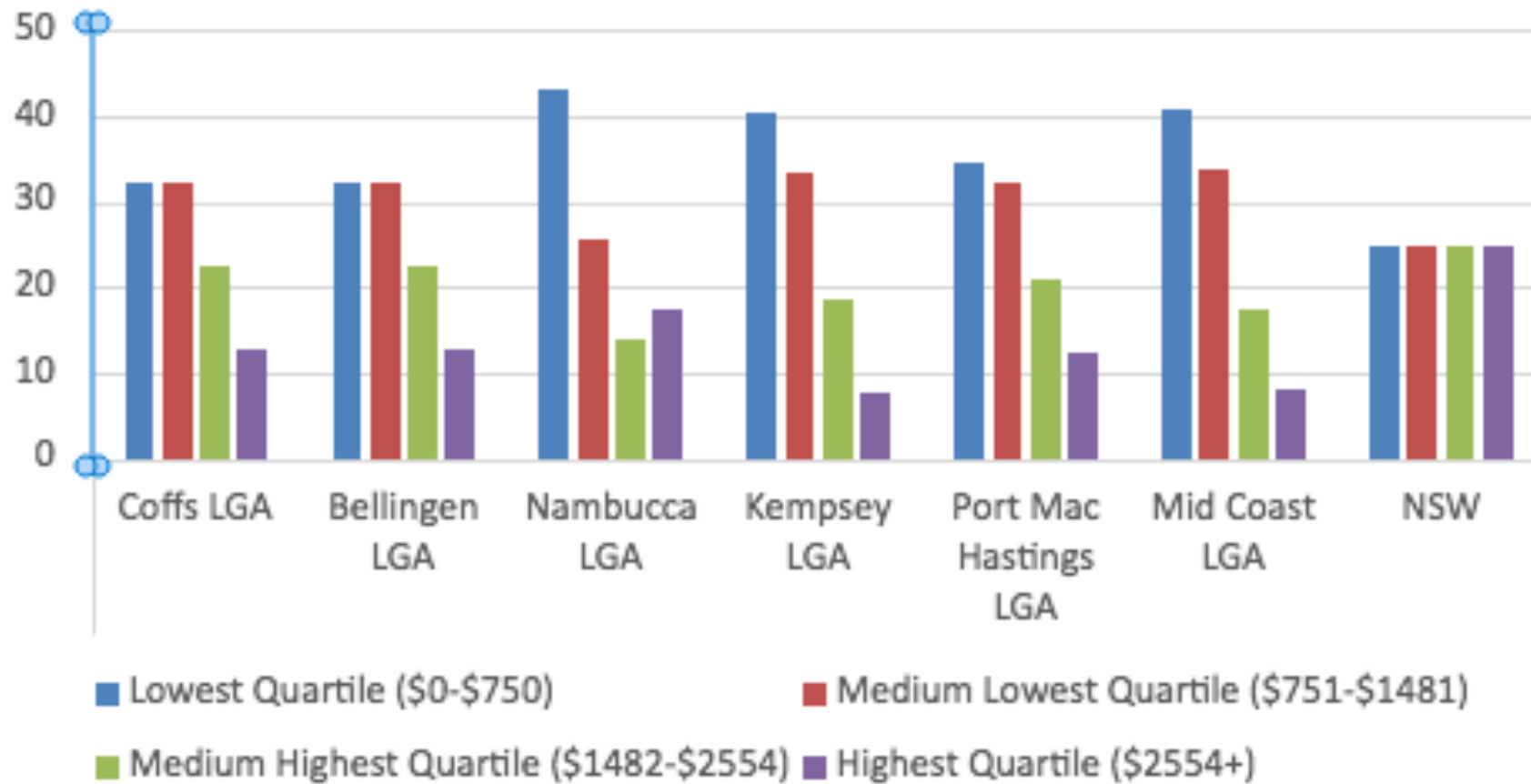


Mid North Coast NSW Housing Affordability Analysis

25 May 2021

Prepared by the Housing Matters Action Group Inc

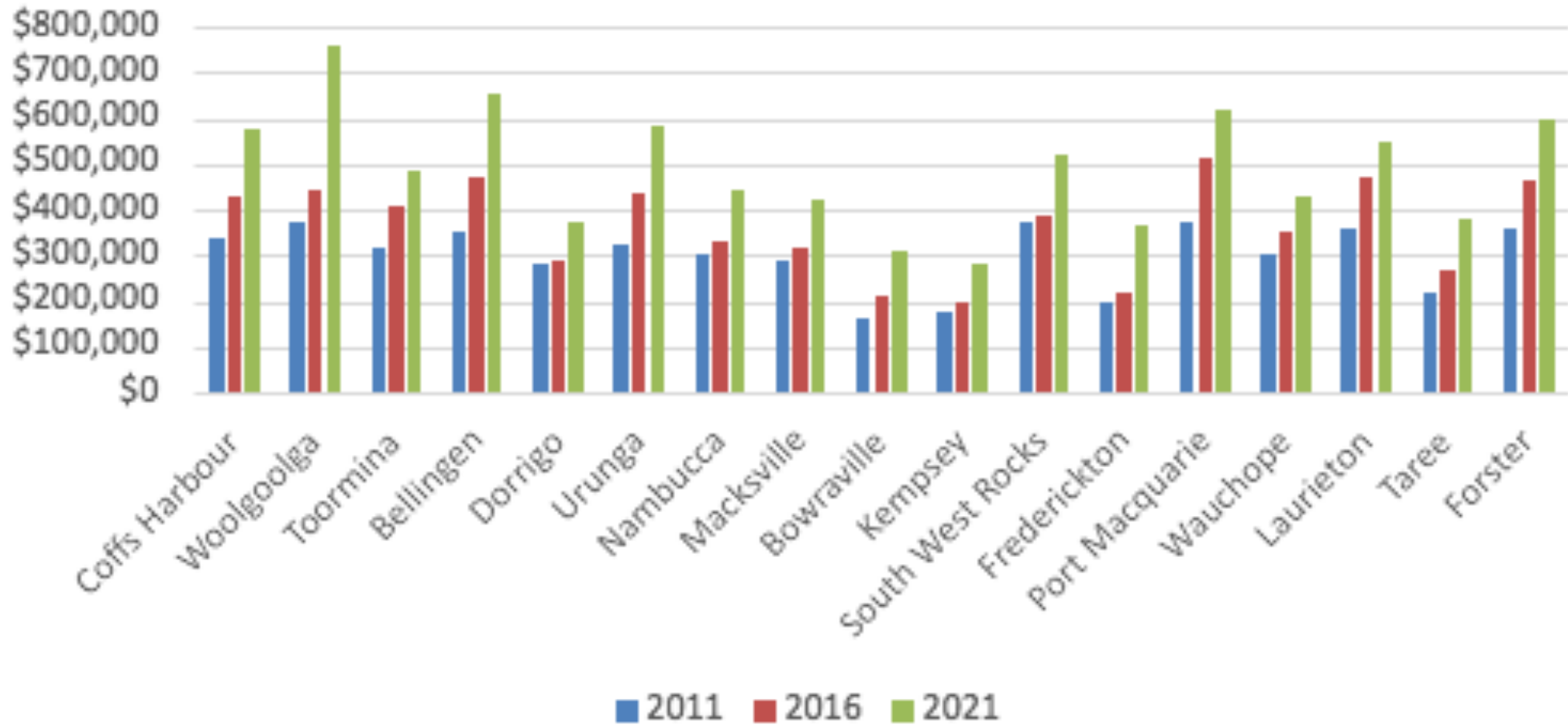
Household Income by Quartiles



Household Incomes

Source: Community Profile ID (Census 2016 data)

Median Sales Price



Source: Price Finder Suburb Data 2021

Real jobs in the region

Health Care and Social Assistance / Construction Industries

| | Annual salary | Affordable Rent (pw) | Affordable Mortgage |
|---|---------------|----------------------|---------------------|
| Disability Advocate - Intake & Assessment | \$45,000 | \$260 | \$250,894 |
| NDIS Support Worker | \$56,108 | \$324 | \$313,448 |
| Enrolled Nurse | \$59,075 | \$341 | \$330,064 |
| Registered Nurse - Grade 5 | \$76,596 | \$442 | \$428,782 |
| | | | |
| Apprentice electrician - 4th year | \$44,200 | \$255 | \$246,984 |
| Pest Control Technician - Trainee | \$50,000 | \$288 | \$279,239 |
| Construction Carpenter | \$55,952 | \$323 | \$312,471 |
| Project Manager - Construction | \$72,418 | \$418 | \$405,324 |

Source: Seek.com.au (21/5/21) / Mortgage calculations: moneysmart.gov.au

**NSW Mid North Coast Rental Affordability
May 2021**
Housing stress = rent payments at 30% or above household income

| Coffs Harbour | Woolgoolga | Toormina | Bellingen | Dorrigo | Urunga | Nambucca | Kempsey | South W Rocks | Frederickton | Port Macquarie | Wauchope | Laurieton | Taree | Forster |
|---------------|------------|----------|-----------|---------|--------|----------|---------|---------------|--------------|----------------|----------|-----------|-------|---------|
|---------------|------------|----------|-----------|---------|--------|----------|---------|---------------|--------------|----------------|----------|-----------|-------|---------|

Compiled by Housing Matters Action Group Inc

| | | | | | | | | | | | | | | |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|-------|-------|-------|-------|
| Disability – Intake | Red | Red | Red | Red | Red | Red | Red | Red | Red | Red | Red | Red | Red | Red |
| NDIS Support Worker | Red | Red | Red | Red | Green | Red | Green | Red | Red | Red | Red | Red | Red | Red |
| Enrolled Nurse | Red | Red | Red | Red | Green | Red | Green | Red | Green | Red | Red | Red | Red | Green |
| Registered Nurse – Yr 5 | Green | Green | Green | Green | Green | Green | Green | Green | Green | Red | Green | Green | Green | Green |

| | | | | | | | | | | | | | | |
|--------------------------------------|-----|-----|-------|-----|-------|-------|-------|-------|-------|-----|-------|-------|-------|-------|
| Apprentice Electrician – Yr 4 | Red | Red | Red | Red | Red | Red | Red | Red | Red | Red | Red | Red | Red | Red |
| Pest Control Trainee | Red | Red | Red | Red | Red | Red | Green | Red | Red | Red | Red | Red | Red | Red |
| Construction Carpenter | Red | Red | Red | Red | Green | Red | Green | Red | Red | Red | Red | Red | Green | Red |
| Construction Project Manager | Red | Red | Green | Red | Green | Green | Green | Green | Green | Red | Green | Green | Green | Green |

| | | | | |
|------------|-----|-------|-------|-------|
| Key | Red | ≥ 30% | Green | < 30% |
|------------|-----|-------|-------|-------|

NSW Mid North Coast Rental Affordability May 2021 – Sliding scale

| | | | | | | | | | | | | | | |
|---------------|------------|----------|-----------|---------|--------|----------|---------|---------------|--------------|----------------|----------|-----------|-------|---------|
| Coffs Harbour | Woolgoolga | Toormina | Bellingen | Dorrigo | Urunga | Nambucca | Kempsey | South W Rocks | Frederickton | Port Macquarie | Wauchope | Laurieton | Taree | Forster |
|---------------|------------|----------|-----------|---------|--------|----------|---------|---------------|--------------|----------------|----------|-----------|-------|---------|

Compiled by Housing Matters Action Group Inc

| | | | | | | | | | | | | | | | |
|--------------------------------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Disability – Intake | Red | Red | Red | Red | Red | Red | Red | Yellow | Red | Yellow | Red | Red | Red | Yellow | Red |
| NDIS Support Worker | Red | Red | Red | Red | Green | Yellow | Yellow | Green | Yellow | Yellow | Red | Yellow | Yellow | Yellow | Yellow |
| Enrolled Nurse | Red | Red | Red | Red | Green | Yellow | Green | Green | Yellow | Green | Red | Yellow | Yellow | Yellow | Green |
| Registered Nurse – Yr 5 | Green | Green | Green | Green | Green | Green | Green | Green | Green | Green | Yellow | Green | Green | Green | Green |

| | | | | | | | | | | | | | | | |
|--------------------------------------|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Apprentice Electrician – Yr 4 | Red | Red | Red | Red | Red | Red | Red | Yellow | Red | Yellow | Red | Red | Red | Red | Red |
| Pest Control Trainee | Red | Red | Red | Red | Yellow | Red | Yellow | Green | Yellow | Yellow | Red | Red | Yellow | Yellow | Red |
| Construction Carpenter | Red | Red | Red | Red | Green | Yellow | Yellow | Green | Yellow | Yellow | Red | Yellow | Yellow | Green | Yellow |
| Construction Project Manager | Yellow | Yellow | Green | Yellow | Green | Green | Green | Green | Green | Green | Yellow | Green | Green | Green | Green |

| | | | | | | |
|------------|-----|-------------|--------|-------------|-------|-------------|
| Key | Red | $\geq 40\%$ | Yellow | $\geq 30\%$ | Green | $\leq 30\%$ |
|------------|-----|-------------|--------|-------------|-------|-------------|

| | |
|--|-----------------------|
| NSW Mid North Coast Mortgage Affordability Summary Housing stress = Mortgage payments at 30% or above household income | Forster |
| | Taree |
| | Laurieton |
| | Wauchope |
| | Port Macquarie |
| | Frederickton |
| | South W Rocks |
| | Kempsey |
| | Bowraville |
| | Macksville |
| | Nambucca |
| Urunga | |
| Dorrigo | |
| Bellingen | |
| Toormina | |
| Woolgoolga | |
| Coffs Harbour | |

Compiled by Housing Matters Action Group Inc

| | | | | | | | | | | | | | | | | | |
|--------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Disability – Intake | | | | | | | | | | | | | | | | | |
| NDIS Support Worker | | | | | | | | | | | | | | | | | |
| Enrolled Nurse | | | | | | | | | | | | | | | | | |
| Registered Nurse – Yr 5 | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | |
|--------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Apprentice Electrician – Yr 4 | | | | | | | | | | | | | | | | | |
| Pest Control Trainee | | | | | | | | | | | | | | | | | |
| Construction Carpenter | | | | | | | | | | | | | | | | | |
| Construction Prjct Manager | | | | | | | | | | | | | | | | | |

| | | | | |
|------------|--|--------------|--|-----------------|
| Key | | ≥ 30% | | < 30% |
|------------|--|--------------|--|-----------------|




NSW Mid North Coast Mortgage Affordability Summary May 2021 – Sliding Scale

| | | | | | | | | | | | | | | | | |
|---------|-------|-----------|----------|----------------|--------------|---------------|---------|------------|------------|----------|--------|---------|-----------|----------|------------|---------------|
| Forster | Taree | Laurieton | Wauchope | Port Macquarie | Frederickton | South W Rocks | Kempsey | Bowraville | Macksville | Nambucca | Urunga | Dorrigo | Bellingen | Toormina | Woolgoolga | Coffs Harbour |
|---------|-------|-----------|----------|----------------|--------------|---------------|---------|------------|------------|----------|--------|---------|-----------|----------|------------|---------------|

Compiled by Housing Matters Action Group Inc

| | | | | | | | | | | | | | | | | | |
|-------------------------|--------|-----|--------|-----|--------|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| Disability – Intake | Red | Red | Red | Red | Red | Red | Red | Red | Red | Yellow | Yellow | Red | Yellow | Red | Red | Red | Red |
| NDIS Support Worker | Red | Red | Red | Red | Yellow | Red | Yellow | Yellow | Green | Green | Red | Yellow | Red | Yellow | Red | Yellow | Red |
| Enrolled Nurse | Red | Red | Red | Red | Green | Red | Yellow | Yellow | Green | Green | Red | Yellow | Red | Yellow | Red | Yellow | Red |
| Registered Nurse – Yr 5 | Yellow | Red | Yellow | Red | Green | Yellow | Green | Green | Green | Green | Yellow | Green | Yellow | Green | Yellow | Green | Yellow |

| | | | | | | | | | | | | | | | | | |
|-------------------------------|--------|-----|--------|-----|--------|--------|--------|-------|--------|-------|--------|--------|-----|--------|--------|--------|--------|
| Apprentice Electrician – Yr 4 | Red | Red | Red | Red | Red | Red | Red | Red | Yellow | Green | Red | Red | Red | Red | Red | Red | Red |
| Pest Control Trainee | Red | Red | Red | Red | Yellow | Red | Red | Red | Yellow | Green | Red | Yellow | Red | Yellow | Red | Yellow | Red |
| Construction Carpenter | Yellow | Red | Red | Red | Green | Yellow | Yellow | Green | Green | Green | Yellow | Yellow | Red | Yellow | Yellow | Green | Yellow |
| Construction Prjct Manager | Yellow | Red | Yellow | Red | Green | Yellow | Green | Green | Green | Green | Yellow | Green | Red | Green | Yellow | Green | Yellow |

| | | | | | | |
|------------|--|-------|---|-------|---|-------|
| Key |  | ≥ 40% |  | ≥ 30% |  | < 30% |
|------------|--|-------|---|-------|---|-------|

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 4:04:59 PM
Attachments: [lgsw-draft-submission-to-regional-housing-taskforce.pdf](#)

Submitted on Fri, 27/08/2021 - 16:03

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Linda

Last name

Blinkhorn

I would like my submission to remain confidential

No

Info

Email

linda.blinkhorn@lgsw.org.au

Suburb/Town & Postcode

Sydney 2000

Submission file

[lgsw-draft-submission-to-regional-housing-taskforce.pdf](#)

Submission

LGNSW Draft Submission to Regional Housing Taskforce.

I agree to the above statement

Yes

Draft Submission to the Regional Housing Taskforce

August 2021

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Opening

Local Government NSW (LGNSW) is the peak body for local government in NSW, representing NSW general purpose councils and related entities. LGNSW facilitates the development of an effective community-based system of local government in the State.

LGNSW welcomes the opportunity to make a submission to the Regional Housing Taskforce. LGNSW consulted with councils to help inform the content of this submission. This is a draft submission awaiting review by LGNSW's Board. Any amendments will be forwarded in due course.

LGNSW welcomes the establishment of the Regional Housing Taskforce. Concerns about the increasing number of individuals and households unable to secure housing that is affordable, or any housing at all, have escalated during the COVID-19 pandemic across regional areas and this is having a dire effect on local economies and businesses.

Housing supply has become a critical issue in regional communities, central to individual well-being and essential infrastructure supporting local economies. A regional focus is important and will allow for consideration of the unique factors at play in regional NSW.

A key tenet of this submission is that the scope of the review, with its focus on planning system responses is too narrow. Our firm view remains that increasing supply of housing in itself does not address affordability problems. Housing markets are complex and driven by a wide range of factors. LGNSW is calling for a commitment from the NSW Government to increase supply of affordable and social housing and utilise policy levers outside the planning system to develop more nuanced policy responses which are targeted to specific needs.

To the extent that the planning system facilitates delivery of housing and can contribute to delivery of affordable housing, LGNSW does see opportunities for planning system improvements. Key areas outlined in this submission include:

- Locally-developed responses to short-term rental accommodation
- Supporting policies and incentives for industry to deliver more diverse housing
- Streamlining and facilitating plan making and affordable housing initiatives.

Background

The Regional Housing Taskforce has been established to investigate planning barriers and develop recommendations to address regional housing issues with a focus on:

- The planning system and other government levers to stimulate housing supply and address housing needs
- Removing impediments within the planning system to the delivery of affordable housing types and housing generally
- Identifying mechanisms within the planning system to facilitate and drive the delivery of housing matched to community needs.

LGNSW Comments

Introduction

The recently established Centre for Population expects that the impact of COVID-19 will have a magnitude not seen for several generations¹. The impact is expected to be long lasting, with the overall population in Australia estimated to be around 4 per cent smaller (1.1 million fewer people) by 30 June 2031 than it would have been in the absence of COVID-19. This is largely due to closing the international borders and the resulting impact on net overseas migration.

The centre's research on the impact of COVID-19 between cities and regions notes that expert opinions are mixed, but its central scenario is that the level of migration within states will remain broadly stable with net flows shifting away from capital cities in favour of regional areas². In the year to September 2020, data shows that (across Australia) regional areas outside the capital cities had a net gain of 36,200 people, the highest net gain on record, although it noted that this was driven by an increase in the number of people choosing to stay in regional areas rather than a spike in the numbers of people leaving capital cities.

Regional areas make a significant contribution to our state and national economy and are home to around 3.1 million people, 38.3% of the NSW population. The magnitude of housing issues, particularly access to affordable housing for low- and moderate-income households - a concern for some time in many regional areas - has become acute during the COVID-19 pandemic.

A report commissioned by ACOSS-UNSW Poverty and Inequality Partnership³ on the rental housing and homelessness impact of the pandemic found "markedly divergent trends experienced between inner cities and regional areas..." with renters hit much harder than homeowners. New data from *The Domain Rent Report* shows that weekly rents in more than 20 regional markets have jumped by 10 per cent or more in the space of a year, with asking rents in five regions outstripping those in Greater Sydney⁴. Across NSW, in the north, south and west, many have declared a housing crisis⁵.

The impacts of the COVID-19 pandemic have intersected with pre-existing factors. These include impacts from recent natural disasters - drought, bushfires and floods – resulting in a loss of existing housing, a severe existing shortfall of social and affordable housing and pressures arising from the expanded number of properties being used for short-term letting. Compounding the shortages in the private rental market, almost 50,000 people are waiting for

¹ Centre for Population Annual Population Statement 2020

https://population.gov.au/docs/population_statement_2020.pdf

² Migration Between Cities and Regions: A quick guide to COVID-19 impacts.

<https://population.gov.au/docs/the-impacts-of-covid-on-migration-between-cities-and-regions.pdf>

³ COVID-19: Rental Housing and Homelessness Impacts – An Initial Analysis 2021.

https://sheltersnsw.org.au/wp-content/uploads/2021/02/COVID19_Rental-housing-and-homelessness-impacts_report-1.pdf

⁴ <https://www.domain.com.au/news/soaring-rental-prices-creating-housing-crisis-in-regional-nsw-1070834/>

⁵ <https://aboutregional.com.au/housing-crisis-requires-all-tiers-of-government-to-step-up-bega-mayor/>
<https://www.abc.net.au/news/2021-06-28/locals-taking-in-strangers-amid-escalating-housing-crisis/100236724>

social housing, with wait times of up to 10 years in NSW.⁶ Before COVID-19 the shortfall in social and affordable housing in NSW was estimated at over 200,000 dwellings, with around 80,400 of these in regional areas.⁷

Need for a broader scope and targeted responses

Given demographic changes, the very high levels of housing need and increased pressures on housing markets in regional areas, LGNSW is concerned that the terms of reference for this review are too narrowly focussed to address the complexity of housing issues. The planning system and local government are often targeted as the barrier to housing supply, with claims that increasing market supply by relaxing or fast-tracking planning processes will address housing affordability (and other housing and economic) issues. LGNSW has consistently rejected the premise that increased housing supply will in itself deliver housing affordability and that faster development approval processes will increase housing.

There is overwhelming evidence that simply increasing housing supply does not reduce the price of housing or increase the amount of affordable housing. While LGNSW agrees that ensuring an adequate supply of housing is important to meeting housing needs, an over-reliance on this policy response is concerning. Experience shows that increasing supply alone will not address the housing affordability problem.

“Affordability and supply are not the same thing. In big, mature metropolitan areas...affordability has to be produced through active housing market policy. That means directly targeting affordability and access for every group and every mix of housing.”⁸

Michael Storper London School of Economics

Simply releasing more land for housing to put downward pressure on housing markets (and meet the needs of low- and moderate-income households across tenures) has not been a sufficient or effective strategy. High levels of supply have not translated into more affordable housing. Planning approvals have routinely exceeded dwelling construction, and developers regularly reduce the rate at which they supply housing even when they hold surplus approvals.⁹

Housing issues are complex with the supply of land and planning controls just one factor among many drivers. Others include:

- migration settings and recent high population growth (in cities and some regional areas)
- the commodification of housing stock as a financial investment
- historically low interest rates and high credit availability
- tax incentives such as negative gearing and disincentives such as stamp duty
- the rise in number of dwellings used for short-term letting.

⁶ NCOSS, NSW Budget 2021-22 Analysis: Housing and Homelessness, June 2021.

<https://www.ncoss.org.au/nsw-budget-2021-22-analysis-housing-and-homelessness/>

⁷ City Futures Research Centre, Estimating need and costs of social and affordable housing delivery, March 2019. <https://cityfutures.be.unsw.edu.au/research/projects/filling-the-gap/>

⁸ Blanket Upzoning – A Blunt Instrument – Won’t Solve the Affordable Housing Crisis 2019

<https://www.planningreport.com/2019/03/15/blanket-upzoning-blunt-instrument-wont-solve-affordable-housing-crisis>

⁹ The Australian housing supply myth, Cameron Murray

<https://econpapers.repec.org/paper/osfosfxxx/r925z.htm>

Most policy-settings relating to these drivers are outside the realm of local government and rest with State and Commonwealth Governments and arguably have greater impact on housing prices and affordability¹⁰. Further, decisions of landowners, developers and investors also impact on the availability and affordability of housing. Land-use planning, and provision of other services play an important role, as identified in the NSW Housing Strategy, but as the Planning Institute of Australia has noted, the limits of these levers must be acknowledged: “the State Government should ... clearly acknowledge the role of financial investment incentives (especially tax settings) in driving demand with flow on effects to price. The role of planning processes in affecting the rate of flow of new housing starts should be seen in this context.”¹¹

LGNSW commends the NSW Government for establishing this review and for the engagement with stakeholders and local government across regional areas. However, it is the strong view of the sector that its narrow focus will not deliver much-needed targeted responses. Solutions need to go beyond the planning system if we are to develop effective responses to the housing crisis in regional areas. Consideration must also be given to capacity to deliver responses. Capacity to fund additional council staff and skills shortages both within councils, the building and other industry sectors, have been raised as an issue in stakeholder consultations held for this review.

Recommendation 1

The NSW Government should expand the scope of the review to acknowledge and consider the full range of policy levers at Commonwealth, State and local government levels that shape housing markets in regional areas.

Policy responses will require deeper, more nuanced understanding of housing needs and the diverse economic and social contexts that shape them. There is considerable data already available about the depth and dimensions of housing need (such as for young people, key and seasonal workers and people with disability) and incidence of homelessness in regional areas.

Regional communities are also impacted by major infrastructure projects. Large scale projects such as Snowy 2.0, upgrades to the Pacific Motorway on the north coast, and the Inland Rail Project¹², while bringing important economic benefits, are major disrupters of regional housing markets. The influx of workers for the projects creates significant temporary demand for private rental accommodation, pushing up rents and displacing existing residents.

Further efforts are needed to identify policy changes that respond to challenges in different regional settings, and which target specific needs groups. An increase in the supply of social and affordable housing to address ongoing housing market failure is critical. As set out in LGNSW’s Policy Platform¹³, councils have resolved to support minimum targets of 5-10 per cent social and affordable housing across NSW and 25 per cent for government-owned land. Councils have also called for action by the NSW Government towards achieving affordable housing targets.

¹⁰ For example, negative gearing and the First Home Owners Scheme are two key financial incentives that influence housing demand.

¹¹ [PIA Response to the NSW Housing Strategy Discussion Paper](#), July 2020, p 4

¹² <https://www.abc.net.au/news/2021-06-24/nsw-towns-housing-crisis-cowra-parkes-government-infrastructure/100201526>

¹³ LGNSW Policy Platform, Housing and homelessness position statement, April 2021.

https://www.lgnsw.org.au/common/Uploaded%20files/Policy/2021_LGNSW_Policy_Platform.pdf

This year, LGNSW called for the NSW Government to invest at least \$2 billion in providing 5,000 additional units of social housing right across NSW to address the homelessness and housing affordability crisis.¹⁴ A NSW Government commitment to set minimum targets and fund more social housing would stimulate the NSW economy, result in jobs growth and deliver enormous social and economic dividends, while contributing to the Premier's Priority to reduce street homelessness across NSW by 50% by 2025. Unfortunately, the NSW Budget allocated no new funding to boost the supply of social housing, instead continuing the funding under the \$812 million COVID-19 social housing stimulus package announced in the 2020-21 budget, which compares poorly to much larger social housing investments in the Queensland and Victorian state budgets.

Recommendation 2

The NSW Government should develop targeted affordable housing strategies in partnership with local government targeted to the shortfalls of need and circumstances of each region, in line with the broader scope of the NSW Housing Strategy.

Recommendation 3

The NSW Government should invest at least \$2 billion in providing 5,000 additional units of social housing right across NSW to address the homelessness and housing affordability crisis.

Planning system improvements

LGNSW understands that there are opportunities to improve the planning system to ensure there is an adequate supply of housing and to facilitate more diverse forms of housing. Some of the key issues and opportunities are set out below.

Short-Term Rental Accommodation (STRA)

LGNSW highlighted in its STRA submission¹⁵ the need for the State Government to clarify and rationalise its objectives in different state housing policies, so that important affordable housing objectives are prioritised and are not undermined by unintended effects of the STRA policy.

The growth in the amount of housing that is being effectively taken out of the long-term housing market for the purpose of short-term letting is causing significant apprehension in many regional areas. Councils in coastal areas are particularly concerned about impacts on the availability of housing¹⁶.

LGNSW has consistently argued that councils are best placed to manage the impacts of short-term rental in their communities. Councils should be able to determine the locations where

¹⁴ LGNSW, 2021-2022 State Budget Submission – NSW Local Government Priorities, April 2021.

[https://www.lgnsw.org.au/common/Uploaded%20files/Submissions/2021/Draft%20Submission %202021-2022 State Budget 03-05-2021.pdf](https://www.lgnsw.org.au/common/Uploaded%20files/Submissions/2021/Draft%20Submission%202021-2022%20State%20Budget%2003-05-2021.pdf)

¹⁵ [LGNSW submission on Short Term Rental Accommodation – Regulatory Framework](#), September 2019, p 8

¹⁶ <https://www.abc.net.au/news/2021-08-05/nsw-accommodation-policy-change-short-term-holiday-rent/100348966>

properties can be let as short-term rental and the number of days they are available. Many are concerned the adoption of blanket rules across NSW under the new STRA framework provides insufficient flexibility for State or local government to manage the impacts of STRA and will set back efforts to provide affordable housing in their areas.

LGNSW has consistently maintained that provisions for STRA in the new Housing SEPP must allow councils to tailor the thresholds to suit certain local conditions without blanket caps. The provision that un-hosted bookings of STRA for 21 or more consecutive days would not count towards applicable day thresholds is also seen as problematic and this provision should be removed.

While the numbers and impacts may be more readily quantified once the registration system is established housing market impacts of STRA in general are already clear. Recent analysis of the short-stay rental markets in Sydney and Hobart between February to June 2020 by AHURI suggests that approximately 70 per cent of Hobart properties removed from Airbnb listings during COVID-19 moved into the private rental market.¹⁷ They also found a relatively strong relationship between Airbnb properties moving into the private rental market and decreases in median rents. While this reversal is a welcome, though likely temporary trend in cities, for people in the private rental market, it highlights the significant impact STRA can have on housing markets and the need for far greater research and consideration of the impact of new policy settings.

Local government reiterates our previous calls for the STRA policy to be supported with ongoing research to monitor local impacts on housing affordability. The STRA registration system must be operational from day one of the policy's commencement and it will be critical that data on numbers and impacts are being collected, monitored, analysed and reported on.

It is also critical that consideration of the impacts of STRA is factored when the next round of regional plans and housing supply targets are established. Allowing existing housing stock to be unavailable for long-term private rental or owner-occupied housing for long periods of time will add pressure on demand to supplement supply.

Recommendation 4

The Department of Planning, Industry and Environment should amend STRA provisions in the new Housing SEPP to:

- allow councils to tailor the threshold caps to suit local conditions; and
- remove the exemption relating to bookings of 21 consecutive days or more as this is considered to be a loophole.

Recommendation 5

The NSW Government should commit to ongoing research to measure the long-term impacts of STRA on local housing markets by:

- Ensuring that the STRA register is operational from day one of implementation; and
- Immediately establishing and funding a sustained program to collect, monitor, analyse data and publicly report on impacts, with a review of the framework after 12 months operation.

¹⁷ AHURI - FINAL REPORT NO. 354 Pathways to regional housing recovery from COVID-19
https://www.ahuri.edu.au/data/assets/pdf_file/0023/67145/AHURI-Final-Report-354-Pathways-to-regional-housing-recovery-from-COVID-19.pdf

Housing diversity and land supply

LGNSW also understands that a lack of housing diversity is a significant issue in many regional areas. Many regional areas such as Coffs Harbour, have identified the need for more compact urban areas which will require a shift to denser development and more medium density (and in some areas high density) development.

Rather than a problem with planning controls, some regional councils have noted that their planning controls allow for higher density development and diverse forms of housing but that developers are not willing or do not have the requisite skills or capacity to deliver them.

Feasibility, lower land values and a lack of sophistication by 'mum and dad' investors have also been identified as constraints in some areas. Many councils also report that land is zoned and available but is being held by landowners and not released to the market or is being landbanked by developers to maximise future financial gains.¹⁸

Further, local government and other sectors have observed some state planning policies are 'metro-centric' and do not work effectively in regional areas. In stakeholder consultations held by the Taskforce, Shelter NSW, some developers and councils observed that the Low Rise Housing Diversity Code disincentivised the provision of diverse housing forms it seeks to promote in regional NSW. Many provisions don't respond to the characteristics of main streets and town centres across regional NSW with standards such as building height, maximum gross floor area, setback and landscaping requirements meaning some of the housing models in the Code could not be built in a regional setting.

All these factors place pressure on councils to release more land for low density development which may be inconsistent with strategic planning and growth principles in regional and local plans, puts additional demand on local government to provide infrastructure at the expense of better utilising existing infrastructure investment.

There is opportunity for the NSW Government to support councils by:

- Ensuring that state codes and policies are flexible enough to enable tailoring to different regional contexts
-
- Considering incentives or penalties for landowners to develop land that has been rezoned (such as higher rates commensurate with zoning, annual land tax to increase holding costs and/or time-limits on development)
- Engaging with property owners and the development industry to respond to demand for more diverse housing and expand skills base and models in the industry.
- Developing tools to support councils to educate local communities about the need for more diverse forms of housing to encourage both greater uptake and acceptance of these forms of housing.

¹⁸ <https://www.macrobusiness.com.au/2020/06/the-curse-of-landbanking/>

Recommendation 6

The NSW Government should develop a package of initiatives to incentivise and deliver more diverse and dense forms of housing, where councils have planned for them, appropriate to each regional context.

Infrastructure provision

As noted by the NSW Productivity Commissioner, infrastructure contributions made by developers are critical to help deliver the infrastructure needed as communities grow. They are a means of financing public infrastructure that is required as a direct or indirect result of new development and are provided in the form of monetary contributions, the dedication of land and/or the provision of capital works.

This is based on a long-standing and widely accepted impactor/beneficiary pays principle of the existing planning system i.e. new development makes a contribution towards the cost of infrastructure that will meet the additional demand it generates and benefits from. Despite continued development industry claims that infrastructure charges push up the price of housing, the Centre for International Economics, in its evaluation of infrastructure contributions reforms, concluded that, over-time, infrastructure costs are factored into lower land values, rather than higher housing prices.¹⁹

LGNSW has advocated for a review of the infrastructure contributions system for some years with the aim of reducing complexity, improving transparency and equity and releasing the financial burden placed on councils providing local infrastructure to support population growth and/or the changing needs of communities.

However, LGNSW and councils are opposed to the reforms as currently proposed in the Infrastructure Contributions Bill 2021 as they will leave councils financially worse-off and unable to fund critical infrastructure needed to increase housing supply.

LGNSW has called on the NSW Government to withdraw the Bill from the Parliament, and the Parliamentary Committee tasked with inquiring into the Bill has agreed with our views and has recommended in their [report](#) "*That the Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021 not proceed..*"

Recommendation 7

The NSW Government should withdraw its proposed legislative reforms for infrastructure provision and address the concerns raised by local government.

Facilitating plan making and affordable housing initiatives

Councils are often unfairly criticised for "holding up" development. The planning process has been established to enable complex issues to be considered when making planning decisions and to provide for community input.

¹⁹ The Centre for International Economics, (2020) Evaluation of infrastructure contributions reform in New South Wales - Final Report, prepared for the NSW Productivity Commission.

There are however many circumstances where state processes or requirements hinder development. The timely development and release of land, including in rural and regional areas, can be affected by delays in the LEP process. This can often be a result of conflicting and changing policy advice during the plan-making process and requests for additional studies and evidence which have cost impacts for councils. Many councils have called for a more efficient process.

Councils also cite delays associated with concurrence and referrals of rezoning and development applications to state agencies. LGNSW acknowledges that the Department of Planning Industry and Environment is working closely with other state agencies and councils to address issues in the plan-making process, and this should continue.

Many councils are committed to helping address affordable housing issues where they can but note difficulties in gaining Department of Planning Industry and Environment approval. While SEPP 70 (to be incorporated in the Housing SEPP) was expanded to allow all councils to develop affordable housing contributions schemes, councils report that the guidelines and requirements are onerous and should be streamlined. The extent to which these provisions can be applied in regional areas should also be considered. Other models or planning incentives may be more applicable in lower value housing markets.

A further area identified is the need to facilitate innovative responses to housing need. For example, Shoalhaven Council has been through a protracted approach to develop an affordable housing project in partnership with a community housing provider due to provisions in the *Local Government Act 1993* relating to Public Private Partnerships. While having the right checks and balances is important, prompt consideration of regulatory (and other) barriers raised by councils and implementation of solutions to address these barriers is needed to support them to implement innovative solutions to housing issues.

Recommendation 8

The NSW Government should prioritise streamlining the framework for developing affordable housing contributions schemes in consultation with local government and consider whether these are applicable in regional areas.

Recommendation 9

The NSW Government should review and reduce regulatory barriers to council use of land and partnerships for the provision of affordable housing.

Summary of Recommendations

In summary, LGNSW makes the following recommendations:

Recommendation 1

The NSW Government should expand the scope of the review to acknowledge and consider the full range of policy levers at Commonwealth, State and local government levels that shape housing markets in regional areas.

Recommendation 2

The NSW Government should develop targeted affordable housing strategies in partnership with local government targeted to the shortfalls of need and circumstances of each region, in line with the broader scope of the NSW Housing Strategy.

Recommendation 3

The NSW Government should invest at least \$2 billion in providing 5,000 additional units of social housing right across NSW to address the homelessness and housing affordability crisis.

Recommendation 4

The Department of Planning, Industry and Environment should amend STRA provisions in the new Housing SEPP to:

- allow councils to tailor the threshold caps to suit local conditions; and
- remove the exemption relating to bookings of 21 consecutive days or more as this is considered to be a loophole.

Recommendation 5

The NSW Government should commit to ongoing research to measure the long-term impacts of STRA on local housing markets by:

- Ensuring that the STRA register is operational from day one of implementation; and
- Immediately establishing and funding a sustained program to collect, monitor, analyse data and publicly report on impacts, with a review of the framework after 12 months operation.

Recommendation 6

The NSW Government should develop a package of initiatives to incentivise and deliver more diverse and dense forms of housing, where councils have planned for them, appropriate to each regional context.

Recommendation 7

The NSW Government should withdraw its proposed legislative reforms for infrastructure provision and address the concerns raised by local government.

Recommendation 8

The NSW Government should prioritise streamlining the framework for developing affordable housing contributions schemes in consultation with local government and consider whether these are applicable in regional areas.

Recommendation 9

The NSW Government should review and reduce regulatory barriers to council use of land and partnerships for the provision of affordable housing.

LGNSW would welcome the opportunity to assist with further information during this review to ensure the views of local government are considered.

To discuss this submission further, please contact LGNSW Strategy Manager, Planning at jane.partridge@lgnsw.org.au or on 02 9242 4093.

* * *

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 4:05:42 PM
Attachments: [lake-macquarie-city-council-staff-submission-to-regional-housing-taskforce.pdf](#)

Submitted on Fri, 27/08/2021 - 16:02

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Wes

Last name

Hain

I would like my submission to remain confidential

No

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Submission file

[lake-macquarie-city-council-staff-submission-to-regional-housing-taskforce.pdf](#)

Submission

Please refer to attached submission

I agree to the above statement

Yes



27 August 2021

Garry Fielding
Chair, Regional Housing Taskforce
Department of Planning, Industry and Environment

On-line submission via the [Planning Portal](#)
Via www.planningportal.nsw.gov.au/regional-housing

Dear Mr Fielding

Subject: Lake Macquarie City Council staff Submission to Regional Housing Taskforce

Thank you for the opportunity to make a submission to the Regional Housing Taskforce. Lake Macquarie City Council (Council) recognises the importance of a sustainable housing market and addressing increasing pressures on affordability and supply to meet the needs of the community. Staff have prepared the attached submission for your consideration.

In April 2020 Council adopted the [Lake Macquarie Housing Strategy¹](#) (updated in April 2021). This strategy identified barriers and actions to address housing issues in the Lake Macquarie Local Government Area (LGA). Investigations undertaken to prepare the Strategy found that Lake Macquarie LGA is experiencing issues relating to a lack of housing diversity, increasing unaffordability, increasing rental prices, low rental vacancy rate, limited affordable and social housing supply and delays to new housing delivery due to the need for major infrastructure upgrades. The impact of Covid-19 amongst these other factors has seen further increase in house prices, a further decline in rental affordability and demand for rental accommodation increasing and placing pressure on price points in the rental market which is also likely to increase the demand on social housing.

As you would be aware, there are currently a number of inquiries investigating issues that impact housing across NSW. Council has recently lodged a submission to the inquiry into *'options to improve access to existing and alternate accommodation to*

¹ <https://shape.lakemac.com.au/41579/widgets/224840/documents/208761>

Our Ref: F2020/00749/01 Your Ref:

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address the social housing shortage' and is preparing a submission on the proposed State Environmental Planning Policy on Housing Diversity, which is now on exhibition as the draft Housing State Environmental Planning Policy (Housing SEPP). It is noted that there is also an inquiry into the contribution of tax and regulation on housing affordability and supply in Australia being undertaken by the Standing Committee on Tax and Revenue, which also relates to the issues the taskforce is considering.

Council are invested in addressing the same concerns that the Taskforce has been asked to examine and appreciates the opportunity to provide feedback. It is important to note that due to time constraints, this submission has been prepared by staff, based on Council's current policy positions, and there has not been an opportunity for it to be reviewed by the elected Council.

Should you require further information, please contact Breanne Bryant, Senior Strategic Planner on 4921 0316.

Yours faithfully



Wesley Hain
Manager Integrated Planning

Attachment 1: Submission to Regional Housing Taskforce

Population

Lake Macquarie LGA has an area of approximately 757 square kilometres and a population of around 208,000 based around Lake Macquarie which sits at the centre of the LGA. Based on the 'business as usual' population projections Lake Macquarie LGA requires an additional 16,875 dwellings, to house the additional population up to 239,000 residents by 2041. However, due to the City's proximity to Sydney, land supply, and economic profile, Lake Macquarie has the potential of a significantly higher growth scenario of up to 388,000 people.

The City has continued to see an increase in the number of lone person and couples without children households while couples with children households are on the decline. This trend is expected to continue which would suggest a need for smaller and or more affordable dwellings to match the shift in household types. More diverse housing options would also provide greater choice for the aging population that Lake Macquarie is expected to experience as a result of the former and increase in the 55+ age group and decline in the previously steady growth of the 5-19 year age groups.

Supply

In general, Lake Macquarie City has not experienced the same housing supply pressures as other parts of NSW as there is adequate supply of zoned residential land to cater for estimated population growth. It is rather the supply of diverse housing types to meet the demand of the community that is the issue. Based on infill and greenfield housing areas there is the capacity for between 33,000 and 52,000 additional dwellings (lower or higher density assumptions). This exceeds forecast demand for the next 20 years. At present there are currently 18,500 dwellings in the supply pipeline which is monitored through Councils Urban Development Program (UDP).

On average over the past decade, Lake Macquarie required almost 600 additional dwellings each year to accommodate population growth. Between 2006 and 2016, Lake Macquarie produced an average of 776 dwellings each year (REMPAN, 2017). Approximately 1000 dwellings per year have been produced between 2017 and 2020 (UDP). This upward trend is expected to continue with strong numbers of development applications currently being assessed or recently approved.

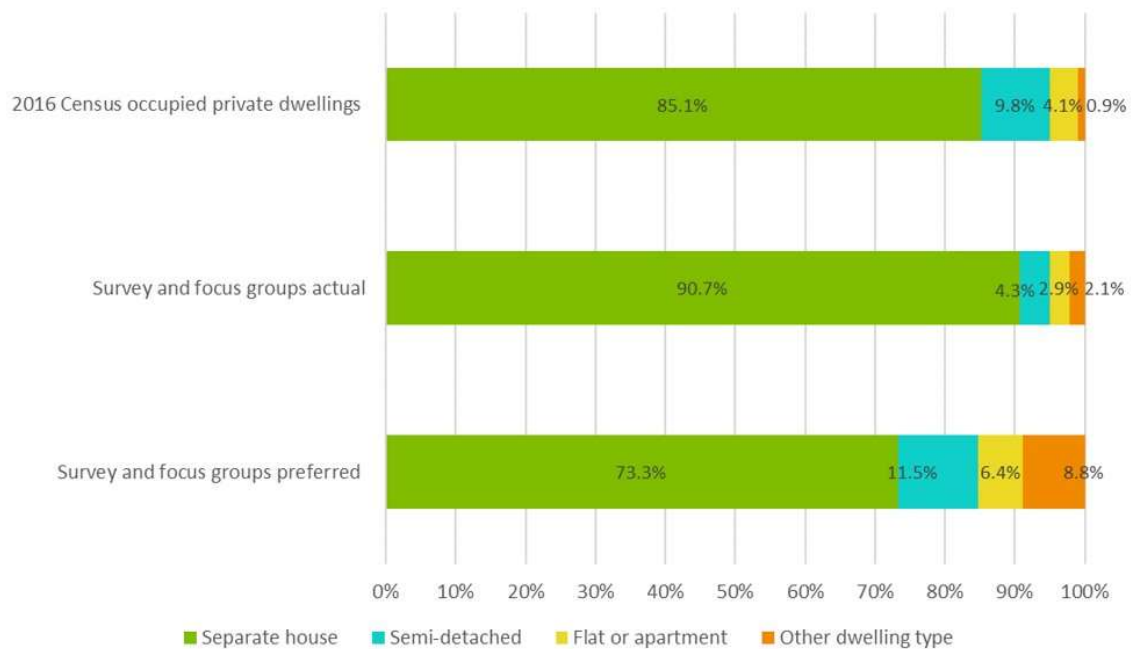
Housing Diversity

Evidence found that while household types are diversifying the types of housing available in not diversifying to match. Around 90 per cent the city's residents are living in low density detached housing. The residents of Lake Macquarie are housed in more than 86,000 dwellings across the city with over 80 per cent of these dwellings being separate detached houses. It is evident in the research that Council has undertaken that housing diversity and affordability are major issues within the LGA. Council's 2019 [survey into housing preferences²](#) found more people would be interested in semi-

² <https://shape.lakemac.com.au/41579/widgets/224840/documents/120748>

Our Ref: F2020/00749/01 Your Ref:

attached housing and apartments if there was more available. Refer to graph below from our 2019 housing preference survey which illustrates this point.



Council is monitoring this demand and is investigating options to increase and support a range of housing types. This includes a Planning Proposal that seeks to facilitate more attached housing and apartment developments. More detail on this Planning Proposal is provided below under the “Infill vs Greenfield” heading. A future housing scenario, based on the housing preference survey results for Lake Macquarie, would require an additional 3,700 dwelling houses, 4,250 semi-detached dwellings and 5,750 apartments by 2036.

Like the rest of NSW there appears to be a lack of low-rise medium density developments such as terraces, villas, dual occupancies, manor homes and town houses. Lake Macquarie needs to increase the diversity of housing types to cater for the needs of the changing demographic, provide greater choice and more affordable options.

Consideration of other forms of housing such as co-operative and collaborative living developments need to be considered to recognise the changing market and demand for other forms of housing. At present collaborative housing generally does not fit neatly within the definitions of the Standard Instrument LEP. In some instances, these forms of housing have been approved as boarding houses, however, with proposed changes to the definition and provision for boarding houses under the draft State Environmental Planning Policy (Housing) 2021 (Housing SEPP) it is unlikely that this form of privately-owned collaborative housing could be approved under this definition. It is noted that the draft Housing SEPP introduces provisions and a definition of co-living housing, however, the SEPP must make it clear that this is not only aimed at students or for low income housing and has regard for housing a diverse range of residents. It also needs to allow for developments that are owned by a co-operative and not only buildings held in single ownership. Council has had increased interest in co-operative housing

developments within the LGA that would be held in multiple private ownership (a co-operative).

Through review of regulation and controls it needs to be ensured that new and emerging housing types such as styles that support Council's/Governments strategic goals and objectives, are not unintentionally ruled out.

Infill vs Greenfield

The *Greater Newcastle Metropolitan Plan 2018* sets an infill housing target of 60% compared to greenfield housing 40%. The Lake Macquarie Housing Strategy recognises this target and seeks to increase the focus on infill housing. Consultation for the Housing Strategy and supporting studies indicated that barriers to infill development predominantly related to:

- Minimum lot size of 450m² not meeting market demand
- Lack of flexibility and extent of R3 Medium Density Residential zone in areas where larger developments are unlikely to be viable (i.e. constrained by slope etc)
- Parking rates increasing construction costs, lowering yields and resulting in poor urban design outcomes
- Section 7.11 contributions higher than market expectations

In addition, it appears that there is an industry preference for greenfield development and limited commitment to infill housing in the City. This may also be related to market uncertainty and impacts of COVID-19.

The Housing Strategy aimed to address these issues and Council has prepared a planning proposal that is expected to be publicly exhibited in October 2021. This proposal aims to facilitate more infill development, realise potential capacity and reduce barriers by:

- Increasing height in the R3 Medium Density Residential zone to improve viability of medium density development
- Enabling lot sizes below 200m² in the R3 Medium Density Residential zone where supported by sound design
- Reviewing the boundaries of R3 Medium Density Residential zoned land
- Permitting additional land uses for constrained R3 Medium Density Residential zoned sites i.e. dual occupancy
- Reviewing the Development Control Plan to address controls that are acting as unintended barriers to developing residential land – i.e. setback, width and lot size controls

Analysis by Council to bring 54 sites within the greenfield dwelling pipeline to market indicated that the major barriers relate to biodiversity and infrastructure upgrades. This is particularly the case for sites located on the fringe or outside the current urban footprint. Many sites are also impacted by fragmented ownership. The financial capacity of owners to fund the necessary studies required to support rezoning proposals and motivation to proceed also impacts on bringing these sites to market.

In order to address these barriers Council is working with land owners including Local Aboriginal Land Councils to investigate and recognise land potential. Council would like to work with Government agencies to align their asset management plans and investment with planned housing growth to ensure delivery of adequate state infrastructure and services is delivered in a timely manner.

Facilitating the release of housing supply by accelerating enabling infrastructure

In 2020, a coalition comprising the Hunter Joint Organisation (JO), Urban Development Institute of Australia (UDIA), Property Council of Australia (PCA) and Dantia (Lake Macquarie City Council's economic development company) identified an issue with transport infrastructure delays that were holding back a number of significant housing developments in the Hunter region. Council had a particular interest in this work, given that a number of the affected projects were within the LGA, and Council contributed to the development of a ministerial brief and economic analysis of the issue.

The group identified 27 projects across the private and local government sectors that were being delayed due to transport-related infrastructure delivery issues. Modelling undertaken by Dantia showed that the economic loss from the impact of these developments not going ahead to be in excess of \$21 billion (construction-associated benefits) and a further \$15 billion in foregone operational benefits, when economic multipliers were applied. This equated to the loss of nearly 34,000 construction jobs and 27,000 operational jobs. These delays were also inhibiting the achievements of regional housing and growth objectives.

Some of the key issues identified by the coalition as contributing to the delays were as follows:

- Under-resourcing in the Land Use Team within the Transport for NSW (TfNSW) Hunter branch, resulting in slow processing times
- An outdated, inefficient and expensive process for determining and executing Works Authorisation Deeds (WADs)
- The requirement for a 100 per cent bank guarantee for works up front leading to financing difficulties for proponents
- The need to accelerate transport corridor and network studies across the Hunter and share those plans and studies with councils
- The need to shift the mindset of TfNSW in the Hunter to one that embodies a customer service mentality of 'being a part of the solution, not the problem'.

The working group presented this information to the NSW Government through a ministerial brief to the Minister for Regional Roads and Transport, the Hon. Paul Toole MP. After receiving the brief, Minister Toole assigned two senior executives to collaborate with the working group to assess the validity of the issues and identify possible paths to resolution.

A subsequent review of Transport for NSW processes and systems affecting development projects within the Hunter lead to a number of positive outcomes:

- The creation of the position of Director of Development Services and team to

- escalate development-related assessments and processes
- A review of the WAD process and drafting of new Key Performance Indicators (KPIs) aimed at delivering faster outcomes
- A 50 per cent reduction in the bank guarantee requirement for WADs
- The creation of a Reference Group, comprising members of the coalition and representatives of TfNSW, to continue monitoring progress on reform

A number of new measures and processes will be trialled in the Hunter for potential application across the state. The success to date of the TfNSW initiative demonstrates a good model for collaboration between industry, local government and state government on improving processes to unlock housing supply.

While the coalition is continuing to engage with TfNSW on improving customer service KPIs, the next phase of this engagement will seek to improve the strategic alignment of the Hunter Regional Transport Plan with the Hunter Regional Plan and Greater Newcastle Metropolitan Plan and importantly TfNSW transport infrastructure investment program. The objective is to establish a culture of inter-agency integration that will support delivery of better housing, employment and development outcomes.

Affordability

Council undertook a [Housing Affordability Study](#)³ to support the Housing Strategy. It has shown that housing in Lake Macquarie has become less affordable in the past decade. House prices are continuing to increase as are rental prices and the rental vacancy rate is continuing to decline. The median house price in Lake Macquarie/Newcastle has increased by approximately 24.8% in the last year to July 2021 (CoreLogic, July 2021). Rental vacancy rates are between 0.1% and 1% across the City and are continuing to decline. The impact of affordability is also increasing the demand on affordable and social housing.

When the Housing Strategy was prepared it indicated that even a five per cent increase in rent would have a significant effect on rental stress in the whole of the Lake Macquarie LGA. As a result of the COVID-19 pandemic this appears to be occurring at an increased rate.

It should also be acknowledged that the increase in supply of housing will not in itself resolve affordability issues. This is a broader issue which is also linked to other factors such as record low interest rates, demographic changes and access to services and facilities and costs to operate a dwelling. The removal of regulation to allow new residential development will not necessarily reduce prices and result in housing that is affordable to the majority of the community. Sustainability and liveability are key considerations.

Affordable and Social Housing

As a result of lengthy social housing waiting lists, high rents, low vacancy rates and increasing house prices there is increasing demand on social and affordable rental

³ <https://shape.lakemac.com.au/41579/widgets/224840/documents/124000>

housing in the LGA. In order to encourage and support increased development of social and affordable housing, Council in September 2020 introduced an 85 per cent discount on development contributions for social and affordable housing in Lake Macquarie. This is applied to specific types of affordable rental housing, including in-fill housing, boarding houses, supportive accommodation, residential flat buildings and group homes. Council is monitoring the success of this discount and will undertake reviews at 18 months and three years following commencement. It is expected that this will improve viability and encourage the development of social and affordable housing while still allowing Council to provide necessary infrastructure to support these developments. This comes at an estimated \$650,000 per year cost to Council.

For local government to provide greater support for social and affordable housing, greater funding and resourcing is required from State Government. In undertaking community consultation for Council's [Ending Homelessness Plan⁴](#), and at a forum Council held in June 2021 to discuss the issue of homelessness in Lake Macquarie, the community identified that they would like to see Council providing greater levels of social housing (that this is an unmet community need) and support for people experiencing homelessness. However, Council does not have the resources to address these needs, and these responsibilities sit with the state government. A different approach is required from state government to increase availability and diversity of social housing stock to meet the demand, and to fund specialist housing providers to a level required for quality service provision as local advocacy groups have articulated. The current lack of clarity means local governments receive requests they cannot respond to. Staff working with homelessness services recommend state and federal governments investigate construction of social housing as a feature in any stimulus package following the COVID-19 pandemic.

Social and affordable housing is an essential part of the housing mix to ensure a sustainable and inclusive community.

Environment

The impact of development sprawl on the environment is a real concern in Lake Macquarie. The environment is complex and planning must consider a range of environmental factors including flooding, biodiversity, bushfire and climate change. These environmental issues impact on the release of greenfield areas in regard to delay and cost. And vice versa the continued sprawl of development is not sustainable for our unique environment and is typically more expensive from a cost of living and from an infrastructure servicing point of view. As such Lake Macquarie Council is shifting to focus more housing in infill areas focusing housing growth close to existing centres, services and infrastructure.

Short Term Rental Accommodation

Council is aware of less than 500 properties across the city being used for short term rental accommodation (Airbnb etc) out of over 86,000 dwellings. Of these, less than half are used permanently as short-term rental accommodation, as some properties are only leased when the residents themselves are on holiday or during peak periods as an

⁴ <https://shape.lakemac.com.au/57361/widgets/316434/documents/211991>

additional income source.

Short term rental accommodation is also an important type of emergency housing or for transient workers who may be required in a region for a short timeframe. While it is considered that short-term rental accommodation is not a significant factor for housing affordability in the City, this continues to be monitored by Council.

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 4:20:33 PM
Attachments: [regional-housing-taskforce-submission.pdf](#)

Submitted on Fri, 27/08/2021 - 16:19

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Paula

Last name

Newman

I would like my submission to remain confidential

No

Info

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Suburb/Town & Postcode

Lismore

Submission file

[regional-housing-taskforce-submission.pdf](#)

Submission

Please see attached submission from Lismore City Council

I agree to the above statement

Yes

27 August 2021

Garry Fielding
Chair
NSW Regional Housing Taskforce
Submitted via NSW Planning Por

Dear Mr Fielding

Submission to Regional Housing Taskforce

Lismore City Council (Council) appreciates the opportunity to provide a submission to the NSW Regional Housing Taskforce.

In May 2021 Council declared a housing emergency in lack of supply and affordability. Council also wrote to local Members of Parliament and relevant ministers in State and Federal Government to urgently request increased investment in social and affordable housing in the Lismore LGA and across the Northern Rivers more broadly.

Council notes the scope of the Regional Housing Taskforce is to investigate *planning barriers* to address regional housing issues; however, Council reiterates the key message in the submission made by the Northern Rivers Joint Organisation (NRJO) that the factors contributing to the current widespread housing crisis extend well outside issues with the planning system and local government.

Having noted the above, this submission particularly responds to the 'Message from the Chair' received by Council on 26 July 2021 which advised:

We are particularly interested in any thoughts and ideas you have that respond to the following questions:

- *What are the critical housing supply issues in your local area?*
- *What are the key elements contributing to these issues?*
- *How can we best deliver houses on land already zoned for housing?*
- *What are the main barriers to delivering more diverse housing types to suit the varying needs of people in your region?*
- *Overall, what can the NSW Government do to support housing delivery in the regions*

Lismore is a Regional City in the Northern Rivers region. Neighbouring Local Government Areas are Kyogle, Richmond Valley, Byron and Ballina. Around two-thirds of Lismore's community live in Lismore city with the remainder living on farms, rural residential estates, rural lifestyle lots or in rural villages such as Nimbin, The Channon and Clunes.

Like many other cities and regions, Lismore has an aging population and a declining household size, including a significant percentage of lone person households. While Lismore's total population has been stable and has been projected to continue that trend (prior to COVID-19 associated migration) the demand for new and more diverse dwellings will continue to increase with demographic and household changes.

Broader trends around migration from cities to regional areas have not affected the Lismore LGA to the same extent as coastal LGAs, apart from the most recent migration impacts associated with the COVID-19 pandemic, which has had a substantial impact on the availability and price of housing. The impact on prices has only been a positive experience for property owners seeking to sell.

The significant increase in short-term holiday letting in this region in recent years has exacerbated housing supply, especially in the areas closer to the coast, which has had flow on effects to adjoining localities, including Lismore, where housing has traditionally been 'more affordable'. Tax incentives and the financialisation of the housing sector has supported this loss of housing to holiday accommodation, issues over which Councils have no control.

Council has been proactive in ensuring land is zoned and local infrastructure is available to support land releases and Lismore has ample serviced land to supply housing for projected households to at least the year 2036. Despite this, until very recently the supply of residential land to the market has been sluggish, which has presented real challenges to achieving greater housing supply.

Local government should have tools available to ensure land banking does not restrict local land supply. One example achievable through the planning system is to allow Councils to establish a sunset clause on vacant residential zone land that requires development to proceed in a timely manner. Where the land development does not meet the set timeframe; the land would revert to rural zoning. This would encourage landowners to bring residential lots to the market. This has been shown to work in the past in Lismore following rezoning of land for rural residential purposes.

It is only recently that landowners across the Lismore city area have started moving ahead with land releases and new housing construction. This has been partly initiated by changes in ownership of these lands from the more traditional 'mum and dads' to more experienced land developers. The COVID-19 pandemic and the migration of people to regional areas has contributed to this in the last 12 months but more importantly, the increased rate of supply has been fostered by very low interest rates and tax policies that favour housing as an investment opportunity.

As stated above, Council has been proactive in ensuring infrastructure will be available to support land releases. However, this also requires significant financial commitment and risk for council, with no ability to control development rates and therefore cashflow to recoup infrastructure delivery costs. In addition, the estimated cost of works in the contribution plan is invariably less than the actual cost of works for several reasons but which means Council (and the community) ends up underwriting development costs.

Funding infrastructure through government grants is uncertain and inefficient and absorbs significant Council resources.

Despite Council's Local Environmental Plan enabling a wide range of housing Lismore's housing stock is limited in its diversity: separate dwellings comprise 81.5% of stock, and 73% of dwellings having 3 or more bedrooms. The dominance of larger dwellings does not match the number of people per household, and more than 50% of households are lone person or couples only. Household occupancy rates are expected to continue to decrease which means more

dwellings, notably 1- and 2- bedroom dwellings, are likely to be needed to accommodate a greater proportion of smaller households.

With the aim of encouraging greater housing diversity Council rezoned land in the 'health precinct' for medium density housing and increased building height limits while at the same time offering incentives in the form of waived or reduced development contributions. However, there has been no uptake by the private development industry and the only medium density housing to be approved in this zone occurred in 2021 and will be developed by a community housing provider (North Coast Community Housing), made possible with financial assistance from the state government. This development will comprise a mix of social, affordable rental and private (for sale on the open market) units and will be an important contribution to Lismore.

A report prepared by AEC Group Ltd in December 2018 for the Department of Planning and Environment highlights the issues and challenges in relying on planning frameworks to achieve increased diversity through dwellings such as apartments and other types of medium housing. One of the report's conclusion is that this will continue to be a challenge without an increase in Lismore's population.

In its 2012 Housing Strategy Council adopted a partnership approach to addressing the range of housing needs in Lismore in recognition that no individual organisation can resolve the complexity of local housing issues. Considering the current challenges, this approach clearly remains relevant.

An important partnership for Council has been with the local community housing sector. This has included identifying parcels of land for acquisition as well as providing a discount on develop contributions. Unfortunately, Council's ability to provide more than this is severely constrained by competing demands.

Community Housing Providers are clearly motivated and well-qualified to deliver social housing **and** affordable rental housing. However, increased financial resources and/or land are required, and this should be a priority for Government if it is seeking to support delivery of housing in general in the regions and affordable permanent rental housing in particular.

This submission provides a brief overview of some of the issues experienced by Lismore City Council in seeking to respond to the community's housing needs. It is hoped that it assists the Taskforce in its deliberations.

If you have any questions about the content of this submission, please do not hesitate to contact Paula Newman by email paula.newman@lismore.nsw.gov.au or phone 0427664491.

Yours faithfully



Eber Butron
Director
Planning, Partnerships and Engagement

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 4:08:02 PM

Submitted on Fri, 27/08/2021 - 16:07

Submitted by: Anonymous

Submitted values are:

Submission Type

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Submission

Cobar Shire Council fully supports Regional Development Australia (RDA) (Orana).

I agree to the above statement

Yes

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 4:12:47 PM
Attachments: [gsc-regional-housing-taskforce-submission.pdf](#)

Submitted on Fri, 27/08/2021 - 16:03

Submitted by: Anonymous

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Gilgandra 2827

Submission file

[gsc-regional-housing-taskforce-submission.pdf](#)

Submission

Please refer to attached submission from Gilgandra Shire Council.

I agree to the above statement

Yes



GILGANDRA
SHIRE COUNCIL

Live > Enjoy > Grow



**Regional Housing Taskforce
SUBMISSION**

August 2021

Thank you for the opportunity to provide input as part of the Regional Housing Taskforce's inquiry into regional housing issues. The recent roundtable session was very informative and valuable, particularly through enabling other central west and western Councils to share their experiences on the matter.

Council understands the key focus of the taskforce is to investigate planning barriers that may be contributing to the current housing issues. This is not a key contributor to the issues that are being encountered in Gilgandra, however we are keen to share our experiences as part of the broader discussion.

Gilgandra Shire Council is a small regional Council located in central west NSW, 60 kilometres north of Dubbo on the junction of the Newell, Castlereagh and Oxley Highways. Gilgandra is the main township in the Shire, which also includes the Villages of Tooraweenah and Armatree.

Gilgandra's key industry is agriculture, with other key industries including health care and education. The majority of local businesses are small scale, with fewer than 5 employees.

A brief snapshot of the local community according to the ABS 2016 data includes:

- Population 4,368 (estimated at 4,229 in 2020)
- Average household size is 2.4
- Median age is 46 years, while there are a high number of persons aged 50-59
- Low residential density, with detached housing being the most dominant housing structure
- Total of 1,961 private dwellings (only a slight increase from 1,952 in 2011)

NSW Government population projections prepared in 2019 indicate a projected population decline of 1,000 between 2016 and 2041 from 4,300 to 3,300 people, based on the assumption of individuals leaving Gilgandra for regional centres such as Dubbo, particularly those in the working age bracket of 18-64. This projection was prepared prior to the current regional housing market boost and COVID impacts on population movement. It has also been the experience that these state government population estimates grossly over-estimate the population decline and this leads to low confidence in long term growth trends and issues like low rates of investment and development in new housing, along with lack of investment in services and facilities. In small communities such as Gilgandra, the statistics and projections don't always reflect the reality.

Gilgandra is set for direct impacts from the Inland Rail project, a major federal government project, particularly for the project period through being identified as a location for 500 bed Workforce Accommodation Facility (WAF). Details on how this facility will transform into reality are not yet clear, and will not be until the contractor is announced for the Narramine to Narrabri (N2N) section of the project. This makes it very difficult for Council to prepare for such a significant impact to our community essentially boosting the local population by nearly 12% for a specific project term.

The latest Census has just been undertaken with the NSW Government long range population projections set to be updated in 2022. The Census in particular is a snapshot of a point in time and is not expected to capture the short term population surge due to the Inland Rail project, however these impacts will be felt on the ground by our community, businesses and services.

What are the critical housing issues faced by your region and what are the key elements contributing to these issues? Are there housing challenges unique to your Region?

Gilgandra has historically experienced low housing development levels, with limited new stock added to the market on individual lot basis in recent years. There was only 9 private dwellings added to the housing stock between 2011 and 2016 (ABS data), with Council's internal data showing that in the last 3 years, 10 Development Applications have been lodged for the whole Shire for new residential dwellings. Five of these were lodged in the last 12 months and are at various stages of construction.

In terms of housing changeover within the township, feedback from local real estate agents indicate that the number of properties listed for sale has dropped significantly, as much as 70% in the last 4 years. In the middle of the drought in 2018, one local real estate agent indicated they had 38 properties listed for sale, and currently around 11 listings as the result of strong market demand. There are limited new properties being added to the market, as more people stay locally due to what is assumed associated with COVID impacts and limiting people's ability to move around freely, or perhaps relocation to other areas as they may have once planned.

Despite the ABS data showing an overall population decline between 2006 and 2016, a trend that is predicted to continue by the NSW Government population projections, the Gilgandra housing market over the last 12 months in particular has boosted significantly with strong demand for both house purchases and rentals. Targeted stakeholder engagement has provided some insight into this trend including:

- The increased market demand to purchase housing in Gilgandra has been driven from people moving from predominantly other regional areas for either family connections, employment and in some instances, lifestyle. There has also been some movement of population within the Shire, with people living on surrounding farms making the move into town as they get older and are seeking the lifestyle change and closer to medical and other services and support.
- There is some interest from people looking for the 'tree change' and moving out of city areas to Gilgandra, but potentially to a lesser extent than other regional/rural areas.
- Rental vacancy is 0% which has been the case for some period, with all managed rental properties in Gilgandra currently tenanted and waiting lists held by local real estate agents. It is also understood that the central west region overall has a very low vacancy rate, reported at 0.5% in May 2021 by the Real Estate Institute for NSW.
- Residential properties are in high demand with some houses being either rented or under offer without the need to publicly advertise, a situation that is not commonly experienced in Gilgandra. There is a small pool of tightly held housing stock that does not lend itself to high property turnover and market opportunities.

There is a certain level of housing stress being felt in Gilgandra, with a lack of social and affordable housing options available. With the relative stable situation in housing stock and limited build of new houses, there is essentially a static pool of property for those in the market, limiting the ability of people to move up the property ladder.

The lack of available housing is also having flow on effects for employment that is both permanent and seasonal in nature. Gilgandra has a very low unemployment rate, dropping from 5.8% in 2016 (ABS Quickstats), to 2.60% in December 2020 according to REMPLAN trend data. While Gilgandra has the employment opportunities to attract new people to the Region, we have limited capacity in

providing suitable accommodation options. The neighboring regional centre of Dubbo is experiencing housing stress of its own, meaning while it may be within suitable driving distance, the ability to find housing is just as limited. This trend is also felt in the opposite direction, with a certain number of people travelling from Dubbo and surrounding towns to Gilgandra for work. Difficulties in finding accommodation in surrounding areas has flow on impacts for Gilgandra, potentially losing valuable employees from the region.

There are a number of vacant lots within the Gilgandra township that may be suitable for infill development, however a percentage of these are in the designated flood zone meaning that development potential is restricted. A review of available vacant land in mid 2021 identified:

- Residential (R1) zone: 35 vacant residential properties in Gilgandra township – a small number of these are on the market and are now under offer. Historically there has been very little movement of these properties so the fact there is now movement of this land stock is an interesting change in the sector.
- Over half (18) of the vacant lots are owned by NSW Land and Housing Corporation or other social housing providers.
- R5 zone: Rural residential land is fully subscribed, a small number of lots could potentially be further subdivided, however that would be dependent on individual owner's appetite to do so. The NSW Biodiversity Conservation Act also makes it cost prohibitive to subdivide this land now.

The availability of social housing is of particular concern with there being 2-3 year wait periods for those in need of this accommodation support. The long-term redevelopment plans of the vacant land owned by NSW Land and Housing Corporation in particular are not clear for our community, however given the number of vacant lots under their ownership, there is an untapped redevelopment opportunity given they are already serviced and located within the established township. It would be particularly useful to local Councils such as Gilgandra if long-term strategies of vacant land owned by social housing providers could be communicated to help potential opportunities to be explored, whether that means the land is returned to the market or social housing redevelopment is undertaken. The likelihood of the latter scenario is considered unlikely given recent discussions Council has had with providers.

Council is in the process of developing a local Housing Strategy and through this has identified the key issues and pressures for our community. What has become clear is that there is sufficient land zoned for Residential purposes, however not all of this land has been released to the market. AeroPark Subdivision, a 55 lot subdivision is owned by Council with only 5 lots so far released and developed. The subdivision has not progressed further as there was limited market demand in previous years. With the current market situation, consideration is now turning to the possibility of this zoned land's development potential being realized at least to some extent and to the preferred mix of lot sizes. Some services have been installed and exist in the area; to release further stages an additional \$2 million would be needed to fully develop roads and other infrastructure. Council is the land developer as there is no interest from private land developers for Gilgandra, as with many other small towns as the commercial return is not there.

The potential release of additional lots to the market also needs to be considered in the context of the Inland Rail WAF as the AeroPark Subdivision has also been identified as a possible location for this. This facility would only be for the project period, however the likely timing is coinciding with a period of increased housing demand for Gilgandra. There is a possibility both could progress, however there needs to be close consideration of the WAF footprint and potential impacts to surrounding neighbourhood.

There is also a slight shift in the type of housing that people are looking for and enquiring about. This is a relatively new trend and includes enquiries of establishing residences in the CBD and possibility of building granny flat style accommodation on existing residential blocks. These ideas need to be explored further by Council, however is a change in housing demand for Gilgandra.

What are the main planning system barriers to delivering more diverse housing types to suit the varying needs of the community, including housing of different price points, tenures, and types?

There are no specific planning barriers that are limiting development on land that is already zoned for residential development in Gilgandra. Council recognises the need to review its Landuse Strategy (2005) and Local Environmental Plan (2011) to consider potential future opportunities and also explore the need for further zoning of suitable land to meet the varying needs of the community. Council does not possess the skills in house or have staff availability to progress such major processes. This means that external skills need to be sourced, which comes at a significant cost to Council. NSW Government financial support of this important work would be of significant and welcomed value which would contribute to long term beneficial planning outcomes for the community.

Given the uptake of existing zoned land, to further develop the Gilgandra township would require rezoning of land surrounding the urban area to facilitate change of use, resulting in a degree of urban sprawl. Council would need to closely consider environmental constraints such as bushfire prone land, flood zones and biodiversity offset requirements which this system in its current form largely restricts development activities in new areas. Council's ability to service new zoned residential areas in particular would need to be closely considered given the already stretched infrastructure and servicing systems for Gilgandra.

The Landuse Strategy and LEP reviews will also need to explore residential land rezoning in the broader context of the township, ensuring connectivity with the CBD through active transport infrastructure and ensuring potential landuse conflicts are considered.

Major infrastructure projects are also key considerations for Gilgandra. The impacts from Inland Rail will be significant for the community but are as mentioned earlier, difficult to plan for given it is a Federal infrastructure project and approved under State Significant Development. The NSW Government recently announced significant funding for the upgrade of Hargraves Lane, redirecting the bulk of heavy vehicle traffic in particular away from the main street and CBD. We do not yet know the impact this project will have on businesses and also homes along the proposed new route given the type, volume and frequency of traffic will change significantly.

What policies and approaches are in place in your region to address housing supply issues and what challenges are there in implementation?

There are no specific policies or procedures in place to address housing supply issues in Gilgandra. Council is investigating possible options to address some seasonal accommodation needs that could become an asset throughout the entire year and made available to meet other accommodation needs. Staff accommodation is a specific issues for Council's own operations and is investigating some small scale options available to address this issue.

The key role for Council in the housing supply issue is to ensure there is sufficient land zoned for the desired use. In the current situation, there is sufficient zoned residential land available, and releasing some of this land to market in a staged approach a possibility moving forward if the Council resolved

to do so. There is also a further privately owned subdivision however release and development of these lots have been slow.

What can the NSW Government do to better support housing delivery in regional NSW via the planning system and other State government levers?

Funding and advisory support would be of significant value for Gilgandra to undertake a Landuse Strategy and LEP Review. As outlined earlier, Gilgandra is a small rural Council and does not possess the skillset or resources to complete this work in-house and would need to engage external consultants at a considerable cost to Council. Financial support for the establishment and upgrades of the necessary services such as roads, water and sewer would also be of significant value.

The Biodiversity Conservation Act and Offset Scheme presents considerable challenges in its current form to develop new land and will need to be given due consideration as part of a review of Council's planning documents. It is understand a separate inquiry is underway regarding the Integrity of the Biodiversity Offset scheme and will make a separate submission in this regard.

The recent introduction of the NSW Planning Portal has doubled the DA/CC process with data capture now through 2 different systems which is not only inefficient but is a further drain on Council's limited staff resources. While the Planning Portal is in its infancy, the Department needs to explore possible efficiencies that could be achieved and better integration with Council's own systems.

Short-term and project accommodation needs are also key considerations for Gilgandra, as with many rural and regional Councils. While major infrastructure projects such as Inland Rail is a key priority for government and will deliver on overall priorities, there needs to be greater consideration of the potential impact on the small communities and support their ability to respond to additional accommodation and service needs, particularly if it is associated with specific project period.

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
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Submitted on Fri, 27/08/2021 - 16:11

Submitted by: Anonymous

Submitted values are:

Submission Type

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Submission file

[submission---regional-housing-taskforce---central-coast-council.pdf](#)

Submission

Please see the attached submission.

I agree to the above statement

Yes



27 August 2021

Mr Garry Fielding
Chair
Regional Housing Taskforce
Department of Planning, Industry and Environment
Via Planning Portal

Dear Mr Fielding,

Regional Housing Taskforce Central Coast Council Submission

Thank you for the opportunity to provide feedback to the Regional Housing Taskforce in relation to the current status of housing for the Central Coast Local Government Area (LGA).

Council supports the intent to investigate barriers to the delivery of housing to suit the needs of the Central Coast community. Council looks forward to continuing to work with the Taskforce to better understand the issues and develop concrete mechanisms to move towards resolving this complex issue.

The following comments are structured to relate to housing supply, affordability, diversity and resilience being the key pillars that have been the current focus of the Taskforce roundtable discussions to date.

Housing Supply

The *Central Coast Regional Strategy* identified that the region will require a total of 199,150 dwellings by 2036. This represents a growth of 26 per cent (or 41,500 dwellings) from 2016 (157,650 dwellings). This equates to an average of 2,075 new dwellings per annum required. Since 2016 Council has approved an average 2,321 dwellings per annum, however actual completions are around 80% of approvals which is below the required average per annum to meet the target.

There are a number of barriers to a ready pipeline of developable residential land supply such as available infrastructure, environmental constraints (bush fire, flooding, biodiversity, Indigenous and Non-indigenous heritage), physical land constraints, 'land banking' of land identified in current Council policy as suitable for investigation for future rezoning and fragmented ownership of existing zoned lands which make cohesive precinct development difficult.

It is understood that the Department of Planning, Industry and Environment (DPIE) is keen to re-establish an Urban Development Plan (UDP) on the Central Coast. Whilst this is an important aspect to

ensuring continuity of housing supply, it will need to be very clear that 'out of sequence' developments may not receive approval or will have to self-fund all required studies and infrastructure.



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Council understands further focus needs to be provided to achieve the level of infill development required to achieve our aims. Council finds there are many infill developments that achieve approval but do not actually get built, for a variety of reasons. There is opposition to higher density building forms which often results in developments being 'dumbed down' to a poorer standard which often reinforces the opposition. In addition, there are major servicing constraints to existing infrastructure that the contributions framework does not provide sufficient funding for.

New South Wales requires more standardised development assessment guidelines for all types of residential development, rather than the current complex mix of apartment design guidelines, development control plan provisions, and State Environmental Planning Policies. Other jurisdictions in Australia have standard assessment guidelines that balance compliance and performance pathways whilst allowing for regional variations. I would encourage the taskforce to examine other states' approaches such as Western Australia's Residential Design Codes.

The Central Coast has an extensive network of public, non-government and privately operated social infrastructure, affording improved liveability and access to amenities in areas that would otherwise be less well connected to larger centres or areas outside the region. Leveraging this infrastructure by ensuring that it continues to be accessible and responsive to community need will be essential in maintaining and enhancing levels of amenity and liveability. It will be important for the taskforce to identify the importance of infrastructure to service new development, with a focus on ensuring the contributions framework improves its robustness, clarity and effectiveness at funding infrastructure to support new development.

Housing Affordability

The Central Coast is becoming less affordable for very low, low, moderate income households and those with special housing needs. Together these groups make up at least 60% of people in the Central Coast community. Mechanisms need to be identified and implemented to increase the availability of affordable housing provided by all levels of government and the private sector. For example, LEP's and other planning frameworks should require a certain percentage of development to be affordable housing. Additional opportunities for the supply of affordable housing is required, couple with a change in the diversity of housing supplied in new release areas is also required to promote alternative housing products to suit a variety of incomes and living styles.

When a household pays more than 30% of its gross household income on rent or mortgage payments it is regarded to be in 'housing stress'. In 2016, there were around 24,200 households in the Central Coast LGA in housing stress - 16,300 (67%) renters and 7,900 (33%) purchasers. As a result, there was a 25% increase in homelessness in Central Coast LGA from 2011 to 2016 according to ABS Census data. At 2011, in the Central Coast LGA there were 245 per 100,000 people that were homeless comparative to 408 for NSW overall. In the 5 years to 2016, the volume of social housing dwelling declined. As at 20 June 2020, there were 2819 social housing applications within the Central Coast, with all housing categories at or exceeding 10 year wait periods.



The State Government also needs to get serious about the funding and direct provision of social housing for those most in need, rather than cost-shift the issue to local government through complicated and ineffective affordable housing regimes.

Housing Diversity

Stand-alone houses are the predominant dwelling in most suburbs apart from some unit blocks, more historically constructed for holiday accommodation, in some of the town centres. This means that dwellings being supplied do not match the housing needs of the population. One parent family's with non-dependent children were the fastest growing group in the 5 years to 2016 with couple families with non-dependent children following. This suggests a growing demand for lower cost dwellings suited to smaller households. Yet, most dwellings are 3-4 bedrooms with 42% of dwellings reporting 2 or more spare bedrooms at the 2016 Census. There need to be mechanisms that require certain types of housing to be delivered to meet the needs of the population, rather than the bottom line of developers.

The Central Coast has a much lower than average supply of low-cost accommodation such as 'new generation' boarding houses and has lost a significant amount of longer-term low-cost accommodation. For example, caravan parks have been redeveloped into Tourist Parks and manufactured home estates have been converted into estates for retirement living.

Housing Resilience

While the Central Coast LGA is an attractive place to live due to the many natural landscapes along the coast and within the valleys, the same factors that make it so attractive also constrain it. Flooding and tidal impacts, exacerbated by Climate Change, are significant risks to housing with many existing dwellings being located within the flood catchments of significant water bodies throughout the LGA, which will likely increase with the frequency of significant weather events. The significant tracts of bushland near urban areas raises risks associated with bushfire, which requires further considerations in density and design for evacuation.

The many natural assets and constraints of the land on the Central Coast mean that there is a finite volume of land suitable for additional greenfields housing, mostly located in the north. These assets and constraints combined with the historic settlement patterns, existing housing stock is and will continue to be impacted by the increasing frequency and severity of natural disasters.

Increased vegetation clearing to permit further development has intensified the Urban Heat island effect in existing built areas of the Central Coast LGA. Loss of vegetation canopy has intensified the temperatures being recorded in these existing urban areas. Supply of land for new residential development in greenfield areas needs to address these issues when land is being rezoned, not once the development has occurred.

For these, and other, reasons Climate Change is having an impact on housing today. Climate change is not a future problem, it is occurring now and it is impacting on how and where we live. Central Coast Council requires the state and federal government to take real and immediate action to address this global issue. The current politically expedient approach to climate change of not taking action for fear



of political outcomes is simply not enough to address these issues. Council encourages the Taskforce to take a strong stand on this.

Regional planning strategies informed by strong housing policy should ensure regionally significant environmental features and corridors are protected from residential fringe development. There needs to be a balance between the expectations of zoned land and the consideration of biodiversity matters. In this regard, support for requiring resolution of biodiversity issues during the rezoning of land is required. This could perhaps be rectified by an amendment of the *Biodiversity Conservation Act, 2016* to require such biodiversity assessments for Planning Proposals under Part 3 of the *Environmental Planning and Assessment Act, 1979*.

The Central Coast LGA has a dispersed settlement pattern, due to the geographic constraints of the Central Coast's significant natural assets such as beaches and coastal nature reserves in the east, and significant reserves of bushland in the west. Existing urban settlement is physically separated by natural features, which contributes to limitation on increases in urban density and optimisation of urban connectivity. This means that much of the Central Coast is heavily reliant on the private vehicle as a means of transportation to access employment, educational facilities and recreational pursuits. During the latest round of NSW Lockdowns related to the COVID-19 pandemic, we have seen restrictions on movement to within 5km of households. This means that populations within car dependent neighbourhoods have been at a distinct disadvantage to those with shops and facilities in close proximity to their homes.

There are a number of ways to resolve this:

- Provide an extensive network of alternative transport opportunities;
- Promote the decentralisation of local level services and facilities within walkable distances of housing;
- Promote infill development

At a local level, these are difficult to resolve and require financial and strategic policy support from other levels of government to influence.

Should you require further information regarding Council's submission, please contact Lynda Hirst, Acting Section Manager, Local Planning & Policy via email Lynda.Hirst@centralcoast.nsw.gov.au.

Yours sincerely,



David Milliken
Unit Manager
STRATEGIC PLANNING

F2004/11030

4



Central Coast Council

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From: [Edwina Blackburn](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [Rachael Sweeney](#); [Isabel Virgona](#)
Subject: Regional Cities NSW - Regional Housing Taskforce Submission
Date: Tuesday, 31 August 2021 5:31:13 PM
Attachments: [RCNSW Regional Housing Taskforce Submission.pdf](#)

Dear Mr Fielding,

On behalf of Regional Cities New South Wales (RCNSW) Chair, Cr Tim Overall, RCNSW is pleased to present the attached submission for consideration by the NSW Regional Housing Taskforce.

If you have any questions please contact Rachael Sweeney at rsweeney@collectiveposition.com or myself on the details below.

Regards,
Edwina Blackburn

Secretariat Services
Regional Cities New South Wales
DUE TO COVID-19 WE ARE WORKING REMOTELY, PLEASE CONTACT THE SECRETARIAT BY MOBILE
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Federal Lobby Register No: 18169904232
New South Wales Lobby Register No: 18169904232

31 August 2021

Mr Garry Fielding
Chair
Regional Housing Taskforce
Department of Planning, Industry and Environment
52 Martin Place
SYDNEY NSW 2000

Via: regions.coordination@planning.nsw.gov.au

RE: Regional Housing Taskforce - Submission

Dear Mr Fielding,

Regional Cities New South Wales (RCNSW) is please to present the attached submission for consideration by the NSW Regional Housing Taskforce.

We welcome the opportunity to participate in this review and have the views of our members considered as part of your investigation.

Should you require any further information please do not hesitate to contact our Secretariat, Rachael Sweeney on 0422 067 858 or rsweeney@collectiveposition.com. (*New South Wales Lobby Register No: 18169904232*).

About Regional Cities New South Wales


RCNSW is a newly formed alliance comprised of 15 member councils dedicated to growing regional cities in New South Wales.

Our members are:

- Tamworth Regional Council
- Albury City Council
- Queanbeyan-Palerang Council
- Port Macquarie-Hastings Council
- Coffs Harbour City Council
- Griffith City Council
- Goulburn Mulwaree Council
- Maitland City Council
- Bathurst Regional Council
- Wagga Wagga City Council
- Orange City Council
- Armidale Regional Council
- Dubbo Regional Council
- Lismore City Council, and
- Tweed Shire Council.

Regional cities are fundamental to the success of New South Wales, in light of the bushfires and COVID-19, there has never been a more important time to plan for the future success of our regions.

Yours sincerely,



Cr Tim Overall
Chair, Regional Cities New South Wales
Mayor, Queanbeyan-Palerang Regional Council



REGIONAL CITIES NSW

Regional Cities New South Wales

Regional Housing Taskforce

Submission

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Regional Cities New South Wales

Regional Cities New South Wales (RCNSW) welcomes the opportunity to make this submission to the New South Wales Government's Regional Housing Taskforce.

RCNSW is an alliance of 15 regional cities from across the state. The alliance aims to grow regional cities in New South Wales (NSW) through increased investment that will build productive, liveable and connected regions.

Our cities are not only strong regional hubs, providing services and infrastructure to local residents and those in surrounding towns and rural areas; they are increasingly an affordable alternative for people and businesses seeking to escape Sydney's congestion.

However a range of factors, not least being regional migration driven by the COVID-19 pandemic, have transformed the anticipated pace and nature of demographic and economic change in regional cities.

This has had a significant impact on the local accommodation market in our cities, where the mismatch between housing supply and demand has reached crisis point in some locations.

RCNSW therefore supports the establishment of the Regional Housing Taskforce to examine:

- The planning system and other government levers to stimulate housing supply and address housing needs;
- Removing impediments within the planning system to the delivery of affordable housing types and housing generally; and
- Identifying mechanisms within the planning system to facilitate and drive the delivery of housing matched to community needs.

RCNSW believes the factors behind the current regional housing shortage are complex. We recommend the Government consider a range of policy issues and actions, not limited to the planning system, in order to meet the housing challenges facing regional New South Wales. These recommendations are discussed in this submission.

Population Growth Policy and Regional Housing

RCNSW supports the creation of a New South Wales population plan aimed at ensuring there is a greater share of population growth occurring in regional cities.

RCNSW cities want to attract increased population and economic activity and we recommend an aspirational target of 60/40 share of growth (population growth) between the Metropolitan basin (Sydney, Wollongong and Newcastle) and regional NSW.

RCNSW has long advocated for a strategic approach that delivers a sustainable, productive and liveable NSW, where the benefits of growth are shared more equally across the state.

Central to this is RCNSW's position that regional population growth must be underpinned by continued investment in enabling infrastructure and services in order to maintain the local character and amenity that makes our cities growth destinations. This includes utilities, transport, communications and housing infrastructure and health, education and community services.

While RCNSW members envisaged a strategic approach to managing growth, the last two years has transformed expectations about the pace and nature of regional population growth.

As reported in the *Sydney Morning Herald* on 3 August 2021, "Sydneyiders are abandoning the city in favour of cheaper housing and lockdown-free life in the state's regions as the coronavirus pandemic up-ends migration around the country". According to the report, since the start of the pandemic, a net 24,500 people have left Sydney for other parts of NSW.

RCNSW acknowledges this dramatic shift in regional population growth and recognises the challenges of managing it, particularly in term of the immediate impact on regional housing markets.

Regional Housing

Regional cities are currently experiencing surging house and rental prices; supply is not keeping up with demand; there is a shortage of affordable and diverse housing; and the affordability which makes regional cities attractive is being undermined.

Figures from CoreLogic reveal property values in rural and regional areas rose by almost 10 per cent last year, which was five times the growth rate in Sydney. The data also showed 48 per cent of regional NSW reported record median property prices in January 2021.

The Australian Housing and Urban Research Institute, Managing Director, Dr Michael Fotheringham, says the migration to the regions has resulted in housing vacancy rates in regional Australia of below 1 percent in many regions, meaning that the availability of rental housing is at an historic low point and consequently, that rental prices are going up. (*Newcastle Herald*, 16 August 2021)

ABC News North Coast reported that residential vacancy rates are below 1 percent in many areas. For example, the vacancy rate in Coffs Harbour fell from 3.1 percent in March 2020 to just 0.5 percent in February 2021.

Regional housing demand is also being impacted by major infrastructure projects and natural disasters. For example, projects such as Snowy2.0, have created a large transient, regional workforce, which requires accommodation. Similarly, recent bushfires have destroyed thousands of houses in some areas, resulting in demand for not only temporary accommodation for bushfire victims, but also the workforce involved in the recovery and rebuild.

The current New South Wales regional housing shortage is complex and its causes and impact are diverse. It is affecting local residents and businesses, students, seasonal workers and major project workforces, as well as regional migrants.

As the NSW Housing Minister stated in the NSW Housing Strategy, Housing 2041:

I am aware of early evidence that the increased ability to work from home has had a dramatic and unexpected knockon effect to some regional NSW housing markets as people from metropolitan areas swap the city for the many benefits of regional life. This demand has created supply and affordability problems, making it difficult for local residents to find suitably priced housing. I know that in some communities, locals are having to move away from the communities they love as they search for better value.

Two other key problems highlighted by the current housing situation are the increasing lack of affordable housing in regional areas and the lack of diversity in regional housing.

Affordable housing is housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs. Affordable rental housing may be owned by private developers or investors, local governments, charitable organisations or community housing providers. It is usually managed by not for profit community housing providers, and sometimes by private organisations.

RCNSW members report that the need for affordable housing in some areas has reached a crisis level, as low rental vacancy rates and rising rents drive more people out of the general housing rental market.

The housing diversity problem relates to the changing housing needs of regional residents. While regional housing has generally been more traditional in nature, with standalone family homes the norm, the demand for different types of accommodation is increasing.

For example, regional seasonal workers, major project workforces and students have housing needs that are different from the traditional profile of the family home. Similarly, as regional residents age, they are seeking to downsize from traditional family homes or seeking assisted models of living and care. Regional housing markets are struggling to meet this change in demand.

Regional Housing - Key Challenges

Across Australia, state and national governments have recognised the current and potential population growth in regional areas and plan to encourage this trend.

Australia's Regionalisation Minister, Senator McKenzie sees COVID-19 as driving "once-in-a-century" structural change" and has indicated there are plans to develop a population policy to encourage businesses and families to move to the regions.

These plans will focus on creating private-sector employment and diversifying the economies of regions, rather than the traditional approach of transferring public sector jobs to the regions.

RCNSW supports plans by the Australian and New South Wales Governments to further encourage regional population growth, but reiterates the need for a strategic approach underpinned by investment in supporting infrastructure and services.

Immediate key challenges in regard to the regional housing market are outlined below.

Land Banking

RCNSW members are concerned about the issue of land banking, whereby developers with land approved for residential development, are not moving forward with housing developments on zoned land, despite demand.

This is of particular concern on the New South Wales north coast, where thousands of residential lots may be being kept off the market, contributing to the local housing supply and affordability crisis. According to the Tweed Council, up to 13,000 residential lots were rezoned thirty years ago, and have sat in the hands of developers for decades.

RCNSW recommends the Government consider the introduction of timeframes (potentially five years), or a sunset clause for developers to bring zoned and approved residential subdivisions to the market, to prevent banking of land supplies and assist in the provision of more affordable housing. If the land is not used within the timeframe, it would revert to its original zoning or lose development consent, regardless of "substantial commencement".

Such a system already applies in Western Australia, where, approval, if given, will generally be for a limited time, often two years, to ensure that development is commenced in a timely manner and if not, that any changes to the planning framework in the interim can be considered when a new application is lodged. [Introduction to the Western Australian Planning System \(dplh.wa.gov.au\)](https://dplh.wa.gov.au)

RCNSW believes this type of intervention is necessary in the current environment, where traditional economic levers are failing in the face of unprecedented demand.

RCNSW acknowledges that a balanced approach is required for the introduction of such a development timeframe, recognising the role of councils in the timely provision of utilities and service infrastructure to development sites, as well as the labour, skills and financial pressures on developers.

Granny Flat Regulations

RCNSW recognises that “Granny Flats” offer a diverse and affordable housing option that meets the changing housing needs of many older Australians. A granny flat, or secondary dwelling, is self-contained accommodation within, attached or separate to an individual home.

A council or accredited certifier can certify granny flats as complying development without the need for a development application, provided they meet specific standards.

While appreciating the benefits of granny flats within the broader housing mix, RCNSW has some concerns about their impact. Granny flats increase population density on individually rated properties, which puts pressure on existing infrastructure and leads to increased demand for Council services, without contributing any additional rate revenue to meet those demands.

While this issue is being considered by IPART to adjust rates to population growth, it is something that needs to be considered in the context of housing supply.

Short Term Rental Accommodation (STRA)

As more and more property owners embrace the opportunity for greater returns through short term property rentals on platforms such as Air BnB, this is impacting the availability of traditional longer-term rental accommodation in regional areas.

The impact is particularly severe in some areas. For example, Maitland has seen a 30.7 percent increase in short-term rentals in the period from 5 January 2019 to 5 January 2021. (*Newcastle Herald*, 21 August 2021).

RCNSW members are very concerned that the existing problems of STRA on regional housing will be exacerbated in some regions by the upcoming introduction of the new short-term letting regulations in November. The regulations will allow every house approved as a dwelling to be used as a holiday rental.

While acknowledging that the introduction of these new regulations has already been delayed for three months by the State Government, RCNSW strongly believes that the regulations will result in the further loss of rental stock from the regional housing market. This can only worsen the existing housing shortage, particularly in areas like Tweed Heads, where there is already less than 1 percent availability for rental homes.

Given the current housing supply situation, RCNSW recommends that the new regulations be further deferred while the housing shortage issue is resolved, and the demand backlog managed.

Reduced Market Conditions for Investment

Despite growing housing demand and record low interest rates, RCNSW is aware of investor concerns in regard to investment in residential rental properties.

There have been significant changes to New South Wales's tenancy laws in the last two years. These reforms recognise the increasingly important role of long-term rental in the state's housing market mix and are aimed at clarifying the obligations of landlords and tenants.

However, there are concerns that the changes too heavily favour renters and may be discouraging investment in rental properties and consequently exacerbating existing housing shortages and driving up rents.

There is a view that a better balance is needed between tenant and landlord rights to give confidence for residential investment.

Another issue noted by RCNSW members, is reluctance by property investors to invest in the affordable housing market. Many investors see affordable housing rental properties as too risky, fraught with too many bureaucratic barriers to negotiate and potentially returning a lower yield on investment.

A further factor affecting the regional residential property investment market is the impact of the flammable cladding issue on building insurance premiums.

The detection and management of flammable cladding in high rise buildings in Melbourne and Sydney has led to an increase in insurance premiums nationally, including in regional areas. However, the cladding is not used in regional cities, meaning building insurance costs have been inflated for a risk that does not exist.

Crown Land

RCNSW recognises that access to Crown land and unused or underutilised State-owned buildings is a key part of the regional housing solution, particularly in regard to affordable and social housing.

Anecdotally, everyone "knows" that there are large areas of irregularly utilised Crown Land close to town centres in many regional cities. What is lacking is a database setting out what Crown land exists, its location, its suitability to be used to help resolve residential housing issues and the timeframe in which it might be activated. An audit of Crown Lands should be undertaken as a priority.

As a start, the Crown Land Manager Reserves Portal, [Crown Land Manager Reserves Portal \(arcgis.com\)](https://arcgis.com), could be the foundation for a wider database. While this portal allows data on Crown reserves that are managed or controlled by councils to be viewed, crown lands managed by the state are not included.

Consideration should also be given to repurposing vacant buildings and the interim use of vacant Crown and council lands such as road reserves and rail corridors, for alternate uses such as short term or transitional residential accommodation.

There is also significant indigenous land holding that may be considered for housing development, including a portion set aside for indigenous and affordable housing.

RCNSW recommends that relevant Crown Land be transferred to Councils for housing, or be made available on a long-term lease basis.

To be effective, some issues and barriers must be overcome. Access to Crown land should be fast tracked and matters of native title and compensation should be resolved.

Finally, RCNSW is concerned that Treasury is seeking market value for Crown Land, which makes it less attractive for private investment and Councils seeking to use the land to address the affordable housing shortage.

Collaboration among the three levels of government might provide one solution.

One member Council has suggested a pilot project whereby:

- Local Government: Supply and fund civil works (drains, roads, sewerage);
- State Government: Release Crown land (at zero cost or peppercorn lease/sell arrangement); and
- Federal Government: Provide subsidies to fill the cost gap of building/ furnishing accommodation.

Similarly, works have begun on a collaborative effort by local, state and national governments with the community sector in Griffith. The \$12 million Griffin Green Project is delivering 20 affordable rental dwellings and 42 Build Ready lots for affordable housing.

The Australian Government is contributing \$6 million for the project through the Building Better Regions Fund, the land has been acquired from the NSW Government, and the Griffith Council and Argyle Housing are supplying \$3 million each. Civil works on for the project began in early 2021, and an EOI to build the 20 townhouses closed on 23 July 2021.

Construction Industry Constraints

Another factor which is driving the regional housing issue is the shortage of tradies, skills and materials in the construction industry. This is a nationwide problem.

In an attempt to help stimulate the economy during the pandemic, the Australian Government instituted a Home Builder scheme which has contributed to a housing boom. With Australians foregoing overseas and domestic holidays, many have turned to building or renovating their homes.

As a result, construction industry sources are reporting workforce and material shortages, rising costs, delays in project completion as well as a dearth of workers with the requisite skills.

According to the Master Builders Association, almost four in five builders are reporting “significant delays” in being able to secure concreters, joiners and bricklayers and an increase of up to 10 percent in the cost of materials and specialist trades or labour.

Residential property construction times have doubled across 2021, with a single-storey dwelling (which required six to eight months to build in 2019-20), now requiring between 12 to 16 months. A double-storey home (which had previously taken 10 to 12 months), is now taking 14 to 20 months.

The latest Cordell Housing Index Price (CHIP) results show wide spread demand across the residential construction sector and a shortage of materials such as timber, PVC piping and fittings have contributed to cost increases, with an annual growth rate of 3.9 percent - the largest quarterly change since the third quarter of 2014, with no sign of easing in the short-term.

Regional NSW is not immune from the national trend. *The Riverine Herald* on August 12 reported that, “The nationwide shortage of skilled trades people as well as construction materials is putting pressure on the local building industry with fears the demand will lead to increased delays.”

Council Issues

There are a number of operational issues impacting the ability of regional cities to manage population growth and regional housing supply.

The rate cap and the non-indexation of Council fees and charges have eroded Councils’ capacity to support population growth and new housing, whether by providing timely assessment of Development Applications (DAs), the necessary supporting infrastructure for developments to proceed, or the on-going services and infrastructure expected by new residents.

RCNSW appreciates that quick turnaround of Development Assessment applications will assist the provision of more residential housing. While State Governments have put in place various measures to improve development assessment times by councils, there are barriers which prevent these time reductions from being achieved. These barriers include decades of rate caps which constrain Council capacity to increase the number of Council employees needed to provide assessment services.

RCNSW estimate that for each 1000 increase in population, it requires an additional 7.5 FTE to provide services that range from libraries and childcare, to swimming pools and the completion of

the growing number of DAs. The current rating structure often means that these staff cannot be hired because neither the funding, nor the mechanisms to generate the funding are available.

It should be noted that for more than two decades, the non-indexation to the fees for DAs has meant that, as the cost of assessment has increased over the period, the provision of these services no longer pays for itself but adds to the Council's deficit. Tweed Council estimates that the assessment of 1000 DAs this year will result in a net deficit of nearly \$4 million.

The rate cap and the erosion of the rate base also limits Councils' capacity to provide the necessary infrastructure needed to support residential development or to maintain the infrastructure into the future. It drives Councils to borrow in order to forward fund the supply of civil infrastructure such as electricity, water and waste water to the newly zoned land.

Land banking and the inability for Government to influence the release of that land also means that communities can be paying the costs of loans for civil infrastructure that lays unused. This has led to decisions that have the potential to delay the delivery of needed residential housing, whereby authorities delay the supply of major civil upgrades such as electricity substations, waste water augmentation or water treatments plants, and new water supply.

In addition, Councils are having to consider whether developers will be able to deliver additional housing in a timely fashion in light of the current workforce, skills and materials shortages.

To assist in eliminating the backlog of DAs in regional councils and enable them to respond to the increasing numbers of DAs in a timely fashion, RCNSW recommends that the NSW State Government:

- I. urgently provide staff to local councils free of charge, to help manage the backlog of assessments and support growth of Regional Cities; and
- I. review and revise development application fees to enable full cost recovery by councils so they may engage appropriate skilled resources to assess, notify and check compliance. An indexation mechanism should also be provided to prevent bracket creep.

RCNSW Recommendations and Proposal

Our Commitment to Housing

RCNSW members are already working to manage population growth and address the current housing shortage through measures including:

Aligning local strategies with Housing Strategy 2041

Many Councils have already commenced consideration of the issues and strategies canvassed in Housing Strategy 2041. As rents have risen, properties have disappeared from the long-term rental markets and demand for accommodation for transient workforces completing infrastructure projects and seasonal workers has increased, councils have been looking for ways to provide more affordable and social housing, through their own policies and actions and in partnership with both the State and Federal Governments. These are:

1. Zoning and policies

- Councils are working to remove unnecessary planning policy impediments which create a barrier to lower-cost and more-affordable housing types, such as one and two bedroom strata dwellings or the development of small lot housing and multi-dwelling housing in greenfield areas.
- Councils can use and have been using their zoning and planning powers to provide additional land for housing. The rezoning of commercial zones to residential, the relaxing of density controls in areas, reconsideration of carparking requirements for strata units and the reduction of private open space requirements for ground floor units might facilitate the provision of more housing accommodation.

2. Development Assessments

- One of the areas identified as a factor in the development of more residential housing is the time taken to complete a development assessment. RCNSW members are using the new E-Planning Portal and are contributing feedback to improve the system and help shorten timeframes for the development assessment process.

RCNSW also endorses the NSW Government's recent Build to Rent measure, providing a 50 percent land tax discount for new build to rent housing projects.

Build-to-rent is a purpose-built housing product developed by investors who intend to retain ownership and rent out the dwellings for an extended period. Although build-to-rent housing is only emerging in NSW, an established build-to-rent sector has the potential to create a more stable housing pipeline that is less affected by market cycles.

RCNSW Recommendations for Government Action

RCNSW recommends the following immediate actions:

- 1) Defer introduction of the new STRA Regulations until the current regional housing shortage is managed;
- 2) Consider the introduction of rezoning approval timeframes to stop land banking by developers and stimulate the release of residential zoned land; and

- 3) Audit regional crown land and buildings for suitability for affordable housing projects, with relevant Crown Land be transferred to Councils for housing, or be made available on a long-term lease basis.

3. To assist in eliminating the backlog of DAs in regional councils and enable them to respond to the increasing numbers of DAs in a timely fashion, RCNSW recommends that the NSW State Government:
 - II. urgently provide staff to local councils free of charge, to help manage the backlog of assessments and support growth of Regional Cities; and

 - III. review and revise development application fees to enable full cost recovery by councils so they may engage appropriate skilled resources to assess, notify and check compliance. An indexation mechanism should also be provided to prevent bracket creep.

RCNSW Proposals

RCNSW's proposal sets out a model whereby the three levels of government collaborate to fund the construction of short-term and adaptable affordable housing, concurrently building a sustainable skill base in the regions, in line with the current NSW Housing Strategy.

The Strategy envisages four housing system pillars, and features initiatives to support better housing outcomes through:

- better use of government owned land to develop new housing types, tenures and delivery models;
- strengthening relationships with local government and the community housing sector to trial new innovative housing solutions; and
- locations should be the right level of density to sustain the community of renters and should be accessible to jobs, schools, amenities, and services.

The model involves site identification-planning-design-approvals-construction-certification across three phases:

- Temporary Supportive Accommodation (TSA) - (factory construction of relocatable);
- Build to Rent (BTR) - (construction of subdivision and dwellings); and
- Constructed development/s licenced to community housing provider.

Relationship:

- NSW Government is broker, skills trainer and landholder
- Commonwealth Government is funder (wages, materials)

- Local Government is landholder and skills nursery

Responsibilities:

NSW Government:

- Provides suitable crown lands for construction of short term-affordable accommodation
- Enables planning acceleration (SEPP)
- Funds site/s establishment
- Rescopes micro credential certificates for development and construction skills, convertible to diploma or degree (e.g. engineering). This will provide targeted skills training to meet immediate demand and assist displaced workers, while enabling further progression to a certificate, diploma or degree in the future.
- Provides and funds RTO/TAFE training (insitu) for trainees, apprentices to enable workforce development in priority areas
- Gifts/leases constructed housing to community tenancy schemes (CTS)

Commonwealth Government:

- Funds employment of trainees, apprentices (bonded with group training provider or councils)
- Supplements JobKeeper, JobSeeker with skill \$ allowances for working with local government
- Funds the materials and services for construction of housing, and supplementary JobSeeker works to be managed by councils
- Augments NSW funding through investment via the National Water Initiative to supplement regional water security and quality to support new sites

Local Government:

- Identifies suitable NSW Crown or council lands within or on the periphery of towns, which can be rezoned, and serviced, and facilitated through rapid-run planning proposals, such as PDU, and e-planning;
- Prepares sites / constructs subdivisions for designated TSA and BTR, funded by Government;
- Supports/mentors the onsite training skills with RTO/TAFE
 - Site planning (surveyor, planner, inspector, engineer)
 - Site preparation (engineer, truck/plant operator) Supplement underemployed or displaced workers with skills
- Managers the design, civil works, landscape, biosecurity and catchment management, providing work and skill development to supplement, workers under jobkeeper / job seeker; and

- Engages cadets, trainee operators (2:1 vacant roles), engaged for the purpose of the crown land housing development and potentially administered through Joint Organisation or Group Training provider.

For More Information:

Rachael Sweeney – RCNSW Secretariat

E: rsweeney@collectiveposition.com

P: 0422 067 858

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Tuesday, 31 August 2021 4:50:02 PM
Attachments: [submission-to-planning-docx-\(final\).docx](#)

Submitted on Tue, 31/08/2021 - 16:47

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Alison

Last name

Crook AO

I would like my submission to remain confidential

No

Info

Email

aacrook@gmail.com

Suburb/Town & Postcode

Ballina

Submission file

[submission-to-planning-docx-\(final\).docx](#)

Submission

Thank you for the opportunity. Please find file attached

I agree to the above statement

Yes



REGIONAL Planning Taskforce

Thank you for the opportunity to make a submission to the regional Planning Taskforce.

The Women's Village Collective (WVC) initially started on the 7th August 2020, as a call to action on social media to address the growing housing crisis and its effects on women in the community. The social media group has now over 3,400 members, gathered to address the social inequity women face in the housing market.

Since March this year WVC Ltd has been established as a not-for-profit company, limited by guarantee, to take such action as is necessary to address the housing crisis affecting women in the Northern Rivers region. We are currently seeking recognition by the ACNC as a Public Benevolent Institution.

We aim to provide short term and emergency accommodation for women living in cars, couch surfing, and facing homelessness, because rented houses are being sold or rents escalated beyond their means. We also aim to research, develop and implement longer term solutions, providing more secure housing options, including longer term leases, shared housing and rent to own solutions. We are working with other organisations in the area to advocate for pathways from homelessness to secure housing.

We have recently raised funds for glamping tents, and we are securing sites and erecting tents in holiday villages in an effort to get women out of cars and into secure areas with facilities. We are also obtaining quotes for rooms in student accommodation.

The Issue in the Northern Rivers Region is known to be more extreme than in any other region in NSW.

- 4 shires have declared a housing crisis (Tweed, Byron, Ballina and Lismore City)

- In the Northern Rivers region as at Dec 2019 there were 6459 listings for Airbnb.
- In the Byron Shire alone, rental costs have gone up by over 30% in the past 12 months (CoreLogic Data) and by as much as 66%, while 48% of Byron Shire's rental stock is listed on Airbnb. Meanwhile state government has refused Byron Shire the introduction of a bed tax, and has still not formally permitted Council to reduce the number of permissible days per year for Airbnb.
- The median house sale price has increased by 37%. Byron Shire has now overtaken Sydney's median house price of 1.2 million dollars, surpassing it at an average of \$1.4 million dollars.
- Meanwhile there is a waiting list of over 3000 for social housing and it is known that the majority of those with whom we are in contact are not on that waiting list.
- The COVID pandemic, as is well known, has exacerbated the issue with city dwellers from Sydney and Melbourne buying property at inflated prices, sight unseen.
- It is an established fact that it is difficult for staff in normal work (teachers, nurses, café staff etc) to obtain accommodation anywhere close to employment. For casual workers without secure employment, leasing is impossible.
- As we know, women as solo parents- single income providers with families, and women over 55, are amongst the largest cohorts of people being driven out of communities- into insecure housing and homelessness. This results from underlying causes such as gender pay gaps, women retiring on a national average of 47% less superannuation than their male counterparts, women carrying out the primary carer role for children and elderly parents, divorce, and domestic violence.

What Needs to be Done: We are not planning experts and are not sure of the extent to which the following points fall within the purview of the Taskforce. However:

- To state the obvious, there needs to be a significant commitment by the state government to building more social housing in our region. Current funding and numbers committed are insufficient. As part of this, we understand that it is important to streamline the process for implementing affordable housing contributions schemes and provide additional support to councils to ensure schemes are established in a timely manner and that opportunities for new supply are not missed.
- Secondly, it needs, at all times, to be remembered that this is a housing emergency. We are genuinely in a crisis situation for regional economies, which is not met by merely suggesting that women simply pack up their belongings and move further afield to where housing is cheaper. Quite apart from disrupting the social fabric of regional towns, and tearing families apart, it will leave towns without essential workers.
- All adopted solutions need to ensure that they will not simply push the problem onto understaffed local government to solve. While there certainly needs to be long-term planning it must not come at the expense of immediate on the ground action.
- One short term approach is to introduce exempt or complying development pathways, with fast-tracked approval processes, for transitional housing. While transitional housing is not a direct substitute for the delivery of new permanent housing, it can provide a temporary solution to address homelessness.
- Support initiatives by Local Councils and other groups such as WVC to establish Community Land Trusts (CLTs) within their local areas to purchase or obtain land for affordable housing developments in perpetuity; and take action to release land held in commercial land banking.
- It appears to us that there are many regulatory and planning barriers to innovative housing models, which need to be removed. These include but are not limited to transitional use of land and buildings, LEP definitions of transitional housing and the flexibility of removable dwellings in appropriate areas for short term solutions.

- Another barrier is the present Ru4 zoning clause aimed at minimising unplanned rural residential development. While the rationale is understood, it is desirable to allow local government to exercise discretion in order to enable small home village development close to existing towns without requiring re-zoning.
- Further, more opportunity for Multiple Occupancy titles would open up land for multiple dwellings, which could alleviate the housing crisis.
- Part of removing barriers includes ensuring reforms to the Government agency concurrence and referrals process addresses planning delays and bottlenecks in regional areas.
- It is also important to work collaboratively with local councils, the community housing sector, and other partners such as Women's Village Collective, to prepare a joint-delivery plan that identifies all potential opportunities for the delivery of new supply.
- Finally, it is desirable to immediately request state government to delegate more powers to local government in relation to the operation of Airbnb in their area.

Alison Crook AO
Chair, Women's Village Collective

Sama Balson, Founding Director
Women's Village Collective

31 August 2021

WOMEN'S VILLAGE COLLECTIVE

PO Box 331, Mullumbimby, NSW 2482 <https://www.womensvillagecollective.org.au>
ACN: 650580055

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 9:46:16 AM
Attachments: [gemlife-submission---regional-housing-tasforce.pdf](#)

Submitted on Fri, 27/08/2021 - 09:42

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Adrian

Last name

Puljich

I would like my submission to remain confidential

No

Info

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Suburb/Town & Postcode

Bundall Qld 9726

Submission file

[gemlife-submission---regional-housing-tasforce.pdf](#)

Submission

Please see attached GemLife's submission for Regional Housing Taskforce.

If you require anything further from me, please do not hesitate to let me know.

I do ask that you please keep me in the loop with how our submission and others, are received.

GemLife wants to be a bigger player in NSW.

Thanks again for the opportunity to submit.

I agree to the above statement

Yes



Job No. 5405

The Chair

Regional Housing Taskforce

regions.coordination@planning.nsw.gov.au

Dear Mr Fielding,

Re: Submission - Regional Housing Taskforce

Thank you for the opportunity to make a submission as part of the Regional Housing Taskforce roundtable discussions investigating the barriers and increasing pressures on the supply and affordability of housing in Regional NSW. Our hope is that the Regional Housing Taskforce considers our concerns and can formulate recommendations to reduce barriers and improve housing deliverables in regional NSW.

GemLife – Over 50s affordable housing provider

Our submission is made on behalf of GemLife. We are a dynamic, innovative developer of premium over-50s lifestyle resorts. GemLife creates vibrant communities that reflect the rapidly evolving demands of Australians over-50s with a focus on high quality, active and engaged living. Many of our residents are still working full or part-time but want a low-maintenance lifestyle. We provide manufactured housing estates that incorporate modern contemporary, beautifully designed dwellings with luxury design features, and estates with premium recreational facilities.

GemLife presently has fourteen (14) resort-style developments in three (3) states - Queensland (Bribie Island, Maroochy Quays, Pacific Paradise, Highfields, Burpengary East, Sippy Downs, Pimpama, Currumbin Waters and Palmwoods), in Victoria (Woodend), and in New South Wales (Lennox Head, Rainbow Beach, Tweed Waters and Terranora).



GEMLIFE | OVER 50s LIFESTYLE RESORTS

UNIT 7, 93 BURNSIDE ROAD, STAPYLTON QLD 4207 | PO BOX 8087, GCMC QLD 9726

GemLife.com.au

This submission identifies the difficulties, frustrations, delays, and reasons we seek government assistance to amend the out-dated regulations and processes relating to delivering good quality manufactured housing estates in New South Wales.

Regulations

In NSW Manufactured Housing Estates are regulated under Part 2 of the Local Government Regulation (Manufactured Home Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2005. This MHE regulation in many ways operates like a Development Control Plan and includes requirements for setbacks, site coverage, density, structures, road, utility services, community facilities, construction and installation, and design provisions.

Increased Bureaucracy & Lack of Transparency

Manufactured housing estate development require assessment by various Council officers, and generally referral for concurrence to NSW Department of Planning, Industry, and Investment (DPIE), and in many cases than requires resolution by a full Council to achieve a determination. This assessment process is excessively bureaucratic.

For instance, to seek a modification or variation to the LG MHE Regs 2005 is via an application under section 82 for an activity described in accordance with section 68 (Part F) of the **Local Government Act 1993** and is not able to be undertaken with the DA assessment. The regulation identifies that an applicant should only need to show that compliance with a provision is unreasonable and unnecessary. This is such a subjective decision, and officers tend to assess applications with a heavy reliance on a strict interpretation of the regulations. This process is contrary to the intentions and application of a section 82 Objection which should be addressed on its merits.

Additionally, rarely does the DPIE Secretary's delegate (as delegate of the Local Government Minister) not follow Council's reasoning, and recommendations for concurrence if Council supports a proposal. Therefore, this concurrence step is superfluous and just adds time to the development process, and ability to construct houses. However, when Council refuses to approve the section 82 Objection, there is no referral or concurrence requirement of DPIE, so no review of the process.

Another issue experienced with the section 82 Objection application and concurrence referral is it is not linked into the NSW e-planning portal so there has been significant lost time as Council and DPIE argue as to how the application should be submitted and concurrence should be referred. Also, at each step of the assessment process when undertaking a section 82 Objection it is not very transparent for the applicant/developer in identifying what resolutions and reasons the planning authority has made in reaching their recommendations. The referral can be sent to DPIE without the applicant knowing the outcome of the recommendation of Council or having a right of response. A review/update of the processes related particularly to the regulations and variation process and NSW e-planning portal is required.

Changing Nature of Manufactured Housing Estates

Our NSW experience identifies that Council and officer's opinions vary on similar estate and dwelling designs. Whilst we understand the 2005 LG MHE regulations intention was to provide minimum standards for development, they are very rigid and unfortunately no longer reflect a market that provides not only for lower income dwellings but can also provide affordable and modern luxury dwellings. We acknowledge some developers of the past

undertook dubious development, and minimum standards were required, unfortunately the regulations and mechanisms for allowing variations do not provide enough flexibility to incorporate contemporary design and a market that are wealthier and wanting of a high-end lifestyle that can compete with other affordable greenfield living options. Some Councils have recognised the changing nature of MHE products and lifestyle choices and adopted the new and innovative ideas such as a vergolas within a dwelling open space areas calculation, or reductions to enable zero setback designs so that larger setbacks on another side of the dwelling for pathways that provide for mobility equipment and keeping of pets (both contrary to the requirements of the regulations) whilst other Council's consider these as not reasonable arguments for enable a variation to the regulations.

However, each time we begin a proposal we need to seek variations for the same designs. For instance, our luxury vergolas mechanically open and close to allow light and ventilation into open patio spaces, yet areas beneath cannot be counted as open space, and as a structure, adds to the calculated site coverage requirements. Yet this increases the amenity and continued use of the open space as people age in place, require lower maintenance and still maintain ventilation and light adaptable with the weather and time of day. Yet in other estates no compliance measures have been actioned by Council when shade structures of all sorts have been installed post construction, and without consent. Innovative design, high-end details providing greater amenity, and developers wanting to follow correct procedures and gain appropriate approvals are being penalised.

We also need to seek a variation every time we want to manufacture/construct a dwelling on the site. The regulations have not kept abreast of changing construction methods and processes. This form of manufacture on site has been proven yet our section 68 Approval to Operate are constantly being delayed as Council contemplate the merits of manufacturing on site. All these variations require assessment times by different agencies and our recent experience shows a section 82 Objection application to manufacture on site (as was permitted on the neighbouring land) in Port Macquarie Hastings Council local government areas has still not been determined 6 months after it was lodged, based on a strict reliance on the terms of the regulations by Council officers. These delays are increasing our risks and impacting on our construction timeframe, finance arrangements, registration, and sale of dwellings. These delays are therefore affecting our ability to provide needed housing supply to meet market demands.

Submission by Uninformed Neighbours

Another concern is raised during community exhibition periods. There is a plethora of untruths about what occurs within a manufactured housing estate, and our potential development impacts. Much of this is fuelled by planners and Councillors not aware of the products and lifestyle opportunities provided by developers like our company who provides a quality housing product and enable residents to live an active and engaged lifestyle. We are required to go through biased and resistant Council officers, Council planning panels and State regional planning panels, regional officers at DPIE who rely on outdated research, wildly inflated and detrimental submissions by residents who don't want any increase in density in their neighbourhood, and many lack understanding and knowledge about this quickly evolving market for housing provision.

Developer Contributions

As a Manufactured Housing Estate developer there seems to be an inconsistency in Council's conditioning consents to pay developer contributions, and infrastructure upgrades. Some developments appear to pay a reduced senior living portion for section 7.11 Contributions under the EP&A Act, whereas in similar developments in another local government area or within the same Council area but different locality, Council enforce the same rate as a greenfield residential development. Councils have been wanting to limit occupation in a dwelling so that

a recreation room is potentially not used as a bedroom. The recreation room has been identified as potentially a third bedroom enabling Council to request road and intersection upgrades due to unidentified potential traffic generation. We could create a room with no door and no wardrobe, but undoubtedly people want storage and privacy in any room of a dwelling (particularly now that offices are likely required into the future as people work more from home) and people have hobbies, but again these internal fixtures could be installed post construction, but for better control of the design are constructed as part of the development. The occupancy and use of recreation rooms are matters that can be addressed by the signed agreements of residents, and management on site, and should not be leveraged by Council as requiring greater provision of developer contributions and infrastructure upgrades to then condition restrictions on occupancy. These matters need to be determined on a consistent and equitable basis across all local government areas.

Infrastructure Constraints

We have also experienced Council increasingly imposing conditions on DA and Subdivision Works Certificates for road upgrades, sewer and water extensions, new pump stations and rising main and trunk watermain upgrades beyond our development for the betterment of the entire locality. In many localities, although the land has been rezoned for many years, and other developments approved in a locality, Council's water and sewer for those areas is still not planned (no developer servicing plan implemented). This lack of planning therefore causes delays for the developers in trying to get civil works completed whilst Council considers their options and the wider community; and our contractors on site halt works awaiting a determination. There appears to be an unfair thought by many of the Mid North Coast Councils that the developer will provide upgrading of infrastructure and servicing arrangements beyond the capacity needed for the development at their own cost if Council hasn't done the planning.

For instance, Port Macquarie-Hastings Council has revisited infrastructure at subdivision works certificate stage, regardless of the discussions, investigations, and agreements at DA stage, which is causing significant time delays. Internal sewer pumps and rising mains are stopped as Council wants a more streamlined process but hasn't undertaken or provided appropriate infrastructure. This review caused us delays in getting the subdivision work certificate whilst Council reviewed and began re-negotiations of their needed requirements. This has added to civil work and construction time delays, cost overruns and is delaying production of housings on the land.

Lack of Land Supply & Resources

It is difficult to find large enough parcels of land to suit our development style that is unconstrained. Biodiversity is a challenge, especially for land which was rezoned to residential previously but is now unable to be developed due to subsequent changes in legislation. Conservation measures are imposed, the costs and time to prepare studies, and complexity in creating offsetting arrangements are complex within NSW. As identified previously, land is not being rezoned and made available with the appropriate planning and infrastructure in place to enable development to begin once a site is identified.

As stated in this submission, development is often delayed during assessment and we are told when statutory timeframes are not met, that Councils do not have planning staff resources to prepare, assess and finalise the assessments and infrastructure needed to get an approval document. We are also faced with COVID 19 restrictions and lockdowns and note that many of our civil engineers are specialists onsite are from a multitude of local, state and interstate locations. When delays occur and works halt, we are unsure whether and when equipment and employees/sub-contractors can return to the site. This is increasingly causing frustration and concerns and when discussed with Council they identify they can not work any quicker as they lack resources. These delays are

increasing our risks and impacting on our construction timeframe, finance arrangements, registration, and sale of dwellings. These delays are therefore affecting our ability to provide needed housing supply to meet market demands.

Conclusion

In summary, widescale changes to fast track or streamline the planning system in regional NSW is required, including infrastructure planning up front to reduce delays and shorten timeframes for construction. We also welcome the upcoming review of the provisions for caravan parks, camping grounds and manufactured home estates which has been identified in Phase four of the proposed Housing State Environmental Planning Policy (SEPP). I note that the existing SEPP provisions for these housing options will initially be transferred to the proposed Housing SEPP in their current form, with a comprehensive review to be carried out in late 2021. We welcome the Department of Planning, Industry and Environment's Housing Policy team reaching out to us to discuss our concerns and experiences in provision of manufactured housing estates in three Australian states. We welcome the opportunity to be contacted by the Regional Housing Taskforce and provide real life examples of our current experience in regional NSW, and the Mid North Coast.

Sincerely



Adrian Puljich
Director & CEO

From: [Jennifer Macquarie](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Subject: Regional planning round table
Date: Tuesday, 31 August 2021 5:56:50 PM
Attachments: [image002.png](#)
[image005.png](#)
[image004.png](#)

Hi there,

After participating in two of the virtual consultations (Illawarra Shoalhaven and Central Tablelands) with Garry Fielding last week I wanted to send some additional points for consideration.

Infill development:

Infill is in theory a great way to generate much needed new housing, and in particular smaller, more affordable housing to regional towns and villages, however it will happen slowly / incrementally so is not the primary solution to match the scale of the housing supply problem we are facing in regional areas.

The challenges to infill are as follows:

- Suitable vacant sites (or knock downs) within an established precinct come up for sale only occasionally and infill development is, as a result, slow small scale and incremental.
- Community and political resistance tends to be greater for infill proposals particularly where smaller / alternative housing is proposed in amongst established free standing homes on larger blocks. Surrounding neighbours don't want change and will fight to prevent it.
- Local DCPs intentionally prevent what is permitted in the overarching LEP. For example in the small town of Robertson in the Southern Highlands, the LEP permits 3 storey development in the main street business zone which would in theory enable shop top housing, but the local DCP limits building height to 5m which in practice limits development to single storey. The solution to this would be model DCPs provided by the State that local Councils must adopt. There would need to be different DCPs to match each size of settlement (hamlet, village, small town, large town etc)
- The Achilles Heel of proposed infill development in regional towns is the requirement for the new development to fit in with the existing streetscape. Community objectors, councils and land and environment court barristers are all aware of this rather subjective requirement on which many land and environment court appeals are lost. If you wish to understand the impact of this issue further, contact Peter Tomasetti, Barrister who has fought many cases on this specific point. The fact is that new housing typologies to any town or village will never match the existing streetscape simply because of the fact that they are different from what has historically been built there. There will always be an element of the proposal that makes it vulnerable to community and political objections based on streetscape issues. An illustration to this point issue is a DA my company submitted for 6 traditional cottages for Over 55s in Robertson, one block back from the main street (see image below). Our development drew its style from traditional small weatherboard cottages in the main street, however adjacent development in this street was more recently built single family homes of varying sizes on 2000 m2 lots. We were advised that would more likely get past the streetscape issue if we put 6 apartments in one monolithic single level building as the building form would be more in keeping with adjacent buildings. In my opinion that would result in a far less attractive development

with reduced privacy liability and appeal for the downsizers who would potentially live there. Inevitably this proposal a victim of local objections (fear mongering about the future residents being unsavoury and creating social problems simply because the dwellings were smaller than what surrounded them) and was rejected by Council. One solution to this problem is to remove the requirement for new proposals to match the surrounding streetscape, and replace it with very clear and prescriptive architecture requirements that create the quality and character that Council and the community is looking for across any type and scale of new housing.



New Township vs urban sprawl extensions

Much community and political resistance to growth in regional areas stems from a concern that new subdivision on the edge of town will create characterless metro-style urban sprawl that eats away at agricultural land and the green space between settlements.

An alternative, where a suitable site exists, is for new settlements to be developed. If they are well planned with excellent urban design, a site specific DCP and architecture controls that enabled a mix of housing typologies, such settlements could deliver a mix of housing in reasonable volume without the political resistance generated by infill and urban extensions. While this is a big picture solution, there are various locations throughout regional NSW that would be perfect for the development of new compact townships. If the DCP enabled reasonable density of 20 to 22 dwellings per hectare the town would have a population of 5000 people and that would support a town centre with the required range of retail and services. These would be low carbon footprint townships due to their walkability as well as the ability to adopt new technologies for rainwater collection and re-use, wastewater processing and energy generation.

Thanks for the opportunity to put these points forward for consideration.

In my role as Chair of the Illawarra Shoalhaven chapter of the Property Council I have contributed to the submission made by the Property Council.

I look forward to following the review process and reading the recommendations for solving the vexed issue of regional housing supply and affordability.

With kind regards

Jennifer Macquarie
Director



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Message protected by Unitech Solutions: e-mail anti-virus, anti-spam and content filtering.

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Wednesday, 1 September 2021 8:46:49 AM
Attachments: [submission-regional-housing-taskforce---cabonne-council.pdf](#)

Submitted on Wed, 01/09/2021 - 08:45

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Christopher

Last name

Eldred

I would like my submission to remain confidential

No

Info

Email

christopher.eldred@cabonne.nsw.gov.au

Suburb/Town & Postcode

2866

Submission file

[submission-regional-housing-taskforce---cabonne-council.pdf](#)

Submission

Please find Cabonne Council's submission attached.

I agree to the above statement

Yes



CABONNE COUNCIL

Phone: (02) 6392 3247

Fax: (02) 6392 3260

Contact: C. Eldred

THE GENERAL MANAGER

POST OFFICE BOX 17

MOLONG 2866

Website: www.cabonne.nsw.gov.au

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Our Ref: 1296524

Doc ID: 1296524

ABN: 41992 919 200

31 August 2021

Regional Housing Taskforce

regions.coordination@planning.nsw.gov.au

Dear Sir/Madam,

RE: Regional Housing Taskforce – Cabonne Council

Council refers to the Regional Housing Taskforce and the recent consultation undertaken to identify challenges in the planning system that are preventing the delivery of housing supply in regional NSW.

Cabonne Council, located within the Central West NSW, has experienced a significant increase in the demand for dwelling houses and residential land in recent times. This demand has predominantly been in close proximity to the regional centre of Orange (being an approx. 30min commuting distance), however steady growth/uptake of land has occurred in settlements outside of this area.

Existing vacant residential zoned land within this area is generally constrained, and therefore has not been developed. These constraints range from environmental (flooding, karst, topography) through to financial (lots are not connected to services and the cost to connect and pay service charges would make the development unviable or studies required to ascertain whether development is feasible).

Council has recently undertaken a review of the Cabonne Settlement Strategy that highlighted the need for additional residential land within towns and villages in close proximity to Orange to cater for future growth. To date, no land identified within this strategy has been rezoned or developed in accordance with the strategy.

The apparent constraints to being able to provide land suitable for residential development have been summarised below:

- **Rezoning/ Planning Proposal**

Council unable to finance the necessary studies to undertake the Planning Proposals required to rezone land, therefore placing the requirement to undertake the process on landowners/developers. The Cabonne Settlement Strategy was a high-level study that undertook a review of all Cabonne settlements without providing the in-depth studies required to support a planning proposal.

- ***Servicing***

The connection of services to land is expensive and provides a significant upfront cost to Council and/or developers. The extension of services places a significant burden on Council (i.e. having to bear the cost of the servicing until development proceeds which may take some time or pushing the cost to the developer which in turn is likely to make the development unviable given the significant upfront costs).

In addition, the provision of these services often is reliant upon an overall augmentation to the service. Council infrastructure is aging, placing an increasing financial burden on Council and the service users to increase service charges to finance the necessary works to accommodate growth.

- ***Master Plans***

Ideally to support the orderly development of land in accordance with the Cabonne Settlement Strategy, in depth masterplans would be developed to provide a wholistic approach to enable the land to be developed and released. At present, Council does not have the resources to undertake such a process, which could result in outcomes that are not ideal.

Council thanks the Regional Housing Taskforce for the opportunity to provide comment on the provision of housing in Regional NSW.

Should you have any further enquiries please contact Council's Development Services Department on 6392 3265 between 9am and 11am Monday to Friday.

Yours faithfully,



CD Eldred

DEPARTMENT LEADER – DEVELOPMENT SERVICES

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Wednesday, 1 September 2021 9:40:13 AM
Attachments: [greater-newcastle-udp-submission-to-regional-housing-taskforce.pdf](#)

Submitted on Wed, 01/09/2021 - 09:39

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

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Chubb

I would like my submission to remain confidential

No

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Suburb/Town & Postcode

Newcastle

Submission file

[greater-newcastle-udp-submission-to-regional-housing-taskforce.pdf](#)

Submission

I am making this submission on behalf of the Greater Newcastle Urban Development Program Committee.

Anna Chubb

I agree to the above statement

Yes



Hunter & Central Coast
Development
Corporation

Greater Newcastle Urban Development Program Committee response to Regional Housing Taskforce

August 2021

Submitted by:

Anna Chubb

Director Strategy, Hunter and Central Coast Development Corporation

Chair of Greater Newcastle Urban Development Program Committee

Email: anna.chubb@hccdc.nsw.gov.au



1. Purpose of this submission

The purpose of this submission is to:

- outline the role and purpose of the Greater Newcastle Urban Development Program
- demonstrate how it aligns with the Housing 2041 the NSW Government Housing Strategy, and
- suggest how the Greater Newcastle Urban Development Program can become and remain a key mechanism in Greater Newcastle to ensure supply of new homes, and enabling infrastructure can meet an increasing demand

A key focus of this submission is to highlight how the Greater Newcastle Urban Development Program is a key mechanism within the planning system to facilitate and drive the delivery of housing matched to community needs – the third point within the Scope of the Regional Housing Taskforce Terms of Reference.

HCCDC, as chair of the committee has prepared this submission on behalf of the committee. We understand other members will be making submissions separately.

2. Overview of the Greater Newcastle Urban Development Program

2.1 Establishment of the Greater Newcastle Urban Development Program

In October 2016, the Department of Planning, Industry and Environment (DPIE) released the Hunter Regional Plan 2036. The Plan is the NSW State Government's 20-year blueprint for the Hunter Region. The Plan listed the establishment and implementation a UDP as a one of nine priority actions to be delivered within the first two years (Direction 24, p59). This was in recognition of the need to ensure the region supplied an additional 70,000 new dwellings (both greenfield and infill) by 2036.

Under the Hunter Regional Plan 2036 the establishment and implementation of an UDP includes the development of data on:

- existing zoned land supply and its servicing status,
- monitoring dwelling production and take-up rates and
- coordinating the staged release and rezoning of land.

The *Greater Newcastle Metropolitan Plan 2036* released in October 2018, provides further direction on the role of the UDP (Strategy 17, p43), with a clear focus on the need to coordinate infrastructure, streamline assessment processes and monitoring the take up of housing and roll out of infrastructure and services.

2.2 Purpose of the Greater Newcastle Urban Development Program

The purpose of the Greater Newcastle Urban Development Program (UDP) is to create a strong evidence base this is required to inform decisions made by NSW Government, Hunter Councils and development industry participants in relation to the planning, funding and delivery of housing and employment lands in the Hunter region.

The evidence base enables all stakeholders involved in housing planning and delivery to:

- monitor take up rates, land supply and dwelling production
- coordinate release and rezoning of land
- identify infrastructure needed to support new homes and employment land
- strategically plan to ensure the sustainable supply of housing and employment lands to meet the Region's needs

The GN UDP applies to the local government areas of Cessnock, Lake Macquarie, Maitland, Newcastle and Port Stephens.

2.3 Role of the Greater Newcastle UDP Committee

The GN UDP Committee was established to provide a collaborative forum across State and local government and development industry representatives to support the UDP in accordance with the Hunter Regional Plan 2036 and Greater Newcastle Metropolitan Plan 2036. The Hunter and Central Coast Development Corporation (HCCDC) is the Committee's Chair.

The GN UDP Committee (the Committee) does not have a statutory role, nor does it assume the regulatory functions of State or Local Government. However, it has created an important mechanism for key government and non-government stakeholders to meet regularly, share knowledge regarding challenges to the supply of housing and employment land, and work collaboratively to solve problems, particularly those associated with planning, funding and delivery of infrastructure needed to support new homes.

The cross-sector GN UDP Committee includes members from:

NSW Government

HCCDC (Chair)
DPIE (Hunter Regional Team)
Dpt of Regional NSW
Transport for NSW
Hunter Water
AusGrid

Greater Newcastle Councils

Cessnock City Council
Newcastle City Council
Lake Macquarie City Council
Maitland City Council
Port Stephens Council

Property Industry

Urban Development Institute of Australia
Property Council of Australia
Housing Industry Association
Planning Institute of Australia

2.4 Greater Newcastle UDP Committee Terms of Reference

The below Terms of Reference describe the remit of the Committee. The Committee will take a whole-of-region approach and ensure consistency with regional objectives in its assessment of issues and advice regarding urban (housing and employment) land supply.

1. Collect, publish and evaluate data on employment land development monitoring (ELDM), housing completions and forecast housing completions, with reference to housing location targets and objectives contained within the Hunter Regional Plan and Greater Newcastle Metropolitan Plan.
2. Identify opportunities that accelerate the supply of land, housing and employment opportunities, and suggest initiatives, including advice on timing and sequencing of land release, that may result in additional housing and employment delivery above the Department's short-term forecasts.
3. Identify infrastructure requirements and suggest prioritisation in relation to land, housing and employment supply growth and provide advice to DPIE, for consideration by the ESC as required, on the growth implications of the approval and construction of prioritised infrastructure.
4. Provide advice to DPIE and the ESC, as required, on the implications of rezonings and the approval of land release subdivisions.
5. Provide advice on how to best meet the Hunter Regional Plan and Greater Newcastle Metropolitan Plan objectives and targets for housing growth in centres and corridors, as well as an increase in the proportion of infill and higher density residential development.
6. Provide advice on how state and local biodiversity policies impact on urban development delivery and timing and provide recommendations on how to best achieve environmental and development outcomes.
7. That Committee members will table all funding opportunities available to address growth.

It should be noted that the Terms of Reference are currently under review following a review of the Program in 2020 (See section 2.5).

2.5 2020 Review of the Greater Newcastle Urban Development Program

Using the NSW Government's Benefits Realisation Framework, HCCDC engaged with the GN UDP Committee members to review the GN UDP. The purpose of the review was to understand what was working well, what was not working and how to improve the Program.

Key benefits of the Program include:

- The Program has enabled strong collaboration between the Committee Members – this has resulted in a stronger understanding the challenges and barriers to housing supply and infrastructure issues
- Commencement of publishing of an Annual UDP Reporting, although only one report (2019) has been published to date

Key challenges identified included:

- Accessibility to data and evidence is limited to annual reporting, rather than more regular real-time reporting
- Not enough focus on infill data and associated infrastructure needs
- Lack of understanding of how State VPA funding is allocated, despite the Committee contributing to the selection process

As a result of the review, key recommendations include:

- Review and update of the Program Terms of Reference
- Continue building a strong evidence base as a critical action to achieving the goals of the GN UDP, particularly in understanding why enabling infrastructure (roads, water, power) lags behind approvals for new housing in greenfield
- Continue regular reporting, with a move from annual 'paper based' report to more regular reporting published regularly by DPIE
- Creating a stronger focus around infill development and associated infrastructure required to support it
- Increasing the awareness of the GN UDP and increase the influence of the Program particularly in identifying enabling infrastructure required to support new housing

Case Study: Cessnock Infrastructure Assessment Pilot Project

DPIE is investigating the creation of an infrastructure assessment framework to better align decisions about housing growth and associated enabling infrastructure. DPIE is conducting a pilot study in the Cessnock Local Government Area, which is expected to be one of the fastest growing LGAs in NSW over the next few years.

The purpose of the study is to create an assessment framework to better inform the identification and prioritisation of state and local infrastructure needs over the short, medium and long term. The study was limited to enabling infrastructure to unlock housing supply (roads, water, power) rather than broader infrastructure needs (public transport, schools).

A key finding of the Cessnock pilot is clearly articulated in this diagram.



3. Alignment of GN UDP with NSW Housing Strategy

The GN UDP should be acknowledged as an important mechanism to achieve the NSW Government's 20-year vision for housing in NSW, as articulated in *Housing 2041*.

In particular, GN UDP primary objective of collecting data to inform decision making aligns with 'Priority Area 1' which to enable access to and promote the use of data and evidence-based decision making.

The Committee hopes that the proposed Housing Evidence Centre (Action 1.1.1) will be established quickly, and include working with the GN UDP Committee to strengthen data collection and enable regular publishing so the data can be uses across government and industry sectors.

It is important for the Regional Housing Taskforce to recognise the GN UDP Committee already represents and cross sector collaboration model (Action 1.3).

It is also pleasing to see the action of establishing an Urban Development Program for Greater Sydney (Action 1.3.1). There is a significant opportunity for the GN UDP to work collaboratively with the Greater Sydney UDP once established.

4. Strengthening the GN UDP through resourcing data collection and analysis

Since establishment in 2018, the GN UDP has started to demonstrate value in identifying barriers to housing supply in Greater Newcastle.

A key benefit has been the establishment of cross-sector collaborative governance framework made up of NSW Government agencies and infrastructure providers, the five Greater Newcastle Councils, and development industry representatives. The shared understanding of the challenges faced in Greater Newcastle is the first step in enabling the Committee to identify the solutions.

It is understood that DPIE's current review of the Hunter Regional Plan will included consideration of how the GN UDP can be better used to inform decisions regarding release of land and coordination of enabling infrastructure.

However, the key challenge faced by the Program is the lack of resources to collect and publish data that can inform decision making. The Cessnock Infrastructure Assessment Pilot study has shown the benefit of collecting data about infrastructure barriers. However, the study was limited by resourcing and has recommended further analysis be completed.

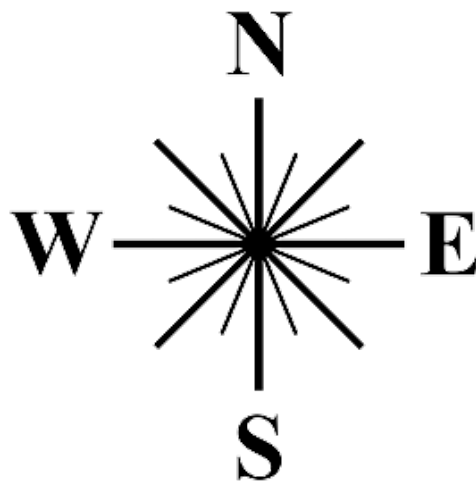
It is hoped that through the establishment of the Housing Evidence Centre, as well as the Greater Sydney UDP, the GN UDP can be properly resourced to collect, publish and use data to inform good decisions regarding housing.

Submission to the NSW
Regional Housing Taskforce

by

Central Darling Shire Council

August 2021



Executive Summary

Far Western Regional NSW faces unique housing challenges particularly for Aboriginal housing, linked to diverse economic, environmental, and social pressures, with a complex Policy context.

Population growth is projected for our indigenous communities in the following cohorts: children, working age population, the retired age and there is an urgent need to address the issue of overcrowding of housing.

This submission focuses on the issue as it pertains to Central Darling Shire Council, in particular the settlements that have a large Aboriginal population of Wilcannia, Menindee, and Ivanhoe.

It is well recognised over many years that the quality and timely supply of Aboriginal housing has led to significant overcrowding, with multigenerational of families living in a dwelling. Overcrowding is simply when the dwelling size is too small for the size and composition of extended families living in it.

This situation contributes to poor health and social outcomes to an already at-risk population.

This issue has again been brought to the forefront in the current COVID-19 Pandemic outbreak in Wilcannia, where the task of isolating infected patients is near impossible. This has left to emergency management scrambling to find solutions to a long-term legacy accommodation issue.

This represents a massive failure of Government over many years to address the basic human right of shelter, despite the warning signs contained in various reports and submissions.

Council is pleased to contribute to the evidence base identifying housing challenges to inform future Government Housing Initiatives.

Recommendations

Council recommends:

- 1. That the Minister of Planning and Public Places prepare a Strategic Planning Document addressing Aboriginal Housing in Far West NSW.**
- 2. That the provision and supply of Aboriginal Housing be listed as a Priority in the Housing 2041 – Strategy and Action Plan.**
- 3. That an Action Plan be prepared in consultation to fund and deliver Aboriginal Housing in rural and remote communities in the Far West NSW as a matter of urgency.**

Background

Central Darling Shire encompasses an area of over 53,000 square kilometres and is the largest Local Government Area (LGA) in New South Wales. Despite this vast land area, the Shire's population is only around 2000 people, one of the lowest of any Local Government Area in Australia. Aboriginal people comprise around 50 percent of the Central Darling population.

There are four (4) main communities within the Shire including Ivanhoe, Menindee, Wilcannia, and White Cliffs. In addition, there are several smaller rural localities which include Darnick, Mossgiel, Sunset Strip and Tilpa. All of these communities differ greatly in their demographics, local economies, and Aboriginal and European cultures.

The Shire is bisected by the Darling/Baaka River and the important wetlands encompassing the Menindee Lakes system. The local economy is based on a mixture of pastoral, horticultural, agricultural, mining and tourism activities. Rural grazing properties represent the largest land use within the Shire, accounting for ninety-seven percent (97%) of the entire area. The Council shares its borders with neighbouring Shires including Bourke, Cobar, Carrathool, Balranald, Wentworth, and the Unincorporated Area. Broken Hill is the major service centre for the region, with the surrounding towns using the city for its wide range of facilities and services.

The challenges faced by communities within this vast area are significant. Towns and villages are remote, separated by considerable distances and many of the connecting roads are unsealed and impassable following large amounts of rain. In addition, the loss of sustainable water flows in the Darling River, the lack of dependable drinking water supplies, inadequate telecommunications infrastructure, insufficient housing and the high costs of goods and services are just some of the hardships that Far West communities continue to endure.

Council welcomes the Taskforces to work on this important matter.

Central Darlings Shire Advocacy

Council has for many years advocated for additional housing to address the issue of overcrowding. Following the sale of land for unpaid Rates, Council offered several blocks in Wilcannia for Aboriginal Housing to the NSW Government.

The lack of housing in Wilcannia can be demonstrated by the number of houses which are seriously overcrowded. Of the Local Land Councils', sixty-four (64) properties, two thirds range from moderate to severe overcrowding.

Thirty-five (35) three-bedroom houses have three (3) generations of family: aunts, uncles, cousins living in the one house – between five (5) to twelve (12) people. Loungerooms become bedrooms – bathrooms and kitchens require constant repairs due to overuse. One property has two (2) caravans to accommodate the overflow from the house.

The issues around housing are complex and they must be address. For example:

1. Applications for housing can only be done online, limiting Aboriginal people's ability to apply due to lack of access to computers. Hard copy applications for housing are not available in the community. The Wilcannia Safe House does assist women only in applying for housing.
2. The Confirmation of Aboriginality Statutory Declaration put out by FACS is often not accepted as Proof of Aboriginality, and only a Local Aboriginal Land Council member can get a Confirmation of Aboriginality.

3. Aboriginal people do not apply, as the applications require applicants to agree to accept a tenancy in another town.
4. Mid Lachlan Aboriginal Housing Management Corporation, which manages the Wilcannia Aboriginal Land Councils' sixty-four (64) properties, has their own housing applications and these are not reflected on the State list.
5. Large numbers of people know there are no local rental properties, so they do not apply. Most rental properties exceed the number of tenants stated on Rental Agreements.

The timely provision of services and appropriate infrastructure in Far Western NSW is problematic, but this should never be an excuse for inaction.

Timeliness and strategic planning are critical issues and there is a case to require the Central State Planning Agency to prepare an Annual report on Housing Stock and land availability by LGA and Region. The report should include analysis of housing demand, particularly for our Aboriginal community so that this long-term legacy issue may be considered and address.

Housing supply and Action Plans must be part of Regional Plans.

Central Darling Shire Community Strategic Plan

Over the past 12-months, Council has been consulting with its community to develop a new Community Strategic Plan 2022-2032 for Central Darling Shire.

It is important to emphasise that this is *not* a Council plan. Whilst Council has coordinated the process to develop the plan, it is owned by the communities of Central Darling Shire and represents the voices of our community. It provides a comprehensive account for their long-term goals, aspirations, and priorities for the future of their towns and village and the Shire.

Housing was very much an issue of concern and the communities' comments are set out below:

- *Insufficient housing stock to rent or buy in Wilcannia, Menindee, and Ivanhoe.*
- *Chronic overcrowding in many houses with a significant number of houses that are dilapidated and uninhabitable and/or in urgent need of repairs.*
- *Inadequate mix of housing to reflect the needs, constraints and living situations of families and individuals – from granny flats and small houses to larger family homes.*
- *Very low Rates of Home Ownership and little or no prospect of Ownership.*
- *Disproportionately high Property Rental prices.*
- *Difficulties in securing loans based on the postcodes.*

Supporting Evidence

Maari Ma Health

Maari Ma Health is an Aboriginal community-controlled health organisation based in Broken Hill, dedicated to improving the health outcomes for communities in the Far West Region of New South Wales with a special focus on Aboriginal health.

Maari Ma began in 2009, publishing a strategic framework document titled *Health, Development & Wellbeing in Far Western NSW – Our Children & Youth* for Aboriginal Child Development and wellbeing for its service area in Far West NSW in conjunction with several State and Local Agencies.

Maari Ma has followed several indicators over time to monitor progress against Closing the Gap targets for Aboriginal Children in the Maari Ma Region and NSW.

One indicator is Housing overcrowding and stability, and this report provides an insight into the Aboriginal Housing problem in Far West communities.

Overcrowding occurs when the Dwelling size is too small for the size and composition of the household living in it. It causes stress on kitchens, bathrooms, laundry facilities, and sewerage systems, which in turns increases the risk of spreading infectious diseases between residents and places unnecessary strain on interpersonal relationships and community social outcomes.

Whilst the report indicated there has been an improvement since 2016, the issue still remains. The percentage of overcrowded housing continues to nearly double as other households in NSW.

https://maarima.com.au/uploads/documents/MM_CHP_Report_2019.pdf

Murdi Paaki Regional Plan, 2016

The Murdi Paaki Regional Assembly (MPRA) is the peak Aboriginal Governance Body for the Murdi Paaki Region representing the interests of Aboriginal and Torres Strait Islander peoples throughout Western NSW.

The Murdi Paaki Regional Plan, 2016 sets out the actions and brings together the needs, aspirations, and priorities of all Aboriginal communities across the Region and take from Community Action Plans.

MPRA has identifies as a Policy priority the need to increase the stock of social housing across the Shire to respond to housing needs and support individual Aboriginal home ownership.

Housing in each community must take into account homelessness; crowding; housing needs of elder persons; access to emergency housing; needs of young people and those in the phase of family formation; and hostel accommodation for specific grounds such as those requiring health care, offenders seeking re-integration into the community, and other special needs categories.

Population growth is projected for the Aboriginal population in all age cohorts: children, working age population and the retired age cohort and there is an urgent need to address this issue.

State Response

Housing 2041 represents a 20-year vision for housing in NSW. It embodies the Government's goals and ambitions to deliver better housing outcomes by 2041 – housing in the right locations, housing that suits diverse needs and housing that feels like home.

The actions for Housing 2041 are embedded in a Strategic Framework and are united under the vision to ensure that NSW will have housing that supports security, comfort, independence, and choice for all people at all stages of their lives.

Accompanying Housing 2041 is the Housing 2041 2021-22 Action Plan.

The Plan contains several actions notably:

Support better outcomes for Aboriginal people and communities and foster collaboration between mainstream community housing and Aboriginal community housing provides on housing renewal projects on Land and Housing Corporation-owned land.

Conclusion

Aboriginal Housing needs must be addressed and be a part of Regional Plans and Development programs. Support should be targeted to specific needs and programs be a part of delivery to ensure that ongoing community capacity is developed to deliver maintenance and repair programs by local Aboriginal people.

There is a need to provide diverse housing types to address social and affordable requirements of today and into the future. Diverse housing approaches are required which are affordable (remote location cost factor), appropriate (respond to current and emerging demographics), ensure affordable living (i.e., energy, water, and transport), and are resilient.

Designs must be environmentally, culturally, and spiritually responsive for remote and very remote Indigenous communities. The housing must be well-built, meet people's real needs, and should be part of Regional Action Plans.

The upcoming update of the Far West Regional Plan provides a unique opportunity to incorporate this approach to build resilience into local communities. Housing is a critical factor in an individual and the communities' wellbeing and the planning process must identify the needs and provide proactive leadership and solutions.

Yours sincerely,



R K Stewart
Administrator

Wednesday, 1 September 2021

Community supported accommodation for Wilcannia

NSW Health is establishing community support accommodation in Wilcannia to further assist the close contacts of people with COVID-19 to isolate safely and effectively, if they cannot do so at home.

A community of motorhomes will be established at the council-owned campervan site in Wilcannia, which already has access to power, water, and waste disposal services.

Thirty motorhomes will be deployed to Wilcannia, with the facility planned to be operational from Monday 6 September.

This option provides a respectful and appropriate environment to safely isolate for the Wilcannia community. It can also be established quickly, scaled up or down easily if required and managed in a practical way.

Each motorhome has heating and cooling and includes living and bedroom accommodation, kitchen, toilet, a shower, and radio/television. The campervans are well insulated to cater for the variable weather in Far Western NSW.

Initial consultations were held with key members of the Wilcannia Community regarding the deployment of motorhomes and it was positively received.

As we work through the establishment of the facility, we will be meeting again with the local community to share information and answer questions.

Following community consultation, Health Infrastructure developed the plan for the community support accommodation in Wilcannia in consultation with Far West Local Health District (LHD), Central Darling Shire Council, Aboriginal Affairs NSW, the Local Emergency Management Committee, and the NSW Rural Fire Service.

Far West LHD has standing COVID-19 plans and procedures in place, which are being continuously enhanced to ensure the safe isolation of people with COVID-19.

A COVID Community Response Team has been established to ensure the continual monitoring and evaluation of isolated patients to provide a safe and timely coordinated health and welfare response.

Throughout the pandemic the NSW Government has provided temporary accommodation options for people, including staff and community members, that need to self-isolate out-of-home to help protect their loved ones and reduce the risk of transmission of the virus.

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Wednesday, 1 September 2021 1:38:22 PM
Attachments: [hia-submission-regional-housing-taskforce-august-2021.pdf](#)

Submitted on Wed, 01/09/2021 - 13:35

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

David

Last name

Bare

I would like my submission to remain confidential

No

Info

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Suburb/Town & Postcode

Macquarie Park 2113

Submission file

[hia-submission-regional-housing-taskforce-august-2021.pdf](#)

Submission

Please find attached a copy of the Housing Industry Association's submission to the NSW Regional Housing Taskforce. Thank you for allowing an extension of time for our submission.

I agree to the above statement

Yes



HOUSING INDUSTRY ASSOCIATION



Submission to NSW Government

**Regional Housing Taskforce
August 2021**

Submission made 1 September 2021



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ABOUT THE HOUSING INDUSTRY ASSOCIATION

The Housing Industry Association (HIA) is Australia's only national industry association representing the interests of the residential building industry.

As the voice of the residential building industry, HIA represents a membership of 60,000 across Australia. Our members are involved in delivering more than 170,000 new homes each year through the construction of new housing estates, detached homes, low & medium-density housing developments, apartment buildings and completing renovations on Australia's 9 million existing homes.

HIA members comprise a diverse mix of companies, including volume builders delivering thousands of new homes a year through to small and medium home builders delivering one or more custom built homes a year. From sole traders to multi-nationals, HIA members construct over 85 per cent of the nation's new building stock.

The residential building industry is one of Australia's most dynamic, innovative and efficient service industries and is a key driver of the Australian economy. The residential building industry has a wide reach into the manufacturing, supply and retail sectors.

Contributing over \$100 billion per annum and accounting for 5.8 per cent of Gross Domestic Product, the residential building industry employs over one million people, representing tens of thousands of small businesses and over 200,000 sub-contractors reliant on the industry for their livelihood.

HIA exists to service the businesses it represents, lobby for the best possible business environment for the building industry and to encourage a responsible and quality driven, affordable residential building development industry. HIA's mission is to:

promote policies and provide services which enhance our members' business practices, products and profitability, consistent with the highest standards of professional and commercial conduct.

HIA develops and advocates policy on behalf of members to further advance new home building and renovating, enabling members to provide affordable and appropriate housing to the growing Australian population. New policy is generated through a grassroots process that starts with local and regional committees before progressing to the National Policy Congress by which time it has passed through almost 1,000 sets of hands.

Policy development is supported by an ongoing process of collecting and analysing data, forecasting, and providing industry data and insights for members, the general public and on a contract basis.

The association operates offices in 22 centres around the nation providing a wide range of advocacy, business support services and products for members, including legal, technical, planning, workplace health and safety and business compliance advice, along with training services, contracts and stationery, industry awards for excellence, and member only discounts on goods and services.

1.0 INTRODUCTION

The Housing Industry Association (HIA) is pleased to make a submission to the NSW Regional Housing Taskforce (the taskforce).

Conversations about the planning and development of housing in regional NSW are highly important to our members, some of which have participated in the taskforce's online forums held over the past few weeks.

Prior to the setting up of the taskforce, HIA had already been working with the Economics and Land Use Forecasting Team in DPIE, to identify current trends and issues with housing demand and supply in regional areas.

The Economics and Land Use Forecasting Team have met with HIA's regional committees in the Illawarra/Shoalhaven and Northern NSW to discuss issues relating to the planning system, housing demand and land supply, labour and materials shortages. DPIE planners and economists explained that they were keen to meet with our regional committees to get direct feedback from builders, developers and material suppliers involved in the housing industry.

This submission is structured to provide comments on the following inquiry streams within the taskforce forums:

- Critical housing issues and drivers
 - Population and migration patterns
 - Housing supply and shortages
 - Housing affordability and diversity
- Barriers to housing delivery
 - NSW Planning system
 - Shortages of land, labour and materials

HIA is supportive of the research work that the taskforce is undertaking into regional housing matters and we look forward to continuing to provide input into policy development work over the coming months. Furthermore, members from our NSW Planning Committee would be pleased to meet with the taskforce to provide any further information and insights into regional housing issues if this would assist.

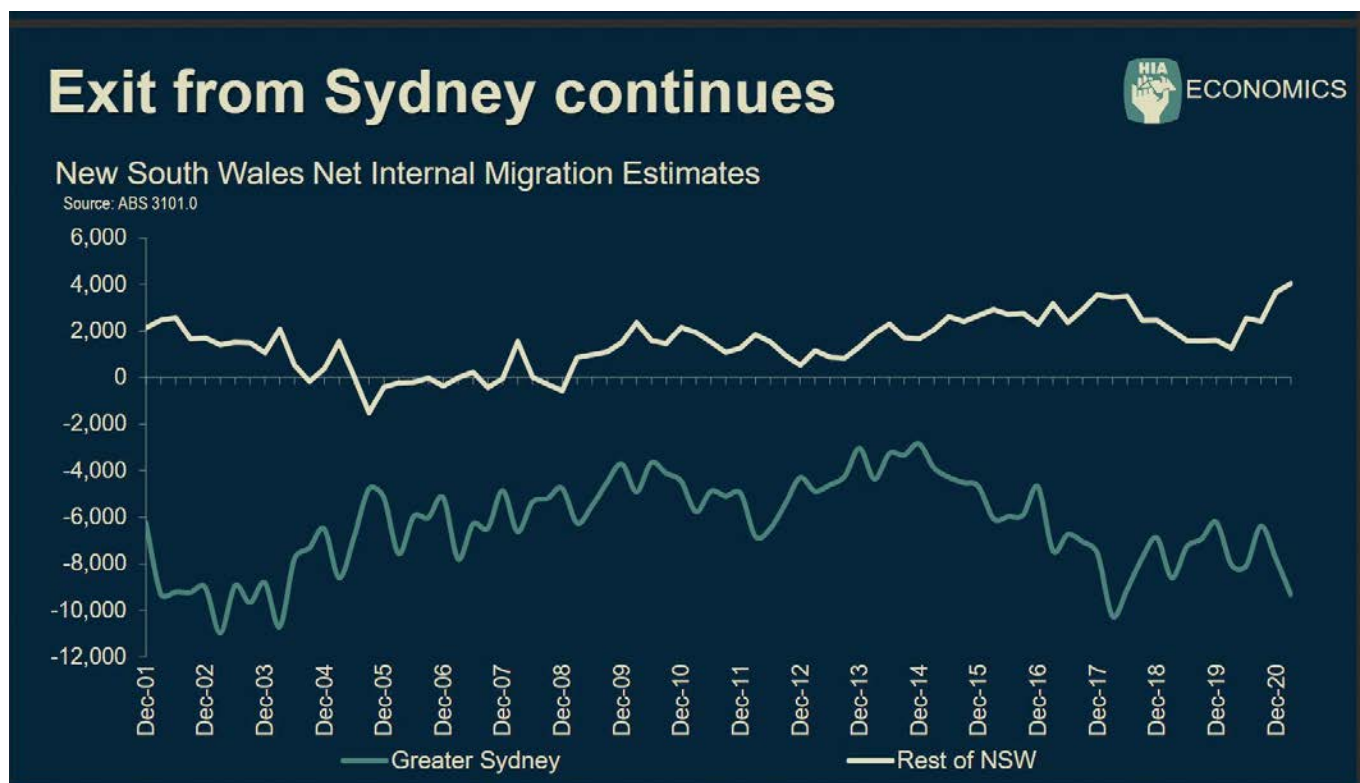
2.0 CRITICAL HOUSING ISSUES AND DRIVERS

POPULATION AND MIGRATION PATTERNS

For a long time Greater Sydney has seen population losses to both intrastate and interstate destinations. This intra-regional shift is driven by the usual cycle of sea changers and tree changes and those moving to retirement. However, net internal population migration to regional NSW has become more pronounced since the onset of the COVID-19 pandemic (the pandemic).

The intrastate migration trend can be attributed to changes in workplace from city offices to home, and the ability to live further from work. This is together with young adults and students returning from the city to their family homes in regional areas, and now two years of school leavers remaining in the regions, rather than moving away for university or first jobs.

NSW net internal migration patterns are shown in the graph below.



Source: HIA Economics

Regional migration data for 2019 and 2020 is provided in the table over-page. You will note that in 2020 Sydney had 10% more people leave the city than in 2019, while regional NSW received more than double the inward population migration numbers (+110%) compared to the previous year.

NSW MIGRATION DATA 2019 TO 2020

| | Greater Sydney | | | Rest of NSW | | |
|---------------------|----------------|------------|---------|-------------|------------|--------|
| | Intrastate | Interstate | Total | Intrastate | Interstate | Total |
| 2019 | -13,995 | -14,473 | -28,468 | 13,995 | -7,974 | 6,021 |
| 2020 | -17,896 | -13,668 | -31,564 | 17,896 | -5,205 | 12,691 |
| Year on Year change | 27.9% | -5.6% | 10.9% | 27.9% | -34.7% | 110.8% |

Source: HIA Economics

HOUSING SUPPLY & SHORTAGES

The following comments about regional housing demand, supply and shortages have been provided by HIA members, including matters raised at the DPIE / HIA regional workshops held with our Illawarra / Shoalhaven and North Coast committees in June and July 2021.

Inland cities and towns

- In the inland cities and shires there is very little supply of housing available for rent or for purchase, which is severely hampering regional growth. The supply that is available is mostly 3-bed plus and not consistent with the needs of the market. Vacancy rates are at almost zero for both purchase and rental.
- Inland cities have massive skill shortages partially arising from the inability to secure housing
- This shortage has been generated not by influx of people but people not leaving. The low interest rate regime has in fact contributed.
- There is a real mismatch between supply of product and actual demand.
- It is also the case single person households have far less options in these towns.

Illawarra / Shoalhaven

- People are now able to live in Illawarra as they can work from home and travel to the Sydney office once a week. However, people are starting to be pushed further down the coast to buy homes as they are being priced out of the market, in the more central Illawarra / Shoalhaven locations.
- There is extra demand for new homes arising from the Homebuilder Grant (the grant). The grant brought a lot of first time buyers to the market, as that group were more able to qualify for the \$750,000 threshold. Others used the grant for renovation work.
- There is no land available for new homes and it takes a long time to get new land to the market. Any new land that does become available gets 'snapped up' quickly.
- Before the pandemic there was a sense that demand for building work was falling, but now with everyone at home there has been a growth in demand for both new homes and renovations. People now need different things from their homes and generally have more cash available as they are no longer going on holidays.
- There are shortages in the rental market. It is difficult to get find rental property and people are paying 6-months rent upfront to secure a rental home and they need impeccable references.

North Coast

- There is a shortage of land which means that new land gets sold straightaway. However, the land shortage is not just related to the pandemic, as it is a longer term problem for the North Coast.
- There have been many different issues happening at the same time with the region still recovering from bushfires and floods, as well as dealing with the pandemic.
- There was reporting of local trends on the North Coast with 'mums and dads' building in Tamworth, rather than retirees or investors.
- There is a shortage of land in Wauchope with people moving to the town from Port Macquarie and recent subdivisions sold out in one day.
- The renovation market has also started to move quite quickly, with a lot of kitchen and wet-area refurbishment work in Armidale, with people qualifying for the Homebuilder grant. With lockdowns and no travel, people have money to spend on renovations and refurbishments.
- In Tamworth there are only a few houses left to rent, with people moving from Sydney and other coastal areas including Newcastle. New arrivals are working remotely or finding new work locally.
- Rental property is virtually non-existent with vacancy rates under 1.0%.
- People are also now looking for bigger homes.

HOUSING AFFORDABILITY AND DIVERSITY

Housing affordability has become a national issue and since the commencement of the taskforce, the Australian Government has announced a Parliamentary Inquiry into housing affordability and supply in Australia. The Chair of the Committee, Mr Jason Falinski MP, has said the following:

As data provided by the Reserve Bank of Australia (RBA), the Treasury and the Australian Bureau of Statistics (ABS) shows, home ownership, one of the building blocks of Australian society, has been falling for the last 30 years. In my view, this represents an urgent moral call for action by governments of all levels to restore the Australian dream for this generation and the ones that follow.

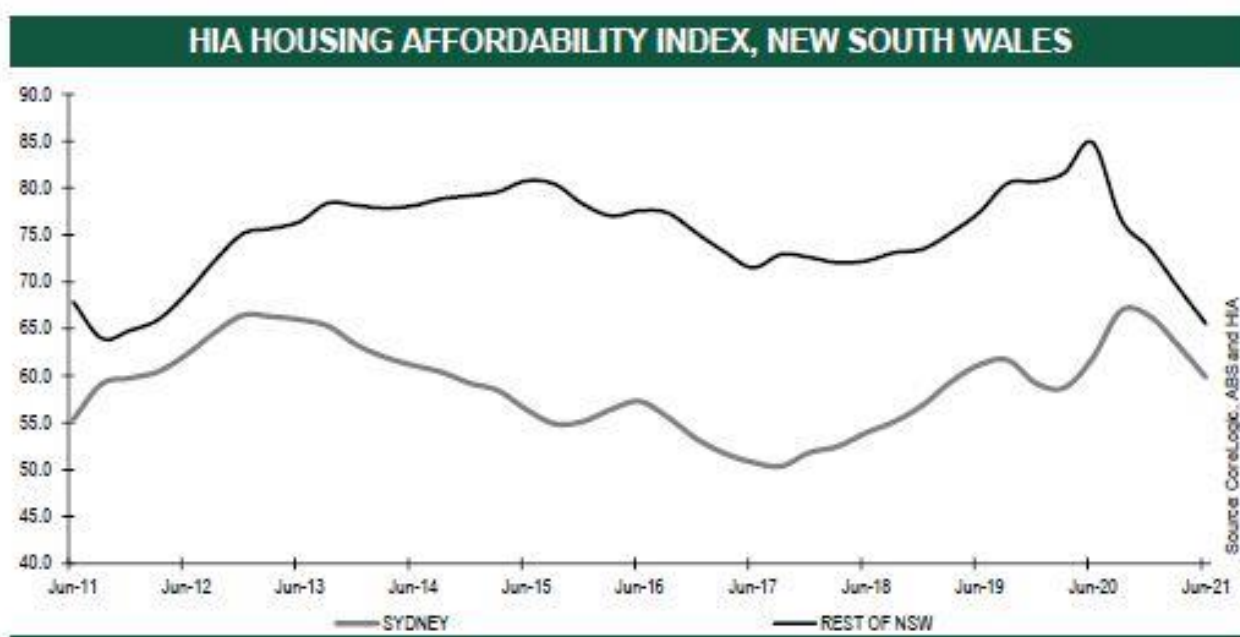
HIA prepares an affordability index for each of the nation's capital cities and regional areas on a quarterly basis and takes into account the latest dwelling prices, mortgage interest rates and wage developments. The most recent data shows that over the past twelve months regional NSW has experienced the biggest deterioration in affordability across the nation, down by 22.8 per cent over the year, as shown on the table over page:

HIA Housing Affordability Index by Region – June Qtr. 20- June Qtr. 21

| State | Capital City | Rest of State |
|-----------------|--------------|---------------|
| NSW / Sydney | -3.3 | -22.8 |
| VIC / Melbourne | -3.8 | -6.5 |
| QLD / Brisbane | -6.3 | -10.3 |
| SA / Adelaide | -8.7 | -8.1 |
| WA / Perth | -5.5 | -0.6 |
| TAS / Hobart | -18.7 | -13.6 |
| NT / Darwin | -13.0 | -8.6 |
| ACT | -10.2 | - |

Source: HIA Economics

The following graph provides additional data for Sydney and Regional NSW showing the change in housing affordability over the past ten years.



Specific comments about regional housing affordability has also been made by HIA members, as follows:

- Affordability has been an ongoing issue for years but is now exacerbated because of the pandemic.
- Stamp duty is too expensive, especially for first time buyers, with most first time buyers not under the exemption threshold in Wollongong and the Illawarra.

-
- In the Illawarra, people are starting to be pushed further down the coast to buy homes as nearer towns to Sydney, are being priced out of the market. Wollongong is essentially becoming a suburb of Sydney. It was suggested that you cannot get a home rental in the Illawarra for under \$500 per week, unless it is for a one-bedroom unit.
 - There are also shortages in the private rental market – it is difficult to get rental properties and people are paying six-months rental upfront to secure a place to live, with applicants also needing impeccable references.
 - There is no doubt that growth in Airbnb has made a huge impact on long-term rental availability, owners and investors are now making more money from short-term rather than longer-term rentals.
 - There is increasing demand for diversity in housing type including medium density products and also secondary dwellings (granny flats).

3.0 BARRIERS TO HOUSING DELIVERY

NSW PLANNING SYSTEM

There are challenges and barriers arising from the NSW planning system that the industry face in the delivery of housing in Regional NSW. The most common of these barriers can be outlined as follows:

- There is a need for more certainty in the planning system, it can take takes five to seven years to get land zoned and then once the land is zoned it doesn't mean you can develop it. There is a long time to wait and then no certainty. More detail about this is available in HIA Policy on *Truth in Zoning* and a copy is attached to this submission.
- Post zoning issues regularly arise with the need for DA submissions to redo work done at the rezoning stage, together with enquires and post-zoning involvement by other government agencies causing unnecessary delays.
- There needs to be better coordination between government agencies early in the process, not at the end. For example, energy and power supply are assessed and approved outside of the planning process and timelines and design are creating large delays to medium density development.
- All duplication in the rezoning and DA processes needs to be removed.
- The government should play a bigger part in delivery of serviced land for housing, including the co-ordination and timeliness of land supply.
- The prohibitive cost of infrastructure imposed on individual developments cannot be sustained.
- Land that has multiple ownership is much more difficult to acquire and the land ownership may take years to negotiate which has a significant delay on the approvals for land.
- Small lot and small unit development is not feasible for developers but there is a demand that needs to be identified and satisfied. Planning controls hinder small lot developments with minimum lot sizes and other DCP controls that should be relaxed. There may be a need for government to become proactive in the market to get small lots happening with for example, land dedication or community housing projects to engineer outcomes to simply get the product going.
- Council's steadfast reliance on DCP controls is stifling modern and innovative design. Further, the application of DCPs is inconsistent and can vary between development proposals making it difficult for industry to see consistency in what is acceptable and what is not. In NSW it is often the case that far too much emphasis is placed on compliance with DCP controls, rather than good planning outcomes.
- The cost and time spent on meeting regulation and compliance is becoming prohibitive for the industry.
- Regional councils have been struggling with the introduction of the NSW Planning Portal and onboarding ePlanning. This has caused delays in the lodgment and assessment of DAs and frustrations for both councils and applicants. Some regional councils are struggling with the specialist skills needed for the roll-out of the new ePlanning technology.

-
- There are delays in DA assessment times in regional councils due to large volumes of applications and on occasions, shortages of staff.
 - There is some resistance to urban change from the community that is putting pressure on councils to resist change, particularly apparent in regard to the recent conversations about local character.

SHORTAGES OF LAND, LABOUR AND MATERIALS

A shortage of land, labour and materials in regional NSW has pushed new home costs higher. There is not enough land being released which is pushing up the price of land that is available. In addition, timber, steel, PVC pipes, fittings, electrical equipment and tiles are all in short supply due to factors including global shortage of shipping containers, and domestic production of structural timber nearing capacity.

Completions of new homes are now being delayed due to constraints on materials and labour.

In the June 2021 quarter, input prices for house construction jumped by 2.6 per cent, representing the sharpest quarterly jump on record since the 1990s. The largest price rise is for timber-related products, while the price also increased for steel products, pipes and fittings, electrical equipment and tiles.

In March 2021, HIA conducted a survey of its members in which 80 per cent of respondents stated that disruptions to the supply chain had resulted in product or input shortages for their business. The *HIA Trades Report* also found the current shortage of labour is nearly as severe as any time in the last 20 years. Similarly the HIA-CoreLogic Land Report found sales of shovel-ready blocks fell in the March 2021 quarter.

The following comments about land, labour and materials shortages were raised at the DPIE / HIA regional workshops held with our Illawarra / Shoalhaven and North Coast committees in June and July 2021.

Illawarra / Shoalhaven

- There is a shortage of timber, resins and paints which has led to significant price increases and some products being unavailable such as timber beams, frames and trusses. Builders have slabs down but cannot complete the build in usual timeframe due to materials shortages.
- Delays in build and rising costs of materials lead to contractual issues with the client. How do you go back to the client to ask for more money to cover the increase in materials costs?
- Some suppliers are only providing quotes for the larger project builders and are bypassing the small to medium parts of the industry.
- The price of steel has escalated.
- There is also a shortage of cabinetry hardware such as hinges and drawer runners as key supplies are produced in Europe and are being kept for the local markets.
- There are serious shortages of skilled trades and apprentices. This skill shortage is across all trades from cabinetmakers through to concreters.

-
- It is important to promote apprenticeships in the regions as a career pathway for school leavers. However school leavers can get more money working part-time in retail / hospitality than in learning a trade in construction.
 - There are not enough incentives for employers to take apprentices on and the school system now wants to keep everyone up until Year 12. Traditionally apprentices started after year 10 and when this was the case a wage of \$300 a week or under wasn't an issue.
 - The industry cannot afford to take on mature age apprentices as their pay rate is too high.
 - There is also a shortage of TAFE places for apprentices, with this shortage evident before 2021.
 - Families are also concerned about risk of injury to young apprentices in trades.
 - As all markets are busy nationally there is no internal migration for skilled labour as whole country is experiencing a construction boom.
 - The high demand for trades means that they are lifting their rates.
 - Trades can get much higher rates in Sydney than in the regions and it is also hard to find accommodation in the regions.
 - There are also labour and skill shortages in the manufacturing / supply side of the industry such as window manufacturers.

4.0 CONCLUDING STATEMENT

Thank you for inviting HIA and its members to participate in the Regional Housing Taskforce workshops and for inviting us to make this submission on the challenges and barriers that the housing industry is facing in regional NSW. We would be pleased to provide clarification or further information on any of the comments that we have raised within this submission.

HIA looks forward to reading a copy of the taskforce's final report to the government, and also a plan for the implementation of the taskforce's recommendations.



Truth in Zoning

Policy Background

- The supply of land for housing development is influenced by zoning, subdivision approvals and the development approval process.
- Developers and builders face a range of barriers to building on residentially zoned land that can be applied at any stage of the land and housing supply pipeline.
- Many constraints affecting the supply of land for housing:
 - emerge in planning scheme requirements after land has been zoned for residential purposes;
 - have a layered approach and a cumulative effect on the development that can ultimately take place on a single parcel of land;
 - can quarantine or sterilise land from development at any stage of the process, despite being zoned for residential purposes;
 - can relate to the risk of natural hazards or to broader social or environmental concerns that are not specific to a single parcel of land; and
 - are being applied to zoned land retrospectively.
- Some constraints relate to mapping of natural threats such as anticipated threat of bushfire or sea level rise/inundation, threatened species identification.
- Others can be non-environmental and can include heritage matters, presence of easements and other design and development related requirements.
- While each is a potentially valid claim for land to be preserved or development to be managed in a specific way, in many cases the request by authorities to address these constraint is made at an inappropriate stage of the development process resulting in significant delays and additional costs.
- In some cases, this can result in highly valued residential land being removed from the land supply pipeline as no longer appropriate for development.
- The outcome is that despite land being residentially zoned the heightened level of uncertainty results in financial risk, additional costs, delays and ultimately a restriction on the supply of build ready land.
- Governments need to be responsible for providing greater certainty over when constraints are applied to land through the zoning, subdivision and development approval processes to ensure that land owners are aware of all potential matters that may affect the future use of that land for residential purposes at the earliest possible time.

HIA's Policy Position on Truth in Zoning

1. Governments (being all governments or relevant authorities) should provide certainty in the application of planning controls on residential land.
2. In applying planning and environmental controls to land, Governments should firstly verify and then disclose all known constraints which they intend to apply and at which stages of the development process.

3. The key stages at which known constraints should be declared and applied by governments are:
 - a. Designation for urban development;
 - b. Zoned for urban development;
 - c. Subdivision planning approval; and
 - d. Registration of title and sale or redevelopment of lots.
4. The known constraints should only be applied by Governments at the designated stage in the development assessment process. (as set out in Attachment A)
5. If a constraint is missed, or unknown, by a government at an earlier stage of development, it cannot be retrospectively applied unless appropriate compensation is provided to the property owner for the reduced development rights.
6. All major constraints on land should be accounted for by the build stage (that is prior to stage 4: registration of title) leaving builders, and home buyers, to only account for site layout, setback matters and known environmental constraints as outlined in council planning schemes.
7. Requests from councils to apply constraints that have no foundation in state planning schemes or documents incorporated within planning schemes should be rejected outright.

ATTACHMENT A – Constraints on Land and their Application by Authorities

This attachment seeks to provide a list of constraints that are typically applied in the zoning, subdivision and planning approval processes and nominates the preferred stages in the land supply pipeline that HIA considers they should be identified or applied (if they are to be included at all).

The changing planning environment means that this is an indicative list that remains live and able to be adjusted over time. HIA policy position sets out the nature of the problem and industry's preferred approach. The stages are intended to mirror the six stages of land development identified by the National Housing Supply Council (2010). For the purposes of this Policy they have been combined where appropriate.

Stage 1 Designation of Land for Urban Development Zone

The constraints listed below should be identified prior to designation of land of urban development zone.

| Constraints to be identified when land is Designation for Urban Development | |
|--|---|
| Open space | Open space allocation including major regional open space parks already operational includes State and National Parks |
| Airports | Location of airports and environs, includes any future airfields |
| Roads | Freight and major road links |
| Major Infrastructure | Pipelines for utilities including gas and electricity |
| Facilities for renewable energy | Any area set aside for wind farms or similar. |

Stage 2 Zoned for Urban Development

The constraints listed below should be identified prior to rezoning any land from a general Urban Growth/Future Urban zone or rural zonings to a specific purpose zone, e.g. residential, public land, special purpose zonings.

Also at this stage planning scheme overlays or structure plans may be prepared which might also seek to apply a constraint on land e.g. identification of flood prone land, heritage areas, site coverage (density), slip, slope, subsidence and so forth. These constraints should also be declared at this stage to increase certainty for land owners.

| Constraints to be Identified when land is Zoned for Urban Development | |
|--|--|
| Environment and landscape overlays | Could include environmental significance overlay Vegetation protection overlay Significant landscape overlay |
| Heritage and built form overlays | Heritage overlay Design and development overlay Incorporated plan overlay Development plan overlay Neighbourhood character overlay |

| Constraints to be Identified when land is Zoned for Urban Development | |
|--|--|
| Land management overlays | Erosion management overlay Salinity management overlay Floodway overlay Land subject to inundation overlay Special building overlay Bushfire management overlay State resource overlay |
| Other overlays | Public acquisition overlay Airport environs overlay Environmental audit overlay Road closure overlay Restructure overlay Development contributions plan overlay Toll Road overlay Parking overlay |
| Alpine areas | Framework for planning alpine resorts Sustainable development in alpine areas |
| Biodiversity | Protection of habitat Location of threatened species Native vegetation management |
| Sea level rise/coastal issues | Protection of coastal areas threat of coastal inundation and erosion |
| Bushfire | Bushfire planning strategies and principles |

Stage 3 Subdivision Planning Approval

The constraints listed below should be identified prior to the subdivision planning approval for lot designs. These constraints are normally addressed through the subdivision application process, whereby relevant studies are undertaken before the issue of a subdivision planning approval, and potentially, relevant actions are required to be carried out before the completion of a subdivision to confirm or address the impact of these constraints on land.

| Constraints to be identified by Subdivision Planning Approval | |
|--|---|
| Soil degradation | Use of contaminated and potentially contaminated land Erosion and landslip Salinity |
| Noise and air | Noise abatement, air quality |
| Water | Wetlands and storm water planning. |
| Heritage | Heritage conservation Aboriginal cultural heritage |

| Constraints to be identified by Subdivision Planning Approval | |
|--|--|
| Layout of built environment | Neighbourhood subdivision site and context description and design response Lot design location and design of residential development Access and mobility management Integrated water management Utilities location Any design requirements for safety Cycling networks |
| Location of commercial centres/public transport networks | Principal Public Transport Network Road system Waste and resource recovery |
| Community infrastructure | Health facilities Education facilities Day Care facilities Recreation facilities |
| Bushfire | Bushfire prone areas |

Where the 'subdivision planning approval' occurs after the civil works construction approval (and the required civil works are completed), the constraints in the table above should be identified during stage 2 (Rezoning).

Stage 4 Registration of Title

Once lots are registered and sold any constraints that continue to apply to future development of the site should only be those related to the individual lot. These constraints should be clearly specified in relevant publicly available planning information available to the owner of that site. The following matters may be identified as the remaining issues for consideration in the design of a new building:

| Constraints that are considered acceptable if applied to an individual lot (or group of lots) | |
|--|---|
| Planning requirements relating to the individual allotment may include: | <ul style="list-style-type: none"> • Site layout and building massing • On-site amenity and location of facilities/utilities • Detailed design factors • Neighbourhood character considerations • Single tree removal requirements • Restrictive covenants • Any common property type infrastructure required as a result of creating more than one allotment including utilities and creation of common property • Minimum floor levels (for construction in flood prone areas) • Bushfire rating levels (for construction in bushfire prone areas) |

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Wednesday, 1 September 2021 4:14:26 PM

Submitted on Wed, 01/09/2021 - 16:14

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Lorraine

Last name

Penn

I would like my submission to remain confidential

No

Info

Email

coffsharbour@ownnsw.org.au

Suburb/Town & Postcode

Coffs Harbour

Submission

I am the Coordinator of a newly formed (November 2020) Coffs Harbour Older Women's Network and have been alerted to the issues relating to older homeless women in our community.

This has become a project that our committee has taken on board and have had meetings with Coffs Harbour City Council, State and Federal Members for Cowper, Mission Australia and Coffs Harbour Legacy.

Our objective is to instigate 'workable solutions' by working on strategies with the Council and government agencies.

We put forward a 'Houseless Strategy' to the Director of Planning at Coffs Harbour City Council, which included changes to the by-laws to allow desperate people, especially women who have to sleep in their cars until emergency shelter is in place. The need for land allocation for emergency housing facility and to accommodate people in Cowper currently sleeping rough.

Housing developers need to be given more flexibility around including affordable houses and social housing mix into their housing developments. Collaborative partnerships with NSW Land & Housing, housing NFPs, engage TAFE NC to encourage Building Students to be involved in building housing pods for the homeless.

Kind regards
Lorraine Penn
Coordinator
Coffs Harbour Older Women's Network
coffsharbour@ownnsw.org.au
0404163136

I agree to the above statement

Yes

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Wednesday, 1 September 2021 4:41:30 PM
Attachments: [20210827_submission-to-regional-task-force-august.pdf](#)

Submitted on Wed, 01/09/2021 - 16:33

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Rachel

Last name

Foster

I would like my submission to remain confidential

No

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Suburb/Town & Postcode

Coniston

Submission file

[20210827_submission-to-regional-task-force-august.pdf](#)

Submission

Housing Trust welcomes the opportunity to make a submission to the NSW Regional Housing Taskforce.

As the Illawarra's largest Tier 1 Community Housing Provider (CHP) our focus for the purpose of this submission is on affordable rental housing.

The Illawarra and Shoalhaven region has a significant rental housing affordability crisis with around 10,000 households in rental stress and social housing waiting times of 5-10 years. These estimates are yet to take into account the effects of COVID19 on the region's population.

Housing Trust believes that ideology change is required. Having a home must be the priority.

Housing Trust congratulates The NSW Department of Planning on the initiation of the Regional Housing Taskforce and thanks them for the opportunity to provide feedback.

We look forward to continued collaboration with DPIE on the delivery of their strategy with particular focus on increasing the supply of affordable rental housing.

All enquiries about this submission should be directed to:

Rachel Foster

Executive Manager Marketing & Stakeholder Engagement, Housing Trust

Rachel.Foster@housingtrust.org.au or 0417 887 558

I agree to the above statement

Yes



REGIONAL HOUSING TASKFORCE

Housing Trust Submission



Housing Trust welcomes the opportunity to make a submission to the NSW Regional Housing Taskforce.

As the Illawarra's largest Tier 1 Community Housing Provider (CHP) our focus for the purpose of this submission is on affordable rental housing.

The Illawarra and Shoalhaven region has a significant rental housing affordability crisis with around 10,000 households in rental stress and social housing waiting times of 5-10 years. These estimates are yet to take into account the effects of COVID19 on the region's population.

Housing Trust believes that ideology change is required. Having a home must be the priority.

Priority leavers to increase the supply of affordable rental housing

1. Set meaningful and measurable Social and Affordable rental supply targets for the State and all LGAs
 - Establish baseline data on current Social and Affordable stock, its standard and suitability
 - Targets must keep up with the growth in demand and deliver net annual increases in Social and Affordable rental stock
 - Extend the Affordable Rental Housing SEPP dedication from 10 to 20 years minimum.
2. Access to land
 - Public land to be identified and offered first to not-for-profit CHPs at a concessional price that makes it affordable, at no cost with title transfer, as meanwhile use, or under 35 year leasehold at peppercorn rent
 - No sale of public land to private entities without direct, material increases in Social and Affordable rental stock. Use delayed settlement to ensure supply.
 - Landcom required to deliver 20% Affordable rental stock managed by a CHP
 - Replace the “highest and best use” financial obligation for government assets with an obligation to deliver Social and Affordable rental housing and social outcomes
3. Access to capital
 - Government backed bonds/guarantees to allow CHPs and their construction partners to access private capital and debt at low rates
 - Further rounds of property transfers from LAHC to CHPs with capital grants to enable upgrades if required. The renewal and uplift of old LAHC to be prioritised
4. Increase and extend the Community Housing Leasehold Program (CHLP annual subsidy) so CHPs can secure more stock from the private rental market.
5. Fast track DAs as ‘deemed’ approvals for CHPs, Communities Plus, and LAHC renewal projects.

6. State-wide consistency and concessions

- Mandate 20% inclusionary zoning for all medium-high density developments with leases managed by CHPs. Provide developer concessions on rates/fees
- Waive DA fees for CHP projects
- Modify the Council, civil work and infrastructure requirements to permit and fast track developments using manufactured homes on leasehold and meanwhile use land. Stock must still meet the BCA.

Concerns / general comments

- Simply increasing supply, diversifying housing the type and using a build-to-rent model will not improve affordability without specific targets and controls.
- There is a need to audit and monitor private developer use of the Affordable Rental Housing SEPP. Has the stock been delivered, are the tenant leases compliant with the Guidelines? Create a central record, perhaps through Fair Trading.
- Stamp Duty to Land Tax – charities need to retain their exemptions. Safeguards are required to prevent private investors passing on the costs to tenants as rent increases. If the annual tax remains in perpetuity once it is applied, a change in household circumstance (loss of income, relationship breakdown etc.) will increase housing stress and vulnerability.
- NRAS – almost all stock developed by investors will be lost to Affordable supply within the 10 year incentive period (c. 2026). CHPs are struggling to retain theirs.
- LAHC policies and practices must actively support CHP growth and sustainability. Any risk to government is negated by the robust requirements of the National Regulatory System for Community Housing and other statutory oversights including ASIC and the ACNC. LAHC should leverage these not add more controls.
- Silver Liveability – if mandated there is a risk that projects won't proceed as costs may be prohibitive due to (say) sloping sites, flood risk areas etc.

- Adaptable Housing – once built and certified a property should be added to a database and/or have a record on the title so that all future tenants/owners are aware.
- Create local campaigns on the positive benefits of increased affordable rental supply and the quality of the developments.

Housing Trust congratulates The NSW Department of Planning on the initiation of the Regional Housing Taskforce and thanks them for the opportunity to provide feedback.

We look forward to continued collaboration with DPIE on the delivery of their strategy with particular focus on increasing the supply of affordable rental housing.

All enquiries about this submission should be directed to:

Rachel Foster

Executive Manager Marketing & Stakeholder Engagement, Housing Trust

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Regional Housing Taskforce

August 2021



**CENTRAL NSW
JOINT ORGANISATION**

- Bathurst
- Blayney
- Cabonne
- Cowra
- Forbes
- Lachlan
- Oberon
- Orange
- Parkes
- Weddin



Chair Cr John Medcalf OAM, Mayor, Lachlan Shire Council

Central NSW
Joint Organisation

PO Box 333

Forbes NSW 2871

Phone: 0428 690 935

Email: jenny.bennett@centraljo.nsw.gov.au

Website: www.centraljo.nsw.gov.au

2 September 2021

Reference: jb:vp 210902

Enquiries: Ms J Bennett: 0428 690 935

Mr Garry Fielding
Chair of the Regional Housing Taskforce
DPIE
12 Darcy Street
Parramatta NSW 2150

Dear Mr Fielding,

Re: Regional Housing Taskforce

Introduction

As you are aware Local Government Regional Joint Organisations (JOs) were proclaimed in May 2018 under the NSW Local Government Act 1993. The Central NSW Joint Organisation (CNSWJO) represents over 200,000 people covering an area of more than 50,000sq kms comprising the Local Government Areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Oberon, Orange, Parkes, Weddin, and Central Tablelands Water.

Tasked with intergovernmental cooperation, leadership and prioritisation, JOs have consulted with their stakeholders to identify key strategic regional priorities. The CNSWJO Strategic Plan can be found here: https://docs.wixstatic.com/ugd/51b46b_31886650ecf546bc916f15e99a733b3e.pdf

Firstly, the Central NSW Joint Organisation thanks the Government for involving our region and giving roundtable sessions allowing opportunities to help speed up the delivery of homes in regional NSW.

Central NSW like all of regional Australia is enjoying unprecedented population pressure. The Regional Australia Institute has identified 69,700 jobs¹ needing to be filled in July of this year across Australia.

Still key agencies including Treasury in NSW have planning assumption for population growth in regional NSW that are well below those being experienced before the recent crisis. For example planning for water security for the cities of Bathurst and Orange in the region through the Regional Water Strategies being developed by the Department of Planning, Industry and the Environment at the moment have growth in these cities at 13% over the next 20 years. The data they use is “common Treasury planning assumptions.”

¹ <https://eomail7.com/web-version?p=7ee282da-09ef-11ec-96e5-06b4694bee2a&pt=campaign&t=1630380663&s=2f02441a06eff8f32994028e6b52f17ae776f11b49b02a89012529d3d7d07b18>

The Central NSW JO speaks for over 157,000 people covering an area of more than 47,000sq kms comprising of Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Oberon, Orange, Parkes, and Weddin.

Orange City Council's estimates for population growth are 1.7%pa and Bathurst report ABS ERP showing growth above 1% in recent years.

Arguably, not only are the assumptions of key agencies wrong about population growth, but they are 'rusted on wrong' and have significant impacts on communities' service levels adding to knock on growth restraints.

Further, the pipeline of projects in region including Inland Rail, Wyangala Dam, the upgrade to the Great Western Highway, the Parkes Special Activation Precinct, several significant mines, other State Significant Developments and the unprecedented and very welcomed NSW Government spend on infrastructure in region means that we know this pressure will only continue well into the next decade. Added to this the current tourism pinch point during Covid where the pandemic is also impacting access to construction materials and workforce.

While the region is adept at leveraging spare capacity in housing, for example during tourism events for example at Mont Panorama and the Elvis Festival, and has provided this capability to help the current housing crisis, for example the work being undertaken by Orange 360 to house mining workforce, there is only so much we can do with existing floorspace and resource.

Growth in property value is also exacerbating the situation, for example in August 2021 Forbes was announced as number one in NSW having achieved an 80.9% increase.² Other towns are reporting landlords are taking the opportunity to on sell the property given unprecedented capital growth.

Land and property prices have significantly increased in the last 18 months; however, it is also noted construction costs have increased 20% in the last 6 months alone. Sourcing quality contractors is also now an issue as everywhere is booming.³

If NSW is to avoid significant migration to other States, it needs to adopt a root and branch approach to tackling the at times wicked problems that are causing both the skills and housing crisis. These problems are well beyond the scope of this submission. A fit for purpose approach across all levels of government to understanding the problem and then working collaboratively on solutions.

This region is aware of work being done elsewhere, for example in the Riverina, and supports similar approaches being rolled out elsewhere.

Unfortunately, Regional Housing Taskforce's a focus on the planning system to resolve the issues that have resulted in a severe housing shortage in many areas of regional NSW is far too narrow an approach.

A successful, vibrant and viable housing sector depends on far more than just a functioning and efficient planning system. The planning system needs to be supported by sound housing policy and solid financial and investment strategies with each element working together to support land availability, development and investment to provide diverse and robust housing stock that meets the needs of rural and regional NSW.

NSW needs to create an ecosystem that supports housing growth at every level. This means policy, planning and finance settings that work together to provide a pipeline of land, that supports developers to develop and finally that encourages investors to invest whether it be for owner-occupier, rental or social housing.

The Central NSW Joint Organisation understands the purpose of the Taskforce is to investigate planning barriers and develop recommendations to address regional housing issues with a focus on:

² Century 21 Central West 27 August 2021 article 'Exciting announcement for Forbes'

³ Feedback from Blayney Shire Council

- *The planning system and other government levers to stimulate housing supply and address housing needs*
- *Removing impediments within the planning system to the delivery of affordable housing types and housing generally*
- *Identifying mechanisms within the planning system to facilitate and drive the delivery of housing matched to community needs*

The Taskforce has asked 5 questions and CNSWJO has consolidated feedback from member Councils in this regard:

1. What are the critical housing supply issues in your local area?
2. What are the key elements contributing to these issues?
3. What are the key elements contributing to these issues?
4. What are the main barriers to delivering more diverse housing types to suit the varying needs of people in your region?
5. Overall, what can the NSW Government do to support housing delivery in the regions?

This is followed by a section addressing the three focus dot points above including recommendations.

Throughout regional consultation we have also received other feedback including:

- Some sensible definitions work on “affordable housing” would help where currently there is confusion.
- The Government needs to address the lack of Building Certifiers in Regional NSW, in particular the lack of youth and trainee’s entering the profession.
- The cost of Council having to hire a building surveyor from the private sector is exorbitant, noting that from time to time LG is experiencing a shortage of building surveying staff. Building surveyors are in such shortage they can charge whatever they like and there is always a delay in getting the service because they are so busy. The shortage is only going to get worse because of the restricted training options and the distances students will need to travel to get the relevant experience.
- The NSW Government previously assisted Councils with the cost of strategic planning through the Planning Reform Fund, this assistance has not existed for several years with all monies now directed to funding the NSW Planning Portal. The Planning Portal has not improved the development process in regional NSW.
- There is an opportunity for the NSW Government to facilitate long term housing planning in regional NSW, by supporting Councils to undertake strategic planning, including Master Planning (even requiring co investment). DPIE could also consider establishing a Regional NSW Master Planning Task Force, which could act as a specialist taskforce which supporting and assisting Regional NSW Councils (in particular smaller Councils) with specialist planning and engineering.
- The NSW Government should consider providing assistance through significant expansion of the NSW Government Low Cost Loans Initiative (LCLI) program, providing 50% interest subsidies for projects that deliver;
 - Upgrade aging infrastructure to facilitate housing growth, and/or
 - Deliver new infrastructure that facilitates new greenfield residential growth.

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- Impacting the ability for home ownership is, outside regional centres is banks only lending to a Loan to Value Ratio of 80%, meaning 20% is required by a purchaser, this is compounded as prices surge at unprecedented rates.
- A significant issue is the capacity of Councils ageing infrastructure, in particular key trunk; road, potable water, sewer and stormwater having no additional (or limited) capacity for the further connection of new lots or dwellings. The infrastructure was simply not designed for the additional capacity.
- The definitions in the Standard Instrument LEP need to be reviewed to create more appropriate definitions.
- Councils support's the intent of s77 for short term accommodation, however companies now abusing the intent through constructing more semi-permanent accommodation, rather than the traditional caravan. There should be requirements in the regulation, for where the caravan is to be located (not in front or on side of a house), minimum structural certification, it must be a caravan (registered every 12 months) and should only be allowed to stay for say a maximum 8-week period with no approval or up to 12 months if approved under s68 of the Local Government Act.
- A significant issue starting to arise is the misunderstanding by the community regarding wider development processes, in particular; land identified during strategic planning, a planning proposal to rezone the land and then a Development Application (DA) to develop the land.
- The community often hold significant objections and frustrations over to the DA assessment because they do not understand the wider planning process. The process to bring on additional zoned land is confusing / not understood by the community and becomes resource intensive for Councils to deal with.
- Member feedback is that community does not want to look like Western Sydney (which is one reason people are relocating to the area). The taskforce needs to carefully consider that the quality of development is not compromised by a desire to hastily deliver quantity to the market.

Feedback from members on the Taskforce's five questions to stakeholders

1. What are the critical housing supply issues in your local area?

Cabonne Council

- Residential Land in commuting distance to Orange (30 min approx.) is limited. Vacant land within this area is likely to be constrained.
- New land identified under the recent Settlement Strategy is not yet developed.
- Vacant unconstrained land zoned for residential development is likely to not be connected to services meaning that any development is cost prohibitive given servicing costs are added to construction costs.

Orange City Council

- Availability of rental housing and affordability of rental supply
- Development contributions cap – impacts on ability to deliver new greenfield areas
- Affordable housing supply
- Land availability (key issued address under 2. Include land banking and constrained land

Lachlan Shire Council

- Lachlan Shire Council is facing a critical shortage in rental properties in most of its towns and villages. In addition, the cost of supplying new housing outweighs the return on investment.

Bathurst Regional Council

- Availability of subdivided residential land. Demand is outstripping supply.
- Demand for high quality product from and influx of internal migration, primarily from Western Sydney.
- Little out migration from Bathurst and so lack of existing housing for sale.
- Availability of building materials, particularly because of COVID.
- Infrastructure lag with new housing supply.
- Household size decreasing and not achieving corresponding housing diversity (smaller houses/smaller lots).

2. What are the key elements contributing to these issues?

Cabonne Council

- No new urban residential land since 2012. Cost of developing land (especially utilities) is very high with an expectation that Council will assist in the delivery of land

Orange City Council

- Short term rental accommodation (anecdotal evidence – backed by the number of listings on AirBNB website)
- Diversity in housing mix, and provision of affordable housing for key workers
- Owners rezoning land and not developing, land that is unconstrained (topography, biodiversity, servicing etc.)

Lachlan Shire Council

- Cost of supplying new housing stock or renovating existing poor quality housing. Development pressures within the Shire associated with infrastructure development and new opportunities (e.g. mining, etc.).

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Bathurst Regional Council

- It is taking longer to approve the subdivision of land to achieve better urban design outcomes.
- COVID – impact on building supplies.
- The staged release of lots is small and doesn't match overall infrastructure/service requirements.
- Small number of developers controlling the proportion of approved residential release areas.
- Greenfield sites in multiple ownership leading to difficulties in coordinating development at the same time.
- Limitation in amounts that can be funded through developer contributions.
- Higher community expectations as to the quality and timing of new infrastructure.

3. How can we best deliver houses on land already zoned for housing?

Cabonne Council

- No significant constraints once land is zoned and serviced.
- Vacant land that is zoned but un-serviced is quite costly to develop and therefore likely cost prohibitive (even when the land price itself is relatively cheap).
- Assistance with costs towards servicing would open up additional land for development.

Orange City Council

- Incentivise or develop legislation that require owners to enact the rezoning within a certain period (like DA consent)
- Possible Incentive option waiver on stamp duty if final lots delivered within X years?

Lachlan Shire Council

- Provide financial incentives for private developers to provide new housing stock. Expand existing grant criteria to allow and encourage local government housing projects.

Bathurst Regional Council

- Funding for upfront master planning.
- Funding for upfront infrastructure, particularly the big-ticket items – e.g. bridges, reservoirs.
- Allow Councils to have their own complying development provisions that suit local circumstances – led to faster approval times than under SEPP provisions (Bathurst is case in point).
- Planning portal has significantly slowed down the receipt of DAs, CCs and other applications which has meant that applications are taking longer to administer before they can be assessed. This has slowed dwelling approvals.
- Encouraging property owners to partner with larger residential developers to help get product on the market quicker.
- Encourage blocks to be released at a range of sizes to encourage diversity of product to be created.

4. What are the main barriers to delivering more diverse housing types to suit the varying needs of people in your region?

Cabonne Council

- Lack of suitable land in close proximity to town centres for residential development of higher densities. A development of multi dwelling housing would require the purchase and demolition of an existing dwelling to make way for the development which is likely to make the development unviable.

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Orange City Council

- Developers unwilling to subdivide smaller lots (historically, we are starting to see a shift in this as housing prices rise)
- Ensuring that infrastructure is in place for increased density (proposed changes to contributions plan is of concern)
- Affordable housing policies
- Land availability – constrained by various competing policy positions i.e. preserving agricultural land for primary production, preserving land for biodiversity, preserving land for scenic amenity etc Versus finding land for greenfield subdivision that is logically positioned and connected to the existing urban footprint
- Servicing and traffic management – collector and distributor road networks need to be designed well in advance of rezoning. However such foresight can then be overtaken by changes to the planning system from a state level whereby areas that had been anticipated to be viable for housing are subsequently constrained by a new policy position – i.e. the introduction of BSAL (south Orange) or changes to ecological constraints to include grasslands (north Orange)

Lachlan Shire Council

- Development costs and return on investment.

Bathurst Regional Council

- From economic perspective there is little incentive to build compact housing stock in line with current household occupancy rates as compared to building a 3- or 4-bedroom house. Housing prices are still too low to provide a high enough price differential to make unit mid-range development attractive. There is only demand for high-end units close to the CBD.
- Few real-life examples for unit and townhouse sales to set the valuations, adding a layer of risk for potential developers.
- Hesitancy of banks to lend for to new development types.
- Poor subdivision design and particularly the response to natural topography and the desire to build on slab only versus opportunities for a more diverse housing design which considers topography.

5. Overall, what can the NSW Government do to support housing delivery in the regions?

Cabonne Council

- Assistance with servicing costs and the delivery of the infrastructure to new residential land. The cost of connection to all services (water, sewer and electricity) is making development cost prohibitive.

Orange City Council

- Assist Council through the development of legislation to ensure residential land is zoned and developed (use it or lose it provisions in rezonings and/or stamp duty incentives)
- Ensure appropriate mechanisms (contributions) are in place for Council to deliver required amenity for new developments
- Review mechanisms for exceeding cap on contributions to ensure required infrastructure is available for communities
- Assist Council in expediting planning proposals for land identified as short term in housing strategies

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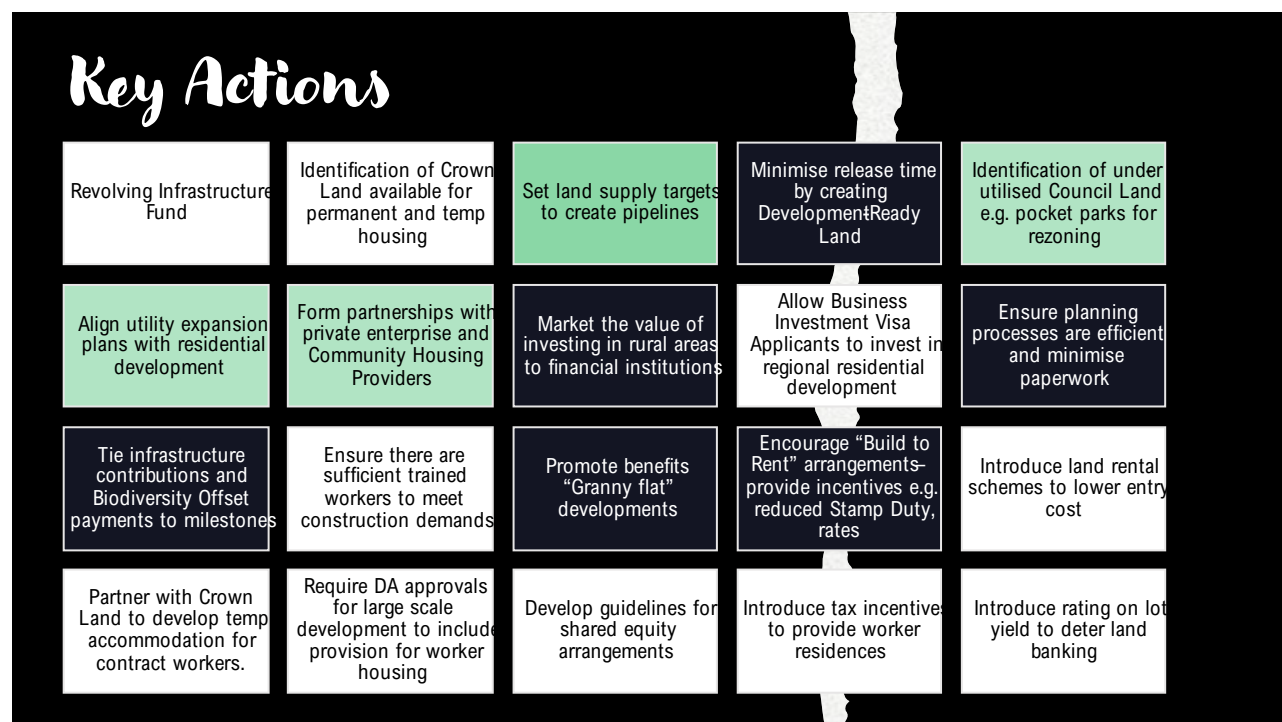
- Grants/funding support for master planning of centres (where increasing densities) and for greenfield development
- Update Environmental Sensitive Area mapping to accurately reflect listed endangered flora/fauna
- Require new State policies that would constrain development to preserve viable growth corridors for urban centres.

Lachlan Shire Council

- Outlined above. Provide financial incentives for private developers to provide new housing stock.
- Take a long term view on education/training. The shortage of suitably qualified builders/tradespeople increases the costs associated with constructing new buildings/carry out alterations to existing dwellings.
- The shortage of building materials is also increasing costs. The NSW Government needs to look at the supply chain for building materials to ensure that builders can obtain materials without paying exorbitant prices or with large time delays (e.g. steel, etc.).

Bathurst Regional Council

- Provide greater level of funding to Councils for key and critical infrastructure and so that infrastructure can be provided upfront.
- Reimburse Planfirst fees to local government to spend in the region – e.g. on master planning, traffic planning etc.
- Ensure regions can achieve water security.
- Help local developers realise the potential for unit and townhouse development.
- Encourage developers and Councils to provide a diversity of product. Provide funding support to Council's in regional NSW to develop showcase projects.



Addressing the three focus points for the Taskforce's Terms of Reference and recommendations from this region

1. The planning system and other government levers to stimulate housing supply and address housing needs

Land Availability

The key foundation to ensuring that there is a suitable and diverse range of housing provided is the availability of appropriately zoned land. This requires a lead-in time with councils needing to identify land in anticipation of demand and then developers taking advantage of the pipeline in a timely way so that housing is provided to meet demand.

The State can be a key player in making land available for residential zoning. In many LGAs the State holds dormant Crown Land that has been earmarked for a public purpose which has never eventuated. This land is often found in highly sought-after locations, however, much of it is subject to Native Title claims which will limit its re-purposing for residential housing.

There is also concern that new residential developments in rural and regional councils are on prime agricultural land. The loss of prime agricultural land to housing development is of concern to both the State and councils, however, the reality is that where a council's urban areas abut prime agricultural land then residential land growth will normally occur by accessing nearby land that is often prime agricultural land. Economies of scale and scope for residential land depend on contiguous development that leverages existing infrastructure.

Solutions the State could consider

- *Maximise use of State-Government Owned Land to Increase Land Availability* – through releasing Crown Land that has been identified as surplus to needs and resolving outstanding Native Title issues on the land. It is pointless earmarking Crown Land for residential development if the Crown has not resolved the matter of Native Title.
- *Support Evidence Based Decision making* – we note that this is a feature of the State Housing Strategy and it should be a focus of the Regional Strategy. There needs to be sufficient land in the pipeline to accommodate growth. This can only be achieved if population projections accurately reflect growth trends. In Central NSW, the projections have consistently failed to reflect what has actually occurred. It is impossible to develop residential land pipelines if population projections and therefore demand forecasting is inaccurate. Further, it needs to be **nimble** responding to changes in region. How can it be that **today** NSW Government Treasury planning assumptions informing the priorities for infrastructure to secure water for our communities are so far off the mark?
- *Invest to Create Development-ready Land* - minimise the lead-time for land release by creating Development-Ready land, where Biodiversity planning requirements, infrastructure planning and utilities planning have been completed or partially completed. This process would need to be funded by the State and would also require changes to the Biodiversity Offset Calculator which is currently stifling development across the region.
- *Maximise use of council-owned land to Increase Land Availability* – provide support to councils to reclassify community and operational land, such as pocket parks, for housing.

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- *Resolve the conflict between the need for urban residential development and the retention of prime agricultural land* – we note that the Agriculture Commissioner is close to finalising his Agricultural Land Use Strategy. This will hopefully assist and provide guidance on how this conflict can be addressed to accommodate all needs.

Housing Development

Upfront costs of development have been identified as a barrier to developing zoned land. The need for “lumpy” asset investments upfront which can only be recouped on the sale of the land acts as a disincentive for action. This is particularly the case when “mum and dad” landowners are involved. The land may be zoned for residential development, but small investors can be risk-averse in relation to borrowing money for development or may not want to develop viewing the land as their “retirement plan”.

Return on Investment is paramount in the decision-making for developers, addressing lead-in times for developments that provide a return sooner is important. Access to finance is also an issue, many financial institutions are reluctant to loan money for rural and regional residential development where traditionally capital growth along with housing sales have been slow. Banks are informed by population and housing data when making loan borrowing decisions, if both are seen to be negative, there is little incentive for financial institutions to loan money.

Increasingly our members are finding that residential development is being delayed by lack of skilled labour.

Solutions the State could consider

- *Introduction of legislative and structural arrangements that support councils as developer* – in many rural areas, council is a significant developer of land, structures should be put into place that recognize and support this role.
- *Implement State and Local Funding arrangements that support housing development* –
 - create a Revolving Infrastructure Development Fund from which councils can borrow to fund infrastructure to create Development-Ready land. The Funding to be repaid as the lots of land are sold.
 - Provide low-interest loans to developers to meet the cost of infrastructure, allowing them to pay the loans off as lots are sold. Caveats could be placed over the land to ensure payments are made.
 - Offset contributions and rates to drive development of specific types of housing e.g. medium density or high-density housing. This would cost councils money; the State could provide financial support for this to occur.
 - Reduce the costs associated with re-zoning in return for Developers undertaking to commence development within an agreed timeframe.
 - Defer rates and development costs until land or house/land are sold.
 - Incentivise in-fill development and subdivision of large land lots.
- *Create arrangements that make land-banking less attractive* - Residentially zoned land that is not developed within a specified time is returned to its original zoning. Alternatively, introduce rating based on lot yield. This would increase the holding costs of residentially zoned land and provide an incentive to develop.

- *Delay upfront costs for Developers* – delay the requirement to pay biodiversity offsets until after development is completed, or alternatively pay at development milestones. **The Biodiversity Offset Calculator needs recalibration as soon as possible.**
- *Improve access to finance:*
 - Market the benefits of investing in regional and rural communities to address the lack of understanding on Return on Investment for regional areas and the overall demand for housing.
 - Allow applicants for Business investment and Innovation (188) visas to invest in residential real estate in regional and rural areas. The Investor Stream requires the applicant to invest \$2.5million in complying investments, while for the Significant Investment stream visa applicants must invest \$5 million. Both are currently prohibited from investing in residential real estate.
- *Ensure there is sufficient skilled labour to meet demand* – developers cannot build, if there are no builders available. Skills shortages in the Central NSW Region are at a critical level, with unemployment in most of the Region running at below the national average. The consolidation of TAFE training into regional cities has impacted on the accessibility of trades training in rural and regional areas creating barriers to the employment of apprentices and trainees.
 - *Make training more accessible for apprentices* – apprentices are often required to travel away from home for “block release” training. Apprentices are usually teenagers the requirement can be a disincentive to taking up a trade.
 - *Provide targeted incentives for employing apprentices* – there are already financial incentives for employing apprentices, however we are still short of trades people. More work needs to be done by the State to identify why employers are not employing apprentices.
 - *Increase the numbers of skilled and experienced foreign workers working in rural and regional areas* – apprentices need on-the-job tradespeople to train them. Foreign workers who are skilled and experienced tradespeople could “plug” the shortfall that will be created by the retirement of the Baby Boomer tradespeople.

Housing Investment

Developers do not build houses in order to own them, they develop residential properties to sell them to home-owners or investors. Where there are no purchasers for properties, then there is no market driver to build residential properties. Along with land, developers need investors who will purchase the properties they build.

Solutions the State could consider

- *State Government policies to support investment in housing in rural and regional areas:*
 - Change investment guidelines for Business subclass 188 visas to allow investment in residential developments in rural and regional areas that will be used for long-term rental. The Federal Government recently set a target of 15,000 188 visas. Visa holders are required to make investments of between \$2.5 million and \$5 million, depending on the type of 188 visa, in approved investments. They are currently precluded from investing in residential real estate.

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- Encourage “Build-to-Rent” where investors agree to rent the properties for the long-term e.g. 10 years.
- Reduce Stamp Duty for purchasers of rental properties in rural areas. Lower Payroll Tax for employers who provide housing for employees.
- *Introduce land rental schemes to lower the cost of housing* - Rental is paid on the land until the owner can afford to purchase.
- *Market the benefits of investing in regional and rural communities* – Market the Return on Investment for rental properties in rural and regional areas and prepare an Investment Prospectus for regional and rural areas

2. Removing impediments within the planning system to the delivery of affordable housing types and housing generally

Land Availability

In Central NSW people who need affordable housing are being driven out of the market, prices are soaring and consequently people are being forced into lower quality housing. In rural areas these people are often pushed to outlying villages where there is no public transport creating problems with regard to isolation and access to support services. Some members are reporting significant impacts on vulnerable people who are being forced from their homes as they are being sold to realise capital gains.

Solutions the State could consider:

- *Identify NSW Land and Housing land and properties in LGAs that are suitable for release for development* – this is a resource that is currently under-utilised. The State should proactively identify these properties and then work with councils and social housing providers to develop the land.
- *Releasing of Crown Land for Social, Community and Affordable housing* – we note that this approach is also included in the State Housing Strategy.
- *Initiate a license scheme for Crown Land which would enable its use for temporary housing* – many of the large infrastructure projects like Inland Rail or Snowy Hydro will have a high demand for housing. This housing could then be repurposed for affordable housing. The license could expire at the time estimated by Crowns that the land will be needed for use.
- *Prepare LGA-based Housing Strategy including Affordable Housing* – council resourcing in rural and regional areas is such that the preparation of LGA based strategies can be problematic. However, working with the Department of Planning this could be achieved initially by targeting LGAs with the highest demand for affordable and social housing.
- *Develop Community Land Trusts to increase the pool of developers* – the shared ownership of the land through a Trust increases affordability.

Housing Development

There is no question that there is a significant shortage of social and affordable housing across our Region.

Solutions the State could consider:

- *Access National Housing Finance Investment (NHFI) Corporation low-interest funding by partnering with a community housing provider* – councils could form partnerships with community housing providers to unlock funding.
- *Create an Umbrella Housing Investment Fund for the Region with T-Corp* – T-Corp’s minimum loan amount is in excess of what most rural councils require to co-invest in affordable and social housing. An umbrella loan, which encompasses all the LGAs in a specified region could be established with individual councils able to access the funding.
- *Reduce the costs associated with re-zoning in return for an undertaking to include a specified level of affordable and social housing in the development* – this could overcome Return on Investment issues for developers.
- *Allow unused hotels and hospitals for affordable rental accommodation* – develop compliance regimes that support the conversion of older buildings into multi-residential developments. This includes managing for good but achievable heritage outcomes. Further – generate policy, funding opportunities and downward pressure on Health Infrastructure to repurpose existing floor space.
- *Mandate community housing as part of new housing estates* – require all new housing estates to include affordable and social housing options, including dual occupancy.

Housing Investment

Solutions the State could consider:

- *Encourage “Build-to-Rent, where investors agree to rent the properties for the long-term e.g. 10 years* – provide incentives for investors who are prepared to offer rental accommodation for social and affordable housing.
- *Change zoning for vacant shops in villages to allow them to be used for either permanent or temporary accommodation* – this could increase the types of housing stock available.

3. Identifying mechanisms within the planning system to facilitate and drive the delivery of housing matched to community needs.

A diversity of housing is imperative if we are to meet community needs, yet we find in rural and regional areas are dominated by 3–4 bedroom brick veneer housing.

Rural communities reflect the demographics of the wider population; young singles, families with no children, retirees and those looking for rural lifestyles. Current approaches are not delivering the diversity that is required to deliver what communities want. For example, farmers looking to retire into town are

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often looking for transitional housing, such as small acreages where they are able to maintain a rural lifestyle close to town, while others are looking to downsize into villas that are part of a dual occupancy.

Suitable housing stock for young people to facilitate them staying in region is also a priority.

The most desirable outcome is a diversity of lot sizes and dwelling sizes in any area creating variety and range. The Standard Instrument LEP does not facilitate this based upon a minimum lot size rather than also including lot averaging provisions.

Land Availability

Solutions the State could consider:

- *Accurate (or at least close to) population projections are needed to reflect planned and current economic development activities* - The projections can be used to determine housing demand – councils need to know the types of housing that will be needed as this determines the zoning of the land.
- *Audit land to ensure there is sufficient land zoned for a diversity of uses – medium density, rural-residential, residential* – this would ensure there is sufficient land in the pipeline to accommodate growth. If the land is not zoned for diversity, builders cannot build diverse offerings.
- *Set land supply targets to meet growth* – using data capture and analysis to determine targets for land supply that meet growth demands.
- *Councils use their LSPS to identify land for residential use based on projected demand data* – again this is the use of quality data to inform decision making in relation to projected land demand.
- *Support subdivisions on large blocks of land and battle axe blocks* – this would encourage more medium density housing options and make better use of existing infrastructure.
- *Incentivise in-fill development and subdivision of large land lots* – this could encourage more intensive use of land that is already serviced by infrastructure.
- *Resolve the conflict between rural-residential land development on prime agricultural land* – in many rural communities, residential growth and particularly rural residential growth occurs on what is prime agricultural land. The Agriculture Commissioner is currently developing an Agricultural Land Use Strategy, this needs to address the need for prime agricultural land to be used for residential development.

Housing Development

Solutions the State could consider:

- *Review Home Warranty Insurance arrangements to ensure that they support housing diversity* – dual occupancy development is very attractive in rural areas, however developers advise that from a Home Warranty Insurance perspective they are treated as a multi-unit development.

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The insurance on the second unit can three times higher on the first, impacting on the viability of the project. It is acting as a disincentive.

Housing Investment

Solutions the State could consider:

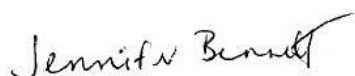
- *Change investment guidelines for Business visas to allow investment in residential developments in rural and regional areas that will be used for long-term rental – as mentioned above, if the State changed the investment guidelines for NSW this could open an entirely new source of funding.*
- *Encourage financial institutions' policies to support investment in rural areas – people cannot invest in homes if the financial institutions will not lend. Anecdotally we are advised that many financial institutions resist investments in rural areas because of the historically poor capital growth. This attitude does not reflect current circumstances.*

In conclusion

Central NSW would welcome an opportunity to be part of codesigning and implementing solutions that work to remediate a housing crisis that is a result of broader problems than could be resolved by fixing planning issues. This is not to say that the planning system does not need an overhaul, however the problems are broader also requiring wider and cross level of government collaboration.

Please contact me on 0428 690 935 should you wish to discuss further.

Yours sincerely,



Jennifer Bennett

Executive Officer

Central NSW Joint Organisation (CNSWJO)

From: [REDACTED]
To: [DPE PSVC Regions Coordination Mailbox](#); [DPE PSVC Regions Coordination Mailbox](#)
Subject: Re: Regional Housing Taskforce - Virtual Roundtable confirmation
Date: Friday, 27 August 2021 9:53:25 AM
Attachments: [image005.png](#)

Good Morning Madeline

I will reply through here at this stage as my computer has died so all of my documents that I would include are in there.

Firstly though I want to say if you can tell me who make up the taskforce? My personal opinion unless you have personal lived experience suggesting what is best for those living it currently is slightly disrespectful.

I have been researching and collecting peoples personal experiences for the past 2 years after my own experience renting a house that was contaminated with methamphetamines through a local agent left me out on the street losing all my belongings with no recourse from owner or agent. I was treated very badly by all concerned and wondered how many other older single women were that vulnerable too. It turns out many are.

Due to circumstances such as divorce illness and forsaking work to care for loved ones many women over 55 find themselves, now unable to afford current rent prices and are living in poorer and poorer conditions. 65% of women over 55 have no superannuation. You may not hear their stories as many are too proud and embarrassed to speak of the circumstances.

Now we have the extra pressure of house prices on the South Coast rising beyond the ability for locals to afford to buy or rent. Many houses sit empty as holiday homes and airbnb an insult to those considering a tent is the only option for their family.

I have also been watching and gathering stories regarding the local public housing provider and find it more than a little lacking. With many houses sitting empty when we have so many looking for a place. I have enquired many times with no response which only makes me more determined to get answers.

Solutions

People deserve a home to call their own. People who want to buy the public housing they are living in should be able to do so this was a successful option years ago why was it stopped?

All empty public housing should be sold to older vulnerable women and families as is, they do the repairs etc for a minimal price with rules such as they need to live in the area and stay in the home for at least 10 years. No investors!!

If say an old house was sold for 50k and 1000 in this area were sold it would free up 50million to put into new builds. This along with the influx of stamp duty flowing in at the moment means money is available but not being used well, currently. Revitalising old areas is a way to re-energise and not create no go areas that appear to be happening even though that was something governments said was undesirable.

I realise many of the empty properties sit on large blocks perhaps being considered to knock down and build more apartment blocks which change suburbs and create ghetto like living not conducive to older vulnerable people.

I have many older women wanting to do this and many into their 60s and 70s still working to pay rent. Wouldn't it be fairer to help them get back on their feet after years of raising kids caring for families paying tax and being part of communities?

Also land needs to be released that local young families can afford not like currently agents putting them to auction with Sydneysiders outpricing locals. Why not bring back the Landcom idea where people put their name down. Only locals who will live on the blocks are considered not investors or developers.

Why does this need to happen? Because currently the gap between rich and poor is becoming wider. With what were once middle class now becoming poor too.

Design for new apartment style complexes also need to be utilising more eco friendly inclusions. Many currently have no insulation no shade trees and no heating or cooling. Therefore making costs of keeping themselves warm or cool more exorbitant.

Also rental assistance payments in pensions have not increased in at least 15 years but rents have risen exorbitantly in that time. 30% is the amount considered manageable to pay for rent or a mortgage. Most people I speak to pay between 60% and 90%...including myself.?. how can they be expected to survive on that?

I believe the whole handing over public housing to private organisations is not working and costing governments exorbitant costs in paying these providers who also pay a pittance for each property. Selling off the stock and handing the remainder to local councils who are on top of needs in their own communities would be a more economical and common-sense way to move forward.

I am happy to discuss in more detail. I have current,y held one public meeting gathered stories spoken to the media and harassed politicians and will continue to do so until I can help bring about change. This will be a big issue in all elections moving forward so I hope now someone will start to listen.

Kind regards
Veronica Rawlinson

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From: graham.osborne
To: [DPE PSVC Regions Coordination Mailbox](mailto:DPE_P SVC_Regions_Coordination_Mailbox)
Subject: Attn Mr Gary Fielding, remote area housing
Date: Monday, 30 August 2021 9:24:24 AM
Attachments: [Wikihouseau.com profile.pdf](#)
[SK 001 Coverpage REV 16_07_2020.pdf](#)
[SK 104 Foundation level REV 16_07_2020.pdf](#)
[SK 100 Ground Floor REV 16_07_2020.pdf](#)

Hello Gary,

We note from recent press items the plight of the residents of remote Wilcannia, which has been exacerbated by COVID-19, with the lack of housing generally and particularly the lack of culturally appropriate housing.

With our local chapter of Wikihouse.cc (London), the Wikihouseau.com team, we may be able to help meet this shortfall with this labour and material efficient construction method, to Build Back Better.

I have attached a wikihousesau.com profile.

We are also Member of EAROPH consultants, who have experience spanning across East Asia who may be able to assist your Govt's endeavours.

We also have attached some sketch ideas as to how to make aboriginal housing more culturally appropriate with the internal planning of houses that expresses both community and secure family responsibilities, all under the one catenary roof.

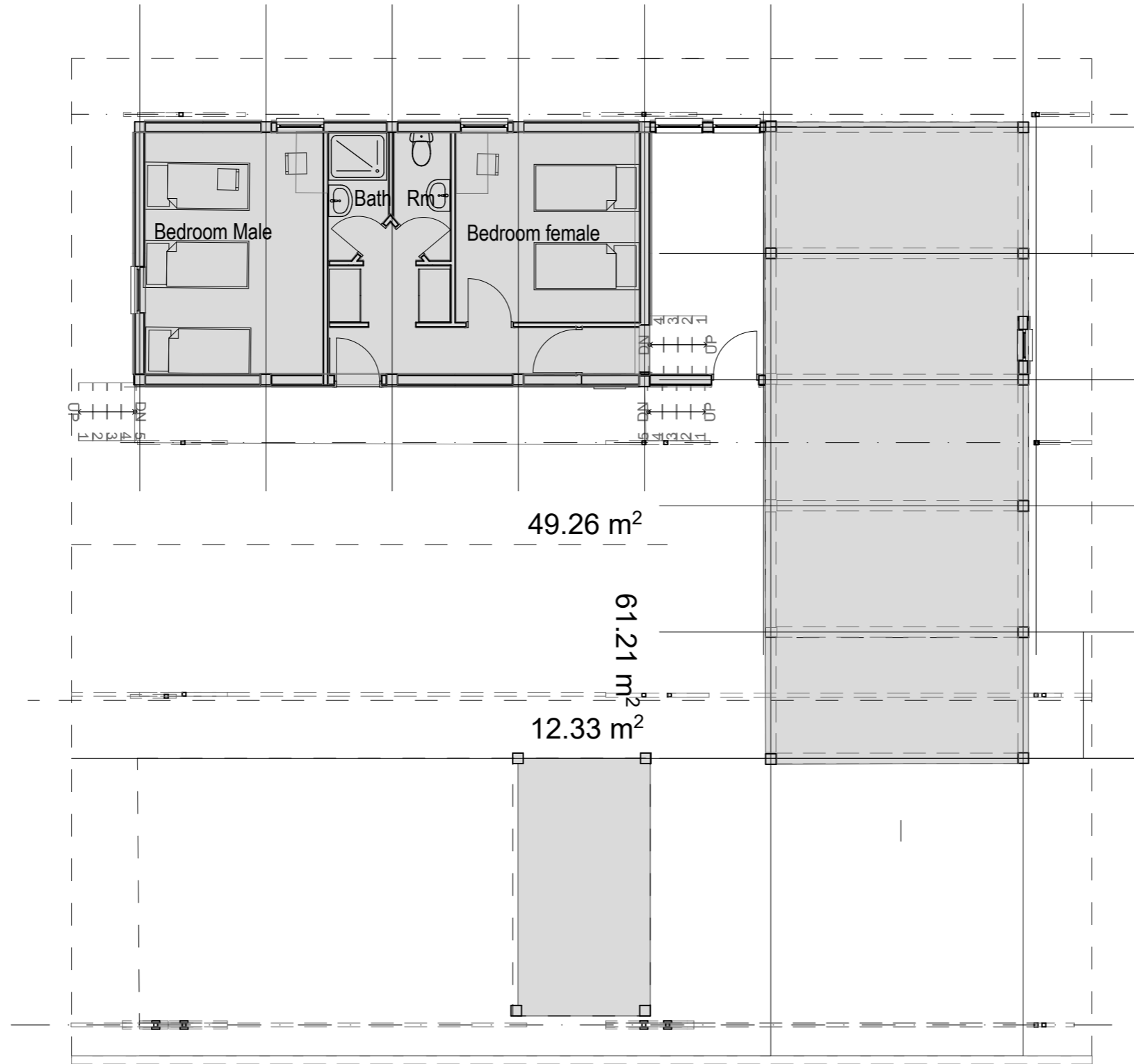
This is only an idea and if we can help please let's know.

As an anecdote we had a short lived architectural practice in Newcastle, 1974/80, before BHP closed the steelworks.

Regards,
Graham and Sally Osborne

Graham Osborne, Architect
Origen Architects P/L
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grahamb.osborne@gmail.com

Mobile 0416876044



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 Plot Date: 16/07/2020
 Project NO. #Project ID
 Project Status #Project Status

Client #Client Full Name

Climate Zone #Climate Zone
 Wind Region #Wind Region
 Site: #Site Full Address

DRAWING TITLE :
 Sketch Plans
Ground Floor

PROJECT NAME :
Remote housing

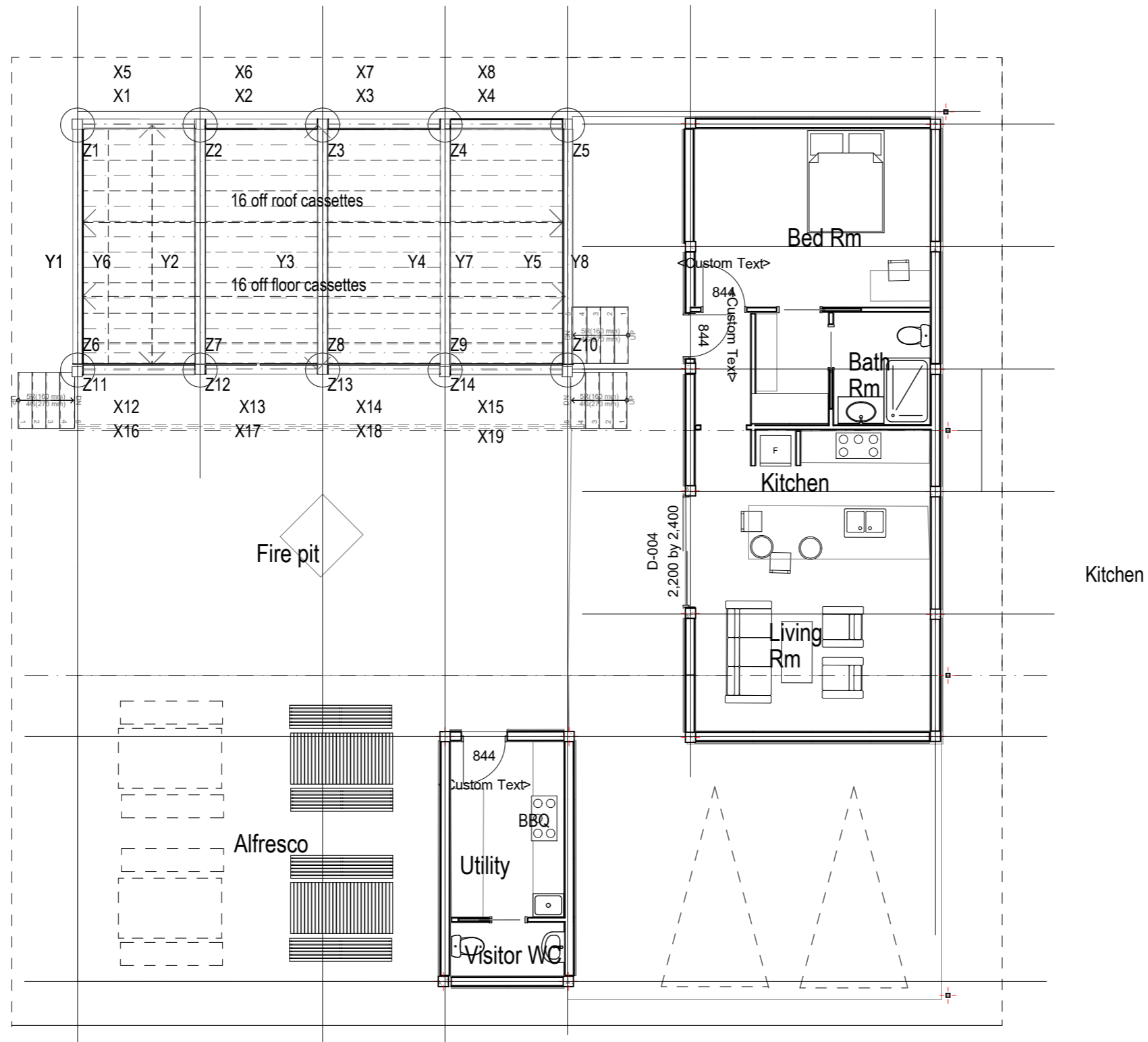
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Plot Date: 16/07/2020





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 Project Status #Project Status

Client #Client Full Name

Climate Zone #Climate Zone
 Wind Region #Wind Region
 Site: #Site Full Address

DRAWING TITLE :
 Sketch Plans
Foundation level

PROJECT NAME :
Remote housing

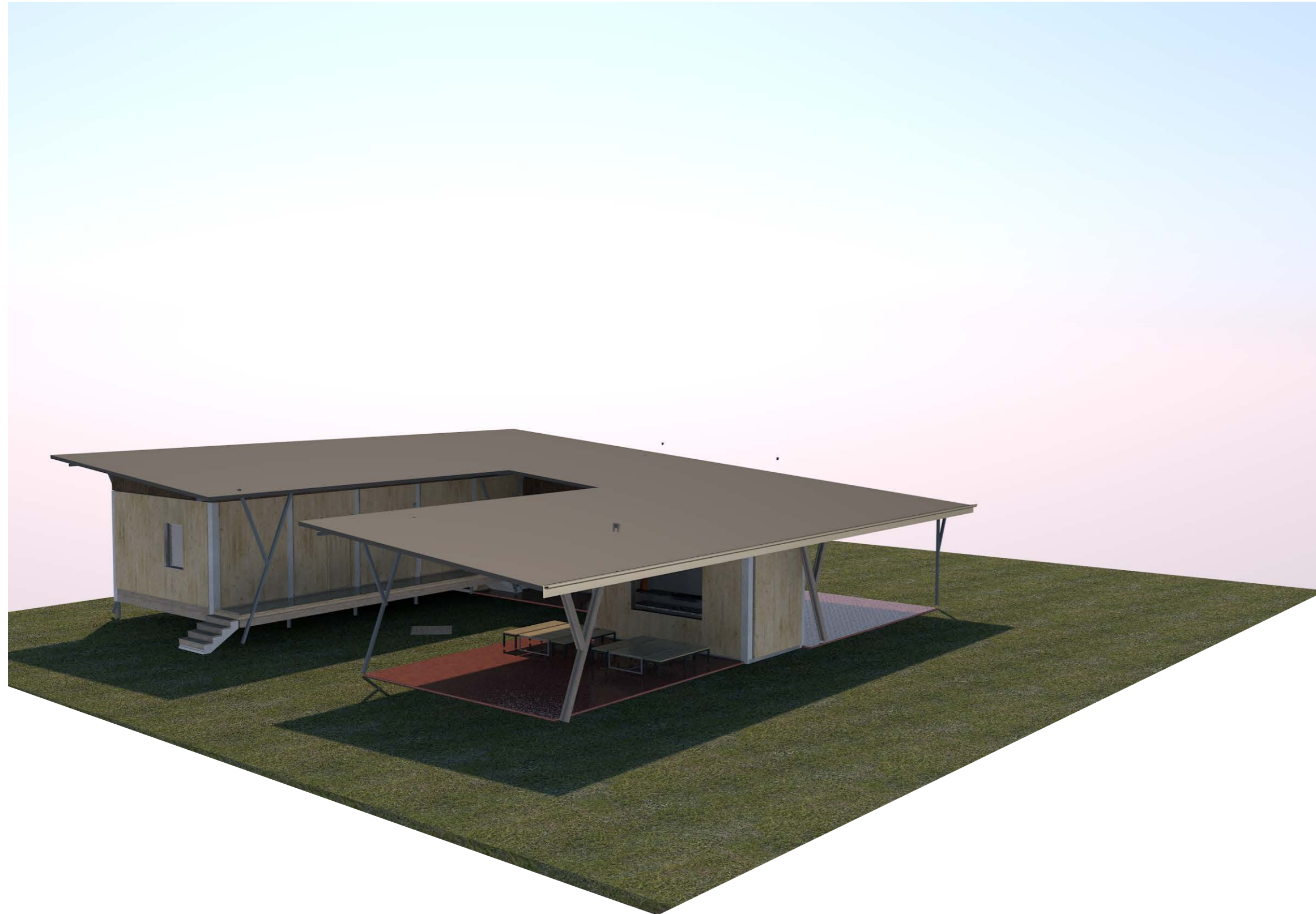
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SK 104

Plot Date: 16/07/2020

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Remote housing - Picture1
1:1



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Project NO. #Project ID
Project Status #Project Status

Client #Client Full Name

Climate Zone #Climate Zone
Wind Region #Wind Region
Site: #Site Full Address

DRAWING TITLE :

General
Coverpage

PROJECT NAME :

Remote housing

REVISION NO.

DRAWING NO.

SK 001

Plot Date: 16/07/2020

WIKIHOUSEAU.com profile

Graham and Sally Osborne created Wikihouseau.com, initially as an Australian chapter of Wikihouse.cc, to explore the benefits of a decentralised system of construction for Australian conditions. We commenced in 2016 and the team has recently commenced the assembly of a two storey house in Nambucca NSW.



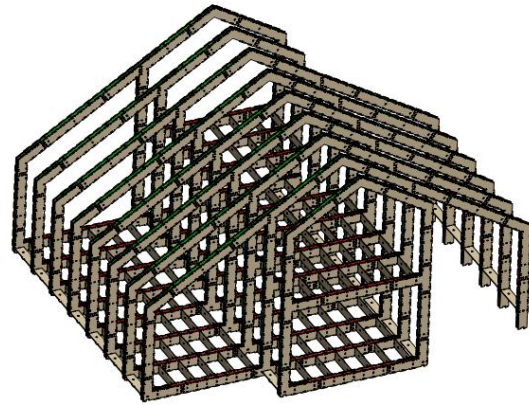
View of Nambucca NSW Wikihouseau.com



Ground floor portals standing Nambucca NSW

Wikihouseau.com benefits

The benefits of the Wikihouseau method of construction is mainly on construction efficiency of material and labour, some of which can be local helpers in 'Barn raising' and the lack of construction waste to be dealt with on site. A small two storey house can fit into a standard 6M shipping container, which suits remote inland and island sites. The 'site assembly' uses a minimum of tools, which can be largely LV battery operated (no power required). A community of 'people who build together will be built up' and can help each other assemble their respective homes.



3D view of CNC Central Hertzog's frame

Wikihouseau.com team

The team consists of Origen Architects, Graham Osborne, Architect; CNC Central, Hertzog Berger; Link Project Services, Neels Cronje; and Bob Lane RPEQ engineer. The team came together in 2018 to coordinate the engineering, CNC and BA approval processes.

The team offers:-

- Site analysis SWAT test of appropriateness of centralised or decentralised construction methods

- Basic coordinated drawings to standard Building Application only (any extra design POA)

- Engineering certification include certificate of structural adequacy and compliance; BER's building energy report (BasiX) BFH BAL etc.

- CNC nesting drawings; CNC cutting and Assembly manual (pre assembly/shipping POA)

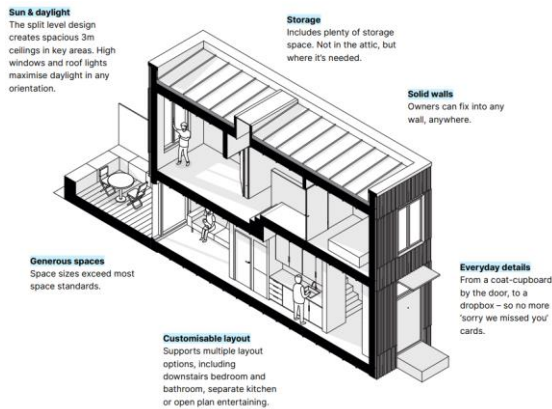
- Project management of larger projects such as Townhouses requiring coordinated Building Services

Current developments

We are exploring with partners such as 'Shelter Pods' to address the critical homelessness in Australia.

We also have a series of Small house plans which can double as eco cabins for eco resorts or 'granny flats' as an alternative to centralised aged care.

We are also exploring with Wikihouse.cc London the advent of a two storey town house method as part of their 'Local Homes' concepts and proposing these within the Qld Housing Stagey. See below:-



Social Housing, SE Asia Pacific region

With recent cyclone and earthquake damage suffered by the regions across the Pacific and SE Asia in recent times, we can assist recovery by providing a local distributed Wikihouseau CNC manufacturing 'set up' and training. In 'broad brush' terms, a local 'set up' could be supplied from AU, assembled within a standard 6M shipping container. This would provide a self-sufficient housing manufacturing unit, which is easy to transport and set up. The setup cost in 2018:-

1. Generator - +- \$8000
2. Machine, +- \$56 000
3. Vac pump - +- \$4400
4. Computer setup - +- \$1200
5. Dust extraction - +- \$1500
6. Air conditioning - +- \$3000
7. Fitout/ painting (weather protection) and container purchase - +- \$6000 (estimate only TBC)

All up approximately ex Australia Au\$80,000* plus Coord/CNC \Tech /PM fee say 15%, say sub-total Au \$95,000.

This would be a CNC manufacturing cell, within a container, with the ability to be secured and transported easily (also protected from the local elements), having permanent, on-going value and effectiveness, ready to use when it leaves Australia!

The 'training' package would occur at the manufacturing site and include the training of local personnel in CNC cutting, operation, machine maintenance, self-assembly and sheet cladding of two typical portal frames. Travel, accommodation, initial project management, and a year's spares expected to cost allowance of \$10,000 Post COVID-19.

*We have not included the cost of container freight from Australia and our staff labours time/travel /cost in attending the site to ensure the operational order and training of locals, as we are not sure of the logistics of travel, freight and accommodation, particularly COVID-19.

The combined setup cost and the training package would be approximately \$105,000



Interior perspective of a single storey Wikihouseau.com

{Please refer to the Wikihouseau.com for require more information and we also refer you to the Wikihouse.cc (London) website.

If you require any further information please contact Graham Osborne Architect, Tel 0416876044, Email grahamb.osborne@gmail.com

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 3 September 2021 11:54:47 AM
Attachments: [jo-chairs-forum---submission-to-the-regional-housing-taskforce---sept-2021.pdf](#)

Submitted on Fri, 03/09/2021 - 11:39

Submitted by: Anonymous

Submitted values are:

Submission Type

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Submission file

[jo-chairs-forum---submission-to-the-regional-housing-taskforce---sept-2021.pdf](#)

Submission

See attached

I agree to the above statement

Yes

NSW JOINT ORGANISATION CHAIRS' FORUM

3rd September 2021

Mr Gary Fielding

Chair

NSW Regional Housing Taskforce

Via NSW planning portal

Dear Mr Fielding,

The NSW Joint Organisation Chairs Forum welcomes the opportunity to make a submission to the NSW Regional Housing Taskforce. This issue is of significant interest to the regional and rural communities represented by the Forum. Supply of diverse housing is posing an increasingly complex challenge for land managers balancing the needs for growth within our communities while providing quality services and the amenity that is so highly valued.

We look forward to the future opportunities to collaborate afforded through the work of the Taskforce and provide the below insights as a first step to what we are sure will be a productive working relationship.

Regional Housing Taskforce Scope:

The Taskforce will investigate planning barriers and develop recommendations to address regional housing issues with a focus on:

- *The planning system and other government levers to stimulate housing supply and address housing needs*
- *Removing impediments within the planning system to the delivery of affordable housing types and housing generally*
- *Identifying mechanisms within the planning system to facilitate and drive the delivery of housing matched to community needs*



NSW JOINT ORGANISATION CHAIRS' FORUM

Overview

NSW'S Regions have never been under such pressure to provide housing at all levels for their communities. The COVID pandemic has resulted in one of the greatest domestic migrations from cities to regional areas in Australia's history.

With technical advancements allowing for a decentralization of the workforce people have moved to regional areas while in many cases, retaining their city-based employment. This is leading to increasingly stratified communities with higher income earners consuming local housing and forcing prices up while people employed in the local economy are finding themselves pushed out of the market. In addition to these pressures, it is estimated that 500,000 ex pat Australians have moved back to Australia over the last 12 months.

This impact comes as many regional areas continue to struggle to recover from the devastating impact of bushfires and floods in 2019 and 2020.

Residential vacancy rates for regions outside of metropolitan Sydney in July 2021 sat at 1.06% *REINSW and the value of the average dwelling in regional NSW has increased by 22.9% in the last 12 months. * Corelogic

According to CoreLogic, the number of homes listed for sale nationally is 24% below the five-year average. The current imbalance between supply and demand for housing is exacerbated by the extended run of historically low interest rates.

Scope

A successful, vibrant and viable housing sector depends on far more than just a functioning and efficient planning system. The planning system needs to be supported by sound housing policy and solid financial and investment strategies with each element working together to support land availability, development and investment to provide a diverse and robust housing stock to meet the needs of rural and regional NSW. Drivers of the current housing situation are more complex and reach far beyond the sphere of local government

Research undertaken by the Australian Housing and Urban Research Institute (AHURI) points to changes in the 'institutional framework' for housing in Australia, which has entrenched a policy framework that appears unable to address housing affordability concerns in a significant way.



NSW JOINT ORGANISATION CHAIRS' FORUM

These 'institutional factors' include:

- The Labour market deregulation which has resulted in an increase in the casualisation of a proportion of the workforce making a home purchase out of reach of some workers
- Increased workforce participation has increased the purchasing power of two income households, thus raising the minimum income required to compete in the housing market
- Financial sector deregulation that has led to housing sector "financialisation" whereby society has increasingly come to see housing more as an investment vehicle.

Key Actions

The following recommendations include both practical and regulatory suggestions aimed at alleviating the current housing crisis both in the immediate and long term.

I. UTILISE GOVERNMENT LAND

Maximise the use of State-Government Owned Land to increase land availability – through releasing Crown Land that has been identified as surplus to needs and resolving outstanding Native Title issues on the land.

A register of NSW Government land be prioritised and assessed to determine the best fit housing type and ways to expedite suitable Government land into social, affordable or community housing. Ensuring the land is suitable for redevelopment is a crucial step

Additionally, a license scheme for Crown Land could be initiated which would enable its use for temporary housing – many of the large infrastructure projects like Inland Rail or Snowy Hydro will have a high demand for housing. This housing could then be repurposed for affordable housing. The license could expire at the time estimated by Crowns that the land will be needed for use



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II. APPRAISE THE IMPACT OF LAND BANKING AND IDENTIFY OPTIONS TO ADDRESS

Land banking is proving to be a significant issue within areas of regional NSW with developers withholding swathes of undeveloped land from the commercial market.

We would recommend the impact of land banking be appraised and options identified to address the issues. Options to be considered include sunset clauses on zoning changes or assistance with infrastructure funding for sewer and water to ensure land is developed in a timely fashion. This may include low costs loans or voluntary agreements to mitigate the up front costs and stimulate quality development.

III. SHORT TERM HOLIDAY LETTING

Across the NSW short term holiday letting is having a detrimental effect on the supply of housing available for long-term rentals for locals. In tourist destinations this effect is amplified.

By way of example, the Byron Shire has 4,230 residential properties listed online as holiday lets. A 260% increase over the previous three and a half years – this equates to 25% of the shire's total dwellings.

We would request the NSW Government pause the introduction of the SEPP until a social impact assessment of Short-Term Rental Accommodation (STRA) has been undertaken.

IV. SKILLED LABOUR DEFICIT

One of the significant barriers to the creation of new housing stock is sufficient skilled labour to meet demand. Skills shortages in the regions are at a critical level, with unemployment running at below the national average. The consolidation of TAFE training into regional cities has impacted on the accessibility of trades training in rural and regional areas creating barriers to the employment of apprentices and trainees.

The social impact of mobile workforces also needs to be better considered in the wake of disaster recovery. A solution to this may be that developers moving into the region must first build housing for their workforce, which will remain as a legacy asset upon completion of the development.



NSW JOINT ORGANISATION CHAIRS' FORUM

V. PROMOTION OF INVESTMENT IN RURAL AND REGIONAL COMMUNITIES

Rural and remote regions of NSW are also affected by the housing crisis with keys jobs now going unfilled as applicants are not able to find suitable accommodation. The opportunities to overcome the shortage appear to be limited by the apparent lack of investor interest.

The forecasts for negative population growth in rural and remote areas does not engender a sense of confidence with persons looking at building and reselling at the end of their tenure in these communities. Many of these projections are historically based and don't account for contemporary factors such as mining development or major capital works projects. Development decisions would be aided by evidenced based decision making which can only be achieved if population projects accurately reflect growth trends. We would recommend a strategy is developed to market the benefits of investing in regional and rural communities.

VI. CONSIDERATION TO ALTERNATE OWNERSHIP STRATEGIES

Consideration be given to facilitating alternate strategies which would open property ownership up to a broader section of the community. Concepts to be considered include:

- Community Land Trusts to increase the pool of developers – the shared ownership of the land through a Trust increases affordability.
- Land rental schemes – rent is paid on the land until the owner can afford to purchase
- Build to rent programs

VII. IDENTIFY AND FUND UTILISATION OF SURPLUS AND UNUSED PRIVATE BUILDINGS

Identify & register private dwellings and other buildings where NSW Government or community housing groups could take a head lease to provide temporary & social housing as a stop gap housing whilst LHC sites are being redeveloped.

This would include unused hotels and hospitals for affordable rental accommodation and would require the development of a compliance regime that supports the conversion of older buildings into multi-residential developments.



NSW JOINT ORGANISATION CHAIRS' FORUM

Conclusion

The Joint Organisations are encouraged by the NSW Housing Strategy and the 2021-22 Action Plan and commends the commitment to working with local governments and communities to achieve the NSW Government housing objectives, as well as recognising the unique role of local government in the delivery of housing and achieving housing goals for the community. The housing initiatives being pursued by our member councils are complimentary to the Strategy and action plan.

Yours Sincerely



Mayor Rowena Abbey

Chair – NSW Joint Organisation Chairs Forum



From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 3 September 2021 12:18:00 PM
Attachments: [chia-nsw-and-achia-submission-to-regional-housing-taskforce.pdf](#)

Submitted on Fri, 03/09/2021 - 12:12

Submitted by: Anonymous

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Submission file

[chia-nsw-and-achia-submission-to-regional-housing-taskforce.pdf](#)

Submission

Please refer to attached joint submission from the Community Housing Industry Association NSW (CHIA NSW) and the NSW Aboriginal Community Housing Industry Association (ACHIA).

I agree to the above statement

Yes



Submission to the Regional Housing Taskforce

September 2021

*The CHIA NSW and ACHIA offices
are located on land traditionally
owned by the Gadigal Clan of the
Eora Nation.*

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About this submission

Together, the Community Housing Industry Association NSW (CHIA NSW) and the NSW Aboriginal Community Housing Industry Association (ACHIA) welcome the opportunity to provide a submission to the Regional Housing Taskforce.

Safe, secure, and affordable housing is a basic human right. It is the foundation for individuals, families, and communities to experience positive social, health, wellbeing, and economic outcomes. This submission outlines a series of recommendations for addressing the critical shortage of social and affordable housing in regional areas of NSW through the planning system and other government levers.

At a time of ongoing uncertainty, social and affordable housing is vital infrastructure for regional economies. By investing in a long-term social housing infrastructure program, the NSW Government can continue to strengthen the state's economic position, whilst making a lasting difference to the lives of current and future generations in NSW.

With the right planning framework in place, community housing providers and Aboriginal community housing providers are well positioned to work alongside government and the private sector to build the social and affordable homes that regional communities need.

Recommendations

The NSW Government can support diverse and affordable housing in regional NSW by:

Improving strategic planning

- Review regional planning strategies to ensure they are up to date and adequately address the housing needs of very low, low, and median-income households. Regional plans must identify affordable housing as a clear priority and outline a clear set of actions to secure supply, including culturally appropriate Aboriginal housing.
- Set clear targets for the delivery of new social, affordable, and Aboriginal housing in each region, reflecting the housing needs in each area.
- Ensure infrastructure delivery is coordinated with growth. Recognising it is critical infrastructure, ensure the social and affordable housing needs of growth are considered alongside other infrastructure. This includes in the planning for Special Activation Precincts.
- Require regional councils to prepare up to date local housing strategies (LHS) to ensure sufficient capacity is available for housing delivery. Each LHS must demonstrate how regional housing targets will be met and outline the mechanisms council will use to support social, affordable, and Aboriginal housing.
- Work collaboratively with local councils, community housing providers (CHPs), Aboriginal CHPs (ACHPs), Local Aboriginal Land Councils and other partners to prepare a joint-delivery plan that identifies all potential opportunities for the delivery of new supply.
- Implement an integrated approach to delivering Closing the Gap targets, including reducing overcrowding in Aboriginal households, through place-based partnerships that involve ACHPs, Local Aboriginal Land Councils and Regional Aboriginal Housing Committees as key participants.
- Consider how the *Local Government Act* could more effectively support partnerships between councils and registered CHPs.

Ensuring a supportive policy framework

- Task regional councils with reviewing their local planning controls to ensure they support the feasibility of genuinely affordable and diverse housing and incentivise supply. This includes supporting culturally appropriate Aboriginal housing models.
- Review the operation of planning concessions and incentives for affordable housing available under state environmental planning policies to ensure they are effective in regional contexts. This includes threshold criteria for applying concessions and the scale of density bonuses available.
- Extend social housing concessions available to the Land and Housing Corporation under state environmental planning policies to all social housing providers, including registered CHPs and ACHPs.
- Ensure design standards imposed through state environmental planning policies and design guides support the feasibility of social, affordable, and Aboriginal housing in regional areas. Sufficient flexibility must be provided to ensure the design of housing can respond appropriately to the specific needs of the people who will be housed.

Facilitating delivery, including through land supply

- Increase the supply of government-owned land in regional areas available for social and affordable housing projects by CHPs and ACHPs. Regional plans need to set benchmarks for the delivery of social and affordable housing on government-owned land.
- Identify opportunities for the renewal of public housing estates in regional areas, to increase supply and improve the quality of social, affordable, and Aboriginal housing.
- Incentivise regional councils to identify a pipeline of surplus council-owned land that could be developed for affordable housing through joint-ventures with CHPs.
- Work with the Aboriginal community housing sector to identify and unlock opportunities for new housing on land held under Aboriginal ownership in regional areas.
- Introduce a streamlined development approval pathway to fast-track community housing projects and reduce costs of planning and delivery. This could include increasing the use of local planning panels in regional areas, creating a state significant development pathway for affordable housing, and reform of inefficient council assessment processes.
- Remove regulatory and planning barriers to innovative housing models, including for meanwhile use of land and buildings, to complement the delivery of long-term supply.
- Ensure reforms to the Government agency concurrence and referrals process overcome planning delays and bottlenecks in regional areas.
- Exempt all types of affordable housing development from development contributions, including development by not-for-profit CHPs and ACHPs, to support development feasibility and incentivise supply.

Providing direct capital subsidy

- Actively support regional councils to establish affordable housing contributions schemes in a timely manner, including by streamlining the process for updating local environmental plans. The feasibility of these schemes will be supported if councils introduce policies that commit to applying schemes as part of all future planning proposals for growth areas. This policy should signal the expected contributions rate.
- As part of new reforms to the regional infrastructure contributions system, ensure some of the funding collected from the broad-based levy is allocated to affordable housing in regions where there is identified need.

- Recognising the funding gap that remains for genuinely affordable housing, increase the direct subsidy available to not-for-profit CHPs and ACHPs to build new supply. The Government can support a major housing construction program across NSW by establishing a Social Housing Capital Fund, starting with shovel-ready projects.

About CHIA NSW and community housing providers

The Community Housing Industry Association NSW (CHIA NSW) is the peak body representing 94 registered, not-for-profit community housing providers (CHPs) in NSW. Our members currently own or manage more than 51,000 homes across NSW for individuals and families who cannot afford to rent or purchase a home on the private market. Approximately half of these homes are in regional communities.

Since 2012, CHPs have delivered more than 1,200 new homes in regional communities, representing an investment of over \$324 million and supporting 3,175 jobs. Critically, these are new homes that the private sector cannot – or will not – deliver in response to housing need.

The community housing sector supports the people of NSW, with tenants located in small and large communities, coming from a range of backgrounds, including:

- Young people and families.
- People on a disability or aged care pension.
- Those who have experienced family violence or homelessness.
- Aboriginal and Torres Strait Islander people.
- Key workers (such as health and childcare workers, retail and hospitality staff, and other essential service workers) who would otherwise be priced out of the area.

CHPs deliver housing with the needs of their future tenants in mind, tailoring projects to match the housing need in the local area and the profile of those on social housing waiting lists. CHPs retain most of their new housing stock for the long-term, meaning that they are focused on designing high-quality homes which are environmentally sustainable, require less maintenance because of innovative design, and deliver cost savings to their tenants.

About ACHIA and Aboriginal community housing providers

The Aboriginal Community Housing Industry Association (ACHIA) is the peak body representing 192 Aboriginal Community Housing Providers (ACHPs) delivering housing and other services to Aboriginal communities in NSW. ACHPs provide 4,971 homes across urban, regional, and remote NSW.

ACHIA's work is focused on three key areas:

- Developing and supporting public policy which promotes a fairer housing system for Aboriginal people in NSW, and at a national level, in partnership with other Aboriginal-organisations.
- Supporting the development of best practice in the provision of housing for Aboriginal people by encouraging networking and collaboration between Aboriginal community housing providers.
- Supporting the provision of culturally appropriate housing by (mainstream) CHPs.

ACHIA's vision is to increase opportunities for Aboriginal households to be housed by Aboriginal Community Controlled Organisations. Through sustained investment and new opportunities, the NSW Government can continue to build the capacity of the Aboriginal community housing sector to deliver culturally appropriate housing and services to more Aboriginal communities throughout NSW.

CHIA NSW and ACHIA joint submission to the Taskforce

Affordable housing must be a priority

There is a critical need for more social and affordable housing in regional NSW. It is widely recognised that the COVID-19 pandemic has seen an influx of people into regional areas of NSW. However, this has only exacerbated pre-existing affordability and supply issues in many regional areas. Pre-COVID, modelling undertaken by the University of NSW (on behalf of CHIA NSW) showed that, outside Greater Sydney, that there was a pre-existing unmet need for 80,400 social and affordable rental homes¹.

Significant rent and property price increases in many regional areas since the start of the COVID-19 pandemic will have worsened housing affordability. In recent months, regional communities and real estate agents have observed increasing investment in local housing markets from investors living outside of regional communities. Although this activity has been partly driven by perceived potential for capital gains, the increase in external investment will further increase demand and prices in the housing market and out-price local residents, and first home buyers.

More than 16,700 households are currently waiting for social housing in regional communities. This figure underestimates the true extent of need, as the waitlist only captures the households who meet the strict eligibility criteria for social housing set by the NSW Government. The table below compares the waitlist and private rental vacancies in each region between 2019 and 2020.

Table: Social housing waitlist and shift in private vacancy rates by region²

| Region | 2020 Waiting List (Households) | 2019 Vacant Private Dwellings | 2020 Vacant Private Dwellings | % Shift Private Vacancies 2019-2020 |
|-----------------|--------------------------------|-------------------------------|-------------------------------|-------------------------------------|
| Hunter Valley | 1569 | 469 | 223 | -52% |
| Newcastle | 1648 | 661 | 362 | -45% |
| Riverina | 942 | 415 | 216 | -48% |
| Central West | 1055 | 618 | 267 | -57% |
| Central Coast | 3004 | 1022 | 237 | -77% |
| Mid North Coast | 2912 | 697 | 186 | -73% |
| Northern Rivers | 2652 | 451 | 134 | -70% |
| Illawarra | 2438 | 799 | 302 | -62% |
| Tamworth | 498 | 244 | 113 | -54% |

A lack of adequate affordable housing reinforces cycles of disadvantage. It can lead to lower income households being displaced, with the risk that they lose connections with families, friends, and support networks as well as schools and health services. Some people may have no option but to remain in unsafe or unhealthy circumstances, pay unaffordable rents, live in substandard housing, or, at worst, experience homelessness.

An unaffordable housing market also has economic consequences, impacting an area's ability to attract and retain essential workers, such as education and childcare workers, healthcare workers, aged care, or emergency service workers.

Within this context, the NSW Government must commit to systemic housing reform to deliver more social and affordable housing. The provision of affordable housing options close to employment and services will improve connectivity, productivity, and liveability outcomes by providing housing for people employed in low paying jobs that are essential to the success of regional economies.

¹ L. Troy, R. van den Nouwelant and B. Randolph (2019) *Estimating need and costs of social and affordable housing delivery*, City Futures Research Centre, University of NSW, Sydney.

² Social housing waitlist data sourced from Department of Communities and Justice (2021) *Guide to waiting times for social housing* as at 30 June 2020. Vacant properties data sourced from SQM Research, as at Dec 2019 and Dec 2020: www.sqmresearch.com.au/graph_vacancy.php?postcode=2000&t=1

Improving housing outcomes in regional areas must also focus on increasing the economic and social prosperity of Aboriginal families and communities and achieving the targets within the recently refreshed National Agreement on Closing the Gap. This includes increasing the proportion of Aboriginal people living in appropriate affordable housing that is aligned to their priorities and need. Importantly, unlocking unrealised opportunities for the use of land in Aboriginal ownership will deliver broader and ongoing improvements to the collective prosperity of First Nations Australians.

The barriers to delivery

CHPs and ACHPs have identified several challenges which must be addressed to deliver sufficient supply of new housing in regional areas. These include:

- A lack of suitable land for new community housing development, close to services and employment opportunities. Much of the housing delivered by the market has been on the fringes of towns, where land is cheaper. While ACHPs can access land through Local Aboriginal Land Councils (LALCs), changes to Government policy and strategy settings are needed to unlock these opportunities.
- A lack of suitably-designed housing. There is a need for more smaller homes (one and two bedroom dwellings). Recent housing delivered by the market has tended to be larger dwellings, which do not adequately meet the needs of many lower income households. ACHPs have also reported a need for more culturally appropriate housing, including homes that can accommodate family members with a disability.
- Out-of-date or restrictive planning policies, which do not support the development of alternative forms of housing, such as apartments and townhouses, or respond to specific cultural needs.
- Community opposition to new development, due to concerns with development impacts or misconceptions about social and affordable housing.
- A lack of subsidy to cover the funding gap for new social and affordable housing.

The NSW planning system has the potential to support the delivery of an increased supply of diverse and affordable housing. Yet, despite record high levels of housing completions in recent years, the planning system has historically made a minimal contribution to the supply of affordable housing. For example, voluntary incentive mechanisms contributed between 0.5 and 1 per cent of Sydney's total housing supply over an eight-year period³. The contribution in regional areas is likely to be even lower.

Significant action is required to prioritise the delivery of social, affordable, and Aboriginal housing through the planning system and address the significant discrepancy between supply and need in many regional areas.

The importance of strategic planning

Recent research has shown that social and affordable housing outcomes will only be delivered when effective planning policies and funding programs are in place to support delivery at the strategic level.⁴ Clear strategic plans are needed at both the regional and local level to establish the right conditions for the delivery of housing supply that addresses actual need and aligns with broader strategic priorities.

³ These measures primarily included density bonuses and concessions available under the Affordable Rental Housing State Environmental Planning Policy, and affordable housing negotiated through Voluntary Planning Agreements, between 2009 and 2017. Source: Gurrán, N., Gilbert, G., Gibb, K., van den Nouweland, R., James, A. and Phibbs, P. (2018) *Supporting affordable housing supply: inclusionary planning in new and renewing communities*, AHURI Final Report No. 297, Australian Housing and Urban Research Institute Limited, Melbourne.

⁴ Pill, M., Gilbert, G., Gurrán, N. and Phibbs, P. (2020) *Strategic planning, 'city-deals' and affordable housing*, AHURI Final Report No. 331, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/331>, doi: 10.18408/ahuri-7320301.

Regional planning

While a suite of strategic land use plans covering regional areas was established in 2017, many of these plans are now out of date and do not reflect the housing challenges that have arisen since the start of the COVID-19 pandemic. These plans also need to include stronger policies and actions for tackling housing affordability issues.

As part of the NSW Housing Strategy (*Housing 2041*), the NSW Government has committed to reviewing the NSW regional planning framework to ensure housing challenges and opportunities are accurately identified. This work needs to be expedited and regional plans updated to:

- Identify the delivery of affordable rental housing as a clear priority.
- Ensure strategic plans are aligned with the full suite of Closing the Gap outcomes and targets, including increasing the supply of culturally appropriate housing for Aboriginal people.
- Outline the mechanisms that the NSW Government will employ to support delivery, including the use of government land.
- Set out clear actions for regional councils to implement through their local plans, including a requirement for the preparation of local housing strategies.
- Include specific growth targets for social and affordable housing, including Aboriginal housing.
- Ensure infrastructure delivery is coordinated with growth.

Coordinated regional development and infrastructure planning will support the delivery of housing linked to jobs and investment in infrastructure. It will also help to address a common barrier to community acceptance of new development.

Alongside transport, open space and other community facilities, social and affordable housing is critical infrastructure that supports productivity and liveability in regional areas. Planning for infrastructure must therefore include planning for social and affordable housing as an integral part of the strategic planning process. Under current approaches, the feasibility of affordable housing requirements is assessed as a secondary priority, after infrastructure planning is completed. This results in missed opportunities and undermines the feasibility of planning interventions.

This approach needs to be extended to planning for Special Activation Precincts (SAPs). The significant growth in jobs and economic activity envisaged in SAPs will have commensurate impacts on housing markets and the demand for housing. Critically, this has not been considered as a core part of the strategic planning of these precincts.

Local strategic planning

While all councils in NSW are required to prepare a Local Strategic Planning Statements, these are high level documents and need to be supported by more detailed local housing strategies (LHS) and implementation plans. Local housing strategies provide greater certainty to the community and housing sector as to how growth will be accommodated and the mechanisms a council will use to ensure that development matches housing needs. The LHS process also provides regional councils an opportunity to build community understanding of the need for, and role of, different housing products. This will help to overcome community resistance to new social and affordable housing projects, which can be caused by unfamiliarity with different housing types.

In contrast to Metropolitan Sydney, relatively few regional councils have up to date local housing strategies in place. Currently, only 19 regional councils have a suitable strategy in place that is less than three years old.⁵ Eight are currently preparing a strategy.⁵

The NSW Housing Strategy Action Plan includes supporting regional councils to establish local housing strategies where required. CHIA NSW and ACHIA recommend:

⁵ Based on audit of council websites, July 2021.

- All regional councils experiencing population growth be required to prepare a LHS that addresses the diversity of housing needs in each local area, including very low to moderate income households, key workers, Aboriginal people, and those who may be displaced by increased development in the area.
- The LHS needs to demonstrate that a council has identified sufficient suitably zoned land to meet the identified need for diverse and affordable housing. This needs to include how regional housing targets will be met at the local level.
- Identify the planning mechanisms and incentives a council will employ to ensure housing is delivered and meets identified needs.
- Includes actions aimed at improving community understanding of the need for different housing types and addressing community concerns with new development.
- CHPs and ACHPs need to be actively engaged in the preparation of the LHS. This includes engagement with the Aboriginal Housing Office's Regional Aboriginal Housing Committees to better understand housing issues in each region, and consideration of the priorities and opportunities identified by LALCs in their Land and Business Plans.
- Each LHS should be submitted and endorsed by the NSW Government, as they are required to be for Metropolitan councils.

Social and affordable housing supply targets

Strategic planning has historically focused on the overall quantum of housing needed. However, this has not been effective at increasing the proportion of supply that is genuinely diverse, affordable, and resilient.

To ensure that sufficient housing supply is provided across the housing continuum, clear targets for net growth in social and affordable housing need to be set, noting that different regions will have different housing needs, both in terms of quantum and housing type. Targets need to also be set for the delivery of culturally appropriate housing for Aboriginal people, built in accordance with culturally appropriate design principles.

This approach will provide a clear indication of the scale of supply and the types of housing products required, and highlight where specific models are needed, such as delivery tailored to Aboriginal communities or other priority households.

These targets need to be included in strategic plans and monitored annually to allow mechanisms and initiatives to be amended as required if they are not delivering the housing that is required. Councils and NSW Government agencies, including the Land and Housing Corporation (LAHC) and AHO should work to a common set of targets, that includes delivery of new homes by both CHPs and ACHPs.

Collaborative working will leverage better outcomes

There is a need for collaborative efforts across all levels of government, and the not-for-profit and private sectors, to support the timely provision of good quality and well located social and affordable housing. A lack of joined-up working leads to delays, inefficiencies and missed opportunities.

For example, this is recognised by the Illawarra Shoalhaven Regional Plan 2041, which emphasises the importance of planning mechanisms being supported by other measures including a whole-of-government approach, strong leadership, government-owned land and collaboration with industry and community housing providers. Implementation of the plan will be supported by the establishment of an Affordable Housing Roundtable with councils, CHPs, and Government to identify opportunities for increasing the supply of affordable housing.

Joint-ventures with CHPs and ACHPs can unlock development opportunities and increase housing supply by leveraging the benefits of not-for-profit CHPs, including tax-concessions and access to lower cost finance through the National Housing Finance and Investment Corporation (NHFC). This can mean

that CHPs can develop affordable rental housing at a lower cost than for-profit developers. Any affordable housing contributions collected by Council can also be co-invested with the lower-cost finance CHPs are able to obtain, to further enhance the potential to increase supply.

For example, Argyle Housing is collaborating with Griffith City Council to deliver purpose-built low to middle income housing projects in Griffith. Argyle Housing is leveraging finance secured from NHFIC with land gifted by the Council to deliver new homes, to be delivered between now and the end of 2022.⁶

Recent modelling undertaken by Equity Economics found that delivering the additional social housing needed through CHPs would generate a return on investment over 50 percent higher compared to delivery through public housing alone. This could save the NSW Government between \$316 million to \$631 million per year.⁷

CHIA NSW and ACHIA strongly recommend that a collaborative approach to delivery is enshrined through the preparation of a joint delivery plan for each region that identifies how all levels of government will work collaboratively with the not-for-profit and private sectors to deliver the social, affordable, and Aboriginal housing that is needed. Such plans should ideally be prepared as part of the finalisation of regional plans and include representation from non-government organisations that play a significant role in supporting communities, including CHPs, ACHPs and LALCs.

This joint-delivery process should integrate with the establishment of Place-based Partnerships to drive progress against Closing the Gap targets. The National Agreement on Closing the Gap commits to establishing at least six Place-based Partnerships by 2024. A key element of these partnerships is joint decision making between the Aboriginal community and Government.⁸

Collaboration could be supported through reforms to the *Local Government Act* to make it easier for councils to enter into partnerships with CHPs and ACHPs. The community housing sector is a credible, transparent, and highly regulated delivery partner, with over 40 years of experience in working with local partners and communities. In NSW, registered CHPs and ACHPs are subject to an independent and robust regulatory system, the National Regulatory System for Community Housing, which ensures that providers meet required performance benchmarks and outcomes as a condition of ongoing registration.

The importance of a supportive policy framework

CHPs and ACHPs are concerned that in some regional areas, planning controls can pose an additional barrier to the delivery of social and affordable housing through a lack of flexibility or by increasing construction, operational and/or maintenance costs.

As not-for-profit organisations delivering lower-cost housing, designing developments that are cost-effective is an integral component of a CHP's and ACHP's financial viability. This is especially critical at a time when land prices and operating costs, such as insurance premiums, are rising.

Planning settings that are too onerous will increase the subsidy required to make social and affordable housing schemes viable (including the costs to government) and/or reduce the amount of housing that can be delivered.

Councils need to review local planning controls to support delivery

CHPs and ACHPs deliver housing with the needs of their future tenants in mind, tailoring projects to match the specific housing needs in a local area and the profile of those on social and affordable

⁶ <https://argylehousing.com.au/new-low-to-middle-income-housing-for-griffith/>

⁷ Equity Economics (2021) *Maximising the Returns – The Role of Community Housing in Delivering NSW's Future Housing Needs*, Equity Economics, Melbourne

⁸ For more information, visit: <https://coalitionofpeaks.org.au/resources/place-based-partnership-resources/>

housing waiting lists. In some council areas, inflexible zoning or development controls make it difficult to deliver the housing that is needed.

CHIA NSW and ACHIA recommend that councils be tasked with reviewing their planning controls to ensure they are up to date and support the feasibility of social, affordable, and Aboriginal housing. This includes:

- Ensuring planning instruments provide sufficient flexibility to adapt to the specific needs of social and affordable housing delivered by ACHPs and Aboriginal CHPs. This includes housing that is appropriate to the social and cultural requirements, living patterns, and preferences of Aboriginal households.
- Incentivising supply, such as through height or floor space bonuses in exchange for affordable housing provision, recognising the public benefit created by affordable housing. When setting height and other building envelope controls, councils also need to ensure that available density bonuses can be accommodated.
- Reducing car parking requirements for affordable housing development in appropriate locations close to transport and services, such as urban centres, to support viability.
- Establishing targeted settings for specific areas of a local government area, should Council want to promote affordable housing in specific locations.

State planning policies

CHIA NSW and ACHIA supports NSW Government efforts to streamline, simplify and improve the clarity of state environmental planning policies (SEPPs). It is noted that several SEPPs are currently under review which are directly relevant to diverse and affordable housing, including preparation of a new Design and Place SEPP, review of the Apartment Design Guide (ADG), and new Housing SEPP. The NSW Government has also committed to preparing a unified housing design guide to reduce complexity, introduce common requirements and provide a central source for the design of diverse housing.

This work has the potential to support new supply and ensure ACHPs and Aboriginal CHPs are strongly positioned to build new social, affordable, and Aboriginal housing in regional communities. Key issues that must be addressed include:

- The operation of planning concessions for affordable housing should be reviewed to ensure they are effective in the regional context. For example, the accessibility criteria for development to qualify for the in-fill affordable housing concessions under the Affordable Rental Housing SEPP (ARHSEPP) are insufficient for the regional context. Development in the Newcastle and Wollongong regions needs to meet the same bus frequency requirements as Greater Sydney. In other locations, the concessions are only available to sites within 400 metres walking distance from a B1, B2 or B4 zone. This seems arbitrary and limits opportunities for new diverse and affordable housing as many regional sites do not meet these criteria. CHIA NSW and ACHIA recommend that in regional areas the in-fill affordable housing concessions be made available to all sites in proximity to transport services, regardless of zone. The frequency test for bus services should exclude weekend services, as is the case for seniors housing.
- The effectiveness of the density bonuses available under ARHSEPP needs to be investigated. In regional areas, the current scale of bonuses available may not be sufficient to make including affordable housing attractive to for-profit developers. As noted above, guidance is needed for councils setting height controls, to ensure the full density bonuses can be achieved.
- The ARHSEPP (and draft Housing SEPP) provides several concessions to the LAHC to facilitate the efficient delivery of new social and affordable housing models. These provisions should be

extended to all not-for-profit social housing providers, noting that CHPs and LAHC share the same objectives.

- CHIA NSW and ACHIA are concerned with additional design standards for affordable housing being proposed through the draft Housing SEPP and ADG. Testing of the costs and benefits of new requirements is needed before new SEPPs are finalised. This needs to consider the specific feasibility constraints of development in regional areas. CHIA NSW and ACHIA recommend that the new Design and Place SEPP include provisions supporting the flexible application of the ADG and other design guides to social, affordable, and Aboriginal housing delivered by not-for-profit CHPs and ACHPs. Similar provisions already exist for build-to-rent housing at clause 41E of the ARHSEPP.
- CHIA NSW and ACHIA support the development of a section/s in the unified Housing Design Guide relating directly to affordable, social, and Aboriginal housing, that considers how standards could be applied more flexibly to support feasibility and respond to the specific needs of the people who will be housed. This section needs to be developed in collaboration with ACHPs and CHPs.

Facilitating delivery

Improving access to land

Many CHPs have reported difficulties accessing land as a barrier to delivering new community housing. Land owned by both state and local government presents a real opportunity to maximise the delivery of social and affordable housing in regional communities. Prioritising the use of this land will support development feasibilities and deliver opportunities for new supply.

In this regard, CHIA NSW and ACHIA welcomes the NSW Housing Strategy commitments to support councils to explore the use of underutilised land and establish a process for developers and the community housing sector to submit proposals for the use of government-owned land for housing.

CHIA NSW and ACHIA recommend that these commitments are capitalised on by:

- Introducing mandatory benchmarks for the delivery of social and affordable housing on Government-owned land as part of updated regional plans. State agencies disposing of or developing surplus land should be required to include a range of initiatives to address housing diversity and the need for affordable rental housing. A similar requirement exists in the Greater Sydney Region Plan.
- Identifying opportunities for the renewal of existing public housing sites to deliver an increase in social, affordable, and Aboriginal housing. Strategic planning needs to align with the local area strategies being prepared by LAHC as part of its Portfolio Strategy (2020), portfolio planning undertaken by the AHO, and opportunities identified through Regional Aboriginal Housing Committees. Recent examples have demonstrated the benefits to local communities that can arise from renewing public housing sites in partnership with CHPs. For example, Pacific Link Housing worked with LAHC to replace three ageing homes in Glendale with a mixed community of 21 modern fit-for-purpose homes. The partnership enabled LAHC to double the number of social homes on the site.⁹ Such projects also improve public understanding of the need for new social and affordable housing and the resultant community benefits.
- Incentivising regional councils to identify a pipeline of council-owned sites that could be used to support a long-term program of affordable housing partnerships with CHPs and Aboriginal

⁹ For more information visit: <https://www.pacificlink.org.au/communities-plus-program/> and <https://www.dpie.nsw.gov.au/land-and-housing-corporation/regional/lake-rd,-glendale>

CHPs. Several councils, such as Central Coast Council are already starting to undertake this work.¹⁰

- Working with Aboriginal landowners to identify and unlock opportunities for new housing supply and improve economic and social outcomes in Aboriginal communities. Aboriginal community liaison officers within councils should have an active role in planning and development functions to help build the capacity of the Aboriginal community and LALCs to engage with the planning process, including facilitating opportunities to unlock unrealised development opportunities on Aboriginal owned land.

Streamlining the approvals pathway

The planning approvals process represents a significant cost for community housing developments. Despite proposals being fully compliant with planning requirements, CHPs have experienced unnecessary delays and protracted approvals processes. This has included delays resulting from inconsistent advice, inefficient design review processes, duplication of information requests, as well as a lack of capacity within council development assessment teams. Unnecessarily protracted assessment processes increase costs, risk project viability and delays delivery.

While initiatives such as the Council Accelerated Planning Program may help to improve efficiency and remove the burden of unnecessary delays, the longevity of these programs is unclear. This program has also not been extended to all regional councils. Further planning system reforms are needed to improve efficiency and reduce delays across all aspects of the approvals process, including:

- Introducing a streamlined approvals pathway for low-impact community housing development. While a range of mechanisms may be used to deliver this outcome, complying development provisions and a Code of Practice outlining design and development standards, similar to the Education Establishments and Child Care Facilities SEPP, would be an effective approach. Review by the Department of Planning, Industry and Environment (DPIE) or LAHC/AHO could be included in the process to improve transparency and accountability.
- Larger community housing schemes could be subject to a state significant development pathway, reflecting the critical importance of increasing the supply of genuinely affordable housing in NSW. This pathway has already been extended to build-to-rent housing and is proposed to be extended to seniors housing under the draft Housing SEPP proposals.
- Introducing exempt or complying development pathways for meanwhile use housing. While meanwhile use housing is not a direct substitute for the delivery of new permanent housing, it can provide a temporary solution to address homelessness. A fast-tracked approvals pathway for meanwhile uses will maximise the time available to use vacant buildings for housing.
- Introducing local planning panels in more regional areas could also lead to better planning outcomes by providing an independent decision-making mechanism. Under such an approach, council officers should have powers to approve minor applications under delegated authority. This will free up councils to focus on long-term strategic planning.
- Implementing reforms to the Government agency concurrence and referrals process to provide better certainty for applicants and reduce delays and bottlenecks in the system.
- Streamlining the design review process to reduce costs and delays. The design review process must be used for advice, rather than to drive the assessment process. This advice must be provided early in the development assessment process, ideally at the pre-DA stage. Councils should have one opportunity to seek amendments post DA lodgement, as opposed to unlimited requests as is currently the case.

¹⁰ For more information visit: <https://www.yourvoiceourcoast.com/CAHL>

- Requests for additional information must be clear, consistent, concise, and necessary, with resolved matters to be progressively and formally struck-off by the consent authority once agreed.

Exemptions from infrastructure contributions

Exempting affordable housing from infrastructure contributions will help support development feasibility. Currently, exemptions are inconsistently applied. The *Environmental Planning and Assessment Regulation 2000* currently exempts affordable housing from section 7.12 contributions. However, exemptions from section 7.11 contributions are at the discretion of councils. CHPs have also raised concerns with some regional councils overcharging for affordable housing development where there is community resistance to proposals.

As part of reforms to the infrastructure contributions system, the NSW Government has indicated its intention to produce a simple, clear, standardised exemptions policy. This could be enacted through regulations or Ministerial directions. As part of this work, CHIA NSW and ACHIA strongly recommend that all social and affordable housing development by not-for-profit CHPs and ACHPs is exempted from infrastructure contributions. This will ensure the community housing and Aboriginal community housing sectors are strongly positioned to continue building the social and affordable housing needed across NSW.

If exemptions are lost, this would impose significant additional costs on community housing projects, impacting viability, increasing the government subsidy needed to deliver schemes, and/or reducing the amount of social and affordable housing that can be delivered.

The need for direct capital subsidy

The delivery of below market housing requires a subsidy to ensure its viability. While CHPs and ACHPs potentially have access to finance through National Housing Finance and Investment Corporation (NHFIC) and other sources, borrowing capacity is both insufficient to cover the full costs of development and would be predicated on access to capital grant or equity funding.

Subsidy can be in the form of an upfront capital investment (by government or from developer contributions), land (granted or from discounted sales), ongoing operating subsidies or a combination of these approaches.

Affordable housing contributions schemes

Affordable housing contributions schemes are an efficient and effective mechanism. They provide certainty to the community and developers, enabling local councils to plan for and fund affordable housing in partnership with not-for-profit organisations, such as CHPs and ACHPs.

While some regional councils have indicated their intention to implement schemes, none have yet been adopted outside of Greater Sydney. Implementation of these schemes requires councils to amend their local environmental plans. This can be a complex and time-consuming process and requires sign-off from the NSW Government.

Through the NSW Housing Strategy, the NSW Government has committed to encouraging all NSW councils to develop an affordable housing scheme. Government efforts in this space need to streamline and fast-track the process for implementing affordable housing contributions schemes, and provide councils with necessary resources and support, to ensure schemes are established in a timely manner. Delays in the implementation of schemes will lead to missed opportunities for the delivery of much needed housing.

Regional councils can support the feasibility of affordable housing contributions by adopting a scheme policy and framework committing to investigating their feasibility whenever a location is rezoned. Introducing this requirement now will help build understanding of the model and ensure affordable

housing is included where possible as regions grow and develop. This policy needs to outline the expected contribution rate to provide advanced notice to the market of Council's intentions.

Internationally, as well as in the City of Sydney, it has been demonstrated that a broad-based contribution requirement does not impede development, as developers incorporate the contribution into the land purchase price.¹¹ The Centre for International Economics, in its evaluation of infrastructure contributions reforms, also concluded that, over time, infrastructure costs will be factored into lower land values, rather than higher housing prices.¹²

Using regional infrastructure contributions to support supply

As part of reforms to the infrastructure contributions system, the NSW Government is considering the introduction of a broad-based regional infrastructure charge in the Central Coast, Hunter, and Illawarra/Shoalhaven Regions. The enabling legislation for this new system includes affordable housing as infrastructure which can be funded through regional infrastructure contributions. This is welcomed and would supplement place-based affordable housing contributions schemes introduced by councils. Further clarity is needed from the NSW Government on how collected funds will be allocated to projects, including affordable housing.

Direct capital grants are necessary

In many regional areas, where underlying land values are low, even if land is gifted to CHPs, an additional capital grant will be needed to support social and affordable housing development. This includes unlocking unrealised development opportunities on land held by Aboriginal owners. In many regional and remote areas of NSW, the land value is often not sufficient to attract development partners to build "on country" housing for Aboriginal people. This is additionally complicated by the significantly higher costs for building and maintaining properties in remote NSW.

As part of the NSW Housing Strategy, the Government has committed to supporting the ongoing growth of the community housing sector and investigating new sources of funding for affordable housing. Yet, while the NSW Government announced \$812 million in funding in the 2020-21 Budget for new and upgraded housing, this fell far short of the ongoing investment required to address the current and projected shortfall. No additional funding for social housing was included in the most recent 2021-21 Budget.

There is a need to review existing funding mechanisms and operating subsidies for community housing, with the objective of identifying the most efficient and sustainable models to deliver social, affordable, and Aboriginal housing.

Research by AHURI has demonstrated that an upfront capital grant, supplemented by efficient financing, provides the most cost-effective mechanisms for Australia.¹³ The study supports the case for targeting public subsidy to not-for-profit developers to ensure that a long-term social benefit is retained. Such a grant program could be modelled on the NSW Government's recent Community Housing Innovation Fund.

CHIA NSW's 2021 Pre-Budget Submission called on the NSW Government to establish a Social Housing Capital Fund to support a major housing construction program across NSW, starting with shovel-ready

¹¹ Gurran, N., Gilbert, C., Gibb, K., van den Nouweland, R., James, A. and Phibbs, P. (2018) *Supporting affordable housing supply: inclusionary planning in new and renewing communities*, AHURI Final Report No. 297, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/297>, doi: 10.18408/ahuri-7313201.

¹² The Centre for International Economics, (2020) *Evaluation of infrastructure contributions reform in New South Wales - Final Report*, prepared for the NSW Productivity Commission.

¹³ Lawson, J., Denham, T., Dodson, D., Flanagan, K., Jacobs, K., Martin, C., Van den Nouweland, R., Pawson, H. and Troy, L. (2019) *Social housing as infrastructure: rationale, prioritisation and investment pathway*, AHURI Final Report No. 315, Australian Housing and Urban Research Institute Limited, Melbourne

projects. This could be done in partnership with the Federal Government, through the next National Housing and Homelessness Agreement in 2023.

A significant Government investment in new social housing will have a lasting impact for generations to come. Data analysis and modelling conducted by Equity Economics demonstrated the economic and social benefits that would be generated by a major construction program.¹⁴ These include:

- \$5.2 billion in additional economic activity each year.
- Create 16,200 new jobs in the residential construction sector in NSW – including in regional areas.
- Preventing 750 people entering homelessness each year, saving \$13million every year in avoided costs, including increased health expenditure.
- Improved health, social, educational and employment outcomes, leading to long-term improvements in productivity that could equate to at least \$3,818 per households in Sydney and \$158 per household in regional NSW by 2049.

¹⁴ Equity Economics (2021) *Maximising the Returns – The Role of Community Housing in Delivering NSW's Future Housing Needs*, Equity Economics, Melbourne. Based on a construction program of 5,000 new social housing properties per year.

Regional Housing Taskforce: Response



RIVERINA JO
JOINT ORGANISATION

Contact: Julie Briggs, CEO

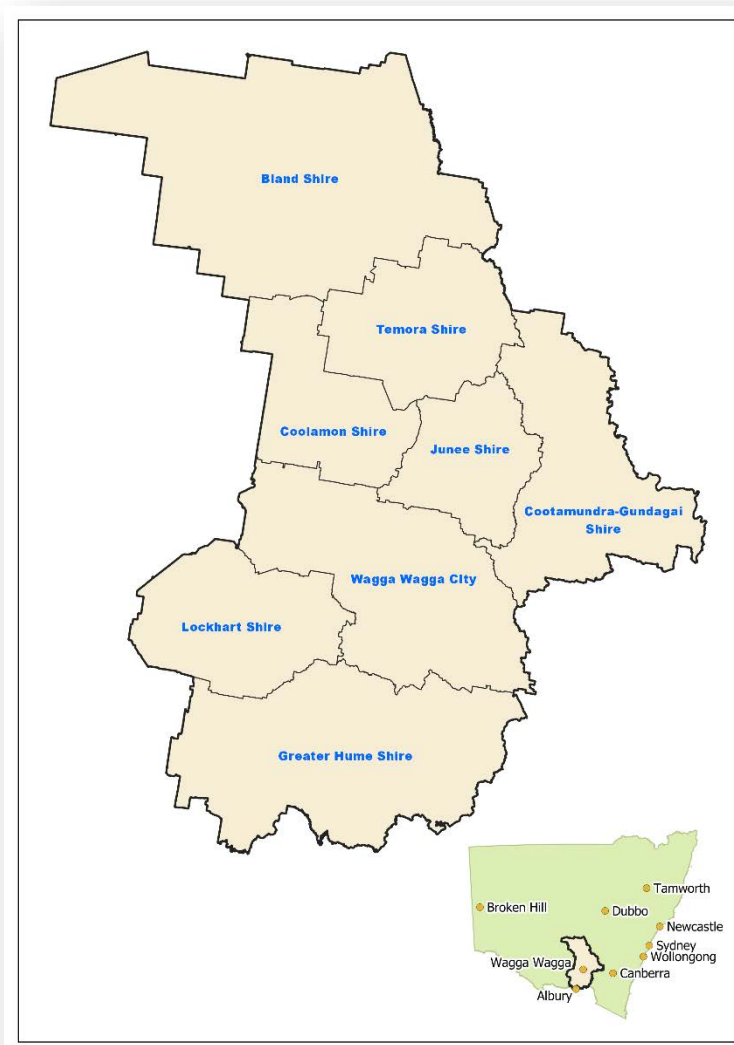
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Riverina Joint Organisation Regional Housing Taskforce Response

The Riverina Joint Organisation encompasses 8 Local Government Areas located in the eastern Riverina Region of NSW. Covering an area of some 45,000 sq kilometres and some 120,000 people. Many of whom are struggling to find a place to call home.

The Member Councils of the Joint Organisation are: Bland, Coolamon, Cootamundra-Gundagai, Greater Hume, Junee, Lockhart, Temora, Wagga Wagga and Goldenfields and Riverina Water County Councils.



Our Region is in the grip of a severe housing shortage and one that will only worsen as major infrastructure projects get underway like the Inland Rail, Snowy Hydro 2.0, numerous solar farms, the expansion of Evolution Mining at West Wyalong, TransGrid’s Energy Connect project and the growth that is anticipated to be generated by the Wagga Wagga SAP.

While it is wonderful to have so much economic development in the Region, it will be extremely disappointing if we cannot translate this into permanent population growth, due to a lack of housing. Regional NSW has fought for decades for population growth, we need action quickly to leverage the economic growth we are now experiencing to ensure that regions benefit in the long-term from the billions of dollars in investments that are being made.

In our Region available housing is so low that these major infrastructure projects are being forced to use or consider using Fly-in-Fly-Out workers or temporary housing arrangements. Neither of which is conducive to families choosing to live and work in our Region.

In the Riverina JO Region as of 16 July 2021 our research showed that the following housing was available:

| LGA | Number of Residences for Purchase | Number of Residences for Rent | Population |
|----------------------|-----------------------------------|-------------------------------|------------|
| Bland | 27 | 0 | 5,985 |
| Coolamon | 15 | 3 | 4,368 |
| Cootamundra-Gundagai | 26 | 8 | 11,260 |
| Greater Hume | 14 | 4 | 10,686 |
| Junee | 29 | 2 | 6,631 |
| Lockhart | 13 | 8 | 3,295 |
| Temora | 5 | 1 | 6,274 |
| Wagga Wagga | 29 | 5 | 64,820 |
| Wagga Wagga | 156 | 101 | 64,820 |

The lack of sufficient housing that meets the needs of a diverse population will act as a handbrake on growth for regional NSW and for our Region in particular.

In identifying the need to address the housing shortage problems across our Member Council LGAs, the Joint Organisation resolved to work with relevant State agencies and other stakeholders to develop a Regional Housing Strategy. The comments that are made in this submission are based on the extensive consultations that were undertaken in the development of our Strategy.

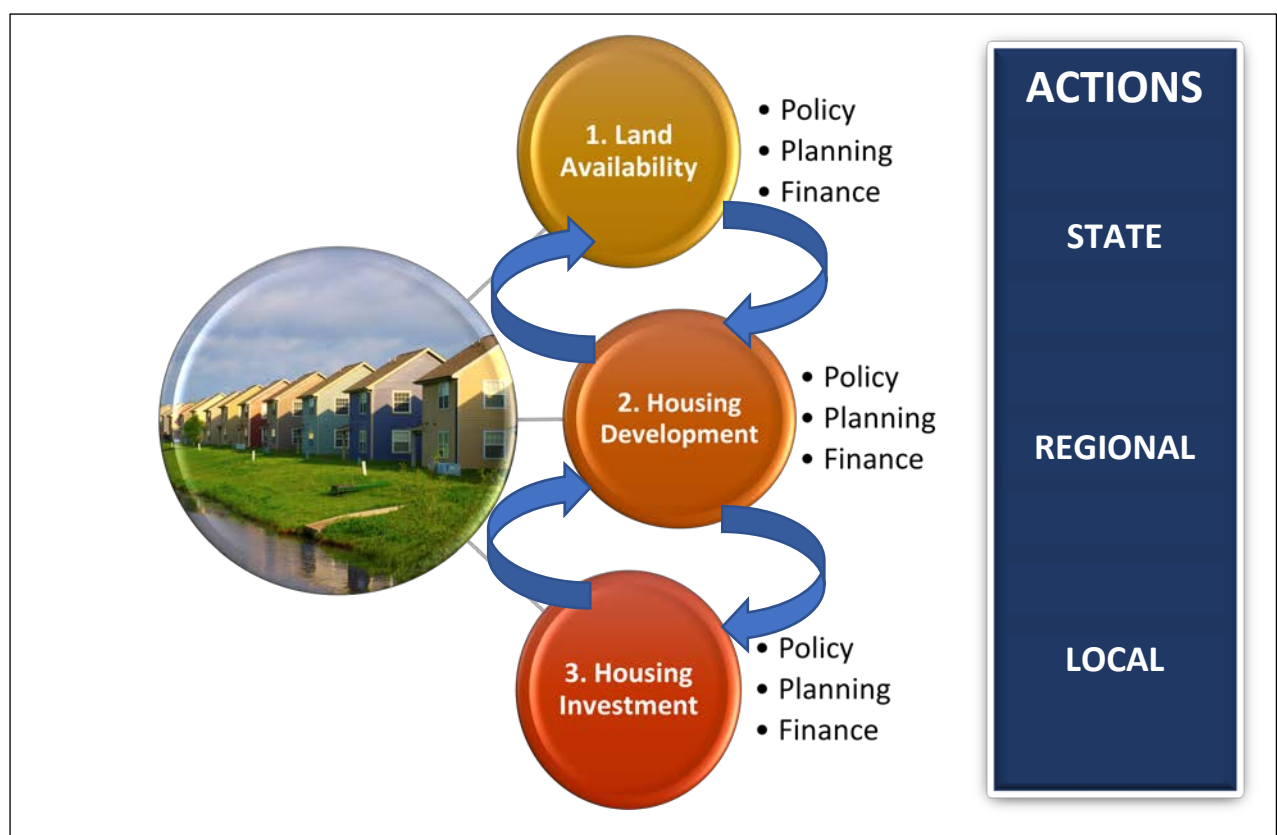
Riverina JO Regional Housing Strategy Goals

- *Sufficient housing, across a diversity of type to meet current and future demand.*
- *Vibrant and viable housing sector that supports regional growth and investment.*
- *Capitalise on the strong infrastructure investments that are occurring in the Region that will bring new residents.*

We believe that the Regional Housing Taskforce’s a focus on the planning system to resolve the issues that have resulted in a severe housing shortage in many areas of regional NSW is far too narrow an approach.

A successful, vibrant and viable housing sector depends on far more than just a functioning and efficient planning system. The planning system needs to be supported by sound housing policy and solid financial and investment strategies with each element working together to support land availability, development and investment to provide diverse and robust housing stock that meets the needs of rural and regional NSW.

We need to create an ecosystem that supports housing growth at every level. This means that we need to have policy, planning and finance settings that work together to provide a pipeline of land, that supports developers to develop and finally that encourages investors to invest whether it be for owner-occupier, rental or social housing.



In addition, we need the State to work with the regions and local government to create that ecosystem. One tier of government acting alone will not result in successful outcomes. Every tier has a stake in this, and regional organisations can be pivotal in facilitating outcomes, whether they be regional organisations representing local government, affordable housing providers or developers. Collaboration is the key if we are to successfully address this issue.

Accordingly, we have addressed each of the Taskforce’s questions in terms of what can be undertaken to improve land availability, housing development and finally housing investment. We believe these three elements need to be working together feeding each other for a robust and viable residential development ecosystem to operate. In addition, we have looked at solutions that can be provided by the State, local government and where we can work collaboratively.

In preparing this response we have consulted with all our Member Councils and addressed the Taskforce's three focus area. The recommendations that we have put forward are drawn directly from our Regional Housing Strategy.

1. The planning system and other government levers to stimulate housing supply and address housing needs

Land Availability

The key foundation to ensuring that there is a suitable and diverse range of housing provided is the availability of appropriately zoned land. This requires a lead-in time with councils needing to identify land in anticipation of demand and then developers taking advantage of the pipeline in a timely way so that housing is provided to meet demand.

The State can be a key player in making land available for residential zoning. In many LGAs the State holds dormant Crown Land that has been earmarked for a public purpose which has never eventuated. This land is often found in highly sought-after locations, however, much of it is subject to Native Title claims which will limit its re-purposing for residential housing.

The State, through NSW Planning, plays key roles in supporting re-zoning. The first of these is by approving the re-zoning process. Some councils report difficulties in obtaining NSW Planning's approval to re-zone in the first instance, with Planning requiring evidence, such as statistics, to support the need for additional land to be re-zoned. Councils attempting to develop a pipeline of land for development are hampered by the State's inflexibility relating to permitting re-zoning to occur. The second role that NSW Planning can play, and does play, is assisting with resourcing to deal the actual process. NSW Planning currently provides advice to councils on re-zoning however this could be extended by supplying Planning staff to provide on-ground assistance to council.

There is also concern that new residential developments in rural and regional councils are on prime agricultural land. The loss of prime agricultural land to housing development is of concern to both the State and councils, however, the reality is that where a council's urban areas abut prime agricultural land then residential land growth will normally occur by accessing nearby land that is often prime agricultural land. Economies of scale and scope for residential land depend on contiguous development that leverages existing infrastructure.

We recommend the following:

- *Maximise use of State-Government Owned Land to Increase Land Availability* – through releasing Crown Land that has been identified as surplus to needs and resolving outstanding Native Title issues on the land. It is pointless earmarking Crown Land for residential development if the Crown has not resolved the matter of Native Title.
- *Support Evidence Based Decision making* – we note that this is a feature of the State Housing Strategy and it should be a focus of the Regional Strategy. We need to ensure that there is sufficient land in the pipeline to accommodate growth. This can only be achieved if population projections accurately reflect growth trends. In our Region, the projections have consistently failed to reflect what has actually occurred. It is impossible to development residential land pipelines if population projections and therefore demand forecasting is

inaccurate. This is of particular significance if NSW Planning is determining whether or not a re-zoning should be permitted based on a requirement for councils to produce statistical evidence

- *Invest to Create Development-ready Land* - minimise the lead-time for land release by creating Development-Ready land, where Biodiversity planning requirements, infrastructure planning and utilities planning have been completed or partially completed. This process would need to be funded by the State.
- *Maximise use of council-owned land to Increase Land Availability* – provide support to councils to reclassify community and operational land, such as pocket parks, for housing.
- *Support Re-zoning through resourcing from DPIE* – council planning departments are often stretched with re-zoning requiring considerable resourcing it can be challenging to process them swiftly. We understand that Victoria has a Flying Squad arrangement in place, whereby staff from State Planning can provide the additional resourcing needed by a council to undertake re-zoning. A similar approach could be initiated in NSW using staff from DPIE.
- *Resolve the conflict between the need for urban residential development and the retention of prime agricultural land* – we note that the Agriculture Commissioner is close to finalising his Agricultural Land Use Strategy. This will hopefully assist and provide guidance on how this conflict can be addressed to accommodate all needs.

Housing Development

Upfront costs of development have been identified as a barrier to developing zoned land. The need for “lumpy” asset investments upfront which can only be recouped on the sale of the land acts as a disincentive for action. This is particularly the case when “mum and dad” landowners are involved. The land may be zoned for residential development, but small investors can be risk-averse in relation to borrowing money for development or may not want to develop viewing the land as their “retirement plan”.

Return on Investment is paramount in the decision-making for developers, addressing lead-in times for developments that provide a return sooner is important. In addition, there are the added pressures associated with developing in rural as opposed to regional communities. The cost of developing residential allotments in a smaller country town when compared to regional centres (i.e. Albury or Wagga) is about the same, however developments in smaller communities do not produce the same return on investment, making them potentially less attractive. Land development in smaller rural communities needs to be incentivised to encourage development outside regional centres to provide greater lifestyle choice.

Access to finance is also an issue, many financial institutions are reluctant to loan money for rural and regional residential development or residential home purchases where traditionally capital growth along with housing sales have been slow. Banks are informed by population and housing data when making loan borrowing decisions, if both are seen to be negative, there is little incentive for financial institutions to loan money.

Increasingly our Members are finding that residential development is being delayed by lack of skilled labour. This has been an issue in the Riverina region for more than 20 years and as baby boomers retire it is likely to reach critical levels. Wagga Wagga is reporting that the time taken to complete a house has increased by 8 weeks simply due to the lack of skilled tradespeople. Of course, a lack of skilled tradespeople means a lack of people to train apprentices, which again worsens an already dire problem.

We recommend the following:

- *Introduction of legislative and structural arrangements that support councils as developer* – in many rural areas, council is a significant developer of land, structures should be put into place that recognize and support this role.
- *Implement State and Local Funding arrangements that support housing development* –
 - create a Revolving Infrastructure Development Fund from which councils can borrow to fund infrastructure to create Development-Ready land. The Funding to be repaid as the lots of land are sold.
 - Provide low-interest loans to developers to meet the cost of infrastructure, allowing them to pay the loans off as lots are sold. Caveats could be placed over the land to ensure payments are made.
 - Offset contributions and rates to drive development of specific types of housing e.g. medium density or high-density housing. This would come at a financial cost to Councils; the State could provide financial support for this to occur.
 - Reduce the costs associated with re-zoning in return for Developers undertaking to commence development within an agreed timeframe.
 - Defer rates and development costs until land or house/land are sold.
 - Incentivise in-fill development and subdivision of large land lots.
- *Create arrangements that make land-banking less attractive* - Residentially zoned land that is not developed within a specified time is returned to its original zoning. Alternatively, introduce rating based on lot yield. This would increase the holding costs of residentially zoned land and provide an incentive to develop.
- *Delay upfront costs for Developers* – delay the requirement to pay biodiversity offsets until after development is completed, or alternatively pay at development milestones.
- *Improve access to finance:*
 - Market the benefits of investing in regional and rural communities to address the lack of understanding on Return on Investment for regional areas and the overall demand for housing.
 - Allow applicants for Business investment and Innovation (188) visas to invest in residential real estate in regional and rural areas. The Investor Stream requires the applicant to invest \$2.5million in complying investments, while for the Significant

Investment stream visa applicants must invest \$5 million. Both are currently prohibited from investing in residential real estate.

- *Ensure there is sufficient skilled labour to meet demand* – developers cannot build, if there are no builders available. Skills shortages in the Riverina Region are at a critical level, with unemployment in most of the Region running at below the national average. The consolidation of TAFE training into regional cities has impacted on the accessibility of trades training in rural and regional areas creating barriers to the employment of apprentices and trainees.
 - *Make training more accessible for apprentices* – apprentices are often required to travel away from home for “block release” training. Apprentices are usually teenagers the requirement can be a disincentive to taking up a trade.
 - *Provide targeted incentives for employing apprentices* – there are already financial incentives for employing apprentices, however we are still short of trades people. More work needs to be done by the State to identify why employers are not employing apprentices.
 - *Increase the numbers of skilled and experienced foreign workers working in rural and regional areas* – apprentices need on-the-job tradespeople to train them. Foreign workers who are skilled and experienced tradespeople could “plug” the shortfall that will be created by the retirement of the Baby Boomer tradespeople.

Housing Investment

Developers do not build houses in order to own them, they develop residential properties to sell them to home owners or investors. Where there are no purchasers for properties, then there is no market driver to build residential properties. Along with land, developers need investors who will purchase the properties they build.

We recommend the following:

- *State Government policies to support investment in housing in rural and regional areas:*
 - Change investment guidelines for Business subclass 188 visas to allow investment in residential developments in rural and regional areas that will be used for long-term rental. The Federal Government recently set a target of 15,000 188 visas. Visa holders are required to make investments of between \$2.5 million and \$5 million, depending on the type of 188 visa, in approved investments. They are currently precluded from investing in residential real estate.
 - Encourage “Build-to-Rent” where investors agree to rent the properties for the long-term e.g. 10 years.
 - Reduce Stamp Duty for purchasers of rental properties in rural areas. Lower Payroll Tax for employers who provide housing for employees.
- *Introduce land rental schemes to lower the cost of housing* - Rental is paid on the land until the owner can afford to purchase.

- *Market the benefits of investing in regional and rural communities* – Market the Return on Investment for rental properties in rural and regional areas and prepare an Investment Prospectus for regional and rural areas

2. Removing impediments within the planning system to the delivery of affordable housing types and housing generally

Land Availability

We have spoken of land availability above but wish to focus on affordable housing in this section. We are finding in our Region that people who need affordable housing are being driven out of the market, prices are soaring and consequently people are being forced into lower and lower quality housing. In rural areas these people are often pushed to outlying villages where there is no public transport creating problems with regard to isolation and access to support services.

We recommend the following:

- *Identify NSW Land and Housing land and properties in LGAs that are suitable for release for development* – this is a resource that is currently under-utilised. The State should proactively identify these properties and then work with councils and social housing providers to develop the land.
- *Releasing of Crown Land for Social, Community and Affordable housing* – we note that this approach is also included in the State Housing Strategy.
- *Initiate a licence scheme for Crown Land which would enable its use for temporary housing* – many of the large infrastructure projects like Inland Rail or Snowy Hydro will have a high demand for housing. This housing could then be repurposed for affordable housing. The licence could expire at the time estimated by Crowns that the land will be needed for use.
- *Prepare LGA-based Housing Strategy including Affordable Housing* – council resourcing in rural and regional areas is such that the preparation of LGA based strategies can be problematic. However, working with the Department of Planning this could be achieved initially by targeting LGAs with the highest demand for affordable and social housing.
- *Develop Community Land Trusts to increase the pool of developers* – the shared ownership of the land through a Trust increases affordability.

Housing Development

There is no question that there is a significant shortage of social and affordable housing across our Region. Our Member Councils have indicated a keenness to work collaboratively with social housing providers to respond to the needs of local communities for housing that is suitable for a variety of demographic types.

We recommend the following:

- *Access National Housing Finance Investment (NHFI) Corporation low-interest funding by partnering with a community housing provider* – councils could form partnerships with community housing providers to unlock funding.
- *Create an Umbrella Housing Investment Fund for the Region with T-Corp* – T-Corp’s minimum loan amount is in excess of what most rural councils require to co-invest in affordable and social housing. An umbrella loan, which encompasses all the LGAs in a specified region could be established with individual councils able to access the funding.
- *Reduce the costs associated with re-zoning in return for an undertaking to include a specified level of affordable and social housing in the development* – this could overcome Return on Investment issues for developers.
- *Allow unused hotels and hospitals for affordable rental accommodation* – develop compliance regimes that support the conversion of older buildings into multi-residential developments.
- *Mandate community housing as part of new housing estates* – require all new housing estates to include affordable and social housing options, including dual occupancy.

Housing Investment

We recommend the following:

- *Encourage “Build-to-Rent, where investors agree to rent the properties for the long-term e.g. 10 years* – provide incentives for investors who are prepared to offer rental accommodation for social and affordable housing.
- *Change zoning for vacant shops in villages to allow them to be used for either permanent or temporary accommodation* – this could increase the types of housing stock available.

3. Identifying mechanisms within the planning system to facilitate and drive the delivery of housing matched to community needs.

A diversity of housing is imperative if we are to meet community needs, yet we find in rural and regional areas are dominated by the 3–4 bedroom brick veneer housing.

Rural communities reflect the demographics of the wider population; young singles, families with no children, retirees and those looking for rural lifestyles. Yet we know that current approaches are not delivering the diversity that is required to deliver what our residents want. For example, farmers looking to retire into town are often looking for transitional housing, such as small acreages where they are able to maintain a rural lifestyle close to town, while others are looking to downsize into villas that are part of a dual occupancy.

We want our young people to choose to continue to live and work in our LGAs. However, if there is no suitable housing where they can start their adult life and they are forced to continue to live with their parents this can act as a catalyst to relocate.

Creating a diversity of housing to match community needs is perhaps the most challenging of the housing issues for rural and regional communities.

Land Availability

We recommend the following:

- *Population projections need to reflect planned and current economic development activities* - The projections can be used to determine housing demand – councils need to know the types of housing that will be needed as this determines the zoning of the land.
- *Audit land to ensure there is sufficient land zoned for a diversity of uses – medium density, rural-residential, residential* – this would ensure there is sufficient land in the pipeline to accommodate growth. If the land is not zoned for diversity, builders cannot build diverse offerings.
- *Set land supply targets to meet growth* – using data capture and analysis to determine targets for land supply that meet growth demands.
- *Councils use their LSPS to identify land for residential use based on projected demand data* – again this is the use of quality data to inform decision making in relation to projected land demand.
- *Support subdivisions on large blocks of land and battle axe blocks* – this would encourage more medium density housing options and make better use of existing infrastructure.
- *Incentivise in-fill development and subdivision of large land lots* – this could encourage more intensive use of land that is already serviced by infrastructure.
- *Resolve the conflict between rural-residential land development on prime agricultural land* – in many rural communities, residential growth and particularly rural residential growth occurs on what is prime agricultural land. The Agriculture Commissioner is currently developing an Agricultural Land Use Strategy, this needs to address the need for prime agricultural land to be used for residential development.

Housing Development

We recommend the following:

- *Review Home Warranty Insurance arrangements to ensure that they support housing diversity* – dual occupancy development is very attractive in rural areas, however developers advise that from a Home Warranty Insurance perspective they are treated as a multi-unit development. The insurance on the second unit can be three times higher on the first, impacting on the viability of the project. It is acting as a disincentive.

Housing Investment

We recommend the following:

- *Change investment guidelines for Business visas to allow investment in residential developments in rural and regional areas that will be used for long-term rental – as mentioned above, if the State changed the investment guidelines for NSW this could open an entirely new source of funding.*
- *Encourage financial institutions' policies to support investment in rural areas – people cannot invest in homes if the financial institutions will not lend. Anecdotally we are advised that many financial institutions resist investments in rural areas because of the historically poor capital growth. This attitude does not reflect current circumstances.*

Conclusion

Our Members welcome the clear message that the establishment of the Regional Housing Taskforce sends, that regional NSW has a critical housing shortage which must be addressed.

As our recommendations show, we believe that the solutions to the problem do not solely rest on the planning system. We need to commit to the creation of a resilient ecosystem that supports a robust and viable residential development sector in rural and regional NSW. This requires that we work at a State, regional and local level to achieve the best possible outcomes.

We would welcome the opportunity to discuss our recommendations further should the opportunity arise.



**Liverpool
Plains**
Shire Council

Our Reference D21/18854
Contact Name Ms Hannah McCauley

27 August 2021

NSW Department of Planning,
Industry and Environment
Locked Bag 5022
PARRAMATTA NSW 2124
Via: regions.coordination@planning.nsw.gov.au

Attention: Mr Garry Fielding, Chair – Regional Housing Taskforce

Submission to the Regional Housing Taskforce

Council thank you for the opportunity to provide input into the Regional Housing Taskforce. Access to housing is an ongoing issue for the Liverpool Plains local government area (LGA), the broader New England North West Region, and the state of NSW.

The housing continuum captures the various housing needs, opportunities and challenges that exist within a community. The housing continuum ranges from homelessness to home ownership, the housing market in Regional NSW struggles to provide housing options that reflect the full gamut of the housing continuum.

Stable housing provides more than just shelter – it provides security, fosters connections and strengthens the capacity of a community. Council believe that the Regional Housing Taskforce should focus to support the delivery of diverse, appropriate and affordable housing across regional NSW.

A variety of factors have put pressure on the supply of housing in Regional NSW. This includes pressures put on the housing market by transient workforces associated with agriculture, industry and mining, as well as the well-established trend of sea and tree changers leaving Sydney and other cities for the regions.

In recent times, the coronavirus pandemic has resulted in significant change in how people live. The changed nature of the workforce has made it possible for people to choose where they live based on lifestyle as opposed to proximity to their place of work. By extension the pressures of the pandemic and high cost of living in metropolitan areas has forced people to look to the regions for more affordable housing choices and lifestyle.

Both of these scenarios have resulted in unprecedentedly low vacancy rates in many areas of Regional NSW and has resultantly driven up the cost of housing in the regions.

Council has considered the three key considerations outlined within the scope of the Terms of Reference for the Regional Housing Taskforce and the discussion topics from the virtual round tables. Our comments for your consideration are outlined below under the topics presented at the virtual round tables.

Specific Regional Challenges

The Liverpool Plains LGA faces a severe lack of rental accommodation and issues with the quality of rental and affordable housing solutions for the rental market. This is in part due to the transient workforce that service the agriculture, industry and mining industry within the LGA, as well as the mining

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industry in neighbouring LGA's such as Gunnedah Shire. A lack of accommodation in neighbouring shires has driven elements of the workforce to live in the nearby towns and villages of the Liverpool Plains.

In addition, the Liverpool Plains LGA faces issues with access to specialist consultants e.g. architects, draftsman, certifiers and trades is an issue to both the initial design of development and delivery of new housing.

Infrastructure Alignment & Sequencing

Council's across NSW often hear from the development sector that the cost of infrastructure is too high at the front end of the development process and that this can be an impediment to development, often resulting in land-banking of developable land and then stagnation in the release of vacant residential blocks to market.

Options for consideration to help alleviate this issue could be to consider:

- A revision to the Urban Release Area controls within the standard instrument local environmental plan to create a differential between requirements for metropolitan and regional areas.
- When in the development cycle infrastructure costs such as headworks and infrastructure contributions are required to be paid.

Diverse and affordable housing

Council recognise that the industry identifies that it is more feasible to deliver freehold and greenfield housing than it is to deliver diverse housing types. Delivery of diverse and affordable housing is something that State and Local governments can assist to deliver.

Local councils in Regional NSW could look to encourage greater diversity in housing types through appropriate planning mechanisms, such as facilitating medium density development in their LEP's. Encouraging in-fill development in locations proximate to town centres provides the development industry with a mechanism to deliver diverse and affordable housing that satisfies the various demands of the market. The taskforce could look at mechanisms to incentivise infill development and encourage housing diversity across Regional NSW.

Activating Development

Councils across the state often hear from developers about the delays the planning system puts on the delivery of the end product. The taskforce should review the various components of the planning system and devise means to better facilitate the delivery of housing across the state. This may be by revisiting the triggers for merit and code-based assessment and could be by repositioning when in the planning process certain assessments are required. For example, the introduction of a mechanism for the merit-based assessment of a masterplan approval with more detail than the basic subdivision layout, at which stage the various hazard and environmental assessments would be completed, would remove the requirement for these assessments to occur with individual applications for residential accommodation. This could in turn allow for an increase in code-based assessment for residential accommodation types.

Housing for itinerant/seasonal workers

The Liverpool Plains is an extensive agricultural area, covering approximately 12,000km² of the state of NSW. Agriculture is the most significant employer within the region, making up three of the top five industries of employment in the 2016 Census. 15.9% of the LGA's population is employed by the agriculture sector, compared to 0.7% of the state and national population.

Table 1: Employment figures

| Industry of employment, top responses* | Liverpool Plains | % | NSWs | % | Australia | % |
|--|------------------|-----|---------|-----|-----------|-----|
| Beef Cattle Farming (Specialised) | 243 | 8.3 | 13,478 | 0.4 | 44,309 | 0.4 |
| Grain-Sheep or Grain-Beef Cattle Farming | 113 | 3.9 | 4,557 | 0.1 | 15,056 | 0.1 |
| Local Government Administration | 109 | 3.7 | 43,378 | 1.3 | 142,724 | 1.3 |
| Other Grain Growing | 107 | 3.7 | 5,109 | 0.2 | 19,053 | 0.2 |
| Hospitals (except Psychiatric Hospitals) | 99 | 3.4 | 119,350 | 3.5 | 411,808 | 3.9 |

*Employed people aged 15 years and over

The standard instrument local environmental plan provides only one type of onsite accommodation, in addition to the primary dwelling, for accommodation specifically associated with rural workers. This is the **rural workers dwelling**, this type of accommodation is limited by Clause 7.3 of the standard instrument to one rural worker's dwelling "on the land comprising the agricultural or rural industry." Liverpool Plains Shire Council receives several applications for rural workers dwellings per year, with applications sometimes seeking multiple rural worker's dwelling on the property.

Council suggest that the taskforce should consider introducing a new definition to the standard instrument to facilitate additional permanent accommodation on farms for rural workers, exclusively permissible within the RU1 Primary Production zone. The intent would be to permit accommodation to house farm hands and seasonal workers that assist with the year-round operation of the agricultural or rural industry performed on the farm. A land use such as this would go some way to alleviate the pressure of housing supply within towns and villages proximate to major agricultural areas.

Council initiatives and partnerships

It is Council's view that taskforce should consider how **both** State and Local Governments can assist in the delivery of diverse and affordable housing to Regional NSW. For example, by:

- Examining mechanisms for collaboration between government agencies and community housing providers,
- Analysing of the land stock held by both State and Local governments within Regional NSW and determining if any of this land could be used to facilitate housing, and
- Incentivising the collaboration of multiple agencies and organisations to provide long-term housing solutions for Regional NSW.

The focus of the taskforce should not be exclusively on what councils can do, as a siloed approach to solutions does not help to deliver the best outcomes for regional communities.

The Regional Housing Taskforce should aim to identify and deliver long-term solutions to meet the needs entire housing continuum, not just quick fixes for the short-term that are an ad-hoc response to the current issues being experienced by the communities of Regional NSW.

If you have any questions or wish to discuss the detail of the submission please contact Council's Manager, Planning and Regulation, Hannah McCauley on 02 6746 1755 or hannah.mccauley@liverpoolplains.nsw.gov.au.

Kind regards,

Joanne Sangster
General Manager

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 3 September 2021 4:35:23 PM
Attachments: [southern-cross-housing-regional-taskforce-submission.pdf](#)

Submitted on Fri, 03/09/2021 - 16:33

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

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sarahw@scch.org.au

Suburb/Town & Postcode

2630

Submission file

[southern-cross-housing-regional-taskforce-submission.pdf](#)

Submission

Southern Cross Community Housing submission attached.

I agree to the above statement

Yes



3/9/2021

Regional Housing Taskforce Chair
Department of Planning, Industry and Environment
Locked Bag 5022
Parramatta NSW 2124

Dear Mr Fielding

Thank you for the opportunity to present to the Taskforce on Wednesday afternoon to discuss the current regional housing crisis and housing stress's being placed upon lower income households. We would also like to thank you for enquiring as to barriers that we as a CHP encounter when proposing developments.

The Taskforce raised the proposal of a Planning Approval Panel for Social Housing developments, taking the final decision of approval away from local councils in particular (removing the emotion or perception from a decision). While we welcome this in principle, the process of submission however would still be handled largely by local government, which can and often does include long and protracted consultation periods dealing with a minority of objections.

Southern Cross Housing (SCH) discussed from a CHP perspective, SCH would support any decision to streamline and speed up the approval process. However, expressed caution not to replace an existing process, with a process that would be equally demanding both from and time and cost perspective. Southern Cross Housing is already committed to and stands ready to invest and develop to provide safe, secure and sustainable housing within the communities we represent.

After deliberation we would like to submit, in particular from a local perspective, the following to the Taskforce for consideration.

1. Current planning reforms recognise Land and Housing Corporation's self-assessment provisions. Community Housing Providers should be able to utilise LAHC's self-assessment provisions on CHP projects regardless who owns the land. This would enable developments involving Social Housing to be fast tracked, whilst LAHC having oversight of design. We are mindful that this process should not exclude public consultation or local government but have a streamlined, timely and consistent process regardless of LGA.
2. SCH has an 8.7 Hectare site zoned B4 in Bomaderry which we hope will accommodate some 180 home units. It has taken over 18 months to complete the due diligence on Bushfire Hazards, Flora & Fauna, Aboriginal Heritage, Contamination, and Biodiversity. This came at a cost of some \$250,000. We are now in talks with TfNSW regarding the fact they want us to pay for a traffic light intersection because of future growth plans located west of the site. TfNSW would not talk to us until we had a DA submitted, yet Shoalhaven Council would not accept the DA until we had details for TfNSW. The current housing crisis is predominantly driven by short supply and as described above it is obviously due to a broken planning system and process. All the consultants who provide the investigative reports such as the due diligence described, should be on a state government selected panel with fixed schedule of rates and timeframe commitments. This way local governments can only accept

reports from panel consultants and landowners / developers know upfront what the cost will be and how long the process will take. There should also be a forced collaboration process which involves all government agencies such as TfNSW early in the process.

3. Significant reduction or exemption of Development Contributions on CHP developments.

4. State and Federal Governments should have recurring annual capital contributions for new CHP projects.

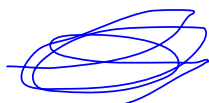
5. Freeing up of land currently owned by the LAHC, for development of social Housing. As discussed, in Cooma LAHC currently have land previously set aside for Social Housing and partially developed with utility infrastructure, not being used. If given to SCH, could be developed to address current housing demand.

6. Cooperation with LAHC around Estate and Aging property renewal opportunities, including title transfer of title for those properties being developed.

7. Review of the current funding commitment to the Community Housing Leasehold Program (CHLP). SCH's experience and feedback from other CHP's across the state is that CHP's are having to heavily subsidise this program. High demand and low supply in the Private Rental market has had the effect of driving up rental prices. Many CHP's are reporting the inability to replace leasehold stock and escalating rents on existing. This cycle is also forcing many lower income clients from the private market onto the social housing waitlist because of affordability.

8. Mandate all new developments to have 20% of developed stock used as Affordable Housing managed by a CHP for 10 years. In the case of land development, offer CHP's land parcels at a discount of 20% providing they use the built product on that land for Affordable Housing for 10 years. Thank you once again for the opportunity present to the Taskforce. We look forward to seeing the proposals and outcomes of the taskforce.

Yours Faithfully



Eric Coulter
Chief Operating Officer
Southern Cross Housing

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 3 September 2021 4:47:52 PM
Attachments: [030921-submission_regional-housing-taskforce_final.pdf](#)

Submitted on Fri, 03/09/2021 - 16:45

Submitted by: Anonymous

Submitted values are:

Submission Type

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Last name

Guido

I would like my submission to remain confidential

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Suburb/Town & Postcode

Illawarra & Hunter

Submission file

[030921-submission_regional-housing-taskforce_final.pdf](#)

Submission

As attached.

I agree to the above statement

Yes



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Australia's property industry

Creating for Generations

3 September 2021

Mr Garry Fielding
Chair, Regional Housing Taskforce
NSW Department of Planning, Industry and Environment
Email: regions.coordination@planning.nsw.gov.au

PROPERTY COUNCIL OF AUSTRALIA – REGIONAL HOUSING TASKFORCE

The Property Council of Australia welcomes the opportunity to provide comments to the Regional Housing Taskforce.

The Property Council of Australia is the leading advocate for Australia's biggest industry – property. It champions the interest of more than 2200-member companies that represent the full spectrum of the industry, including those who invest, own, manage and develop in all sectors of property.

Property is the nation's biggest industry – representing 13% of Australia's GDP and employing more than 1.4 million Australians. Our members are the nation's major investors, owners, managers and developers of properties of all asset classes. They create landmark projects, environments and communities where people can live, work, shop and play. The property industry shapes the future of our cities and has a deep long-term interest in seeing them prosper as productive and sustainable places.

The Property Council promotes policy solutions that will make housing more accessible right across the market. We also note the impact of the COVID-19 pandemic on the Australian and NSW economies has been severe and the implications for the development industry and residential market are still uncertain. This creates a greater urgency to ensure that housing and planning policy levers are quickly and strategically utilised to ensure the supply of residential housing which is needed to meet future growth predictions and targets.

As noted in our *2020 NSW Draft Housing Strategy* submission we acknowledge the need for positive strategic initiatives for the state with a whole-of-government and whole-of-state housing approach, to align public and private stakeholders.

As such we welcome the Government's attention to identifying the issues and challenges for housing supply in regional locations and provide the following comments as a joint submission from the Hunter and Illawarra Chapters of the Property Council of Australia.

Should you have any questions, please do not hesitate to contact Hunter Regional Director, Anita Hugo on email at ahugo@propertycouncil.com.au or Illawarra Regional Director, Michelle Guido at mguido@propertycouncil.com.au.

Yours sincerely



Anita Hugo
Hunter/Central Coast Regional Director
Property Council of Australia



Michelle Guido
Regional Director – Illawarra Shoalhaven
Property Council of Australia

What are the critical housing issues faced by your region and what are the key elements contributing to these issues?

1. Challenging Delivery Landscape

Developable land in regional areas often has a high level of land fragmentation and requires a greater degree of vision and leadership from the planning authority and infrastructure agencies to deliver land supply, especially when it is a large-scale delivery of land supply.

Coordination of essential infrastructure and services can be difficult to align with the acquisition and development of land. It is critical that infrastructure providers are engaged early in the strategic planning and development process and regularly consult with developers and consent authorities in the area to keep track of proposed developments and sites and areas of interest for future development.

2. Infrastructure lags well behind land use decisions.

Often, planning and delivery of essential infrastructure and services is not aligned with the rezoning of new sites and precincts. Once land is zoned, infrastructure agencies and the state and local government need to be proactive with funding applications for the services that can deliver the lots to market.

The issue exists where land is currently zoned without the necessary sewer, water or major road works upgrade needed, having been identified or funded. There are significant delays with infrastructure provision for example, from Transport for NSW (TfNSW).

Infrastructure agencies need a proactive approach with prioritising funding applications for services. Their plans need to be aligned with Regional Plans, with funding tied to catalyst area development i.e Transport plans.

Regional areas historically lack significant state road funding and this needs to be addressed. When lots can't go to market because of delays such as road funding, it pushes the market prices up and we are already seeing this play out in regional areas.

3. Inflated cost of business activities in regions

Undertaking business activities and transactions in the regions often comes with an increased cost, especially in relation to supplies and labour which are often more expensive and markedly less available. This has a flow on effect to the delivery and supply of housing. The current pandemic is compounding this issue.

The feasibility of development in regional areas is very different to metropolitan areas and policy approaches and mechanisms to support the delivery of housing must consider this to ensure their success.

4. Planning controls do not reflect desired outcome in some locations

An informed, evidence-based approach is needed to investigate and highlight where strategic planning resources should be directed. Good examples include:

- Mapping where clause 4.6 variations have been approved. This helps spotlight where planning controls have effectively been abandoned and/or where they are not calibrated to allow feasible developments.

- Mapping the age of planning controls (LEP/DCP) for largely unbuilt Urban Release Areas. This is useful in spotlighting where planning controls, such as place-based targets, might be outdated and should be revised (e.g., dwellings per hectare).
- Making the mapping available to Councils for LEP reviews. Where council is required to keep a Clause 4.6 register, this could be expanded to be required in a mapped format.

5. Poorly resourced Councils

Resourcing in Councils is a challenge across the regions, however the smaller and more regional the Council, the more the challenge increases with limited resourcing and appropriate skill sets. There is often a lack of confidence and level of delegation at Council officer level which impacts developments and planning decisions.

The politicisation of planning for developments is also a challenge, especially when it counteracts the benefits of a project for a community. The influence of elected councillors on long-term strategic documents, including Local Strategic Planning Statements (LSPS) and Local Housing Strategies impacts the delivery of housing and more innovative housing models.

For example, *505 Minmi Road, Fletcher* is a small site that sits beside a large site where of planning controls have previously been set. This includes all state resources required such as connectivity, access, and biodiversity. This planning does not apply to this small site beside it. While it is in keeping with the long-term planning of its neighbouring site, development is unable to progress as Council repeatedly reject applications due to complexity. Council have instead applied to have the LSPS amended to remove the site.

There needs to be a quality assurance process in place before changes such as the above can occur, otherwise it sets a precedent that demonstrates Council can sidestep processes for their own purpose. The Department of Planning should review the implications prior to approving amendments such as this LSPS adjustment.

Recommendation:

The Property Council recommends Government consider introducing more Local Planning Panels to assist in decision making. This could include combined and/or shared panels for certain areas like Greater Newcastle, where a more consistent decision-making approach is highly desirable for investment/delivery coordination reasons.

The Property Council recommends the investigation of establishing 'Joint Organisations of Councils'. These allow neighbouring councils to pool their planning resources to share skills, knowledge and expertise between different councils. This is established in the Hunter and should be investigated for other regions.

The Property Council recommends a review of Council reporting requirements and delegations be undertaken.

A review of Council reporting requirements and delegations would also be beneficial

For example, Port Stephens Council has undertaken a complete reform of its rezoning process over the last 2 years. This includes the introduction of a rezoning request policy in February 2020, which sets out clear criteria and guidelines for preparing Planning Proposals within the LGA. The criteria provided assists with managing expectations around acceptable locations and circumstances where rezonings would be considered and is supported by a rezoning request meeting where Council staff are on hand to advise specifically in relation to

each project. This means that Planning Proposals lodged with Council are more likely to be supportable and contain the information needed to progress the assessment. The Property Council understands this approach has led to a 60 percent reduction in Council's backlog.

The efforts to increase the relevance and quality of information means fewer Planning Proposals are required to be reported to elected Councillors before being submitted to the Department for a Gateway Determination. The rezoning request policy sets out the circumstances for where Councillors should be involved in a more substantive review, otherwise they are simply notified of the submission. We understand Port Stephens is now achieving some of the fastest processing times in the state, averaging 10 days between lodgement with Council and submission to Gateway for Planning Proposals that meet the policy criteria. This should be compared with the typical Council reporting process timeframes that would, by default, mean the minimum turnaround timeframe is 6 weeks.

6. Implications of biodiversity and bushfire planning

Biodiversity is an increasing issue for regional developments. For new projects that require a Biodiversity Development Assessment Report (BDAR) the additional time and costs arising from biodiversity offsets is not known until late in the approval process. This often leads to substantial delays or erodes the feasibility of a project.

Some existing approved subdivisions also face challenges as they now cannot meet the additional Asset Protection Zone (APZ) requirements. This becomes more apparent when the development application needs to be modified.

Recommendation:

The Property Council recommends the consideration of streamlining or implementing a unilateral approach to modifying approval processes that require a Biodiversity Development Assessment Report to ensure consistency and efficiency for projects subject to these requirements.

Biodiversity and requirements related to bushfires create further constraints for housing delivery in the regions, proving to be particularly challenging in specific regional areas. The more constraints that developers are faced with, the harder it is to find the right land for housing and considering the related costs involved. The challenge in finding land that is serviceable and without constraints is getting harder for developers and impacting on housing supply.

7. Implications of other changes

The implications of changes to the Building Codes Australia (BCA) and other legislation on existing approvals / modifications needs to be addressed. Process changes could be made to ensure that the implications on existing approvals are investigated and consulted on prior to changes being implemented.

One example of the implications of the BCA includes where an apartment building is approved, and a Construction Certificate (CC) issued based on the 2016 BCA. It is now under construction but there is also a Section 4.55 approved to combine two of the units into one. However, if the CC is amended to include this change the applicant has been advised that it will invoke the need to upgrade the building to comply with the 2019 BCA which involves sprinklering the building, which is not now possible and would cost approximately \$400K on

top of initial outgoings. This leaves the developer with no option but to give up the already approved Section 4.55 going forward.

8. Utility Charges

Outside of metro areas, regional developers are being faced with significant water and sewerage costs to fund infrastructure which has a flow on impact for the delivery of housing that is affordable for the end consumer. The regions require further support from the state government in this area to help fund housing and decrease costs for the delivery of housing. Ideally allocated state funding could be made available to regional councils to access for the delivery of infrastructure, so the costs do not have to be recouped from developers and added to the cost of housing.

9. Development Applications take too long to go through council processes

The processing of Development Applications (DAs) is an increasing challenge for the development industry. Often the council process for the approval of DAs is complex and lengthy and increases challenges for projects. Timeliness and efficiency not only is a priority for the delivery of housing but also to ensure costs are reduced as much as possible for the end customer. To assist in overcoming this challenge, Planners in Councils need to be awarded more authority or capacity, and in doing so this could improve the process and decrease the amount of red tape. This is often a cultural issue and/or councils are unwilling to change or have this conversation on their processes.

What are the main planning system barriers to delivering more diverse housing types to suit the varying needs of the community, including housing of different price points, tenures, and types?

1. Varying level of quality and approach in preparing application documentation

A major barrier for delivering diverse housing types in regional communities is the varying level of quality and approach in preparing application documentation for rezonings and DAs.

Equally, there are varying expectations from individual councils for applicants and consultants to work towards which makes the process more complex and challenging, especially when trying to innovate and deliver diverse housing types.

Recommendation:

The Property Council recommends that this taskforce consider recommending the provision of a higher-level of resourcing towards initiatives that can help with clarifying the information/assessment requirements and process management expectations for innovative and diverse housing projects. This could include:

- a. More requirements / formalised processes for Pre-DA and Pre-rezoning meetings.
- b. Some kind of locally equivalent process to request for environmental assessment requirements (e.g. SEARs), which could have State/Regional staff support/oversight.

2. Support from Department of Planning

Planning processes are designed to 'unlock' supply, but often this stops at the stage of rezoning. Further support is required from the Department of Planning to ensure needs can

be met post the rezoning such as servicing and adjusting controls/approvals over time. As mentioned earlier this is critical to getting rezoned land to market.

Recommendation:

The Property Council recommends this taskforce explore whether the Department of Planning needs to be committed to working with applicants to create better planning outcomes in areas that have previously been zoned.

3. Regions treated 'uniformly'

Treating regional communities 'uniformly' and 'all the same' provides challenges, as it misrepresents the diversity and scale of each community and also the context of delivering housing in these different communities. Much of the community resistance to growth in regional towns and villages is around character. For example, the local council area of Shoalhaven has very different needs across its LGA due to the different types and size of the communities and the character that each of these towns encompasses. This adds another layer to how a development occurs in each of these communities.

Many people in regional areas don't want 'metro-style' developments that fundamentally change the character of their area, however, Council planning documents rarely address character with any effectiveness which creates a challenge for the development industry. Quality of development is sometimes an issue when planning controls are inadequate, and poor-quality development fuels anti-growth politics within communities.

4. Planning decision challenges and impacts

One of the main barriers that impacts local council planning decisions is the politics associated with elected Councillors leading the decision-making process where there are no local planning panels for DA assessments. In regional areas where Councillors have held positions for many years and are personally embedded in these communities, decision making can be a challenge and pressures from community members to influence the outcome of development assessments. These political and community challenges often stifle the progress of development even when the application was compliant with planning controls set down by Council.

This was evident in the Wingecarribee LGA for many years, where long standing issues within that council and the elected officials became an enormous barrier for development and the delivery of housing in this area. This has since been identified by Minister Hancock and is being resolved, however has been a major barrier for developers in this region for many years.

Recommendation:

The Property Council recommends that this taskforce explore the removal of politics from planning decisions by requiring each Council to appoint an independent Local Planning Panel.¹

The selection of panellists with appropriate knowledge and experience will be essential to assist with decision making, especially in those regional areas where the expertise may not be readily available. However, if a Local Planning Panel convenes on a monthly basis for example, it is possible to draw on expertise from outside the region if required.

¹ Further information on Local Planning Panels - <https://www.planning.nsw.gov.au/Assess-and-Regulate/Development-Assessment/Local-Planning-Panels>

5. The willingness of each council to address housing supply and affordability is variable

With such a variability in willingness across regional councils to tackle housing supply and affordability, it becomes increasingly difficult to deliver diverse housing typologies and more affordable housing in some local council areas.

For example, in the Illawarra Shoalhaven which has four local council areas, there is variability across each LGA as to their attitude towards housing and exploring diverse models which makes it challenging for developers. Shoalhaven Council, for example, are the most willing to tackle housing affordability and explore different initiatives. In contrast, Kiama Council is silent on the issue of housing affordability, Shellharbour Council is trying to tackle the issue however hasn't made the right distinctions and Wollongong Council is still developing a housing strategy but is become more willing to explore initiatives with community housing organisations. The attitude towards housing and its delivery can be so variable in one region that developers are having to use a different approach for each LGA, and this is evident in many other regional areas.

Another challenge with addressing housing supply and affordability is that many local councils do not have a clear distinction between the 'buyers' market' and 'rental market' when considering housing strategies and initiatives to address housing challenges. This often causes confusion across local councils and the development of housing strategies. Many community housing organisations are willing to partner and work with local councils and clear guidelines around this and distinguishing the importance of 'affordability' in the rental market is also key to addressing the housing affordability challenges in regional areas.

Recommendation:

The Property Council recommends due consideration through this inquiry be given to affordable rental options in the regions, alongside the residential buyers' market.

Local politics also impacts the level of importance each Council places on an effective housing strategy and whether housing growth and diversity is enabled by their LEPs and DCPs. In some cases, there is outright resistance from the community primarily because of the lack of understanding around the factors impacting housing affordability and the diverse housing models available to address these challenges. In addition, many regional Councils do not have resourcing and planning teams with the experience and skills to prepare and implement quality housing strategies and DCPs to match the strategies.

What policies and approaches are in place in your region to address housing supply issues and what challenges are there in implementation?

Note: This submission addresses the Illawarra Shoalhaven and Hunter regions primarily.

1. Local-level strategic planning can be siloed and out-of-date, with no quality assurance in place. For example, the Lochinvar Urban Release Area structure plan was released in 2007. Development control plans for this area are outdated and there is no current mechanism to review these types of plans to ensure they meet contemporary planning requirements.
2. The 15-year housing supply benchmark that is applied everywhere now as the threshold for even considering augmentations to housing supply. Is it right for everywhere? Consider directions / more common methods for:
 - o Councils to review the composition of supply, not just the theoretical capacity

- What type of a benchmark should be applied in supply-driven markets, where we're already behind?
3. Where State SEPPs are introduced to support the delivery of more diverse and affordable housing, regional Councils are often given the choice to opt in rather than making the use of the SEPP mandatory in their LGA. More often than not, Councils opt out. In many cases the SEPPs can only be utilised on land where similar development is already permitted under local planning controls. As many of the local controls are outdated and/or intended to prevent density and diversity of housing, the SEPP is immediately useless unless it is made mandatory for regional councils.
 4. Regional strategies and housing strategies are typically structured to meet population forecasts, but these forecasts are conservative, and as we have seen with significant COVID driven regional migration, they are in many cases completely outdated. Strategies flowing from these outdated forecasts lead to significant undersupply of housing in regional areas. It would be beneficial to investigate a regular review process for local councils to ensure forecasts are accurate for each region and align with state and regional plans.

Recommendation:

The Property Council recommends that this inquiry consider directions or more common methods for Councils to review the composition of supply, not just the theoretical capacity. Consideration should also be given to what type of a benchmark should be applied in supply-driven markets.

What can the NSW Government do to better support housing delivery in regional NSW via the planning system and other State government levers?

1. **Consider the following items if it would help de-politicise decisions or improve decision timeframes:**
 - a. Increase the Local Planning Panel coverage.
 - b. Adjust DA delegations, or provide a 'concierge service', so that approvals go to a subject matter expert (this is most relevant in Council areas with limited staff).

Recommendations:

The Property Council recommends that the depoliticization of council decisions be a priority for this inquiry through the exploration of increasing the coverage of Local Planning Panels.

The Property Council recommends that this inquiry explore the introduction of a 'concierge service' to support Council who may need further support to assess DA applications of a complex or controversial nature.

2. **'Model DCP provisions' for residential projects of different types and scales.**

Recommendation:

The Property Council recommends that this inquiry consider the benefits of 'Model DCP provisions' being drawn up in order to assist the assessment of residential projects of different types and scales.

3. **Regional leadership on infrastructure coordination and delivery.**

Consider rolling out the equivalent of Place-based Infrastructure Compacts (applied in Sydney Growth Areas) to higher-growth areas (for example, Maitland to Branxton and Maitland to Cessnock Corridors).

High growth areas in the Sydney metropolitan area benefit from a whole of Government approach through, for example, the preparation of Land Use and Infrastructure Plans with supporting Place Based Infrastructure Compacts. These governance and planning frameworks clearly set out the need for and sequence of development to align with growth.

Similar approaches should be considered in high growth regional areas, particularly in the Greater Newcastle Metropolitan Area, where infrastructure delivery needs to be coordinated across multiple LGAs or to service multiple disparate developments. This would rely on regional-level leadership to ensure appropriate skills are involved and cross-jurisdictional outcomes can be achieved.

Recommendation:

The Property Council recommends that this inquiry consider the roll out of a model reflecting 'Place-based Infrastructure Compacts' to high growth areas to support a whole-of-government approach to governance and planning.

4. **Stronger government role in signing-off on / quality assurance for local-level strategic planning** such as LSPs and LHSs. Strong guidelines for Growth Management Strategies.
5. **Put State-level resources towards diagnostic efforts to pinpoint problems and understand localised issues:**
 - a. 'High-level / quality review' of local strategic alignments (structure plans, DCPs, and LEPs) in Greater Newcastle to make sure these are fit-for-purpose to deliver on contemporary targets (e.g., for greenfield areas: 15 dwellings / ha and 25% of lots capable of medium-density products; or 50-75 people/jobs per ha around rail stations, etc.).
 - b. Mapping 4.6 clause usage.
 - c. Mapping age of Urban Release Area controls.
 - d. Planning Services review of all local governments.

Recommendation:

The Property Council recommends that this inquiry explore utilising state level resources to map the usage of clause 4.6, the age of Urban Release Area controls, and planning services reviews of all local governments to diagnose and pinpoint problems and understand localised issues.

6. **Resource pilot projects, industry upskilling and support council staff.**
7. **Enable and encourage "Meanwhile Use" of underutilised Government land and buildings for the purpose of affordable /social / crisis housing.**

Recommendation:

The Property Council recommends that this inquiry explore how 'meanwhile uses' can be undertaken on government land and buildings for the purpose of affordable, social and crisis housing, and what the barriers to this might be.

8. NSW Planning provide increased resources and import expertise to work with local planners to update local housing strategies and planning documents.

Each Council needs to develop character controls to manage the anti-development politics and resistance in their community. Without the in-house skills, council need support and access to expertise from outside their region.

Recommendation:

The Property Council recommends that this inquiry explore the impact of anti-development politics and community resistance to housing development and the impact this has on housing affordability.

9. Populations in regional areas are growing and at the same time ageing.

There is a real need for planning policies and documents that override local politics to enable the delivery of new forms of housing to meet the changing needs of regional communities.

Recommendation:

The Property Council recommends that this inquiry seek to understand how local regions can meet the housing demands for the changing populations of regional centres, and how Councils can be tasked with this responsibility and charter.

10. Build-to-rent

Incentives need to be extended to regional areas for build-to-rent, with the scale of projects to be appropriate to the scale of settlements in which they will be located.

Build to rent has huge potential to provide affordable accommodation options in regional areas, particularly booming regional centres and areas where the supply of affordable rental housing may have been depleted through conversion to short-term accommodation such as Air-BnB. It is critical that built-to-rent policy settings are developed which incentivise the development of BTR in regional areas and can be applied to a range of regional settings.

Recommendation:

The Property Council recommends this inquiry explore the opportunities provided by the emergence of the Build-to-rent model in Australia, and what incentives can be applied to attract development to regional centres that would benefit from this model.

11. Investigate adoption of an incentive-based approach to increase the supply of affordable housing in regional areas

The Property Council believes that the supply of affordable housing can be increased through mixed policy settings which incentivise the delivery of affordable housing through appropriate floor space and height bonuses, prioritised development assessment and other mechanisms which focus on attracting investment in this type of development.

Recommendation:

The Property Council strongly encourages this inquiry and the Department of Planning to investigate incentive based affordable housing policy mechanisms, including affordable rental housing, tailored specifically to regional settings.

Employment impacts in Regional Areas

Lack of supply of affordable and diverse housing options in regional locations is critically impacting the regional workforce. Attracting staff is extremely difficult when there is nowhere for them to live that is within their means. The greatest impact is on lower paying jobs that support the tourism and agriculture industries, as well as key workers in aged care, allied medical, manufacturing, and many more.

Regional economies suffer when local businesses cannot find and retain staff. Unfortunately, it takes time to change planning controls and ramp up housing supply and currently the situation in many LGAs is quite critical. In the short term some employers are coming up with innovative solutions such as buying old country motels for use as “short term” worker accommodation, however prescriptive zoning controls don’t often support adaptive re-use of existing buildings that were originally built for a different purpose. Many country towns have old industrial / warehouse / retail buildings that are underutilised and could potentially be adapted if planning controls were more flexible.

Farming and equine businesses are in many cases willing to provide worker accommodation on their properties however this is either not supported by local planning controls or a long and arduous process to gain approvals so is not an immediate and practical solution for an issue that is current and critical.

Recommendation:

The impact of housing issues on employment and jobs growth is significant and needs to be considered across Departments in future planning.

Conclusion

The Property Council appreciates the opportunity to provide input on this critical issue and looks forward to continued engagement with government around the matter.

The Property Council used a survey tool as an additional method for members to provide feedback and their comments are captured, as submitted, in the Appendix at the end of this document.

APPENDIX: Property Council Survey Results

Property Council of Australia Regional Housing Taskforce comments received as is.

What are the critical housing issues you see in the community and what are the key elements contributing to these issues?

- Limited supply of housing caused by lack of sites with infrastructure and high taxes and levies.
- Housing affordability due to rising prices.
- Multiple levels of taxation on property owners drive up the costs being a supplier of housing stock.
- Housing affordability. Home ownership becomes unattainable to most. The few that can afford them will have multiple investment properties, which will then translate to higher rent prices. Which in turn causes those who can't afford to own a house being unable to save for a house. This cycle will lead to housing monopoly by the rich few, while others are at the mercy of their 'rent' prices, particularly when housing for rent are few and far between.
- Lack of new supply putting significant upward pressure on land values.
- Housing supply and climbing build costs.
- High rents and long-term rental shortages due to Air BNB style rentals.
- Affordability. The average house price in our area has increased to \$750,000 which is not affordable for those lower socio-economic areas.
- Young people being increasingly priced out of the market due to the inflationary effects of the property market.
- Problems finding development sites for seniors housing due to restrictions in the planning framework. This has flow on effects including not freeing up existing housing stock for younger generations.

What are the main barriers to delivering housing, including diverse and affordable housing?

- As above but also shortage of skilled staff.
- Suitable sites.
- Profits from build to sell outstrip more affordable models, hence more assistance, supplements or concessions are required to make affordable housing attractive to developers.
- Land value being too high, which will demand that there is a minimum density/selling prices to be economically feasible to clients.
- Transport for NSW requirements and biodiversity legislation.
- Complex and time-consuming approval process.
- Suitable land that can provide high enough yields and likely the cost to construct them not being low enough to have an 'affordable' sale price at the end.
- Land releases are left to the private sector who develop for profit. The planning process and environmental requirements impact on the ability to release land in a timely and cost-effective manner.
- Delays in the Planning Framework, in particular delays in negotiating satisfactory arrangements with the state government (still no SIC in the Hunter), a process that takes 12 months.

- New Biodiversity Legislation with interpretation, especially around the avoid and minimize test still evolving. This creates uncertainty and delays.
- Conservative approach by some Councils to contamination issues which is caused by a lack of formal guidelines. Some Councils default to a DSI if there is any contamination and that equals costs and delays.
- As a Regional Planning Panel expert, I see a number of unprofessional and incompetent development applications and accompanying documentation. Should require a certified planner to sign off on DA before lodged.
- Planning controls, planning timeframes, cost (land price, construction cost), stigma associated with affordable housing.
- (Greater Newcastle) Urban Development Program – not yet fit to inform decisions / lagging behind. Expedite the outcomes here and make the outputs available for industry to use.

What are the challenges for development feasibility? Are there challenges that are unique to regional contexts?

- Potential changes to taxes and levies – uncertainty.
- Mines subsidence issues and costs.
- Expectation of high-density housing, despite the site not being appropriate for the density (in particular site orientation and sun access), this ties in to land value and economical feasibility.
- Unquantifiable timeframe and cost risks in relation to the aforementioned factors
- Biodiversity Act. Too complex and cost estimates are continually changing. Very hard to estimate without significant field work and that the credit costs change.
- Servicing and other infrastructure can affect feasibility if you are not simply tapping into an adjoining network. The cost of offsetting /securing credits required to remove vegetation can also be limiting.
- With the way land prices are going at moment, the only challenge is keeping englobo land prices realistic. There are a lot of players in the market bidding on limited properties. That is bidding up land values and when the market stops, there are going to be a lot of parties that will get burnt.
- Land Cost, uncertainty in approvals time (time = cost), infrastructure in new estates.

What challenges do you face in the planning system when it comes to delivering more housing and what opportunities are there for improvement?

- Council Planners are tied up with complex State Laws causing inconsistency and time delays plus lack of skilled and experienced planning staff.
- Difficult councils which slow the process without confidence of approval.
- Speed of approval is always important - housing projects thrive on momentum. Slow approvals mean slower uptake.
- Better connection of public transport (train in particular) in areas where land prices are much more affordable and focus high density housing in these public transport nodes.
- Time delays with referrals to state agencies resulting in unreasonable costs / DA conditions.
- The primary issue at the current point in time is significantly under-resourced council departments.

- It doesn't appear many residential flat buildings or multi-dwelling developments are being targeted at being affordable. There does need to be more incentives for providing affordable housing to developers.
- Hunter Water's capacity to accept additional lots is also problematic in some areas eg Wyee (now resolved) and Karuah. Karuah is identified as a land release area yet Hunter Water do not have capacity to service additional lots out there. The authorities need to have agreement on the priority areas for land release and ensure they are attainable.
- Getting a Hunter SIC sorted. The VPA process takes 12 months, which typically adds about 6 months to the process.
- The Biodiversity Legislation - they should have biodiversity strategies from a regional to LGA and local level which identify land to be conserved, and everything else is open. Maybe a standard contribution to acquire and rehab conservation land.
- Restrictive planning controls, long approval timeframes. Fast tracked approvals for applications that meet the main controls, fast tracked approvals for developments that will contribute to the improvement of the area (community centred development, employment producing development).

What can the NSW Government and local Government do to better support housing delivery and to help bring supply to the market faster?

- Make it easier for Council Planners and Developers to deliver Housing.
- Provide incentives for development.
- Expansion of the complying development framework.
- Priority development approval assessments for affordable housing.
- Streamline the planning process.
- Zone more land residential and provide more resources to local government to adequately plan for these zoned areas of land. Significant investigation and accurate costing into assets that will prohibit construction commencing in the short term.
- State Government to provide incentives like the Social and Affordable Housing scheme Family and Community Services has run in the past.
- Environmental investigations before applying zonings so that residential land is not burdened by environmental constraints. This will encourage developers to work on unconstrained land which will simplify the planning process and reduce the associated time and costs.
- Foster a better culture in Local Government and the industry generally. Local Government staff culture varies from Council to Council, some have a 'can do' attitude, others a 'can't do attitude' or a 'don't want to make a decision' attitude. For consultants who prepare and lodge DAs - there should be a certification system so that the quality and competency of application lodged improves. There are faults on both sides.
- Fast track infrastructure programs to ensure new areas of housing are able to be accessed quickly, allocate a (decentralized) proportion of affordable housing to new estates, streamline the assessment and approvals process for developments.

Shelter NSW

Regional Housing Taskforce submission

About Shelter NSW

Shelter NSW has been operating since 1975 as the state’s peak housing policy and advocacy body. Our vision is to create a sustainable housing system that provides secure homes for all.

We pursue our vision through critical engagement with policy, practice, and thought leadership. We provide systemic advocacy and advice on policy and legislation for the whole NSW housing system to resolve housing inequality.

We are especially concerned for low-income households which struggle to afford good-quality and well-located housing in the private market.

Our approach involves engaging, collaborating and connecting with Government, the private and not-for-profit sectors, stakeholders, and consumers. Our research centres on the causes of inequity and injustice in the housing system.

We consider a sustainable housing system one that delivers what we call *Triple-A housing* and *Triple-P outcomes*. At Shelter NSW we believe that all people deserve to live in housing that delivers these priorities and objectives. We assert for example, that someone renting has as much right to secure, affordable, and sustainable housing as someone who owns their own property. We believe the housing system should be ‘tenure blind’ – delivering outcomes for all.

OUR PRIORITIES OBJECTIVES – TRIPLE-A HOUSING

| Affordable and diverse homes | Accessible and well-located housing | Appropriate and high-quality development |
|------------------------------|-------------------------------------|--|
| Housing supply and demand | Proximity to jobs and services | Amenity and aesthetics |
| Tenure forms and rights | Access to public transport | Energy and environment |
| Housing types and sizes | Accessibility and adaptability | Standards and maintenance |

OUR OBJECTIVES – TRIPLE-P OUTCOMES

| Productive cities and regions | Poverty-free communities | Protected neighbourhoods |
|----------------------------------|----------------------------------|-----------------------------------|
| Access to jobs and services | Housing stress and homelessness | Energy use and consumption |
| Housing costs and consumption | Well-being and social connection | Urban heat |
| Financial and economic stability | Education access and attainment | Climate resilience and adaptation |



Shelter NSW and Regional NSW

Shelter NSW thanks the NSW Department of Planning, Industry, and Environment (DPIE) for the opportunity to engage with the newly established Regional Housing Taskforce ('the Taskforce'), chaired by Mr Garry Fielding. We have attended a number of the virtual briefings and appreciated the openness and willingness to engage already demonstrated by the Chair and team.

Shelter NSW has recently strengthened its interest in and advocacy for regional housing solutions in NSW. In May 2021, we formally engaged the Regional Australia Institute ('RAI') to undertake a review of every local government area in regional NSW. RAI will be providing us with a detailed picture of the key housing issues and trends – especially as they impact the lowest 40 percent of income earners¹. We hope to have more targeted and localised recommendations on regional housing affordability in the coming months to share with the Regional Housing Taskforce and DPIE more generally.

Prior to commissioning this research, Shelter NSW has demonstrated a sustained interest in regional housing matters. We have made submissions on several draft *Local Strategic Planning Statements* ('LSPS'), *Housing Strategies*, and *Regional Plans*. This submission includes (at Appendix C) links to twenty-four such submissions and an overview of the key themes, some of which are noted in the body of this submission.

About our submission – our assumptions about the housing system

The housing market has moved a long way from what many would say is its inherent and essential purpose – to provide secure, functional and affordable shelter to all people at various stages of their lives. Housing is now considered a financial product, an investment vehicle. With all of this complexity though, one thing has become plainly clear - the private housing market in this country is consistently and persistently failing to provide secure, well-located and affordable shelter especially for the lowest forty per cent of income earners.

Any reading of the Taskforce's purpose and scope quickly reveals a powerful working assumption – that the planning system itself is a barrier - perhaps the major barrier to the increased supply and affordability of housing in Regional NSW?

There are many theories as to the drivers of housing supply and affordability – some coming in and out of fashion (proponents of the 'immigration drives housing crisis' theory for example, have been somewhat chastened this last year²).

At the outset we declare our working assumption at Shelter NSW – that the private land and housing market is a complex one; distorted by a variety of financial and taxation increases and driven by quite predictable and rational commercial and speculative investment motivations. Planning regulations are part of the housing system story but are not the whole story. As Minister for

¹ Refer Media Release at Appendix A

² King, K. (July 14, 2021). *The Sydney Housing Market: Heading for oversupply?* <https://blog.id.com.au/2021/location-analysis/the-sydney-housing-market-heading-for-oversupply/>.



Planning and Public Spaces, Rob Stokes even said, “Let’s tear down the myth that supply is the determinant of housing affordability. Planning plays an important and significant role in getting new housing to market but let’s not pretend tax rules and interest rates don’t also push up prices,”³. Some researchers⁴ pointedly challenge the ‘planning red tape limiting housing supply’ theory citing the practice of ‘land banking’ as the most powerful proof that is economic incentives that drive supply not planning regulations.⁵

Research conducted by Australian Housing and Urban Research Institute (AHURI)⁶ into the *quantity, composition and distribution of new housing supply across Australia between 2006 and 2016* offers a helpful description:

Ultimately housing supply is driven by market conditions and the ability of a developer to deliver an acceptable return. Variations in market conditions and the availability of quality development sites drive uneven patterns of supply

But in describing the multi-faceted nature of the housing system, with its impact on supply and affordability, AHURI does note:

Each level of government is able to play a stronger role in supporting residential development within established and new communities by investing in major infrastructure provision and upgrades; coordinating land-supply processes and making available developable sites; and streamlining development approval processes for projects that meet local planning requirements, including expectations for diverse, well designed and affordable housing options.⁷

Changing the system is not easy. Many of the taxation incentives for example, are deeply embedded and politically challenging to change⁸. We are concerned that the Regional Housing taskforce, with its terms set so firmly around the planning system, will be constrained from making recommendations that will actually deliver a greater supply of housing – affordable or otherwise. But in contributing to this consultation, we accept that there are complexities and opportunities within the NSW planning system that could and should be addressed.

³ Thompson, A & Duke, J *Sydney Morning Herald* [High-house-prices-a-risk-for-all-state-governments-housing-minister-wants-premiers-feet-held-to-the-fire](#) (1 May, 2021)

⁴ Murray, C (2020) Land Banking: red tape and a dearth of housing supply are a myth <https://www.michaelwest.com.au/land-banking-red-tape-and-a-dearth-of-housing-supply-are-a-myth/>

⁵ Murray, C (2020) *ibid.* in an examination of the annual reports of Australia’s Top 8 developers (representing 9% of new housing supply) Murray determined that it will take 12 years for these developers to sell at the release rate they have determined to maximise commercial outcomes.

⁶ Rowley, S., Gilbert, C., Gurran, N., Leishman, C. and Phelps, C. (2020) *The uneven distribution of housing supply, 2006–2016*, AHURI Final Report No. 334, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/334>, doi:10.18408/ahuri-8118701

⁷ Rowley et al (2020) *ibid* p4

⁸ Eslake, S Principal, Corinna Economic Advisory (2021), *Housing affordability and home ownership*. Submission to the House of Representatives Standing Committee on Tax and Revenue. *Inquiry into Housing Affordability and Supply* available from [Committee Inquiry submissions website](#)



Our Submission – Executive Summary

Regional NSW is diverse. In some parts there are ‘growing pains’ as locals compete with key workers from new industries and relatively affluent Sydney-siders seeking a ‘tree or sea change’. In other areas, an aging local population struggles to ‘downsize’ with local housing stock lacking diversity and accessibility. And of course, all parts of Regional NSW are confronted with the challenges of climate induced hazards and rising energy costs.

In this submission, we will make a variety of specific observations and recommendations relating to the broader planning system. They include:

- **bolstering the legislative weight of local housing strategies** and calling for broader urban infrastructure investment;
- **recognising Affordable Rental Housing as a form of infrastructure** – requiring the development and application of Affordable Housing Contributions Schemes (requiring the fast-tracking of the review of infrastructure contributions) and other incentives;
- **promoting diversity of housing products** through the planning system to create greater housing choice in regional centres (enabled by the new Housing SEPP);
- **actively resisting sprawl** - encouraging any new residential developments in regional areas to be based on clustering dwelling patterns or medium density development in town centres;
- **reconsidering land zone typologies for regional areas;**
- **forcefully requiring the timely development of rezoned land;**
- **addressing the confusing mix of legislation that applies to manufactured homes and manufactured home estates;**
- **increasing regulation of the short term holiday rentals**, also known as short term rental accommodation (‘STRA’) in the planning framework (reinforcing the primary of role of ‘housing’ to be used for housing)
- **applying housing policy to address climate change, not exacerbate it** and acknowledging the ongoing housing issues for disaster-affected communities;
- **promoting high-quality community engagement and co-design practices so that the necessary reforms and changes above are embraced.**

The above recommendations relate to the private housing market and issues within the broad confines of the planning system.

Given our firmly-held position that the private market fails to provide enough quality, well-located affordable housing, we call on governments to make an urgent and widespread investment in social housing acquisition and construction. This is consistent with the findings of Infrastructure Australia’s report, released this week⁹ explicitly identifying the inadequate *quality, supply and design of social housing across the country*. The same report notes the projected need for almost 730,000 new social housing properties over the next 15 years (with current social housing stock only 4% of Australia’s total housing compared to the OECD average of 6%). Shelter NSW firmly supports Infrastructure

⁹ Australian Government, Infrastructure Australia (Sept 2021) *Reform to meet Australia’s future infrastructure needs* at p 19 available at [2021 Australian Infrastructure Plan \(infrastructureaustralia.gov.au\)](https://www.infrastructureaustralia.gov.au)



Australia's recommendation that *investment in quality social housing should be a central part of a sustainable, inclusive economic recovery, including job creation*¹⁰

We stand with others across the community and property sector¹¹ in calling for a significant commitment to expanding the stock of new social housing across NSW by 5,000 additional homes per year for 10 years^{12 13}.

Such a program would also provide a significant and targeted economic stimulus across NSW. The targeting – of time and place – would create a more responsive housing system. As noted by the Curtin Research Centre in its submission to a Commonwealth Parliament inquiry currently underway, a larger social and affordable housing program and sector would have the far-reaching capacity to diversify the entire market; to act in a counter-cyclical way—*attuned to changing population needs rather than dependent on property market cycles*.¹⁴

Housing Strategies - to address long-term and urgent community needs

The EP&A Act does not directly require the preparation of local housing strategies. Rather they are an optional requirement for different localities outlined in regional and district plans. Shelter NSW believes that local housing strategies can be a powerful vehicle for understanding and driving change and engaging local stakeholders such as Aboriginal Land Councils, key employers, homelessness agencies and community housing. Not having them as a required feature of local strategic planning (along with no solid timelines) does, we assert, undermine efforts to meet the housing needs across regional NSW.

Local housing strategies should contain clear targets relating to housing supply and affordability (including Social or Affordable Rental Housing). These targets will need to be informed by local studies into housing need through various metrics (for example, number and rate of increase of social housing applications; population trends; key worker housing requirements).

Local Government is often part of the front-line response to acute housing stress and homelessness. Equity Economics in its 2020 research on the impact of the 'Covid-19 recession'¹⁵ forecast rising unemployment in 2021, with significant geographic variation across NSW. They further forecast that unemployment will drive increased rates of 'housing stress' and homelessness with associated increases in mental distress, domestic violence and child neglect. The research identifies several regions (ABS SA4) where there will be differentially higher unemployment rates compared to the state average, including Newcastle, Lake Macquarie, Coffs Harbour, and Grafton. In 2020, Shelter NSW

¹⁰ Ibid.

¹¹ Refer Appendix C for information from the *Good Growth Alliance*

¹² Our submission uses language such as "social housing", "public housing", "community housing", and "affordable rental housing". These are distinct terms which we have attempted to briefly define in Appendix A.

¹³ Shelter NSW. (February 12, 2021). *Pre-Budget Submission to NSW Department of Treasury*. Retrieved from [Shelter NSW website](#)

¹⁴ Rowley, S Curtin Research Centre, Australian Housing and Urban Research Institute (AHURI) – (August 2020) submission to the Commonwealth Inquiry into housing affordability and supply. Available via the [Committee website](#)

¹⁵ Equity Economics. (2020). *A wave of disadvantage across NSW: impact of the Covid-19 Recession* available from [NCOSS website](#)



overlaid these forecasts with information about the state of local rental markets – reflecting on the capacity of the private rental market to supply any housing at all. It is hard to see how current local priority housing demands, let alone forecasted increased homelessness will be resolved by the private market. Coffs Harbour for example, had at June 30 2020, a general social housing waiting list of 794 approved social housing applications and a further 38 priority applications. With a private rental vacancy rate at the end of July 2021, of just 0.7%, local communities are describing significant stresses in the region.

The NSW Government Homelessness Strategy identifies a range of groups that are at a disproportionate risk of homelessness including older women, young people exiting Out of Home Care ('OOHC'), women and children leaving domestic and family violence, LGBT+ people, Culturally and Linguistically Diverse ('CALD') people including asylum seekers and refugees, and Aboriginal and Torres Strait Islander people. According to the same document, all of these groups are at additional risk of homelessness if they are living in regional and rural areas. Two in five people who access Specialist Homelessness Services (SHS) are living outside of major cities¹⁶.

Recommendation

- **Require the preparation of local housing strategies – set out requirements for completion within the EP&A Act.**
- **Institute minimum targets of 5-10% social and affordable housing across NSW (25% on Government land).**
- **Local Housing Strategies to identify the targets for social housing**, (recommend a minimum 5% of residential dwellings across the LGA) and use in advocacy to the NSW Government.
- **Local government to work with Local Aboriginal Land Councils** on the development of strategic plans for landholders aimed at supporting the delivery of additional housing opportunities for Aboriginal communities (via rezoning; additional dwellings and secondary dwellings).

Affordable Rental Housing – as a form of critical infrastructure

There is a national recognition including by the National Housing Finance & Investment Corporation (NHFC) that reform is required to address the inconsistencies and lack of transparency related to developer contributions for local infrastructure.¹⁷ While there might be some debate about the extent this adds to the cost of new homes and delays in new housing supply, we concede that the complexity ought to be addressed.

We also recognise that successful housing strategies require planning and investment for supporting infrastructure. AHURI refers to the many historical cases of failed decentralisation across Australia,

¹⁶ *NSW Homelessness Strategy* (2018 – 2023) at p11 citing Australian Institute of Health and Welfare (AIHW), Specialist Homelessness Services data 2016/17 available from [Department of Communities & Justice website](#)

¹⁷ National Housing Finance & Investment Corporation (NHFC) [Local infrastructure funding model may adversely affect housing supply and reduce affordability - NHFC](#) (August 2021)



noting the general importance of *...delivering utilities, green space, and other urban infrastructure... important for enabling and shaping patterns of growth and residential locational choice.*¹⁸

Shelter NSW representatives recently appeared before a NSW Parliament upper house committee, to provide our views on legislation proposed to reform the infrastructure contribution system in NSW¹⁹. While noting our general support for the overall case for reform we urged the NSW Government to firstly, formally identify, affordable rental housing as critical infrastructure; and secondly, fast-track a comprehensive review of the existing mechanisms for funding and delivering it.

We also call on the NSW Government to dramatically improve the processes it applies in assessing and approving affordable rental housing contribution schemes developed by councils under *State Environmental Planning Policy 70 Affordable Housing (SEPP &)*. Many councils report unreasonable delays and inconsistencies which have only served to delay the timely implementation of such schemes (and ultimately the delivery of affordable rental housing stock).

Recommendations

- Make mandatory the need for all LGAs to develop an Affordable Housing Contributions Scheme unless the LGA can demonstrate a ‘lack of need’ in their local housing strategies.
- Support local councils with training and advice to implement such schemes.
- **Provide incentives for organisations or authorities that deliver public or community housing in perpetuity (through Planning Agreements or Affordable Housing Contributions Schemes).** These might include: a fast-track DA process; fee reduction or waiver; density bonus; waiving or varying other contributions under s7.11 of the Planning Act.
- **Improve processes for the timely approval of any affordable housing contribution schemes developed by Councils under SEPP 70.**
- **Explore ways to capture the increased land value associated with a rezoning** with the aim of delivering new affordable housing. This could be achieved by implementing a value capture system tied to a Planning Agreement framework.

New estates, land zone typologies and the need for housing diversity

At the population level, regional and rural communities are often home to an ageing demographic which increasingly wants to age-in-place (this is considered best practice and reflected in the Aged Care Royal Commission’s recent recommendation to increase in-home aged care by 80,000 new

¹⁸ Gurrán, N., Forsyth, A., Darcy, M., Searle, G., Buckle, C. and Zou, S. (2021) *Population growth, regional connectivity, and city planning — international lessons for Australian practice*, AHURI Final Report No. 362, Australian Housing and Urban Research Institute AHURI Report No. 362 [International-lessons-for-Australias-regional-population-and-economic-growth \(August 2021\)](#)

¹⁹ Portfolio Committee No 7 – Planning & Environment Inquiry into [Environmental Planning and Assessment Amendment \(Infrastructure Contributions\) Bill 2021 \(nsw.gov.au\)](#) (August 2021)



packages into 2022)²⁰. Downsizers, ex-farmers, and older people in general will need housing which is easy to maintain, affordable and well-located with respect to key health and social services.

Greenfield estate development has long been on the Americanised trajectory of sprawling, detached, single-storey 'McMansions'; limited footpath infrastructure; heavy car reliance; no minimum estate-wide targets for universally accessible design, and other features that are incompatible with an ageing population, provision of cost-effective infrastructure, and climate change more generally. Many development standards in the Codes SEPP 2008 foster the proliferation of single-storey family homes through fast-tracked approval processes and cookie-cutter checklists. Therefore, the development industry in most regional centres has little interest in delivering housing options outside their modus operandi of sprawling family homes, despite ABS data indicating the number of people per household in regional locations is more conducive to 1-to-2 bedroom dwellings²¹.

The AHURI regional research²² supports this observation, noting many growing regional towns that are experiencing land use pressure and sprawl. They suggest there needs to be a new focus on residential infill development and increased densities in selected locations rather than the observed tendency to instead use greenfield sites for new residential subdivisions. They also assert that the relatively more affordable housing is insufficient to attract and retain new arrivals (and even young locals) who also seek spacial infrastructure and lifestyle features. The report calls for greater diversity in housing types to match the needs of what many towns intend to be a more diverse economy and workforce. This would support, they suggest a strong attraction strategy for many towns but also help to retain young single professionals who often seek smaller rental units particularly *in regional towns and cities characterised by homogenous housing and limited rental markets*.

Meanwhile, underutilised land in the traditional core of regional towns face dilapidation as the prospect of overhauling heritage listed buildings or buildings subject to heritage conservation controls can be undesirable to many property developers.

Shelter NSW has recently commented on the proposed new 'Housing SEPP'. While we think more work is required in order to meaningfully increase affordable housing options, we generally support any opportunity to promote innovative and diverse housing solutions for residents who need alternative, more affordable housing options to cater to a wide range of changing demographics, living situations and lifestyle preferences²³. We encourage the Taskforce to actively assess what specific opportunities may become available post its implementation.

AHURI²⁴ also notes that efforts need to be made (by Government) to support initiatives that deliver diversified housing. These might include: *purpose-built rental accommodation; deliberative (resident-led) or cooperative forms of housing development; and low-cost / shared-equity forms of ownership*.

²⁰ Royal Commission into Aged Care Quality and Safety. (February 26, 2021). *Final Report - Recommendation 39*. Retrieved from https://agedcare.royalcommission.gov.au/sites/default/files/2021-03/final-report-volume-1_0.pdf

²¹ Australian Bureau of Statistics. (2011-2016). *Census of Population and Housing (Enumerated)*. Compiled and presented in profile.id, retrieved from <https://profile.id.com.au/australia/population?WebID=180>

²² Gurran et al (2021) op. cit. at p69

²³ [Shelter NSW Submission - Housing SEPP \(August 2021\)](#)

²⁴ AHURI report Rowley et al (2021) op.cit. at p 5



Shelter NSW supports the Curtin Research Centre view that sees a significant role for Government, with or without the community housing sector to play a much stronger role in land and housing development in regional NSW. There is great opportunity to initiate demonstration projects – showcasing not just diversified housing products but also much-improved ways of undertaking community engagement (to promote community enthusiasm). We believe this will also help build community trust – a vital ingredient for change according to Infrastructure Australia.²⁵

Recommendations

1. **Provide assistance and on-the-ground resourcing to local councils** to ensure infrastructure contribution plans and value capture is proactive.
2. **Recognise social housing (in particular, public housing) as critical infrastructure.**
3. **Influence LEPs to dramatically increase B4 and R3 zoned land** in regional cities, and not simply using these land zone typologies as buffers to the commercial cores of regional cities.
4. **Ensure ‘local character statements’ are not manipulated to serve NIMBYism**, especially in areas which are already subject to heritage conservation controls.
5. **Provide guidance for urban fringe areas** to be identified as E- or RU- zoned land.
6. **Reassess the viability of certain land zone typologies** (particularly R2 and R5 zones at urban fringes when compared to R1, RU-, and E- zones) and increase preference for other land zone typologies (R3 and B4 near commercial cores and employment hubs).
7. **Cluster new dwellings in greenfield areas** as a means to limit the bushfire front for new estates, reduce the number of asset protection zones which need to be separately managed, and limit ecological fragmentation.
8. DPIE to improve liaison with and resourcing to regional Councils in developing **strong plans for guiding infill development** in regional towns.
9. Actively **support the delivery of diverse housing products and high-quality community engagement by initiating demonstration projects.**
10. Support local councils to support: purpose-built rental accommodation (using Build-to-Rent where applicable); deliberative (resident-led) or cooperative forms of housing development; and low-cost / shared-equity forms of ownership.

Better regulation of short-term rental accommodation

Short-term letting platforms such as Airbnb are marketed toward tourists who can afford (or are willing) to pay a higher price for short term accommodation than residents who are seeking temporary housing. This is evident in the former NSW Department of Planning and Environment’s 2017 Option Paper on regulating short term holiday letting, which went on to form the basis of the STRA provisions in the Affordable Rental Housing SEPP and now the proposed consolidated Housing SEPP.

²⁵ Australian Government, Infrastructure Australia (Sept 2021) op. cit. at p 13



Increasingly in Australia, the type of STRA available on Airbnb is whole-house conversions of investment properties²⁶ – presumably from the long-term rental market or owner-occupied premises following a sale to a property investor. Domestic tourism during COVID-19 has significantly increased in many regional towns and locations. The lure of higher-profits per week in converting a dwelling to short-term rental accommodation through easy-to-use platforms such as Airbnb has diverted a lot of long-term rentals from the private rental market. This has demonstrably been the case in the regions of Shoalhaven, North Coast, Snowy River, Central West & Orana, to name a few:

| Region/Town | Number of whole-house STRAs listed on Airbnb – Q1 2019 ²⁷ | Number of whole-house STRAs listed on Airbnb – March 2021 ²⁸ | Change in rental vacancy rates between March 2019-2021 ²⁹ |
|-------------|--|---|--|
| Shoalhaven | <4000 | 4720 | -1.8 (2.6 to 0.8 for South Coast) |
| Byron Bay | <2000 | 2782 | -0.8 (1.1 to 0.3 for Northern Rivers) |
| Orange | <200 | 272-315 | -1.4 (2.0 to 0.6 for Central West) |
| Snowy River | <500 | 891 | -2.3 (2.9 to 0.6 for South East) |

In boom-and-bust resource economies, short-term rental platforms such as Airbnb and Stayz impact the local rental market of regional and rural towns as mining operatives and key industry employers rely on short-term rentals to meet their accommodation needs. We believe greater scrutiny in the Social Impact Assessment phase of resource industry proposals for accommodating DIDO/FIFO workforces is therefore required.

Whilst the NSW Government has developed a planning framework for somewhat regulating short-term rental accommodation, this legislation does not go far enough particularly in light of domestic tourism trends. We do commend the Government’s creation of a Code of Conduct for hosts and guests, as well as the formulation of STRA state-wide register. However, we note that it is not explicitly stated on public-facing NSW Fair Trading³⁰ and NSW DPIE³¹ websites what the penalties will be for lack of compliance with the Code and not listing properties on the register.

²⁶ Sigler, T & Panczak, R. (February 13, 2020). *Ever wondered how many Airbnbs Australia has and where they all are? We have the answers*. Retrieved from <https://theconversation.com/ever-wondered-how-many-airbnbs-australia-has-and-where-they-all-are-we-have-the-answers-129003>

²⁷ AirDNA. (n.d.). *Vacation Rental Data*. Retrieved from <https://www.airdna.co/>

²⁸ Australia listings. (2021, 9 March). *Inside Airbnb*. Retrieved from <http://insideairbnb.com/get-the-data.html>

²⁹ SurveyMatters (2021, April). *Vacancy Rate Survey Results*. REINSW. Retrieved from https://www.reinsw.com.au/Web/Members/Property_data/Vacancy_Rates_Survey.aspx

³⁰ NSW Fair Trading. (n.d.). *Changes to laws for short-term rental accommodation*. Retrieved from <https://www.fairtrading.nsw.gov.au/about-fair-trading/legislation-and-publications/changes-to-legislation/changes-to-short-term-rental-accommodation>

³¹ NSW DPIE. (n.d.). *Short Term Rental Accommodation (STRA)*. Retrieved from



The legislative framework proposed to come into effect in November 2021 excludes non-hosted STRA from being exempt in Greater Sydney when non-hosted STRAs are utilised more than 180 days of the year. Yet for regional areas, non-hosted STRAs are considered exempt for 365 days of the year. Regional councils have to opt-in to the 180 cap through a planning proposal, and the cap can be no lower than 180 days (excluding Byron Bay). The justification for the 180-day arbitrary lower threshold has not been communicated to the public.

Opting-in to a day-cap is an unnecessarily convoluted process for local councils to go through. With keen regard to the domestic tourism boom, **all LGAs should be opted into the 90-180 day cap for non owner-occupied hosted STRA without needing to request this through a planning proposal.**

In the longer term, the preference for day cap mechanisms to limit non-hosted STRAs in the legislation should be phased out. Research internationally³² has shown that annual day-caps for STRA use are inefficient in returning long-term rentals to the private rental market. **We suggest that the total number of non owner-occupied hosted STRAs should be capped per LGA in accordance with local studies into the maximum allowable number of STRAs that can occur without adverse impact** on the long-term rental market in each location. This approach is being investigated in Tasmania³³, as state government and local councils try to address the housing crisis in Hobart and other high amenity locations as a result of Airbnb and other holiday accommodation platforms.

Furthermore, **total STRA volume caps for LGAs should be guided by density caps (e.g. no more than x number of non-hosted STRAs per y square metres/suburb)**, to ensure hollowing out of high amenity neighbourhoods for STRA use does not occur. Local research and evidence for density caps will be required. The socio-spatial disadvantages of STRA use are well documented globally³⁴, in that local residents are generally pushed further afield from their areas of employment and community facilities, with significant burdens on planning for transport, open space, schools, and other physical and social infrastructure. Density caps that are tipped more favourably to STRA uses in certain neighbourhoods will allow better infrastructure planning, more creative precinct planning, and more holistic leisure experiences in line with tourism goals of cities and regions.

The concept of STRA volumes and density caps harmonises well with the NSW Government's apparent desire to foster more diverse neighbourhoods, and so it is hoped these recommendations will be seriously considered.

<https://www.planningportal.nsw.gov.au/STRA>

³² Frenken, K & Schor, J. (2019). *Putting the sharing economy into perspective*. In *A research agenda for sustainable consumption governance*. Edward Elgar Publishing;

Temperton, J. (February 13, 2020). *Airbnb has devoured London – and here's the data that proves it*. Retrieved from <https://www.wired.co.uk/article/airbnb-london-short-term-rentals>

³³ Tasmania Government. (n.d.). *Tasmanian Planning Reform: Short stay accommodation*. Retrieved from <https://planningreform.tas.gov.au/short-stay-accommodation-act-2019>

³⁴ Shabrina, Z, Arcaute, E & Batty, M. (2021). *Airbnb and its potential impact on the London housing market*. *Urban Studies*. Retrieved from <https://doi.org/10.1177/0042098020970865>;

Cocola-Gant, A & Gago, A. (2019). *Airbnb, buy-to-let investment and tourism-driven displacement: A case study in Lisbon*. *Environment and Planning A: Economy and Space*. Retrieved from <https://doi.org/10.1177/0308518X19869012>



Shelter NSW hopes to develop our position more firmly on the matter of STRA prior to planning rules coming into effect in November 2021. To do this, we will be using insights from work commissioned to RAI on local government areas in housing distress in regional NSW. We would be more than willing to share these insights with the Regional Housing Taskforce when they come to hand.

Recommendations

1. Shelter NSW is concerned that the combination of generous STRA planning rules (toward hosts and property investors) and the lack of information on enforcement measures and lack of committed local enforcement resources, will result in regulation which is not implemented across the state. This regulatory failure would exacerbate the gap in addressing known social, economic, and environmental negative externalities associated with the majority of STRA. We recommend, therefore that:
 - a. **the NSW Government explicitly state on easy-to-access webpages and other media content of NSW Fair Trading and NSW DPIE what penalties (number of warnings, maximum monetary fines, court proceedings) are associated with lack of compliance** with STRA planning reforms, including not listing properties on the register, not adhering to Code of Conduct, not following Exempt development standards, and breaching day-caps.
 - b. **the NSW Government – through joint regional organisations or one-on-one liaison with local councils – fund and resource compliance officers for implementing the STRA reforms**, particularly in the first two years of full regulatory commencement (from 1 November).
2. **Greater scrutiny in the Social Impact Assessment phase of resource industry proposals for accommodating DIDO/FIFO workforces** is required. In-kind housing contributions should be required such that housing can be utilised by the community after a resource ‘boom’ has occurred and volumes of DIDO/FIFO workers decrease.
3. **All LGAs should be opted into the 90-180 day cap for non owner-occupied hosted STRA without needing to request this through a planning proposal to a SEPP.**
4. **Planning reforms on STRA should pivot to reliance on volume and density caps rather than annual day caps** (e.g. no more than x number of non-hosted STRAs per y square metres/suburb), to ensure hollowing out of high amenity neighbourhoods for STRA use does not occur. Local research and evidence for density caps will be required.

Strategically acquire and build more social housing

NSW requires an urgent and large increase in the stock of social housing³⁵. Without this, we fear a worsening of damaging homelessness, (in all its forms) and housing stress right across NSW – a trend

³⁵ As well as increased funding to the already stretched Specialist Homeless Sector (SHS); and expansion of rental assistance to support low-income private tenancies.



that will eventually demand a significant (and expensive) response and more generally, may undermine the potential recovery of the state from the pandemic.

Our observation is echoed by Infrastructure Australia in its report, released this week ³⁶ which explicitly notes the inadequate *quality, supply and design of social housing across the country*. The same report, (citing a 2018 AHURI report ³⁷) notes the projected need for almost 730,000 new social housing properties over the next 15 years. The following figures ³⁸ show the extent to which Australia and NSW's stock of social housing has failed to keep pace with even the basic variable of population growth.

Beyond its budgetary tools and development corporations, the NSW Government has the power to:

- apply planning instruments and surplus land; to support an economic infrastructure pipeline of social and affordable housing.
- acquire, assemble, rezone, and develop (through LAHC) or on-sell/lease land to social and community housing providers. As a non-market developer, it has the power to direct housing when and where it's needed.
- support and strengthen the community housing sector to expand across Regional NSW (including Aboriginal Community Housing providers) as a means of diversifying the entire housing sector.
- ensure the social and affordable housing program is tailored to meet the needs of specific groups. To achieve this, the NSW Government should reserve subsidies for the development of specialist types of housing that include unique design features or human services. Examples include the provision of Youth Foyers for disadvantaged youth; Housing First and Common Ground models for persons experiencing chronic homelessness; and Specialist Disability Accommodation for people living with disability.

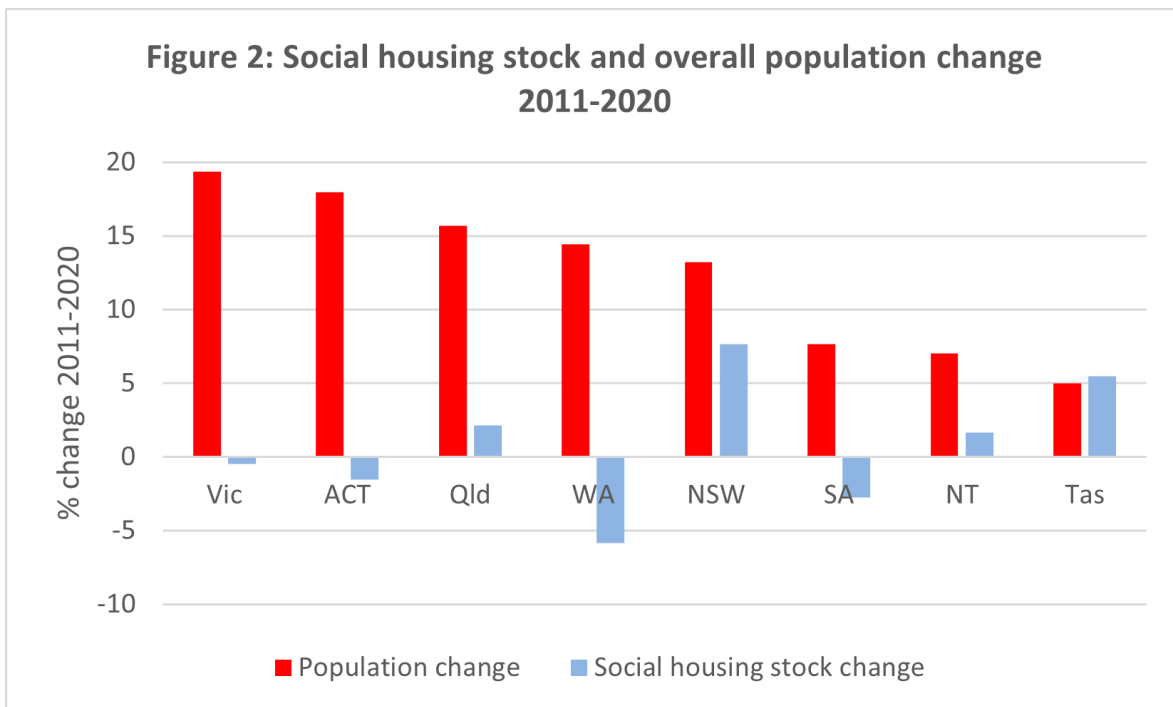
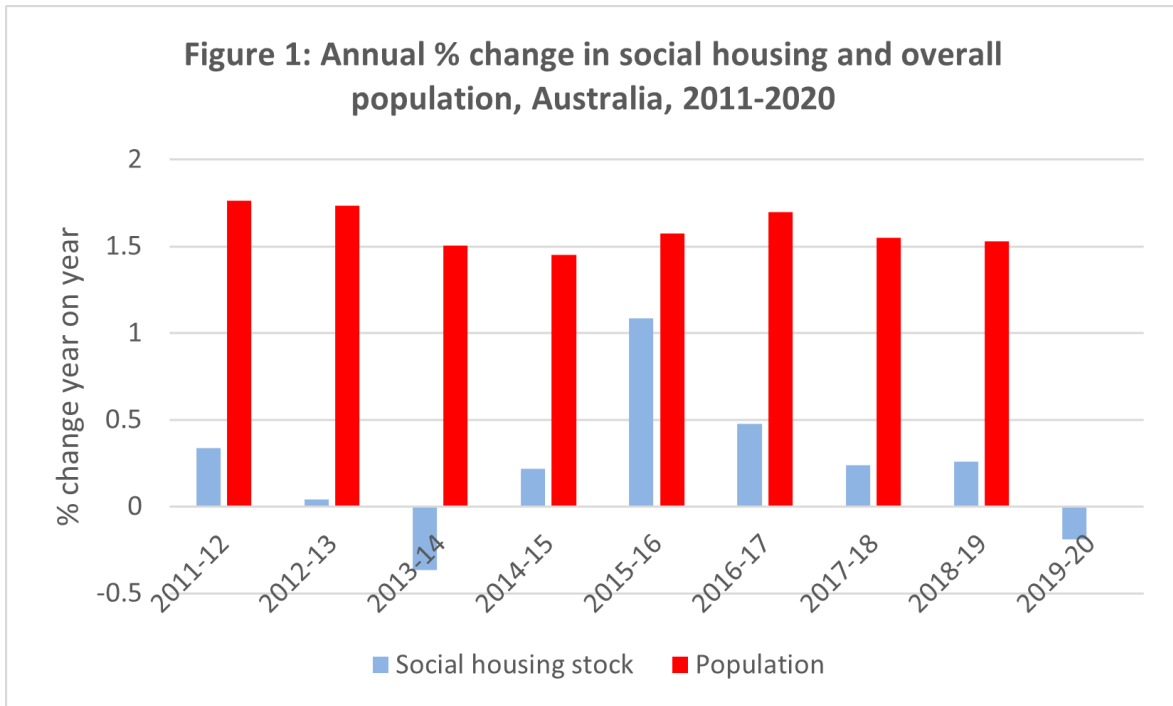
³⁶ Australian Government, Infrastructure Australia (Sept 2021) *Reform to meet Australia's future infrastructure needs* at p 19 available at [2021 Australian Infrastructure Plan \(infrastructureaustralia.gov.au\)](https://www.infrastructureaustralia.gov.au)

³⁷ Lawson, J et al, (November 2018) *Social Housing as Infrastructure an investment pathway*, Australian Housing and Urban Research Institute (AHURI). Exec summary. Available at [AHURI website](https://www.ahuri.org.au)

³⁸ Pawson, H (2021), *Social Housing production continues to languish, while demand has soared*, [UNSW City Futures blog](https://www.unsw.edu.au/futures)



Figure 1 & 2 - sourced from Pawson, H. (2021) UNSW City Futures



Recommendations

The NSW Government should:

- **commit to an increase in the supply of social and affordable housing that is proportional to demand. Build and/or acquire 5,000 (net) dwellings in NSW per year over the next decade.**³⁹
- **commit to increasing the stock of social housing across NSW to 5% of all dwellings.**
- **reserve subsidies for the development of specialist types of housing promoting best-practice design, delivery and community engagement.**

Timely development of rezoned residential land

At present, there is no compulsion following land rezoning for land to be developed. Once a Development Application (DA) is made and approved, the EP&A Act has provisions for requiring the DA to be enacted (and completed, through a Development Control Order). But in the time between rezoning and a Development Application for subdivision being submitted, there is no planning mechanism to require the timely development of that land. Council powers to compel development of land can be further frustrated when staged Development Applications are made with few lots being developed at a time.

Subdivision and development of land is therefore largely at the discretion of developers and market-forces, which tends to lead to ‘land banking’ to ensure the highest return possible on land to the landowner and thus increases housing costs to potential owners (private actors and social housing providers)⁴⁰.

Recommendations

- **Promote a mechanism whereby public authorities can compulsorily acquire land** for the purposes of key housing infrastructure as a public purpose under the Land Acquisition (Just Terms Compensation) Act, where land has been banked for a substantial amount of time following rezoning to residential (“use it or lose it”)
- **Include a Development Control Order term in the EP&A Act** which would allow Councils to issue orders to developers to increase the rate of completion for staged and non-staged subdivision Development Applications.

Address the regulatory pain of “manufactured homes”

NSW needs clear, one-stop guidance for regulations on Manufactured Home Estates (caravan parks included), moveable dwellings and manufactured homes. Manufactured (prefabricated) homes offer

³⁹ Equity Economics (2020) *Supporting-Economic-Recovery-in-NSW-Investment-in-Social-and-Affordable* available via the [Shelter NSW website](#) and refer Appendix B

⁴⁰ Murray, C. (August 14, 2020). *Land Banking: Red tape and a dearth of housing supply are a myth*. Retrieved from <https://www.michaelwest.com.au/land-banking-red-tape-and-a-dearth-of-housing-supply-are-a-myth/>



a cheap and quick solution for housing. They are manufactured wholly or partially offsite and must have a compliance plate affixed to ensure they meet minimum standards before being delivered to their end-destination. This housing solution is popular in regional and remote locations where trade shortages and the ‘tyranny of distance’ can blow out housing construction timeframes – particularly following natural disaster events such as fire and flood. Prefabricated homes can be installed in Manufactured Home Estates, caravan parks, or on ordinary allotments where zoning permits.

Presently, there is the Manufactured Homes SEPP (No 36), Caravan Parks SEPP (No 21), Local Government Act 1993 and subordinate regulations, EP&A Act definitions, Standard Instrument LEP definitions, and a Planning System Circular which must all be referred to concurrently when regulating and approving manufactured homes. Of particular frustration for planners and developers alike is that the EP&A Act definition of “building” specifically excludes manufactured homes per the Local Government Act 1993 and “manufactured home” is defined in the Manufactured Homes SEPP differently to the Local Government Act, whereas “dwelling house” in the Standard Instrument LEP makes reference to “building” (which a “manufactured home” is not, according to the EP&A Act).

Anecdotally, some local councils require a DA + Construction Certificate + s68 approval under the Local Government Act to install a manufactured home outside of a manufactured home estate. Other local councils argue that Construction Certificates only apply to “buildings”, and do not require a Construction Certificate for the installation of manufactured homes.

A 2015 discussion paper by the former Department of Planning proposed to address the confusing framework for regulating manufactured homes and estates in light of the ‘tiny home’ trend. The current public consultation draft of the Housing SEPP includes provisions for the repeal of the Manufactured Homes SEPP (No 36) and Caravan Parks SEPP (No 21), but no provisions from these SEPPs have been carried over into the public consultation draft. It is noted that the NSW DPIE website outlines the ‘phases’ for housing reform⁴¹, including Phase Four for caravan parks and manufactured home estates; however, SEPP Nos 36 and 21 are proposed to be repealed in current Phase Three. This may create even more confusion and policy gaps in relation to the status of regulating manufactured homes and estates.

Recommendations

It is recommended to DPIE that:

- **Urgent attention be given to clarifying and unifying regulatory approaches** to manufactured homes and manufactured home estates
- **Reduce the number of Acts, Regulations, and Instruments** which need to be consulted in approving manufactured homes and estates
- **Harmonise and consolidate the definitions** of “manufactured home”, “relocatable dwelling”, “moveable dwelling”, “building”, and “dwelling house” to ensure definitions are consistent and logical across various Acts, Regulations, and Instruments.

⁴¹ NSW Department of Planning, Industry, and Environment (‘DPIE’). (August 2, 2021). *Housing SEPP*. Retrieved from <https://www.planning.nsw.gov.au/housing-sepp>



Housing Policy to address climate change, not exacerbate it

According to Infrastructure Australia⁴² state-level planning decisions *can mitigate or aggravate impacts from natural systems, hazards, and shocks and stresses*. Our built environment should help us transition to a zero-carbon economy. Housing design and construction techniques can reduce our energy consumption and extraction of new resources. So too can planning and subdivision protect our homes from natural hazards and limit our reliance on cars. Trees can cool our streets and infrastructure can make them walkable. All of this improves our health and saves us money. Governments need to use all of these tools to prevent and avoid the worst effects of climate change which we are just starting to see and feel. All efforts need to be made to apply best practice in Regional NSW and help especially those on the lowest incomes to deal with the expense of living with rising temperatures and hazards.

We need to ensure that town and city planning throughout the state is responsive to environmental hazards, such as bushfires, extreme heat, flooding and inundation, which will be exacerbated by the effects of climate change. In this respect, releasing mass land for rezoning to foster greenfield development and urban sprawl in regional towns and cities should, in our view, be the last resort in addressing any purported land supply issues

Floods and fire have had severe impacts on residents in moveable dwellings and caravan parks, with damage caused to many homes and site fees rising. For many, floods and fires have left their homes unliveable - however, residents without financial means to go elsewhere have little choice but to remain.

Recommendations

- **Cluster new dwellings in greenfield areas** as a means to limit the bushfire front for new estates, reduce the number of asset protection zones which need to be separately managed, and limit ecological fragmentation.
- **Improve the environmental sustainability of new and existing housing by raising building and maintenance standards.** In particular, the BASIX system needs to be reviewed as it oftentimes used as an excuse by developers to not address local sustainability principles in DCPs and the like.
- **Embed water saving and climate-conscious built initiatives within DCPs** and encourage water tank and solar panel rebates through Council resolutions.
- **Ensure that tenants living in caravan parks have access to affordable housing that is secure and adequate** (DPIE with the NSW Department of Fair Trading).

⁴² Infrastructure Australia (August 2021) *A pathway to infrastructure resilience* at p 28, available via [Infrastructure Australia website](#)



Conclusion

We commend NSW Government for its focus on housing issues in NSW and thank the NSW Department of Planning, Industry, and Environment for the opportunity to engage with the Regional Housing Taskforce.

We especially appreciate the opportunity to make this submission and offer what we hope will be quite a different set of perspectives to the consultation. We look forward to further engaging with the taskforce and would happily respond to any queries that our submission may prompt.

For any questions, please feel free to contact Cathy Callaghan on 0407 067 587 or by email at cathy@sheltersw.org.au

Yours Sincerely,



John Engeler

Chief Executive Officer, Shelter NSW



Cathy Callaghan

Senior Policy Officer, Shelter NSW



19 August 2021

MEDIA RELEASE

Governments need to step up to resolve housing crisis in Regional NSW

At a time when many regional towns are facing unprecedented housing stress, Shelter NSW welcomed the NSW Government’s recent announcement of the Regional Housing Taskforce

“We are pleased to see the Government paying serious attention to this issue. But we do note that for some towns and communities, housing has been a long-term issue’, noted CEO of Shelter NSW, John Engeler.

Earlier this year Shelter NSW committed itself to better understanding regional communities and the variety of housing issues confronting them.

“In May, we formally engaged [Regional Australia Institute](#) (RAI) to undertake a detailed review of every local government area in regional NSW. They’ll be providing us with a detailed picture of the key housing issues – especially as they impact the lowest forty per cent of income earners. We’re funding this engagement with a grant from the NSW Government’s Social Sector Transformation Fund. It’s a great investment”.

“We are delighted to have engaged a highly-regarded research organisation to help us. In some cases, the issues are like ‘growing pains’, in others an aging population faces challenges in finding well-located, well-designed affordable housing”.

Beyond the research, Shelter NSW will be focused on developing much deeper, local engagement in certain regional centres like Wagga Wagga, Orange and Newcastle.

Shelter NSW aims to ramp up its advocacy for regional communities – drawing on its deep understanding of, and advocacy for, a dramatically increased stock of social, affordable and diverse specialist housing across the state.

“Through this project and our work, we hope to share innovative ideas between regions and with the regional taskforce. We will advocate to relevant Ministers and local Members of Parliament and generally sharpen our regional focus in future prebudget submissions and budget reviews” said Engeler. He went further, “there will be one key argument that we will make. The private housing market consistently fails low-medium income earners. There’s a lot of focus on changing planning laws and busting red tape – but all the evidence shows that Governments have a big role in directly providing housing”.



For more information about:

- **Shelter NSW:** an independent, non-profit, member-driven organisation that has been advocating for better housing outcomes since 1975.
We represent the broad interests of a diverse network of members, partners and aligned industry stakeholders who share our vision of a secure home for all NSW residents.
We are especially concerned with housing insecurity, increasingly experienced by people on low and very low incomes.
We pursue our vision of an economically, socially, and environmentally sustainable housing system through critical engagement with policy and collaborative leadership initiatives with government, community and the private sector
- **Regional Australia Institute (RAI):** an independent think tank devoted to issues concerning regional Australia with deep research capability and great appreciation of regional communities
- **NSW Regional Taskforce:** including opportunities to make a written submission during August 2021 and/or attend forums - Head of new Regional Housing Taskforce named | NSW Dept of Planning, Industry and Environment

Media contact

- **Cathy Callaghan** (Senior Policy Officer)
cathy@shelternsw.org.au
0407 067 587



Appendix B – Good Growth Alliance letter to Regional Housing Taskforce,
27th August, 2021

27 August 2021

Mr Garry Fielding
Independent Chair
Regional Housing Taskforce
Via email regions.coordination@planning.nsw.gov.au

Dear Mr Fielding,

Congratulations on your appointment to lead the Regional Housing Taskforce. This comes at a critically important time for people across the towns and cities of NSW as they deal with an unprecedented demand for well-built, well-located, diverse affordable housing.

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

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

We welcome the establishment of the Regional Housing Taskforce and ask that this letter be considered as a formal submission to your consultation process.

Since 2018 we have worked together as a diverse group of stakeholders to advocate to the Premier of NSW for what we regard as ‘good growth proposals’. Since that time, we have 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. These proposals have underpinned our joint advocacy regarding the NSW Housing Strategy and more recently the proposed new Housing SEPP for example.

While the focus of our advocacy has been on Sydney, we believe most of our ‘good growth proposals’ have relevance across the state.

They include the following:

- Establish a Premier’s Priority focusing on housing choice, security, affordability, and diversity to drive a collaborative, whole-of-government approach to



delivering better housing outcomes.

- Commit to annual net growth targets for additional social, affordable, and key worker housing, and ensure these targets can be achieved by providing ongoing funding for new housing supply.
- Deliver at least 5,000 additional social housing dwellings per year for the next 10 years by establishing a Capital Growth Fund and leveraging government-owned land to boost supply. Responsibility for delivery should be shared evenly between the NSW Government and NSW community housing sector.
- Reduce all types of homelessness by committing to a fully funded state-wide action plan, with the goal of ending homelessness in NSW by 2030.
- Ensure good growth is for everyone by delivering timely and equitable access to public transport, jobs, education, community infrastructure, jobs, and housing, including for very low to medium income and vulnerable communities. This could be achieved by:
 - Adopting an integrated place-based approach to infrastructure planning, funding and delivery that is aligned to growth planning.
 - Implementing the recommendations of the Productivity Commissioner to increase certainty and efficiency in the contributions system, whilst ensuring sufficient funding is available to deliver the infrastructure that communities need.
- Establish a Housing Innovation Fund to drive innovations in housing design that reduce the cost of living, respond to changing work practices, and realise the ambition of a zero net carbon future. Alongside this fund, the NSW Government must work to remove regulatory barriers to delivering innovative models, including “meanwhile uses” of land and buildings.
- Provide additional funding and support to councils to fast-track the implementation of actions within their local strategic planning statements and local housing strategies. This includes streamlining the adoption of affordable rental housing targets and other planning mechanisms to incentivise supply.
- Introduce further reforms to the planning system to improve transparency and streamline the development approvals process at the state and local level by:
 - Expanding the Council Accelerated Assessment Program across all NSW councils to overcome delays in the delivery of local housing targets
 - Requiring councils to report annually on progress against implementing their strategic plans and achieving their housing delivery targets, including development assessment times. This monitoring could be overseen by a Housing Supply Panel tasked with working with Councils to overcome delays in delivering on strategic aims



We look forward to establishing a productive relationship with your Taskforce and welcome any opportunities to provide further insight. You will note that a number of our organisations have a membership base across the state so we are well-placed to test ideas and provide local and regional context to our broad proposals if that is useful to you and your taskforce.

Thank you for accepting this submission. Please feel free to contact John Engeler, CEO Shelter NSW on 0410 402 212 or by email at admin@shelter.nsw.org.au if you or any taskforce staff have any queries.

Yours sincerely,



Luke Achterstraat
NSW Executive Director

**Property Council of Australia
Association**



Mark Degotardi
Chief Executive Officer

NSW Community Housing Industry



Damian Kelly
Acting Executive Director
Business Sydney



Katherine McKernan
Chief Executive Officer
Homelessness NSW



Gabriel Metcalf
Chief Executive Director
Committee for Sydney



John Engeler
Chief Executive Officer
Shelter NSW



Appendix C - Shelter NSW submissions to Regional Councils

Shelter NSW has demonstrated a sustained interest in regional housing matters. We have made submissions on several draft Local Strategic Planning Statements ('LSPS'), Housing Strategies, and Regional Plans. This includes submissions to the following Councils and government agencies (our submissions are hyperlinked):

- City of Albury Council ([Draft LSPS](#))
- Bega Valley Shire Council ([Draft LSPS](#))
- Bellingen Shire Council ([Draft LSPS](#))
- Blue Mountains City Council ([Draft LSPS and Housing Strategy](#))
- Broken Hill City Council ([Draft LSPS](#))
- Byron Shire Council ([Draft LSPS](#))
- Central Coast Council ([Housing Paper](#); [Draft LSPS](#))
- Cobar Shire Council ([Draft LSPS](#))
- Coffs Harbour City Council ([Regional City Action Plan 2036](#))
- Dubbo Regional Council ([Draft LSPS](#))
- Eurobodalla Shire Council ([Draft LSPS](#))
- Goulburn Mulwaree Council ([Draft LSPS](#))
- Mid North Coast Council ([Draft LSPS](#))
- Nambucca Valley Council ([Draft LSPS](#))
- Newcastle City Council ([Draft LSPS](#))
- Port Macquarie-Hastings Council ([Port Macquarie Draft Regional City Action Plan 2036](#); [Draft LSPS](#))
- Queanbeyan-Palerang Regional Council ([Draft LSPS](#))
- Richmond Valley Council ([Draft LSPS](#))
- Shellharbour City Council ([Draft LSPS](#))
- Shoalhaven City Council & DPIE ([Draft Illawarra Shoalhaven Regional Plan 2041](#))
- Singleton Council ([Draft LSPS](#))
- Tamworth Regional Council ([Draft LSPS](#))
- Walgett Shire Council ([Draft LSPS](#))
- Wollongong City Council ([Draft LSPS and Housing Options Paper](#))

Whilst we acknowledge that regional NSW encompasses a diverse array of climates, people, economies, and housing challenges, the following common themes were outlined in our submissions:

1. Make plans that emphasise housing as a home, not just an investment

The concept of 'home' should be at the core of the housing policy. It underpins health, social connections and participation in work and society. However, speculative investment in housing and the standard model of development is not delivering housing people need or can afford.

2. Build places and communities, not just houses and towers



New housing should be located close to jobs and services and improve the quality of existing neighbourhoods. Well-connected and well-designed homes make it easy for people to get around and transition between various stages of life. However, developers in regional towns seem to be delivering either car-dependent sprawl or low-quality density.

3. Provide diverse housing that everyone can afford, not just high-income earners

The housing system should be as diverse as the community to give people the options they need. Ageing households can then downsize, and young people can become independent. Women can then leave abusive relationships, and First Nations people can live on Country. Students can then focus on their education, and key workers can live in their communities.

4. Make renting a genuine alternative to ownership, not just a transition phase

Tenants should be able to expect security and a high level of service when they rent their home. This protection is especially true now that homeownership is in decline. However, the possibility of no-grounds evictions makes it hard for tenants to put down roots or request repairs. Equally, social housing has become seen as a temporary safety net which is increasingly rationed and run-down.

5. Use housing policy to address climate change, not exacerbate it

Our built environment should help us transition to a zero-carbon economy. Housing design and construction techniques can reduce our energy consumption and extraction of new resources. So too can planning and subdivision protect our homes from natural hazards and limit our reliance on cars. Trees can cool our streets and infrastructure can make them walkable. All of this improves our health and saves us money. Governments need to use all of these tools to prevent and avoid the worst effects of climate change which we are just starting to see and feel.

Specific recommendations that were mentioned frequently in our submissions to regional Councils:

- **Work with Local Aboriginal Land Councils** on the development of strategic plans for landholders aimed at supporting the delivery of additional housing opportunities for Aboriginal communities (via rezonings; additional dwellings and secondary dwellings).
- **Embed water saving and climate-conscious built initiatives within DCPs** and encourage water tank and solar panel rebates through Council resolutions.
- **DPIE to improve liaison with and resourcing to regional Councils in developing strong plans for guiding infill development** in regional towns.
- **Housing mix targets should be built into DCPs** – e.g. proportion targets in infill and greenfield areas to include mixture of studios, 1, 2, 3+ bedroom dwellings.
- **Universally accessible housing design to be reiterated through DCPs** and align with State design guides. Councils working with DCJ and Aged Care Providers to ensure home modifications can occur to allow older people to age-in-place, particularly in isolated communities where alternatives for ‘downsizing’ are limited.
- **Support the development of Community Land Trust (‘CLT’) models or cooperative housing.** A CLT is a form of shared land ownership, where a community-based entity owns the land component and the buildings are owned by individual households (or leased long-term).



- In recognising that social housing (including public and community housing) is an essential component of any future infrastructure plans per the Australian Infrastructure Audit 2019, **regional Councils shall commit to developing and implementing Affordable Housing Contributions Schemes** with practical and sustained assistance from DPIE (at joint regional organisation level or otherwise one-on-one with planning teams of regional Councils).
- Local Housing Strategies should contain **quantifiable targets to increase social (public or community) housing in a certain timeframe**. These targets will need to be informed by local studies into housing need through various metrics (number and rate of increase of social housing applications, population trends, key worker housing precariousness with reference to median incomes for key worker groups and median rents).
- **Work in partnership with Community Housing Providers and DCJ** to facilitate the delivery of new social housing options.
- Through Planning Agreements or Affordable Housing Contributions Schemes, **incentives should be included for organisations or authorities that deliver public or community housing in perpetuity**: a fast-track DA process, fee reduction or waiver, density bonus, waiving or varying other contributions under s7.11 of the Planning Act.
- **Explore ways to capture the increased land value associated with a rezoning** with the aim of delivering new affordable housing. This could be achieved by implementing a value capture system tied to a Planning Agreement framework.
- **Reassess the viability of certain land zone typologies** (particularly R2 and R5 zones at urban fringes when compared to R1, RU-, and E- zones) and increase preference for other land zone typologies (R3 and B4 near commercial cores and employment hubs).
- **Cluster new dwellings in greenfield areas** as a means to limit the bushfire front for new estates, reduce the number of asset protection zones which need to be separately managed, and limit ecological fragmentation.
- **Social Impact Assessments for mining industry developments and expansions** need to adequately address impacts on long-term rental markets and these assessments are to outline mitigation and in-kind offsets for housing which will be lost from the long-term rental market.
- **Opt-in all regional Council LGAs into the lesser-day cap** for non-hosted short term rental accommodation ('STRA') of 90-180 days.



Appendix D – Glossary

Affordable rental housing⁴³ = Very low, low, and moderate income earners are eligible for this type of housing through a social housing provider. These income brackets do not exceed 120% of the median income as determined for Greater Sydney region or Rest of NSW, as updated by ABS from time to time. Rental payments from tenants are usually set to 20-25% below market value. Some affordable rental housing schemes in NSW require tenant rent to not exceed 30% of household income (i.e., not be subject to rental stress).

Community housing⁴⁴ = Generally delivered by Community Housing Providers (non-government organisations). Eligibility criteria for tenants also applies.

Public housing⁴⁵ = Generally owned and delivered by state bodies and departments such as the NSW Land and Housing Corporation and Department of Communities and Justice. Indigenous housing can be considered a specialised subset of public housing, particularly when owned and managed by the Aboriginal Housing Office. Strict eligibility criteria and prioritised waitlists apply to all public housing.

Social housing⁴⁶ = an umbrella term that includes public housing and community housing. The intent of both public housing and community housing is to accommodate people on very low, low, and moderate incomes in affordable housing.

Table. **Number of social housing dwellings & households in NSW, at 30 June, 2011- 2020**

| | Public housing (No) | <i>Number of households</i> | State owned & managed Indigenous housing (No.) | <i>Number of households</i> | Community housing (No.) | <i>Number of households</i> | Indigenous community housing (No.) Notes (a) (b) | Total Social Housing Dwellings | Total Households in Social Housing |
|------|----------------------------|-----------------------------|---|-----------------------------|--------------------------------|-----------------------------|---|---------------------------------------|---|
| 2020 | 96 939 | 93 107 | 4 560 | 4 361 | 49 312 | 45 477 | 3 719 | 154 530 | 142 945 |
| 2019 | 100 623 | 96 695 | 4 591 | 4 413 | 46 250 | 39 621 | 3 719 | 155 183 | 140 729 |
| 2018 | 111 341 | 106 895 | 4 603 | 4 414 | 34 743 | 31 404 | 3 461 | 154 148 | 142 713 |
| 2017 | 110 221 | 108 125 | 4 608 | 4 472 | 33 837 | 29 788 | 3 370 | 152 036 | 142 385 |
| 2016 | 110 174 | 108 637 | 4 613 | 4 506 | 32 647 | 26 897 | 3 004 | 150 438 | 140 040 |
| 2015 | 110 214 | 108 732 | 4 641 | 4 530 | 27 858 | 26 220 | 3 055 | 145 768 | 139 482 |
| 2014 | 110 805 | 109 370 | 4 632 | 4 504 | 26 254 | 24 805 | 2 746 | 144 437 | 138 679 |
| 2013 | 111 216 | 110 074 | 4 540 | 4 452 | 26 026 | 25 973 | 2 991 | 144 773 | 140 499 |
| 2012 | 112 310 | 111 087 | 4 478 | 4 372 | 25 311 | 25 844 | 3 055 | 145 154 | 141 303 |
| 2011 | 111 547 | 111 448 | 4 238 | 4 233 | 24 090 | 24 298 | 2 445 | 142 320 | 139 979 |

Table Source: adapted by Shelter NSW from Productivity Commission 2020 Housing Services - Tables 18A.3 and 18A.4 which cites the original data source as: *Australian Institute of Health and Welfare (AIHW)* (unpublished) National Housing Assistance Data Repository. Notes: (a) Indigenous CHP numbers of dwelling data for 2020 unavailable - will assume 2019 figure for comparison purposes (b) - data for households in indigenous community housing unavailable

⁴³ ARHSEPP, cl. 6; SEPP No 70 – Affordable Housing Revised Schemes, cl. 8

⁴⁴ NSW Department of Communities and Justice. (2019). *Social Housing*. Retrieved from <https://www.facs.nsw.gov.au/housing/help/ways/social-housing>

⁴⁵ NSW Department of Communities and Justice. (2019). *Social Housing*. Retrieved from <https://www.facs.nsw.gov.au/housing/help/ways/social-housing>; Pawson H, Milligan V, and Yates J. (2020). *Housing Policy in Australia: A case for system reform*, Section 4.1. Singapore: Palgrave MacMillan.

⁴⁶ State Environmental Planning Policy (Affordable Rental Housing) 2009 ('ARHSEPP'), cl. 4



September, 2021

About the Tenants' Union of NSW

The Tenants' Union of NSW is the peak body representing the interests of tenants in New South Wales. We are a Community Legal Centre specialising in residential tenancy law and policy, and the main resourcing body for the state-wide network of Tenants' Advice and Advocacy Services (TAASs) in New South Wales. This network includes the following Tenants' Advice and Advocacy Services in regional NSW:

- [Blue Mountains Tenants' Advice and Advocacy Service](#)
- [Central Coast Tenants' Advice & Advocacy Service](#)
- [Hunter Tenants' Advice and Advocacy Service](#)
- [Illawarra & South Coast Tenants Service](#)
- [Mid Coast Tenants' Advice and Advocacy Service](#)
- [Murra Mia Tenant Advocacy Service \(Southern NSW Aboriginal TAAS\)](#)
- [New England and Western Tenants Advice and Advocacy Service Inc.](#)
- [Northern NSW Aboriginal Tenants Advice and Advocacy Service](#)
- [Northern Rivers Tenants' Advice & Advocacy Service](#)
- [VERTO South West Tenants' Advice Service](#)
- [Western Aboriginal Tenants Advice and Advocacy Service](#)

The TAAS network assists more than 25,000 tenants, land lease community residents, and other renters each year. We have long-standing expertise in renting law, policy and practice. The Tenants' Union NSW is a member of the National Association of Tenant Organisations (NATO), an unfunded federation of State and Territory-based Tenants' Unions and Tenant Advice Services across Australia. We are also a member of the International Union of Tenants.

Contact

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The Tenants' Union of NSW' office is located on the unceded land of the Gadigal of the Eora Nation.

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About this submission

The Tenants' Union of NSW commends the NSW Government for establishing the Regional Housing Taskforce and their recognizing the need for immediate action to address and respond to the housing crisis in regional NSW. The impact of the crisis is being felt particularly by households who rent their homes.

In this submission we provide data on the record low vacancy rates and the sharp increases in market rent in the private rental sector in the regions. We identify some of the key drivers of this trend. We also outline the various ways in which the crisis is being experienced by renters, including

- an increased use of 'no grounds' eviction
- privacy concerns and the experience of discrimination during the application process
- pressure on renters to engage in 'rent bidding'
- difficulty securing alternative accommodation
- eviction into homelessness

There are no easy or quick solutions to the general housing crisis, and the various problems being experienced by renters across the private rental sector in the regions. This requires a longer-term strategy and a significant commitment of resources. Additionally, while the planning system must be part of any longer-term response, increasing housing supply and streamlining and/or removing impediments within the planning system will not alone address the housing crisis. A much broader response and commitments across government are required to deliver on the secure, affordable, and liveable housing that the NSW Government is committed to delivering.

For this reason, our submission provides a number of recommendations outside of the formal scope set out in the terms of reference of this review. We hope, nonetheless, they will be considered by the taskforce and by the NSW Government.

Recommendations

Recommendation 1

Commit over the next 20 years to building new, additional public and community housing to adequately meet current and future need to provide housing that is genuinely affordable for people currently experiencing housing stress and/or homelessness

Recommendation 2

Introduce appropriate value capture mechanisms, such as mandatory inclusionary zoning targets, to ensure property and land developments contribute to the supply of genuinely affordable housing in regional areas.

Recommendation 3

Comprehensive data be made available about current and planned public and community housing properties.

Recommendation 4

Fair Trading's rental bond exit survey be integrated as a mandatory step in the rental bond refund process.

Recommendation 5

Consider the role the NSW Government could play in encouraging the development of community land trusts and rental housing cooperatives, including in regional NSW.

Recommendation 6

Reform current NSW tenancy law to remove no grounds eviction provisions.

Recommendation 7

Introduce explicit provisions prohibiting 'rent bidding' into NSW tenancy law.

1. A housing crisis in regional NSW

There were already clear indications of increasing rental stress and rates of homelessness in regional areas prior to 2020. A number of factors have exacerbated this trend over the last 2 years, including:

- **Impact of major infrastructure projects** Major infrastructure projects in regional areas, while bringing economic benefits for these areas, often put significant pressure on local rental markets. The significant, though generally temporary, demand to house the influx of workers puts pressure on rents in the area often forcing out or displacing local renters.
- **Impact of natural disasters** Bushfires and floods across various regional areas of NSW through 2019 – 2020 that caused significant damage or destruction of the homes of owner occupiers and renters alike, also significantly disrupted the local private rental market in impacted areas.
- **Impact of Covid-19** Since the start of the Covid-19 health crisis, there has also been significant movement of people, a large number of them renters, from Greater Sydney into regional areas. Between end March 2020 and March 2021 almost 24,500 people from Greater Sydney moved to regional NSW.

1.1 Rental vacancy rates and market rents

As a result of the factors outlined above, many areas of regional NSW are currently experiencing unprecedented low vacancy rates. The Real Estate Institute of NSW July 2021 vacancy rate survey saw vacancy rates across much of regional NSW sitting at well below 2% (from 0.5 through 1.9) including a large number of areas at just 1% or below including Albury, the Central West, Riverina, Hunter (excluding Newcastle) and the South Coast.¹

Over the last year there has been a marked increase in market rents in regional areas of NSW. The median weekly rent across regional NSW has increased by just over 11%. In Figure 1 we provide data on median weekly rents, and the increase (year on year change) to rents seen across the regions how to provide further detail on how this breaks down across the regions.

¹ REINSW (2021), *Vacancy Rate Survey Results July 2021*, https://www.reinsw.com.au/REINSW_Docs/Vacancy%20Rates/2021/REINSW-Vacancy-Rate-Result-July-2021.pdf, accessed 24/08/21

| Regions | Median weekly rent | Annual change |
|-----------------------------------|--------------------|---------------|
| Greater Sydney | \$500 | 0.00% |
| NSW excl. Sydney | \$400 | 11.11% |
| Central Coast | \$460 | 15.00% |
| Capital Region | \$400 | 14.29% |
| Central West | \$360 | 12.50% |
| Coffs Harbour - Grafton | \$440 | 15.79% |
| Far West and Orana | \$280 | 3.70% |
| Hunter Valley excl Newcastle | \$420 | 12.00% |
| Illawarra | \$490 | 8.89% |
| Mid North Coast | \$400 | 14.29% |
| Murray | \$300 | 11.11% |
| New England and North West | \$300 | 3.45% |
| Newcastle and Lake Macquarie | \$460 | 9.52% |
| Richmond - Tweed | \$540 | 20.00% |
| Riverina | \$320 | 6.67% |
| Southern Highlands and Shoalhaven | \$430 | 17.81% |

Figure 3: Median rents across regional NSW, source: TUNSW Rent Tracker, <https://www.tenants.org.au/tu/rent-tracker>

1.2 The experience of renting in the private rental market

The very tight markets in regional areas are causing great pressure on communities. Local renters are anxious they may be evicted, and are often avoiding reporting or requesting required repairs and maintenance or asserting other rights. Renters that are facing eviction struggle to find alternative affordable accommodation.

Increased use of 'no grounds' evictions

We believe the increased demand for rental properties in regional areas has resulted in a 'spike' in the use of 'no grounds' notices. The Tenants' Advice and Advocacy Program (TAAP) network, in particular the regional services, have seen a significant increase in advice requests from renters who have been evicted for 'no grounds' (that is, given termination notices under section 84 and 85 of the *Residential Tenancies Act 2010*).

Figure 2 demonstrates the sharp upward trend in assistance provided by local services in regional areas beginning from the first half of 2020 and continuing to increase as the regional housing crisis has worsened.

We are concerned landlords are using 'no grounds' to end existing tenancies so they might take advantage of the increased local demand and low vacancy rates to significantly increase rent on their property.

We are seeing people receiving 'no grounds notices' because of assumptions being made about landlords being able to get more rent elsewhere. The market right now is a basket case for tenants, who are completely vulnerable. The balance here has certainly tipped in the landlord's favour and exploitation is rife.

Coordinator, Illawarra and South Coast Tenants' Advice and Advocacy Service

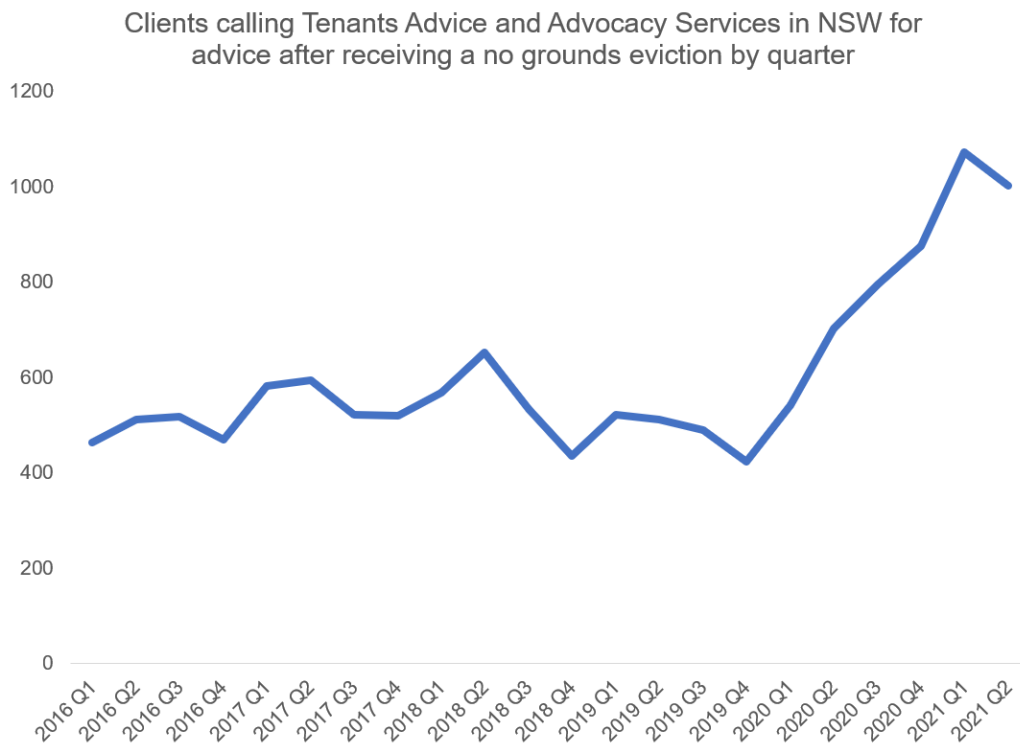


Figure 4: Trend in advice provided for 'no grounds' eviction by Tenants' Advice and Advocacy Services

Difficulty securing alternative accommodation in the private rental sector

In some areas competition for properties is so marked some real estate agents are able to demand prospective tenants complete a full rental application, including providing private details and personal documents, before they allow them to attend a property inspection. The Tenants' Union NSW has seen this practice – once rare – become quite common practice across regional areas, in particular in the Central Coast, Illawarra, Hunter Valley, New England and Riverina areas.

It is very difficult for renters in regional areas, particularly on a low income, to find a new home that is affordable. They are often being forced to accept much lower quality housing and losing amenity. Many regional renters, unable to secure any alternative rental properties in their local area, are being forced to relocate to other towns, or even across state borders. This can mean they are forced to travel long distances for their job or seek new employment, change their children's schooling and/or care arrangements, and/or change medical providers or other support services. It also significantly increases the costs incurred for relocation. It also creates a flow on effect across regions, placing pressure in and driving up new areas as more people are displaced.

Case study 1:

Renting in Regional NSW: Insecurity and forced relocation

Earlier this year Rachel, a single mum living with her two children on the Mid North Coast, received a retaliatory 'no grounds' eviction after seeking repairs to the property she was renting after major rainfall in the area. She began looking for alternative accommodation immediately.

I applied for sometimes 40 properties a day just to try to find somewhere for my kids and I to go ... I travelled many hours both north and south to try to find somewhere as there were no properties in my area. Including 10 hours north across into Queensland.

Rachel eventually found another property, but it was in a different town four hours north from the community she and her children had been living in.

Being a single mum and not being able to [secure] a rental alone, I had to lean on a family member [to be co-applicant] to get a property as the new area is far more expensive. That really takes away your independence.

As Rachel's family moved soon before the 2021 COVID-19 lockdown began, her children haven't been able to make any friends or go to school since moving to a new area. The kids loved their old school, and her teenage son had to leave his job. They've also had to move into a much smaller home, which made the two months of preparing for the move very difficult and they were unable to bring all of their furniture.

'Rent bidding' in regional private rental markets

'Rent bidding' or a 'rent auction' generally happens when there's a shortage of available rental properties. Applicants for a property compete against each other, and are encouraged to make an offer to pay rent above the advertised price in order to secure a property.

In the context of 'tight markets' we're aware there has been an increase in the number of real estate agents and landlords actively soliciting rent bidding from prospective tenants in regional areas. An agent may respond to a prospective tenant who has applied for a property asking whether they would be willing to offer a higher rent in order to make their application more competitive, or tell the prospective tenant that another person has sent in an application offering above the asking price and offer them the opportunity "to match or beat the price".

The Tenants' Union of NSW has observed high rates of properties in regional areas being advertised without a price listed, or listing "offers above \$X", "price on application", or listing a price range. For us, this is a strong indication that agents and landlords may be actively encouraging rent bidding among prospective tenants. Our analysis of the two main property sites, Domain and RealEstate.com, for advertised rental properties across various regional parts of NSW earlier this year (2021) found worryingly high rates of ambiguously listed rental properties. For instance, of the 811 advertised rental properties in South Coast and Illawarra on Domain, 74 listed no price and 165 listed a price range. This is over 20% of all advertised properties in the area. In the Northern Rivers, we found 11% of advertised properties either listed no price or a price range; in the Central Coast, 8% and in Broken Hill, 9%.

Households may feel forced to engage in 'rent bidding' in a competitive market, especially where an agent or landlord solicits a higher offer. As a result, many households may find themselves locked into rental contracts that are unaffordable. More broadly the more widespread this practice becomes, the greater the impact on the rental market. Rent bidding puts direct upward pressure on rent prices.

Eviction into homelessness

Local Tenants' Advice Services in regional areas have seen a dramatic increase in the number of tenants calling them for advice about what to do if they can't find alternative accommodation. Clients are calling in great distress, extremely concerned about homelessness as they report they have made numerous (20+) unsuccessful applications and there are no available properties in the area left to apply for. Many are worried once an order to vacate is made they'll be forced to move in with family or friends, sleep in their car, or worse.

Local Specialist Homelessness Services are stretched to capacity and often unable to help. In one regional area, advocates report Link2Home is handing out tents to clients evicted into homelessness who require temporary accommodation, because no alternative accommodation is available in the area.

Case study 2:

Renting in regional NSW: Evicted with nowhere to go

Lauren, a single mum supporting her daughter on a low income, has lived in her rental on the South Coast for a number of years. The local community has been badly affected by COVID and the bushfires. She also lives in a region where there are significant infrastructure projects underway, so workers are living in the area while carrying out those works.

Lauren recently received a 'no grounds' notice and was told the landlord wanted to move in, even though the landlord lives in South Australia. Lauren was told COVID had changed the landlord's circumstances and they were moving back to the area.

A few days later, Lauren was chatting with a check-out woman at the supermarket, and discovered the woman she was talking with was going to be moving into Lauren's property. When Lauren contacted the agent to ask about it, she was told they just didn't think she could afford the higher rent at \$50 a week more. She wasn't even considered or consulted.

When Lauren spoke to us she was facing the very real prospect of not being able to find anywhere in the 90 days' notice she's been given. Her daughter is doing her HSC. Lauren couldn't have easily afforded the extra rent but she'd have preferred to struggle and pay it than face homelessness.

Comment: Coordinators of Regional NSW Tenants' Advice and Advocacy Services

We need about 400 houses in the region. There's nothing in Tamworth, nothing in Dubbo. There are people in Dubbo paying \$450/week rent who cannot get another place. We have heard of things like rent auctions, people offering way above asking price. There are simply no vacancies. We have a client in Broken Hill who is thousands of dollars in rent arrears. The Sheriff is coming today. The client has no grounds for appeal. He has a COVID impacted 22-year-old disabled son living with him. He will be moving into his car today.

Coordinator, New England and Western NSW Tenants' Advice and Advocacy Service

It's very common in the Blue Mountains at the moment, with very low vacancy rates and increasingly high rents, that tenants can't find any alternative accommodation if they are forced to move. Agents can afford to be more selective in their choice of tenants, and any blemish on a ledger – even where these are rent arrears because the household was COVID impacted and this shouldn't count against them - will work against people. There is little to no social housing available in the area, and transitional properties are in use. Homelessness support services in the area are also stretched and limited in their capacity to offer assistance.

Coordinator, Blue Mountains Tenants' Advice and Advocacy Service

The vast majority of tenants who contact our Service in relation to termination have been unable secure alternative accommodation due to low vacancy rates across our area (i.e Wauchope is 0.2%; Port Macquarie is 0.4%; Coffs Harbour is 0.7%; Bellingen is 0.4%; Taree is 0.9%). Many tenants are being forced to live in their cars, couch surf or rely on emergency accommodation. A number of tenants who have contacted us have stated they have applied for 10-30 properties and are unable to find a place to live.

Coordinator, Mid Coast Tenants' Advice and Advocacy Service

Case study 3:

Renting in Regional NSW: Unable to find a new home

Corinne, her husband, and their two teenage children had been living in their home in the Lake Macquarie region for two years when they were issued a 'no grounds' termination notice following requesting necessary repairs. The disrepair of the property has resulted in two injuries this year.

In April of 2021, Corinne was told that if they wanted a new lease agreement, the rent would be increasing from \$400 to \$480 per week. Corinne told the agent they'd consider signing the new lease if the repairs were carried out. In response, the agent issued Corinne's family the eviction notice.

Corinne began to look for new properties, but at the end of the 90-day period had not been able to secure a new property due to extremely low vacancy rates in their area. The agent took Corinne's family to the Tribunal (the NSW Civil and Administrative Tribunal). The Tribunal gave them two months longer to find a new home, but increased the rent to \$480 per week. The extra two months will finish in just over a month from the time of writing, and Corinne's family is very anxious that they will be unable to find a new home and move house before then, particularly with continued low vacancy rates, as well as the COVID-19 pandemic and harsh lockdown restrictions.

Corinne is extremely hesitant to move her family away from their home community. Both kids are in high school, and her seventeen-year-old daughter is in the middle of her HSC. However, after months of being knocked back from four or five properties a day, she has begun to search further and further away.

If Corinne's family cannot find a new home in time, they plan to go through Link2Home and get a motel room until they can find a place to live permanently.

"It's so hard. It literally makes you feel like a loser. Every single knock back just takes another bit of your soul away. Some days when you've had multiple knock-backs you're just debilitated, and you can't do anything. This experience has seriously gotten in the way of getting work done.

Other days you just don't want to get out of bed, but we have to because we have the kids. For the kids, some days you're just cranky, and it's not their fault."

2. What can be done?

2.1 Deliver social and affordable housing across regional NSW

Substantial investment in public and community housing is required

The NSW Government's delivery of social and affordable housing has not kept pace with population growth and need. While the number of people renting their homes has significantly increased over the last 20 years, the percentage of households renting their homes from a state or territory housing authority has dropped from 6% to 3%.²

In regional NSW the wait times for public or community housing generally range from between 2 and 10 years, with an increasing number sitting at 5 years or longer.³ Given the crisis, the number of people in regional areas now waiting for social housing has likely significantly increased since the data regarding the number of applicants on the NSW Housing Register and expected waiting times was last updated (30 June 2020).

Significant investment in public and community housing in regional areas – that is, increased supply of 'non-market' housing - would put positive pressure on market housing by introducing real competition and higher standards. It would effectively challenge the private market to do better, especially for housing available at the lower end of the private rental market.

Recommendation 1: Commit over the next 20 years to building new, additional public and community housing that adequately meets current and future need to provide housing that is genuinely affordable for people currently experiencing housing stress and/or homelessness

Mandatory Inclusionary Zoning targets

The NSW planning system, including across regional areas of NSW, should introduce more appropriate land value capture mechanisms to ensure residential land and housing developments in regional areas are adequately contributing to the supply of genuinely affordable housing in these areas for local households on very low, low and moderate incomes.

² Australian Bureau Statistics (2019) *Housing Occupancy and Costs 2017 - 2018*, <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4130.0~2017-18~Main%20Features~Housing%20Tenure~3>, accessed 23/08/21

³ Department of Communities and Justice NSW, *Expected Wait Times*, <https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times>, accessed 24/08/2021

This could include the introduction of ambitious mandatory inclusionary zoning targets for local government areas, inclusive of all LGAs outside of the Greater Sydney Area. Any affordable rental housing dwellings that are delivered or financed as a result should be provided as 'affordable housing' in perpetuity, with rent set for tenants as a percentage of income (to a maximum of 30%).

Recommendation 2: Introduce appropriate value capture mechanisms, such as mandatory inclusionary zoning targets, to ensure property and land developments contribute to the supply of genuinely affordable housing in regional areas.

Open and better data collection and analysis

Data regarding public and community housing

The Tenants' Union of NSW often has difficulty finding up to date published information or data about the condition of current social housing stock. This includes information about the repairs and maintenance backlog for public housing properties owned by LAHC and for properties owned by the Aboriginal Housing Office.

We have also had considerable difficulty in finding up to date information about planned and current social housing developments being delivered through Communities Plus and the Social and Affordable Housing Fund. In general information about expected outcomes from the Social and Affordable Housing Fund is easier to locate, though it is not always clear what the timeframes are for delivery. Information about Communities Plus projects is much harder to track.

Recommendation 3: Comprehensive data be made available about public and community housing properties, including:

- the number of LAHC social housing properties planned, in construction, and/or delivered
- the condition of current social housing stock, including all public housing properties owned by LAHC and owned by the Aboriginal Housing Office
- the repairs and maintenance backlog for public housing properties owned by LAHC and for properties owned by the Aboriginal Housing Office.

Data regarding the private rental sector

In our submission on the NSW Housing Strategy – Discussion Paper, we highlighted the inadequacies of current reporting and monitoring mechanisms and data collection on the private rental housing system. At that time there was particularly inadequate data available regarding evictions and the ending of tenancies generally. However in early August 2021 the NSW Government demonstrated a clear commitment to improving on the data available, introducing a voluntary bond exit survey which will help track more closely how NSW tenancies end. We hope the usefulness of the initial data collected will

encourage the NSW Government to implement the survey as an integrated required step in the rental bond refund process.

Other useful data in relation to the identification of rental issues can also be sourced from Fair Trading including bond data, and the Short Term Holiday Letting Register, NSW Land Registry Services, and the NSW Civil and Administrative Tribunal.

We are aware the [NSW Government Data Strategy](#) encourages “a collaborative, coordinated, consistent and safe approach to using and sharing data and insights across government to inform government decisions and actions”. However, we are aware of barriers to sharing and publishing data, and/or a lack of awareness about available data across different government departments and agencies that hold relevant data relating to the NSW private rental sector. Further resourcing may be required to allow appropriate identification, ‘strategic alignment’, analysis and publication of available data.

Recommendation 4: Fair Trading’s rental bond exit survey be integrated as a mandatory step in the rental bond refund process.

Community land trusts and co-operatives

There is a significant amount of evidence to support the suitability of these housing models as being capable of meeting the aims of providing stable and affordable housing and delivering amenity, tenure security, high quality urban design and social capital. Their potential in a NSW context has been set out in detail in the submission to the *NSW Housing Strategy – Discussion Paper* by the Institute for Culture and Society, Western Sydney University.⁴ In particular we note their reference to how co-operatives enable greater tenant rights in practice, encourage a place in the community and provide more than just the physical housing form, including ensuring residents having an ongoing say in provider activities.

The Institute for Culture and Society’s submission sets out a number of ways in which the NSW Government could play a vital part in enabling diversification into stable and effective housing models such as Community Land Trusts and cooperatives, including:

- Transfers of land and/or housing stock into appropriately constituted entities via freehold or long-term leases; and
- Working with other states and territories to encourage the Federal government to expand the role of NHFIC to include long term, fixed rate development finance to

⁴ Institute for Culture and Society, Western Sydney University (2020) *Submission to the Housing Strategy for NSW – Discussion Paper*, https://www.westernsydney.edu.au/_data/assets/pdf_file/0020/1731143/housing-strategy-for-nsw-submission-ics.pdf, accessed 24/08/2021

community and cooperative housing organisations.

Although construction costs may be slightly higher in regional areas, the greater availability of land and/or the lower purchase price for existing dwellings may mean that Community Land Trusts and cooperatives may actually face less barriers to development in regional areas, if adequate supports including possible subsidies, are provided by government.

Recommendation 5: Consider the role the NSW Government could play in encouraging the development of community land trusts and rental housing cooperatives, including in regional NSW.

2.2 NSW tenancy law reform required

Remove 'no grounds' eviction provisions from NSW tenancy law

Improved security for renters could be easily achieved by removing current provisions in tenancy legislation allowing evictions for 'no grounds' (i.e. no reason and replacing them with a range of 'reasonable' grounds for ending a tenancy. 'Reasonable grounds' could include situations, for example, where:

- the renter is in breach of their lease, or
- the landlord wants to move in, or
- the premises are to be extensively renovated, or
- the property is to be put to a different use.

Renters would be able to put those reasons to the test, if necessary. When hearing an application for an eviction, the Tribunal would be able to decline to evict someone after considering the case, and deciding that the reasons are not made out. Amending tenancy legislation in this way would mean that landlords would be required to be transparent about their reasons for ending a tenancy, and renters would be protected against an unfair eviction.

Recommendation 6: Reform current NSW tenancy law to remove no grounds eviction provisions.

Introduce an explicit ban on 'rent bidding' in NSW tenancy law

Currently there is no explicit prohibition on rent bidding built into NSW tenancy law. There are a number of ways in which the practice is currently discouraged, for example the active solicitation of rent bidding on the part of real estate agent would be a breach of the rules of conduct regarding 'Honesty, fairness and professionalism' set out for agents in the *Property and Stock Agents Regulation 2014*, as well as in the *Real Estate Institute of NSW Code of Practice*. It would also be a breach of Australian Consumer Law, which should apply to both agents and landlords.

Stronger protections could be provided through NSW tenancy law by introducing provisions that would allow landlords only to advertise or offer rental properties at a fixed price, and explicitly ban them from inviting rental bids or soliciting offers of rent higher than the advertised price. These protections currently exist in tenancy law in other Australian jurisdictions, including Victoria and Queensland.

Recommendation 7: Introduce explicit provisions prohibiting 'rent bidding' into NSW tenancy law

Homes North Community Housing Company Ltd

Submission to the Regional Housing Taskforce

Background:

The Taskforce is investigating planning barriers and developing recommendations to address regional housing issues with a focus on:

- The planning system and other government levers to stimulate housing supply and address housing needs
- Removing impediments within the planning system to the delivery of affordable housing types and housing generally
- Identifying mechanisms within the planning system to facilitate and drive the delivery of housing matched to community needs

Homes North Community Housing Ltd (Homes North) is the major provider of social housing in the New England/North West of NSW and the 11th largest community housing provider in Australia, managing some 2,600 properties and providing accommodation for over 5,000 people. The organisation manages properties and provides housing assistance over an 86,000 square kilometre footprint (some seven times the size of the greater Sydney area), with widely dispersed populations.

Homes North welcomes various growth and employment strategies in the region, such as the Tamworth Regional Council Blueprint 100 (toward a population of 100,000), construction of the Inland Rail network from Melbourne to Brisbane (passing through Narrabri and Moree), and the ongoing strength of the coal industry adding to the economy of towns like Gunnedah and Narrabri. However, all of these place additional pressures on affordable housing. The under supply of affordable housing to meet demand means the unemployed or those on low incomes are squeezed out of the rental market, placing pressure on homelessness services and social housing.

The Australian Bureau of Statistics Socio-Economic Indexes for Areas (SEIFA) ranks areas in Australia in a series of four numbers, which describe the relative level of socio-economic advantage or disadvantage in an area. Advantage is defined by ABS in terms of 'access to material and social resources and ability to participate in society.' Relative disadvantage is ranked between 1 and 10, with western areas such as Walgett LGA ranked 1 and other small population areas such as Glen Innes (Glen Severn Shire), Gwydir Shire, Liverpool Plains, Moree Plains and Tenterfield ranked at number decile 2 following the 2016 Census. The only areas in the region ranked above 5 are Armidale, Uralla and Walcha, ranked in decile 6. Thus, it can be seen, that the regions served by Homes North show high levels of disadvantage when compared to the rest of Australia. This places obvious pressure on families and individuals in maintaining their housing needs.

There are also a number of trends (described below) which show that pressure will increase in certain areas and action is required, with government support, to create more affordable housing.

The resources boom in areas such as Gunnedah and Narrabri has also created a market distortion as coal mining is paying higher wages and rents have gone up in these areas. This creates a two-tier labour market where lower paid workers are left behind. Homes are being built and others refurbished, but this is still forcing some people out of their long-term accommodation as rents become unaffordable. While the Inland Rail is very welcome for local economies, such distortions will be exacerbated in the towns of Narrabri and Moree (up to the Qld border) as the rail is upgraded and new business created (including through the Moree Special Activation Precinct). This is good for the local towns, but more affordable accommodation needs to be constructed to meet the social housing demand.

Tamworth Regional Council's Blueprint 100 was released in 2020 as a plan to build local population to 100,000 people, taking in new housing areas, social infrastructure, land use and development control plans. This builds upon past growth rates, which have now accelerated due to people moving out of Sydney in the COVID-19 pandemic. The plan encompasses all three levels of government but must integrate social housing and include increased security of tenure in private or public rental to ensure renting becomes a more secure, longer-term housing option.

Key-worker accommodation is becoming difficult to find in some regional centres, including Tamworth and Moree. This is exacerbated by the increasing numbers of people moving to regional areas from Sydney (especially since COVID-19) or moving between centres for employment, the NSW Government needs to provide some seed-funding to housing providers to increase the stock available in regional areas where the cost savings of large-scale high density developments are not appropriate. Tamworth real estate agents report the usual 5-6% of vacant rental property on their books is now down to half a percent, especially as people hold on to accommodation due to uncertainties created by the COVID-19 pandemic. As a result, and other factors, a number of local community service providers are reporting a struggle to fill all available employment positions over the past few years.

In our submission we will focus on the first issue:

The planning system and other government levers to stimulate housing supply and address housing needs

1. There is no one dedicated Agency and Minister to drive a coordinated and strategic approach to housing in NSW.

Homes North supports the creation of an Agency for Housing and appointment of a Minister for Housing within the DPIE cluster that will have responsibility for ensuring the housing system and housing supply meets the economic and social needs of the NSW community as a whole into the future. The remit of the Agency and Minister would include meeting the needs of regional NSW, understand that regional and metropolitan housing needs are vastly different and that a comprehensive suite of policies can encourage sustainable growth in regions and support decentralisation:

- i. A Housing Minister and a Housing Agency would be able to represent the essential, yet complex nature of housing: a basic need, infrastructure, key determinant of place-making and an economic and social driver.
- ii. Additionally, they would integrate better components of the housing system to meet need - such as affordable housing, home ownership and private rental, which are currently either not recognised or are segmented and/or isolated within disparate Departments or agencies (just as examples- responsibility for the Residential Tenancies Act, policy on Affordable rental and home ownership).
- iii. Social Housing (assets and service delivery) is a component of this system and would sit within the Agency. The Government's strategy to divert people from Social Housing into private rental would be better met within this coordinated approach within the Agency.

This Agency would act to coordinate "Government Levers" and "stimulate housing supply and address housing needs" by:

- Being responsible for the delivery of an Affordable Housing strategy. This strategy would include the development of affordable and sustainable homes to rent or buy that matched the housing needs of the State, which would include the specific needs of regional NSW.
- Work in tandem with Planning within DPIE to drive and stimulate the initiatives described in subsequent sections of this submission.

We note there is a Housing Strategy for NSW, however, this strategy is a conglomeration of existing policies from different Agencies and Departments and does not represent a cohesive and coordinated approach that actively seeks to determine how the housing system will work best for the people of NSW.

All the subsequent suggested initiatives listed below would be more efficiently and effectively implemented within a Housing Agency with a responsible Minister.

2. The full potential of CHPs to provide housing to address unmet need has not been recognised

In 2012-14 the NSW Government transferred title to newly constructed properties (under the National Building Economic Stimulus Plan) to CHPs.

In 2019 the NSW State Government transferred the management of over 14,000 properties to Community Housing Providers (CHPs). It is the largest program of this type in Australia to date. Most of these transfers were in regional NSW.

With approximately one-third of social housing managed by CHPs, the social housing landscape in NSW now looks more similar to Europe, the United Kingdom, USA and Canada, where the community sector is a significant component of a social and affordable housing multi-provider system. Unfortunately, the advantages available to CHPs to contribute to a well-functioning housing market have not been realised as it has to a greater or lesser extent in these countries. The reason for the limitations in NSW is no one agency is responsible for CHPs:

- There is currently very limited recognition and understanding within Government of the full capacity of CHPs and the benefits of CHPs to increase housing supply i.e. partnering with developers, charitable status, adaptability, flexibility, accountability (a regulated sector). In particular, the split of responsibilities for social housing between Land and Housing Corporation and The Department of Communities and Justice has impacted negatively on the Government's plan to leverage the CHP sector's capacity – the result of a capacity building plan designed and well implemented by the State Government over the previous decade. The sector is as a result underutilised.
- Land and Housing Corporation's requirement to be self-funding means that the Corporation views the CHPs as a financial means to increasing the Corporation's own supply of housing within a very constrained operating environment. The sector has so much more to offer and has the potential to be an innovative and nimble housing provider in the housing system targeting the delivery of quality, affordable homes to a segment of the market where need is not readily met by the rental market - disadvantaged community members, low income workers, older people, people with disabilities.

3. Bring the community along – to embrace higher density living and developments

In rural and regional areas such as the New England North West there is community resistance to higher density living. Community members are attached to the look and feel of rural life, largely created by residential streets consisting of stand-alone cottages on larger blocks. This resistance impacts on developers and what they bring to market, and is also challenging for local councils to manage as they seek to encourage more dense housing that meets demographic needs and reduces urban spread. We recommend the following initiatives to support “bringing the community along”:

- i. Grants for developers, builders and CHPs to create proof of concept higher-density housing complexes in regional towns that exhibit:
 - o Excellent street appeal consistent with a regional setting – through design of the built form and landscaping
 - o Provide privacy and a comfortable living experience within higher density developments
 - o Solar passive and other initiatives resulting in low living costs; and
 - o May also utilise brownfield sites that require costly rehabilitation and are currently detracting from street appeal
- ii. Grants for the development of shop-top living in regional and rural town centres. Renovation and reconfiguration of these older buildings is generally cost prohibitive, particularly lifts for accessibility and fire-safety upgrades. Bringing people back into town centres will have the added value of rejuvenating CBDs in rural NSW – adding to footfall numbers and improving security with “eyes on the street”.

4. Prioritise NSW Government owned land and disused assets for affordable and social housing:

- i. There are a range of models that can be explored, however, we support CHPs developing these opportunities to ensure best value in relation to social and financial outcomes and also to ensure the properties are used for social and affordable housing in perpetuity.
- ii. A combination of social and affordable housing is desirable to ensure a sustainable social mix within developments.
- iii. Assistance from the State Government is in the form of land grants, and may include funding for rehabilitation for contaminated sites.

5. One-off capital grants for CHPs to construct and own new social and affordable housing:

- i. Efficient use of Government funds to create lasting social and affordable housing.
- ii. One-off capital grant for 50% of construction costs means low ongoing administration costs for Government.
- iii. Ensures the investment in new housing is used for social and affordable housing.
- iv. A simple select tender process through Department of Communities and Justice, similar to the existing Community Housing Innovation Fund, targeted at areas of need in regional and rural NSW.
- v. Capacity to deliver housing outcomes within a short timeframe.

6. Create incentives for private developers to move away from the one solution of the traditional 3 and 4 bedroom stand-alone new housing on town limits

- i. While there is proven profitability in the construction of 3 and 4 bedroom homes under the project-home delivery model, it is not matching current demand. The profitability is largely due to cheaper and larger land lots on the edge of towns, and repeatability. Just under 10% of the housing stock in the New England is apartment or townhouse equivalent accommodation. Whilst approximately 30% of households are singles (Census 2016). This mismatch makes finding suitable housing for singles (largely young people and older people) difficult.
- ii. Developers require incentives or grants to kick-start innovation in building denser, sustainable, one to two bedroom properties close to essential services where occupants are not required to own a car or incur prohibitive private transport options. A proportion of these properties should be mandated as affordable housing and managed by a CHP.

7. Fund the replacement of ageing social housing stock in rural and regional NSW

- i. In NENW approximately 60% of the general social housing properties are over 40yrs. Approximately 60% are separate cottages.
- ii. Many are clad internally and externally in asbestos fibro. These older properties have high maintenance costs, high tenant costs in heating and cooling and need to better support health outcomes for tenants. Many are unfit for healthy living in the current and projected climactic conditions (Moree has already experienced 51 consecutive days over 35 degrees).
- iii. A wide scale project to redevelop and re-imagine social housing in regional areas would positively impact regional towns and support economic development.
- iv. The replacement project would provide the opportunity to undo current concentrations of disadvantage in social housing dominated estates and allow for the reconfiguration of the portfolio to meet housing demand. The replacement project would include the development of mixed tenure sites – affordable housing, social housing, private sales, private rentals.

8. Improve the quality of rental properties

- i. A suite of Incentives for landlords to improve the sustainability of rental properties (new and old) that reduces living costs for tenants
- ii. Direct support for enhancing the capacity of the construction industry to build more innovative, repeatable affordable and sustainable housing that supports the health and well-being of individuals

Homes North commends to the taskforce two significant research undertakings by AHURI that provide sound evidence and analysis to support many of the initiatives highlighted in our submission:

- *Paying for affordable housing in different market contexts*
- *Social housing as infrastructure: an investment pathway*

Now is the time for the State Government to target investment in rural and regional housing. There is currently net internal migration to these areas and a risk that increasing rents and house prices will negatively impact on the communities' experience of growth. This is a unique opportunity for the State Government to invest in the future of rural and regional NSW and ensure the migration is a positive experience that supports future decentralisation.

Homes North appreciates the State Government convening the Regional Housing Taskforce and the opportunity to make this submission. We also appreciate any further opportunity to provide input to the taskforce.

Maree McKenzie
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From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Sunday, 5 September 2021 4:38:37 PM

Submitted on Sun, 05/09/2021 - 16:38

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Serena

Last name

Wilson

I would like my submission to remain confidential

No

Info

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Suburb/Town & Postcode

BUNGENDORE NSW 2621

Submission

This submission is being made on behalf of the Abbeyfield Committee of Bungendore. Abbeyfield Bungendore is a branch of Abbeyfield Australia Ltd, and is working to develop shared, community housing for vulnerable seniors from the village and surrounding districts.

Abbeyfield Australia is a national, non-demoninational, not-for-profit company limited by guarantee. It is a community housing provider, registered with the Australian Charities and Not-for-Profit Commission, and in the process of becoming an NDIS provider.

Bungendore, is a small village in SE NSW and part of the broader capital region. With a population of almost 5,000 people (QPRC June 2020) it has had over 20% growth since 2011 and more than 4% in the last year (five times the state average). The estimated resident population comprises 15,000 for the broader rural catchment, excluding Queanbeyan. The population comprises long-time residents and old families with history in the village, 'newcomers' who work and base their activities in Canberra and Queanbeyan, retirees, farmers and families who want the village environment and local work and services.

Queanbeyan Palerang Regional Council's (QPRC) middle growth projection is a doubling of the village population in twenty years. Now, between 12% and 24% of the population in the catchment is over 65 and QPRC predicts significant population ageing over the next 20 years. There are more than 1200 age pensioners in the catchment that the Bungendore house would service.

With pressures of rapid population growth, years of drought, bushfires and loud demands from commuters, senior's affordable housing has been a constant challenge. This issue was highlighted in the former Palerang Council's 2013 community consultations. While there continues to be significant private development of housing in Bungendore, none of it incorporates affordable housing and most developments are on the outskirts of the village, distant from services and infrastructure for people who do not drive. Future plans for the village seem blind to the housing and access needs of disadvantaged residents.

ABS 2016 Census showed a 28% increase in homelessness for over 55's - evident in rural as well as urban areas. Single women over 50 are the fastest growing among this group. From 2011 - 2016 there has been a 30% rise in women sleeping in their cars, couch surfing or accessing crisis accommodation. Their situation can result from broken employment due to caring, minimal superannuation and low pay rates through their working lives and worsened by adverse financial shock such as divorce, prolonged ill health, or violent situations. Letters of support from local community groups (attached) have identified this need.

There is no social housing or affordable private rental housing in Bungendore and surrounds. Single aged pensioners in these areas have less security in their housing and struggle to pay rent in the private sector. Village house prices have grown by 21.43% in the past 3 years. All new private developments underway or in prospect are outside the means of most age pensioners. The Maximum basic aged pension rate is approx \$952 per fortnight for a single person with max. rent assistance available of \$140 per fortnight. The average house in Bungendore rents for \$620 per week and the median weekly rental on units is \$480 - well above the housing stress benchmark of 30% of income and almost 20% higher than the NSW average. The only over 55's development in the village has been constructed largely for owner occupiers with one unit available to rent at an unaffordable \$450 per week. Many seniors are forced to find accommodation away from their village as they age with homelessness, couch surfing and very insecure housing becoming more prevalent in the target group.

The typical Abbeyfield senior resident is a pensioner over 55, without property or significant assets. They are poorer than the average age pension group. No upfront payments are required, and weekly fees are a proportion of age pension and Commonwealth Rent Assistance. The Bungendore House will accommodate twelve residents who are able to live independently for as long as they choose. The model is self-sustaining, non-denominational, and not for profit, it requires no ongoing Government subsidies once established.

The Abbeyfield model addresses three major risks (social isolation, poor diet and falls) that often result in older people requiring more formal care, including expensive residential aged care. Live-in housekeepers provide residents with two meals daily, keep the communal living areas clean and help monitor the wellbeing of residents. Social isolation among elderly people results in higher rates of poor physical and mental health and premature

mortality. The Aged and Community Care Association of Australia (ACSA) argues that housing tenure and security are pivotal for addressing social isolation "older Australian would have more opportunities to belong and connect with their communities if there were an increase in the supply of appropriate, affordable and accessible housing."

As well as the companionship in the house itself, a central location will keep residents engaged in the community with access to available services. It will be adjacent to the railway station, bus stops, walking distance to the Men's Shed, CWA, Bowling Club, churches, public and pre-school, GP and allied health facilities plus shops, cafes etc. Loss of the older residents risks the unwritten history of the village and a valuable source of information and interaction for the young residents. The proximity to the schools and library will support intergenerational contact, with story-telling and play. The local voluntary committee for the Bungendore House will both benefit from and strengthen social capital and community effort in the district.

There is widespread community support for the Bungendore Abbeyfield Project. While major fund raising events for 2020-21 were cancelled due to COVID19 impacts, donations and fund raising still raised almost \$40,000 in the last year. Developing the Bungendore House will require significant support from all tiers of government - both financial and administrative. QPRC confirmed a grant of \$500,000 for the project through the NSW Government Stronger Communities Fund with council land to be provided for the site. The site that has been identified for the project will require a change of land use from a road provision to a title that permits residential purposes.

Abbeyfield Abbeyfield houses are non institutional but designed to look like an ordinary house in an ordinary street. They are NOT residential aged care facilities. Residents must be able to live independently in the community (some with home care support) and are able to come and go in the community like any other resident. Despite their status as community housing, costs of constructing Abbeyfield houses are often adversely impacted by by planning and building regulation requirements for excessive numbers of car-parks, commercial kitchens, fire protection and ambulance turning provision. In pursuing a DA for the Bungendore Abbeyfield House, we are constantly required to explain that provisions that apply to residential aged care and group homes are not needed for our design. The work on obtaining planning permission is quite onerous for a small voluntary committee in a planning and building regulation environment that does not sufficiently recognise the nature of community housing, the need to incorporate affordable long-term rental housing for vulnerable people in small communities and the contribution that projects like ours could make to the population and wider community. As well as the direct social and economic benefit (both during and post-construction local stimulus) of the project, there would be long term savings from avoided health, aged care and community services costs.

I agree to the above statement

Yes

Council Reference: Housing Affordability
Your Reference: Regional Housing Taskforce



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8 September August 2021

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Submission - online

Mr Garry Fielding (Chair)
Regional Housing Taskforce
August 2021

Dear Mr Fielding

TWEED SHIRE COUNCIL SUBMISSION – REGIONAL HOUSING TASKFORCE

Tweed Shire Council (the Council) welcomes the initiative of the Minister for Planning and Public Spaces in establishing the Taskforce and its purpose to identify challenges in the planning system that are preventing the delivery of housing supply. We accept the opportunity to work collaboratively with local government and experts from the development and housing sectors to identify barriers in the planning system and to provide our contribution to the knowledge base and formulation of solutions to address the prevailing housing dilemma.

To avoid repetition and in recognition that time and resource efficiency accrues not only for those preparing a submission but those who also review them, this submission has taken the approach of referencing here those other submission documents authored or contributed to by Council and which collectively form part of this submission:

- i. Submission to Regional Housing Taskforce (August, 2021), Northern Rivers Joint Organisation;
- ii. Submission to the NSW Parliamentary Inquiry Committee on Community Services, Options to improve access to existing and alternate accommodation to address the social housing shortage, T. Green PSM (4 August 2021).
- iii. Land Release and Housing Supply in NSW, Tweed Shire Council submission to the Legislative Assembly – Committee on the Environment and Planning (Submission No.27) September 2017:
<https://www.parliament.nsw.gov.au/ladocs/submissions/58728/Submission%20No.%2027%20Tweed%20Shire%20Council.pdf>

THERE IS A HOUSING EMERGENCY

These issues are of critical importance to Council, as highlighted with their declaration in April 2021 that Tweed, along with other regional councils, is in the midst of a housing emergency. Tweed's Mayor, Councillor Chris Cherry, was quoted as saying that local real estate agents are reporting record sales and an increase in rents that is unprecedented. This is on the back of historically low rental availability and is translating to dual income families who cannot afford to live in the Tweed and which is leading to stress right across the housing market.

The former Tweed Mayor, Councillor Katie Milne, noted that based on 2016 Census data there were 42,707 private dwellings and 38,503 total households in Tweed. This represents a difference of 4,204 or 10% more dwellings than households, indicating there was in 2016 there were over 4 thousand homes that were either unoccupied (vacant), let for holiday (STRA) or retained as a second home, with the possibility of some waiting to be tenanted.

Across Australia it was estimated that more than a million homes were 'empty' at the time of the 2016 census, representing about 11.2% of dwellings nationally and while there is known to be many valid reasons for this; new and presently unoccupied construction, property awaiting renovation, sale or demolition and the like, it still indicated that about 10% percent of dwellings are consistently vacant at the time of every census survey.

Recommendation 01 NSW Government should have a Policy Paper that clearly acknowledges the severity of the housing crises in Regional NSW and that clearly maps out the process, timeline and actors for addressing this issue across the broad spectrum of supply and demand side factors.

THE TASKFORCE TERMS OF REFERENCE

The Terms of Reference speak in no uncertain terms to the supply side of the housing equation, with no apparent purpose or scope to address the demand side.

This apparent separation of the issue and the methodology is seen as a significant flaw in reviewing this most critical area of government policy. It is seconded only with there being no meaningful contextual discussion or position paper setting out the issues and parameters of the perceived problems, where the source of information is from (its authenticity) and the potential range of solutions or options that the Government must have already considered to-date.

A useful reference for the Taskforce is the Australian Government's Council on Federal Financial Relations, *Affordable Housing Working Group: Issues Paper*, Commonwealth of Australia (2016): <https://treasury.gov.au/consultation/council-on-federal-financial-relations-affordable-housing-working-group-innovative-financing-models>

Recommendation 02 A context discussion paper detailing the background and current knowledge and evidence surrounding the key issues or themes that are identified to be of concern and the corresponding proposals to respond to those be clearly and meaningfully be communicated so as to lead an informed discussion. This must be inclusive of the spectrum of both supply and demand so as to adequately illuminate what role and function the planning system has.

What is further unclear then, is the relationship of the work of the Taskforce and how that adds to or integrates with the research and recommendations published, by way of example and in no way limited to, the Australian Government's Productivity Commission in its report; *Performance Benchmarking of Australian Business*

Regulation: Planning, Zoning and Development Assessments, Productivity Commission Research Report Volume 1 (April 2011): <
<https://www.pc.gov.au/inquiries/completed/regulation-benchmarking-planning> > or the COAGs Housing Supply and Affordability Reform:<
<https://apo.org.au/sites/default/files/resource-files/2012-09/apo-nid30907.pdf> >.
There are by way of reference no less than 11 previous inquiries reports addressing housing affordability and home ownership listed between 2003 and 2016 on the Australian Parliament website: <
https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/FlagPost/2017/March/Housing-Inquiries-Reports >.

These and the many others represent a significant, informative and insightful body of research that was prepared in support of the Australian and COAG's regulatory reform agenda, at great cost to the Australian tax payer. It is difficult to comprehend why this work would be disregarded or abandoned in favour of conducting further stakeholder forums, but without the benefit of a summary of the key research findings to-date.

A fair-minded person would consider the well-researched content of these and other publically funded inquiries, which themselves included significant stakeholder engagement, to be of equal if not more value in the present day – the subject matter and issues facing housing supply and affordability for this Taskforce to consider have not materially changed in the last decade. This is an opportunity for the Taskforce to recast the conversation drawing of those valuable insights; armed with information and knowledge to actually deliver on those critical response actions in purposeful way and that have otherwise to-date been overlooked or their ability to make an impact misunderstood.

We note the Commission's work in particular and whilst its scope was articulated and directed toward the identification of barriers or burdens arising on business under the regulatory framework the reality is that it fundamentally addresses the same issues in the land supply, planning and development systems and processes that arise for the this Taskforce to address.

Given the amendments to the planning system and infrastructure framework to-date have not been sufficient to curb the prevailing housing (planning) issues to, in Council's view, go anywhere close to meeting the challenges detailed in the published reports, it must follow they remain relevant today.

This work speaks to the process, the perceived issues with delay, red-tape, land banking and the roles of government land organisations (GLO's) among other important aspects this Taskforce has begun to make enquiries about. Specifically, the Commission considered the broad planning, zoning and development assessment regulations and their success or effectiveness in supporting adequate supplies of land suitable for a range of activities, including but not limited to exploring the importance of urban land supply and the efficiency of its allocation – to emphasise the point, the current issues around housing are long-standing, very well documented and researched and this work is pivotal to finding a meaningful solution.

Recommendation 03 Given the critical emergency facing NSW in the escalation of housing costs and the increasing disparity in affordability and social inequality it is essential that a review of all past inquiries in the last 10 years be completed and that details

the broad array of issues, options and possible solutions pertaining to this current housing crisis. It must be independent and free of traditional government bias.

Finding balance in policy is not always easy, but it is always crucial when the potential imbalance in policy outcome may adversely or unknowingly affect an unwitting public, group or industry (or government). One aspect of the housing issue that is arguably well-known and universally accepted is that pressure on the housing supply side arises as a consequence of demand for housing at the other side. Between these two is a tipping point that in a policy sense can advantage or disadvantage any group over another and in the process deliver or fail to deliver on the stated goal. Balancing the policy inputs to meet the needs of the project outcomes is a way of managing the risk of policy that may otherwise be too heavily weighted one way or another.

With an apparent present focus of this Taskforce through its ToRs on the supply side and risking an outcome imbalance the natural question the Taskforce should be asking of itself is what is driving the demand? And, driving the demand to the point that the apparent gross shortfall in supply is leading to a parabolic trend in housing inequality and unaffordability?

Without understanding the factors that drive the demand it will be impossible for the Taskforce to state with any certainty what supply side measures (planning system amendments) need or should be adjusted. If by example the outcome of the Taskforce process is to make housing more affordable and accessible it must be understood what demand side drivers will be adjusted to ensure that the supply 'ease' or new housing generated is actually directed to the areas of need and concern: affordability across the spectrum with as much emphasis on social and affordable rental housing, as it is for housing for the first or the fifth home purchasers / investors (including real estate investment trusts (REITs)).

Recommendation 04 Once the Taskforce has completed its stakeholder consultation and literature review it must prepare the discussion paper detailing its findings. This must be available for further public stakeholder and inter-government consultation.

Policy targeting any easing of supply chain mechanisms through the government planning and regulation system should not be done lightly. It must be done diligently and with full disclosure.

It is incumbent on the Taskforce to demonstrate through modelling, evidence or research that by addressing only one aspect of the supply side; the planning system controls, that there will be an appreciable net benefit relative to the change – a benefit that is shown to outweigh any disbenefit, particularly those of a financial nature on local government.

The Taskforce should, by example, demonstrate how private property investment will be curtailed or redirected to curb that demand given its well documented correlation with higher prices or how an increase in supply will actually suppress prices to meet the low-middle income market, given there is much research that rebuffs the concept when the supply itself is heavily controlled by the private sector to ensure and maintain a certain level of profitability.

Research suggests that releasing further supply in a market that has significant favourable market demand influencers, such as extremely low interest rates, cheap finance and easing bank lending practices; in an environment where exacerbated demand exists owing to other factors: pandemic driven migration, that greater supply to the market may further serve to worsen the prevailing unaffordability and access to housing without appreciable social improvement. This is seemingly the situation for many regional housing markets in NSW.

Balance, the Taskforce's foundational principle is serving the public interest and before the public can knowingly accept the trade-offs that will undoubtedly arise as a consequence of removing 'blockages' in the government's planning system they too must first be identified, quantified and the relevant benefit-cost of implementing them clearly communicated. Those trade-offs may include by example reduced levies and fees, reduction in development costs elsewhere such as lower rates of car parking demand or open space or any manner of things and the cost of which is redirected or borne by the tax/rate payer and local communities. For the public to understand what this means will require a balanced discussion about the issues and levers on either side of the housing supply and demand equation.

The disbenefit or 'trade-offs', in the minds of our communities, are not only appreciable in the form of cost-shifting, changes in fee or levy structures, but increasingly there is an upwelling of concern about the impact to communities at a finer grain, this is often raised as an erosion of identity and character. The relationship between complying development and loss of character is frequently cited.

Complying development has been a significant policy response to addressing the delivery of a broad range of development and is increasingly turning to larger more dense forms of development of all kinds. Whilst it has a role within the planning system it is not without its impact, much of which is irreversible.

The Government's decision to remove code assessable development from local councils and to make it a State matter exacerbated by a one-size-fits-all approach has had mixed results and it is likely that many regional communities would contend there is a mismatch inherent within the State controls that is eroding the character, identity and liveability of regional areas.

There is no solid evidence to the effect that this approach has improved housing costs nor access to housing where it is most needed; it may be contended that the 'business model' often seen to be employed or pursued has the opposite effect through the erosion of rural productive lands for Greenfield development on the fringe. Not only is this changing the inherent values of regional areas in perpetuity, it is an unsustainable land consumption model, which facilitates free market land value increases and contributes to the lack of housing diversity and choice – thence affordability.

Should the Taskforce choose to take this approach as a means of addressing housing supply there must be a proper evaluation of all the costs and disbenefits seen over the longer-term; those costs are not, as highlighted, only manifesting in the price of housing supply but the opportunity costs of eroding the productive land supply and poor planning practice around the under-utilisation of scarce resources (land + infrastructure).

Recommendation 05 The Taskforce must release its findings for public review and must detail the dis-benefits and costs to tax payers and community arising from any change to the planning system that is designed to ease the cost or time of housing supply benefitting private business – developers.

The Productivity Commission in its work also found that jurisdictions suffer increasingly from ‘objectives overload’ leading to a growing number of issues and policy agendas affecting land use considerations. This effectively translates to a longstanding concern for local government planning that councils’ ability to make timely and consistent planning decisions is often hampered by inconsistency and ambiguity in the State’s regulatory, legislative framework, as well as the complexity in its administrative agencies. The Commission cited examples where there is a lack of clarity in strategic plans and ambiguous signals about planning and development assessment priorities.

THE PLANNING SYSTEM IS WORKING FINE BUT WE NEED ARBITRATION IN THE COURTS?

There are two potential issues arising, firstly is the reliance on the Courts to resolve land-use planning matters and the other is the state and condition of the planning system policy; the two are often interrelated.

It is evident in the change in policy and practices over the years that the Court system is not the best or most efficient ‘place’ for resolving planning matters. It is and always has best served its Constitutional role as a place for interpreting the law and settling legal disputes.

The merit-based aspects of development assessment by example, under the NSW planning system, have been corroded by inimical and adversarial behaviour that is antipathetic to quality public based planning outcomes, driven instead by individual preference or profit; not the public interest, but a perceived private market demand.

Whilst the Court has an important function in the planning system its current role is extraordinarily wide, it favours those who can afford to pay and is the product of a planning system that has been systematically modified to erode local planning powers. When the veil of the many small and seemingly innocuous amendments that have occurred, at least since the mid 2000s, are revealed in their totality the ineffectiveness of the strategic planning policy, standard instrument local environmental plan and development control plan, among others, to deliver an effective process for NSW is clear and present.

The shortcomings with the planning system policy settings manifests today not only in the current housing crises but more so in the pace at which that crises has escalated and aided by the planning system. Despite attempts to say otherwise, these issues are not symptomatic of any single contributor, i.e., it is not rightly capable of being blamed on nor the result of the prevailing global health pandemic, the housing issues were here long-before and will likely remain afterwards.

The Taskforce should look closely at why the planning system is not effective in toto, as the issues that pervade the system not only relate to housing supply; and by curing some barriers around time and cost will fail to address the broader systemic issues.

There is in a true sense little planning enforceability; that is, the ability to say no, that is not good enough

The ability to say 'no' is not a bad thing. Saying no doesn't actually result in nothing good coming of it in that saying no in a proper planning sense is simply saying that what is proposed, in most instances, is not good enough. Not good enough in the sense that the expectation of the public at large, represented through the system in its many policy documents and rules, has not been fulfilled or achieved – that it can be done better. This is not a bad thing for the public. Rarely does or should saying no actually mean or result in nothing at all, where it does is probably with good reason.

It is the current planning system that has established an adversarial framework that inhibits better planning outcomes being achieved by removing the safe boundaries and freedoms for councils and developers to genuinely work through their differences, in the public and private interest. It is instead a traffic light system to the law Courts that are often seen to be agnostic to achieving better planning outcomes and more directed to achieving a settlement. The nature of this decision making practice seeks to pit 'experts' against each other seemingly with the canon that competence is the lead indicator of plausibility however, in planning terms competence is not a prerequisite for success.

Consequently, in many cases saying 'no' incurs substantial resource and cost implications, for all parties. This is always more apparent and exposed during times of increased housing demand and time immemorial the response has fallen to criticism of councils 'lack' of performance in the development assessment and planning rezoning (the proverbial 'scapegoat'); nothing could be further from the truth. This perception is a misjudgement of what is occurring and in the context of having a fuller appreciation of the macro view of the planning system, within its wider legislative ecosystem, it is a myopic perception.

Short-sightedness is the nemesis of good effective policy drafting.

The current planning system has become increasingly complex since the early 2000s and it would be evident to many who have operated within the industry over this time that two key factors arose for the planning system; firstly, that planning system reviews were based on issues within issues often failing to address the real (bigger) issue and secondly, the level of meaningful planning system support through guidelines and technical advices lessened. In today's setting, the NSW planning system is arguably one of the most difficult to navigate and apply; policy is often opaque and unclear with minimal line of sight, in some cases competing / opposing objectives arise and many of the statutory processes and practices are inefficient and unsuited to meeting the expediency and lower costs the planning system is expected to deliver. Consequently, the instrumentalities of implementation that have worked for over 30 years are no longer as effective.

Councils in particular are hampered by the planning system and burdened by the rising costs associated with its implementation. Economically, they are further disadvantaged by the longstanding and well documented practice of cost shifting, rate pegging and non-indexed statutory fees and charges.

These often misunderstood consequences themselves often lead to reactionary planning system changes to over-come or bypass the perceived issue; it is a circular process that is purblind to the source of the real problem – in the present sense,

planning cannot resolve the housing issues in any meaningful way until and so long as it endeavours to respond to issues within issues.

Today's planning system is manacled by the unattainable pursuit of flexible-certainty.

It is this complexity and difficulty with navigation that the arbiter of last resort, the Court, is activated. This is seen by some as triumphal when it is actually a failure, a failure of a planning system that has not kept abreast of emerging trends, issues and risks, such as the rise in investment demand for housing and the corollary impacts on housing affordability, nor the competing policy implications brought about by example, in biodiversity legislation and the associated cost impact on development. These are not issues in isolation, they are issues within an issue; the need for overall clarity and direction that leads coordinated policy outcomes that are enforceable and hence capable of being delivered in a cost effective and efficient way, where the costs relate to the action or business and those costs and risks are calculable because certainty subsists as the foundation for the planning system.

Other State's around the country appear to have planning systems that provide flexibility and certainty as discreet and compatible components that share a common objective. In NSW, by example, development control plans (DCP) once provided certainty because they were, correctly or not, viewed as a regulatory control measure that councils could enforce and which most developers would seek to develop within, yet they also provided councils with the ability to 'vary' their application of the 'controls' to meet specific needs of the development without losing the overall objectives.

Amendments to the planning system legislation since the 2000s have eroded that balance on the pretence that certainty for development exists within a 'guideline'. By its very definition a guideline is a general rule or principle the certainty around which is subjective and very much depends on agreement or common understanding and with the restatement in law of the 'guideline' status of DCPs the certainty that once subsisted was largely replaced with definitive uncertainty. For some it was seen as a win for development, but there is no evidence to support this; the cost of legal proceedings to defend or reach agreement on that common ground is arguably an injustice to all parties and is again symptomatic of a planning system that has very unclear and undefined boundaries. This misunderstanding of the roles of certainty and flexibility within a system that comprises both statutory and non-statutory rules is at the root of the current policy crises, which is exacerbating the blockages in the planning system.

Planning rezoning is a further example of where certainty in the process was misunderstood and which led to amendments that have, debatably, been the cause of current complaints around costs, lack of certainty and timeframes – 'blockages' in the supply chain.

It was once the case that a local environmental study (LES) would be prepared to appraise and respond to a site's issues in support of a rezoning. Concerns at the time about the cost of preparing an LES combined with the uncertainty of whether the proposal would be successful led to planning system amendments. As has become the norm in present day practice, there was considerable publicising of the 'benefits' that the new system would bring; greater certainty, fit for purpose (tailored) assessment timeframes and information requirements and quicker turnaround. The

planning system amendments could not be claimed to have achieved the purported benefits. Even the government's attempt to benchmark councils' performance was questionable as they themselves could not demonstrate improvements in their practices, but what it illuminated is a fixation on process that could be benchmarked opposed to process that actually delivered on the objective.

There are similarities with the Taskforce's current approach under its ToRs that warrant some elaboration on the rezoning issue.

To start, the process and requirements for rezoning (amending an LEP) did not materially change; it was a process driven outcome that led to a re-ordering of the process, if you will a reshuffle of the constituent 'parts' to generate an appearance of streamlining, when in practice precisely the same procedural elements and supporting information was required.

The new system ushered in the Gateway process, the Department's traffic light system for endorsement of the process, it brought forward the former s.68 reporting, the practice of seeking the Department's endorsement, with the main characteristic being that it had previously occurred after the site investigation and public consultation had taken place and been endorsed by the council. The new Gateway decision was heralded as more efficient and providing greater certainty because a green light could now be granted with a time based stipulation and on the back of less upfront information, or at least that was the premise.

Whilst the system and process requirements remained the same there was one very noticeable difference, the new Gateway approval was seen to be tantamount to an approval and not only by proponents.

Once that tacit approval was granted, irrespective of what further detailed investigation was needed, there was a clear expectation that a rezoning would be made. The perception became reality for many councils through language deployed within the Department's correspondence to councils to the effect that if determination timeframes were not met and council did not reasonably perform its obligations to the satisfaction of the Secretary its planning powers to deal with that matter would be removed. It was implicit in the practice that the certainty the new system promised arose from an implied warranty that once the Secretary issued an affirmative determination that all 'barriers' were to be overcome to ensure a rezoning occurred.

Unlike its predecessor this new system and the warranty it provided needed to be underpinned with a quasi-judicial arbitrator to manage the conjecture it created; the appearance of separation of functions or 'at arm's length'. It was not a process that was originally written into law as could be found with the development assessment process appeal rights, but an administrative function of the Department that later became a role for independent Panels. This is now giving way to consideration of extending third party appeals to the Land and Environment Court to address the issues created by that planning system amendment, as a means of addressing the uncertainty, ambiguity, timeframes and additional costs that this process not only failed to deliver on its promise of beneficial reform but exacerbated the issues.

To put this another way, rather than having a very clear and detailed strategic policy that identifies a site for a use and the infrastructure that is needed upon which the local community can agree, the process is to 'run the gauntlet' and if that fails go to Court. This is not representative of a good, let alone, a best practice planning system.

As with DCPs and other instruments the changes to the planning system to remove the barriers to development has largely had the opposite effect. The question is what was driving the demand for that change? Was it the demand that was at the root of the perceived problem, and was the problem ever capable of being resolved so long as the same issues or actors remained one of the key components; that answer is evidently clear in the magnitude of the current housing crisis.

It is contended that many of the planning system amendments since the early 2000s have eroded both councils' and their communities' ability to effectively plan for their local area by diminishing local decision making.

For the Taskforce to begin to understand the limitations the planning system imposes on local councils, the uncertainty it creates for communities and developers and therefore what opportunities may exist that can be leveraged to achieve its objectives, there must first be a contextual common understanding about these challenges and issues. That is unachievable with the current Taskforce's ToRs and the timeframe for it to formulate and deliver its report to the Minister.

Local councils represent the views and aspirations of all communities and it is essential that they can plan with confidence and legitimacy. To do so effectively requires policy tools that are not only clear but enforceable, within limits, and that represent the interests of those communities who developed them. It is inappropriate to those communities to disempower their reasonable expectations about the ability of those policies (e.g., a DCP) to be upheld in favour of a private interest. It imports uncertainty into the planning system, it erodes confidence in the process and increases the costs to all parties when challenges arise.

The Court is not the answer, it does not legitimately stand in the shoes of a council, it is weaponised by a planning system that lacks balance; and it is a Constitutional system that should only ever be leveraged to interpret and apply the law, not the merit aspects of policy. Reducing the Court's role in the merit-based planning assessment will necessitate a comprehensive review and rethink about the proper function and use of the tools that exist within the planning system and that have, and can work effectively.

Recommendation 06 The arbiter of last resort for merit-based planning matters in NSW is currently the Land and Environment Court. This represents a failing of the planning system not a strength and the reasons for this must be reviewed and recalibrated.

Recommendation 07 The NSW Department of Planning, Industry and Environment should prepare a comprehensive strategic alignment policy that clearly shows the hierarchy, function and interconnectedness of the NSW planning policy and legal framework, any policy gaps and the benefits the quantifiable and evidential benefits that have been achieved.

Recommendation 08 The NSW Government should initiate through the COAG a Housing Policy Coordination Commissioner to assist with inter-governmental alignment and dissemination of research information and to act as a conduit for negotiating State-

National commitments to respond to Australia's National housing crisis through a coordinated policy and funding alliance.

Recommendation 09 The LEP amendment (rezoning / planning proposal) process and practice is overly complex and has become increasingly complicated requiring urgent review however, any further review must acknowledge at the onset that the requirements for environmental assessment are entrenched in the process and largely arise from a broad array of related Acts and instruments and proposal to reduce the necessity for environmental assessment must be made clear and the implications understood.

The Commission also noted significant differences between jurisdictions in the degree of integration between planning and infrastructure plans, and in how capably States and Territories manage their relationships with local councils. To that point the level of integration (support and commitment) from the State regarding infrastructure coordination has proven to be less than adequate, as evidenced by the significant quantum of State approved development in the Tweed that has not been progressed through to supply.

Council supports the Taskforce's intention to improve the planning system and reduce costs in the supply of housing however, contends that this would be less essential if the government generally invested its resources into infrastructure coordination and delivery; and assisted with the supply of greenfield and brownfield sites unable to proceed due to infrastructure (water, waste water, electricity, telecommunication, etc constraints).

Recommendation 10 The Taskforce should clearly define an aspect of the scope to encapsulate the barriers between effective inter-government relations and cooperation around guidance, coordination and funding of essential infrastructure that is required to support new housing supply, this should examine the issues associated with upfront funding and long-term depreciation of assets.

PREAMBLE ABOUT AFFORDABILITY PER SE

Council's issues with the affordability of housing are not unique to us, our Region or our Nation because the underlying systemic policy, be that social, economic or political, that has brought us to this juncture and crises is inherent in the governmental ideology and instrumentalities not only of Australia but of nation states on a global stage.

Their main difference whether globally or nationally is the willingness and success of governments in now seeking to control and respond to these issues in a purposeful and democratised way through mechanisms and tools built on a shared common goal; that housing the unhoused is in the public interest, housing that meets the needs of households is socially responsible; and housing that spans the affordability spectrum provides opportunity through choice, resilience through adaptability and economic prosperity through diversification.

These challenges are clearly beyond the realms of land-use planning policy and law in isolation of other structural tools that shape markets, influence population migration and demographic composition and spatial distribution. Then there are extraterritorial Treaties, agreements, trends, shocks, opportunities and impacts that can have both direct and indirect effects on housing supply depending on Federal and to a lesser extent State policy settings. None of these very relevant topics were contextualised and discussed in the Taskforce's online industry Workshop.

As noted by COAG in its publication *Housing Supply and Affordability Reform*, government policies and programs at the local, State and Territory and Commonwealth level have an impact on the demand for and the supply of housing, on housing affordability and on the attractiveness of housing as an investment asset. These policies and programmes may provide incentives to either help increase housing supply or to assist first home buyers to enter the housing market; and in some cases these impacts are inconsistent with each other and with policy objectives, to use a well know idiom the complexity and ambiguity of the whole policy framework around housing often results with outcomes that are effectively 'robbing Peter to pay Paul'.

Council made the point in its reply to the Inquiry into Regional Planning Processes in NSW (2015) that whilst the NSW Government should be lauded for promoting the fast tracking of much needed increased levels of new housing, that task in the Regions has not been readily achievable because of the significant cost associated with providing new infrastructure, not necessarily because there are other 'blockages' in the system. We said that the ability of local councils to recover and levy charges to fund critical and essential infrastructure, as well as for recurrent asset maintenance, was working against implementation of Government policy; we highlighted that the sectoral or singular issue approach frequently adopted by NSW was one of the key reasons for this.

It is very evident with the current various bespoke housing related planning policies and amendments presently occurring that a comprehensive policy approach remains elusive; and it would be overambitious to expect any significant meaningful improvement to arise through this deliberate act of incoordination because it is only through coordination of the broad spectrum of issues that the function and role of the planning system can be seen and properly understood. The effectiveness of the planning system to respond to the challenges that lie ahead is a reflection on how well the government understands and commits to meeting those challenges.

We might then say there is a 'kit of parts' that is made up of meaningful policy that speaks to funding, equitable contribution to the cost of housing delivery; and that is responsive to taxation and fiscal instruments including rate pegging. This should lead to change in the role and responsiveness of interest rate management and economic diversification beyond housing. It should be reflected in connected policy concerning wages growth; transparent and meaningful CPI indexing; sound governance and regulation including support and education that promotes private investment diversification toward other asset classes that actually contribute and increase Australia's productivity in a global economic way and that builds National wealth and resilience.

There needs to be transparent shared responsibility of roles and functions and a planning system that then responds to those policies from a public good perspective through its facilitative role within that broader policy-law ecosystem. Anything short of

this macro review will likely fail to tilt the current imbalance between planning system supply oriented advancements that will seemingly benefit the private development sector and without any certainty it will lead to greater affordability or liveability – research has shown that increasing supply only in this prevailing scenario has and may continue to exacerbate the escalating price of housing and further contribute to the level of housing inequality.

These were also echoed by the Productivity Commission when it noted that the supply of land is only one of a number of complex factors affecting housing affordability, that there are also demand side factors which affect house prices. It went further to note the Inquiry into First Home Ownership (2004), the Commission finding that, whilst increases in house prices could be moderated through improved land releases and planning approval processes, the increases were also attributed to rising housing demand due to cheaper, more accessible, finance, and policies such as the exemption of the family home in the pension asset test which reduced the incentives for downsizing by older people. It might be argued that in the current climate of extremely low, record breaking, interest rates and seemingly ‘unlimited’ access to cheap finance that this very situation has become much more pronounced and its relative impact on housing unaffordability much greater.

In the same vein, the COAG noted that, regarding the impact on housing affordability, all things being equal, more efficient supply should put downward pressure on house prices. However, addressing supply-side impediments may not cause house prices to fall or rents to ease significantly. It is possible for high house prices to exist even in a relatively efficient market. This is because other structural and cyclical factors such as population growth and interest and unemployment rates also play a major role in determining the level and growth of house prices and rents. As such, reducing the supply-side constraints will not necessarily be sufficient to address the housing affordability problems faced by lower-income households because, undoubtedly, a part of the complexity of issues about the un-affordability of home ownership is, and arguably to a large part, confined to a lack of means (e.g. income) for some segments of the population to either purchase or rent a dwelling, rather than there being a physical shortage of supply in the number of dwellings, and the Council accepts that this view would be rebutted by many in the real estate and development sector.

The time is now for a more dramatic intervention. It is needed to reduce the demand side at the lower end of the market by increasing lower income levels and or redistributing or redirecting or reviewing other government policy based market incentives away from housing below a set price threshold, e.g. reviewing investment incentives (be that domestic and overseas) or ‘tax concessions (breaks)’, which may then enable greater accessibility to a greater proportion of people either choosing to purchase or rent in the low-middle income bracket.

Above the low-middle income bracket personal choice will have more of a role in the decision people make about what they consider to be affordable and what percentage of their gross income they choose to allocate to meet their preferred housing by weighing the benefits and dis-benefits at the household and local level.

This being the case, it is also likely to be generally accepted that, in the words of COAG, reforms that remove “impediments” to housing supply will also likely remove “unwarranted” pressure on house prices. This correlates with this Taskforce’s remit, albeit using different phraseology, to identify the challenges (“impediments”) in the planning system that are preventing (“unwarranted”) the delivery of housing supply;

some may contend then the purpose is so similar as to be one and the same, the key exception being the language employed by the Commission is far less ambiguous and its terms of reference provided the clarity the seriousness of the investigation warranted. The quality and breadth of the research and findings is indicative of the methodology adopted.

This emphasises the necessity for the Taskforce to have regard not only for those other Government funded studies and research to be reviewed and referenced, but those industry based replies to that work – much of which provided empirical evidence, insight and guidance on critical issues such as affordable and social housing barriers; infrastructure delivery constraints, and issues with financial structures and regulation (supply and demand side barriers to supply and affordability) e.g., the ‘Henry Report’; The Australia’s Future Tax System Review, not from the perspective that State government can bring about change in all areas but to set the narrative of what can be done contextually or more to the point what the Government is not able or willing to do.

Council also recognises that reform that leads to an easing in the supply chain may also have a positive effect on the quantity, location and type of housing stock to better meet the community’s needs over time. We may further agree also that such positive changes that improve the responsiveness of the housing supply chain to actually meet true market needs, not just individual (‘market’) preferences and financial reward, will also have a beneficial effect on the community’s health and wellbeing, increased labour participation, mobility and efficiency gains (sustainability) in the provision of essential services.

Recommendation 11 The Taskforce should clearly identify those factors on the supply and demand side that are not within the jurisdiction of the Government to directly influence and how those aspects bear upon or affect the policy response and responsiveness of its proposed actions.

DO WE UNDERSTAND THE BIGGER-PICTURE OR LIMITATIONS AROUND HOUSING AFFORDABILITY?

It has been argued that traditional indicators of housing affordability do not address the wider outcomes of housing affordability but simply the financial burden of housing costs. The most widely used binary indicator of housing stress is the 30:40 rule, where a household is defined as being in housing stress if its housing costs exceed 30 per cent of income and the household is in the bottom 40 per cent of the income distribution; Australian Housing and Urban Research Institute Western Australia Research Centre, *Housing affordability, housing stress and household wellbeing in Australia*, Steven Rowley and Rachel Ong (September 2012), AHURI Final Report No.192.

This report went further to note that in January 2009 the Australian Government introduced the National Affordable Housing Agreement (NAHA), highlighting the important role that affordable housing plays in promoting social and economic participation. The October 2011 conference, ‘Beyond the current NAHA’: What next for national housing policy? It provided a critique of the then current NAHA arguing that future agreements should be widened to include other policy levers **such as planning and taxation issues** and **desired outcomes should be more explicit** [emphasis added] and thus highlighting what we have discussed so far, that the

planning (supply) system cannot bring about outcomes to reverse the trend of housing stress without aligning those with other (demand) market drivers.

Of interest, the report noted that the implementation of NAHA took place during a decade of increased economic volatility with global housing and financial markets particularly affected (sounds familiar with the present day pandemic similarly wreaking economic havoc and upheaval), while at the same time, governments have increasingly withdrawn from their role of public provision despite population ageing threatening fiscal sustainability in Australia and other developed nations now and for the foreseeable future. Consequently the role of housing as a social policy tool has begun to rise in prominence, not necessarily in practice through action, with most recent research highlighting the need for housing policy to reflect both shelter and non-shelter outcomes, as discussed earlier, around workforce participation, access to employment opportunities and education attainment.

On the supply side discussion the report concludes that policies were largely limited to the National Rental Affordability Scheme (NRAS or the Scheme), which commenced in 2008 and aimed to increase the supply of new and affordable rental dwellings by providing an annual financial incentive for up to ten years, but was ended by the Liberal government in 2014 and as such a further 2,184 homes will leave the NRAS this year and by mid-2026 there will be no more homes in the scheme, with an estimated 32,930 home exiting the scheme Australia-wide over the next 5 years. This will mean the responsibility to fill the gap will now fall to regeneration agencies, state and local government to secure affordable housing directly or through partnerships/negotiation with the private sector.

Without further labouring the point or running the risk of infringing Copyright on this extremely insightful work, the report went on to state that they had demonstrated that housing stress is an inadequate measure upon which to base housing policy decisions. In one sense it is too broad as it incorporates many households that are not suffering the negative consequences associated with the measure. On the other hand, it is too narrow because it excludes certain groups and only addresses the negative financial outcomes of housing affordability and not the much wider implications of a household's housing consumption choice and relevant to the current Taskforce's work, with which we find agreement, policymakers need to be more concerned with addressing the needs of future households rather than the housing costs of those already within the owner purchasing sector and this requires a particular focus on the affordability of the bottom end of the private rental sector and measures to increase the supply of affordable rental stock, not just supply per se.

It is absolutely relevant to the Taskforce that any consideration of changing the planning system to stimulate housing supply and address housing needs (presently undefined in the ToRs of the Taskforce); and to removing impediments to supply that these bigger picture realities be defined and the outcomes clearly articulated. Specific targets would help all levels of government, in partnership with the private and not-for-profit sector, to develop strategies and policies to deliver the housing required to meet the requirements of the State's (regional) growing population. That is, policy-makers should not be so quick to embrace the housing-stress rule (30:40) because it is easy to comprehend at face value or because it provides a quick albeit opaque indicator of 'housing affordability', or because it is convenient and easy to incorporate within policy documents to support housing strategies. We have reached a critical milestone with our climate change policy in much the same way we have reached a critical point with affordable and accessible housing, now is the time to act and this requires a

considered discussion and response based around all of the important contributory parts not only those that can be readily packaged into convenient messages.

Lastly, Council is supportive of the housing need analysis model canvassed in this report and elsewhere, because as an alternative to housing stress indicators councils' and policy-makers require a reliable tool for assessing housing affordability and its consequences. A housing need analysis is a tool that could enable quantification of the demand for affordable housing of all tenures so as to plan and fund appropriate accommodation options for all income groups and household types locally or sub-regionally. A tool should also allow an assessment of those households in danger of falling out of home ownership because they cannot meet their mortgage costs or are likely to be forced to move out of an area because they can no longer meet rising private rental costs. This kind of tool could help determine whether policy intervention is necessary for vulnerable households and the housing stress indicator alone does not achieve these aims and nor was it designed to do so; this is the role of local housing market assessments and housing needs studies.

Recommendation 12 NSW should, in consultation with the relevant stakeholders, develop a model housing needs analysis framework and fund all councils to undertake a comprehensive local or sub-regional housing analysis. This could be done with or included within the Government's regional growth strategies.

SUPPLY SIDE PLANNING SYSTEM ISSUES

As referenced at the beginning of this submission Council's earlier submission to the Legislative Assembly – Committee on the Environment and Planning regarding Land Release and Housing Supply in NSW, forms part of this submission as it is relevant to many of the housing supply-side challenges arising for local and state government, the development industry and housing consumers.

This Inquiry provided the opportunity for Council to comment on the challenges and barriers affecting the housing delivery and supply process in NSW, in so far that it, as we then said, may add a local perspective to the plethora of current information widely available on this topic. We noted the same herein above that government is effectively recycling the same issues without any apparent regard for the voluminous material compiled and submitted with prior Inquiries and that remain relevant; and more importantly provide many of the answers the Taskforce now seeks.

Council previously stated that whilst there are many factors that work in tandem to influence the time and cost involved in bringing 'developable' land to the private market, the underlying premise of its submission was the concern over the lack of reform or intervention aimed at easing the funding or construction of new or augmented infrastructure to support new and infill housing development.

It was noted at the Workshop with development industry representatives that they generally perceived the cost of infrastructure to be a major contributor to housing cost and that development levies are too high. This might answer the question as to why most councils are now faced with infrastructure shortages and insufficient funding to build or augment.

One might ask what is worse, paying a business's fair costs of doing business, be that a decorator or developer, or depriving oneself of a canvas upon which to paint

(infrastructure) and the ability to make an income. There is much debate on this topic with a wide array of opinion and like any business there will always be a preference toward the offer of someone else paying that businesses costs or part thereof, but this is neither sustainable nor equitable. Infrastructure costs associated with new development should be borne by those whose choose to take on that business endeavour, it is not the responsibility of the Australian or NSW tax-payer, especially when, as is evidently the historical position, those cost savings would not be passed on to the consumer in a free market. There is no evidence that cutting the cost of developer levies or infrastructure charges, except where there is no nexus to the development, leads to an overall improvement in housing supply or affordability.

Council is of the view that, and taking the lead of the Productivity Commission, there does need to be a review of the integration between planning and infrastructure plans and the roles in the delivery and funding of infrastructure at the State and local level. It must be accepted that there is a broader role of government to invest in public infrastructure in as much that businesses must accept that there is a cost to their business that they must bear.

- Recommendation 13** The opportunity for State government to evaluate its role in the provision and funding of essential infrastructure should be pursued as a priority.
- Recommendation 14** Reform of taxation laws to discourage land banking and encourage the development of available land; and or other means of supporting the development of banked land or land constrained by lack of essential infrastructure.
- Recommendation 15** Redefine the purpose and scope of the Government's regional plans to incorporate and integrate the priority infrastructure and the structures for its shared funding and delivery.

Council has found it to be particularly unhelpful in the discussion around the real blockage and costs to perpetuate a focus and make issue about those costs and delay in rezoning and development 'approvals' assessment. Council noted previously by example that AHURI¹ noted through their industry consultation the main concern is the impact of planning regulation on the cost of residential development, including perceptions that restrictions on the release of new greenfield land puts inflationary pressure of land prices, as well as the uncertainty of the approvals systems and increasing complexity of planning controls and their associated increased costs of demonstrating compliance. This same theme was very evident in the Taskforce's recent Workshop with the development industry.

Council considers there is little doubt there are grounds for reviewing these aspects of the planning system, as no doubt poorly performing or unnecessary regulation or costs pose a significant risk to project viability and the affordability of housing however in many instances the cost escalation and delay associated with the land accumulation and assessment pails into insignificance by comparison to those posed

¹ Nicole Gurrán, Kristian Ruming, and Bill Randolph, *Counting the Costs: planning requirements, infrastructure contributions, residential development in Australia*, Australian Housing and Urban Research Institute (2009), p30.

by an absence of essential infrastructure, particularly for those sites on the fringes or occurring 'out of sequence' with the utility provider's (councils) infrastructure servicing plans.

The wider discussion about contributors to housing cost generally needs to factor these concerns in, but the bigger picture surrounding infrastructure responsibility must not remain lost in that debate and as noted earlier there needs to be a clearer line of sight of the State's role and function in the delivery at the local level. This should extend to greater transparency in their decision making when they have no substantive role in the supply and management of infrastructure and hence do not carry the burden of increased regulation or costs associated with their policy choices.

Council discussed the matter of governments having shifted away from the traditional approach of funding urban infrastructure through a revenue stream that is generated by taxation or borrowing, towards a 'user pays' model – an approach that has since become increasingly unclear about who the 'user' really is, with the general situation tending to point toward the developer. This has without question led to a disproportionality that needs to be rectified.

It is part of understanding where some of the costs associated with housing supply subsist, but the answer is not to further burden local government with increased costs and reduced levies; that has already occurred to a great extent with the devolution of those responsibilities to councils. This devolution of responsibility and the disconnection that has manifested in the State's ability to understand the on-ground impacts of planning system decisions is in part the reason why the planning system is not capable of delivering a coherent and efficient framework for land-use management and development to occur – that is, it remains overly complex and incoherent with decisions being made with no apparent regard or accountability for the budgetary implications either on local government nor private sector; outcomes and decisions often appear divorced from the issues.

It is a shared concern and as Council has stated, it believes local councils have gone as far as their capabilities exist under the NSW local government legislative framework and funding regime to pave a fairly predictable and clear pathway for developers, without actually building the essential infrastructure in advance. This naturally presents a significant roadblock on the supply side.

Council also discussed the variance in development rates and implications this brings, given that rates of development vary. If by example local government has constructed long term (50 + years) assets based on a high growth rate and that growth rate is not achieved, the financial robustness of local government can be placed at risk. If for example the lot uptake rate falls to say 250 per years the \$200m expended by local government to provide trunk/ arterial /headworks services will require 40 years to recover. With the longer recovery period the expenditure on items such as interest will likely increase, increasing the cost to the council / utility provider and hence home owners.

In the alternate, if land is rezoned and developed in a strategically staged approach the financial risk to the utility provider (local government) is reduced in turn reducing the cost of development to the council and hence home owners. This can be addressed by local government developing land release plans based the staging of infrastructure to minimise financial exposure, and these can be prepared to coordinate with the priority infrastructure planning at the regional or State level.

Refer Recommendation No.15 in this submission.

To take this a step further, reducing the cost exposure risk to councils arising when development is delayed or does not go ahead, which may lead ultimately to revenue rates dropping below those projected by the developer, consideration of bonds or other financial instruments aimed at recompensing the council for the cost difference need to be evaluated.

For a general comparative comment on delivery mechanisms of Greater Sydney versus Non Metropolitan Councils refer to the Council's Inquiry submission; and note that local government is required to develop strategic plans, and these are typically prepared on the least cost servicing options. From these, local government is required to develop long term financial plans and these should be addressing the servicing of development. Where local government is required to do something different from its strategic plans, it is often at a cost to the council, again a cost which should be met by the developer of the changes to the strategic plan. To do otherwise would mean the local ratepayers may be subsidising a more expensive option simply to fulfil the "wants" of a developer.

With that in mind, we urge the Taskforce to be mindful of where the true costs of planning system amendments do typically fall and to refrain from making recommendations to the Government that will affect councils financially without first consulting with local government peak bodies and councils.

CLOSING COMMENTS

Council would like to finish its submission in the same vein that it opened, as it genuinely welcomes the initiative of the Minister for Planning and Public Spaces in establishing the Taskforce and its purpose to identify challenges in the planning system that are preventing the delivery of housing supply.

Council supports every effort to address the housing issues and is eager to do its part to ease supply and lower costs of delivery – not at the expense to the general tax / ratepayer or communities.

The Taskforce's terms of reference and scope are too general in the context of the apparent overriding objective to "identify barriers in the planning system" for the reasons the Council has set out above. Supply side analysis and response within a small part of the broader issues space is respectfully short sighted and will be ineffective at making any appreciable difference to the affordability of housing. It may save the developer some time and money. It may increase the costs to councils.

It would go too far to say that the terms of reference are disingenuous, as Council believes the Minister has good intentions however, they have seemingly raised much expectation about what the Taskforce can and will deliver regarding its stated purpose. Respectfully, the Taskforce's task would have been made easier if it had focused on the 'red-tape, to use narratives from prior Green and White Papers, preventing efficient and cost appropriate supply and deferred the affordability issue to a separate more holistic review.

Council is of the view that the Taskforce has the ability to make sense of this opportunity and to do so it must collate the information gathered through this and prior inquiry and prepare a comprehensive industry standard discussion paper to inform

the next phase of the process. It will add to the time for action, the action will nonetheless be clearer, decisive and results oriented toward those areas where it is most needed.

Council welcomes the opportunity to further contribute to the discussion and resolution of outcomes in the next phase.

Should you have any enquires please contact Council's Strategic Planning and Urban Design Unit on (02) 6670 2503.

Yours faithfully

Troy Green PSM
General Manager



7 September 2021

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Garry,

PIA INPUT TO REGIONAL HOUSING TASKFORCE

PIA welcomes the opportunity to provide further input to the Regional Housing Taskforce. We appreciate the scope of the regional engagement process and acknowledges the difficulties of hosting public events during covid restrictions. Thank you for your efforts hosting the workshops and absorbing information from around NSW.

PIA has supported the taskforce by having members contribute insights and examples to almost every virtual regional workshop. PIA members have also prepared additional comments that are summarised in Attachment A.

Regional Planning

PIA aspires to a planning system in NSW that better supports growth and vitality in rural and regional areas; and that better reflects local outcomes to the satisfaction of local communities. It supports changes to the codified State framework, to provide flexible localised mechanisms in the context of better local planning outcomes.

PIA supports the use of regional plans to provide a long term vision for rural and regional areas, prepared at regional scale and sensitive to individual regional issues, and which can selectively identify which State Environmental Planning Policies are to apply in each region. PIA encourages amendments to the Standard Instrument LEP and DCP frameworks, to allow for rural and regional outcomes to be better achieved and strongly endorses the use of Local Strategic Planning Statements by local councils as a means to offer opportunities to explore, develop and establish the local character and controls for individual rural and regional areas.

Housing Supply versus Housing Affordability

PIA seeks to differentiate positive planning and infrastructure interventions to remove local barriers to supply to implement regional strategy – from arbitrary removal of land use regulation that could have perverse planning results.

PIA has recently prepared a comprehensive submission to the House of Representatives Inquiry into 'housing affordability and supply' ([link](#)).

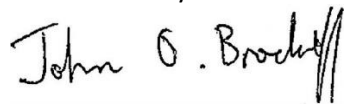
Our submission notes that delivering substantially more housing supply generally does not have a large impact on house prices while demand-side drivers (low interest rates / favourable tax settings) are so prominent^{i ii} (see: Ong et al 2017; Phibbs and Gurrán 2021). As a result, PIA warns against arbitrary interventions on market supply that reduce the positive benefits of strategic planning. PIA has made this point strongly in our NSW Position Papers: [Housing Affordability and Affordable Housing, Rural and Regional Planning](#) and our [submissions](#) to the Productivity Commission. PIA has noted that planning controls /zones are typically not a significant constraint on achieving rates of housing supply that the market will produce and absorbⁱⁱⁱ.

The key points raised by PIA for the national inquiry are:

- Housing unaffordability cannot be solved by more supply in an 'asset' market for housing.
- The behaviour of housing as an 'asset' means that not enough housing is provided by the market to those who need 'shelter'.
- Planning regulation and zoning is not a 'roadblock' – it serves as a 'lane marker'. Development proposals that align with strategic plans flow fast.
- The role of strategic planning and planning regulation - is directed towards:
 - creating great places - and a sustainable built environment
 - access to diverse housing, jobs and services that reduce living costs/ boost productivity
 - ensuring infrastructure investment is cost effective
 - reducing development risks
- Good planning does improve certainty and reduce development costs for the delivery of housing – but this does not necessarily improve affordability of housing in the market for lower income owners – typically renters.
- A focus only on maximizing supply (by abandoning strategic planning / assessment pathways) would compromise the value of planning in shaping productive, liveable and sustainable cities and towns.
- Measures to reduce demand for housing as 'assets' are important – but realistically won't progress.
- Substantial non-market supply of social/affordable housing is needed for lower income earners.
- Planning facilitates diverse and affordable housing through the regulatory system - and by strategic planning for population growth and change.
- Costs arising from mandating affordable housing can to a significant extent be absorbed in the price of land.
- The absence a coherent housing market strategy has major productivity and social implications.

PIA appreciates the opportunity to contribute to the workshops and for our members to share their^{iv} insights. Please contact the undersigned for further information (john.brockhoff@planning.org.au).

Yours sincerely



PIA National Policy Manager

(Attachment A overleaf)

ATTACHMENT A: REGIONAL HOUSING WORKSHOP ATTENDEE NOTES

| Question | Comments from PIA Members / Workshop Attendees |
|---|---|
| <p>What are the critical housing issues you see in the community and what are the key elements contributing to these issues?</p> | <ul style="list-style-type: none"> • Rapid escalation of house purchase price. • Lack of suitably sized and located blocks. Clear disparity between demographics and existing supply. E.g. Housing in the Shoalhaven generally four bedrooms, when 2 person households are the highest percentage. • Lack of housing diversity • Two outcomes of relevance from the pandemic – tree/sea change, with more demand from outside region - plus stronger local economies encouraging people to upgrade within the region. • Continued urban sprawl in regional centres. • AirBnB and Seasonal travel squeezing demand on rental opportunities. • Perceived lack of infrastructure and service funding in regional areas. • Planning portal has major delays on assessing projects • Government Agency coordination is seen as lacking in regional areas (wrt to timely infrastructure and service delivery in support of housing) • Some regional councils have difficulty in carrying headwork fees. • Coffs Council noted changes in migration patterns and housing preferences resulting from COVID-19, growing unaffordability, low rental vacancy rates and mismatches between supply and demand are increasingly placing pressure on regional communities. |
| <p>What are the main barriers to delivering housing, including diverse and affordable housing?</p> | <ul style="list-style-type: none"> • Slow process for rezoning and development applications, particularly around integrated referrals, which are very slow and uncoordinated in their response, with insufficient moderation by planners, which should be a key part of the planner’s role. • Smaller dwellings aren’t provided / available • Some councils not actively support Granny Flats and contributions rates can be a disincentive. • Social housing and infrastructure issues 50,000 people on waitlist. • Communities don’t like change and find it hard to accept density. • Masterplanning to identify the changes that can be shown to residents and gather more understanding is resource intensive. • Incorporate affordable housing requirements as part of all infrastructure planning processes to ensure contributions for affordable housing, are assessed at the same time as other critical infrastructure. This should be undertaken through the preparation of a comprehensive plan that identifies how all levels of government will work collaboratively with the not-for-profit and private sectors to deliver the social and affordable housing that is needed. Ensuring precinct planning and new major projects identify the need for diverse housing options and include a target for diverse housing. • infrastructure in eg Bathurst: LGA is not keeping up with the population growth – noting highway upgrades. |

| Question | Comments from PIA Members / Workshop Attendees |
|---|--|
| | <ul style="list-style-type: none"> • Mandate the removal of planning costs e.g. contributions imposed on social and affordable housing developments that reduce the viability and block the construction of new affordable housing. • Mandate introduction of Council contributions schemes and inclusionary zoning. • Councils can't be expected to provide considerable infrastructure from a small rate base. |
| <p>What are the challenges for development feasibility? Are there challenges that are unique to regional contexts?</p> | <ul style="list-style-type: none"> • Constrained land – bushfire/flooding. Bushfire policy remains unchanged, but RFS interpretation has moved. • Biodiversity and the associated legislation – many sites are affected – uncertain and potential for double dipping |
| <p>What challenges do you face in the planning system when it comes to delivering more housing and what opportunities are there for improvement?</p> | <ul style="list-style-type: none"> • Balancing environmental, social and economic aspects when assessing development. • DCP generally less attuned to current circumstances in regional areas, but planners hold onto them tightly. • Focus on planning system avoids problem where there is land zoned for residential but not released by land owners. • Lack of weighting given to positives for housing provision e.g. visual impact – focused on impact on existing residents rather than the need for housing. |
| <p>What can the NSW Government and local Government do to better support housing delivery and to help bring supply to the market faster?</p> | <ul style="list-style-type: none"> • Improve certainty around infrastructure timing and funding. • Improved referral process, with increased coordination and moderation. • Accelerate infrastructure to assist timely delivery. • Assisting delivery of diverse forms of housing – including facilitating pathways for inclusionary zoning for affordable housing • Supporting Councils to expedite local strategic planning and statutory amendments. • Providing financial assistance to growing Councils. • Introducing a Housing State Environmental Planning Policy |

ⁱ https://www.ahuri.edu.au/__data/assets/pdf_file/0012/13242/AHURI-Final-Report-281-Housing-supply-responsiveness-in-Australia-distribution-drivers-and-institutional-settings.pdf

ⁱⁱ <https://journals.sagepub.com/doi/full/10.1177/0308518X21988942>

ⁱⁱⁱ While there are local housing market effects, house prices are not typically responsive to supply because of the overwhelming attractiveness of housing as an investment asset - related to strong demand side incentives. Planning approval processes have typically maintained a sufficient supply pipeline – and planning approval rates as a percentage of determinations have remained consistently high. Commercial decisions to activate an approval (commencements) - or delay development (to maximise price or yield) have a more significant effect on timing of supply to market than marginal improvements in assessment times.

^{iv} PIA acknowledges Carlo Hilton's work summarizing member comments

9 September 2021

House of Representatives Standing Committee on Tax and Revenue
PO Box 6021
Parliament House
Canberra ACT 2600
email: TaxRev.reps@aph.gov.au

The Chair,

**CONTRIBUTION OF TAX & REGULATION ON HOUSING AFFORDABILITY & SUPPLY IN AUSTRALIA
PIA SUBMISSION TO HOUSE OF REPRESENTATIVES INQUIRY**

1. Overview

- **Housing unaffordability cannot be solved by more supply in the market.**
- **The behaviour of housing as an ‘asset’ means that not enough housing is provided by the market to those who need ‘shelter’.**
- **Planning regulation and zoning is not a ‘roadblock’ – it serves as a ‘lane marker’. Development proposals that align with Strategic Plans flow fast.**
- **The role of strategic planning and planning regulation - is directed towards:**
 - **creating great places - and a sustainable built environment**
 - **access to diverse housing, jobs and services that reduce living costs/ boost productivity**
 - **ensuring infrastructure investment is cost effective**
 - **reducing development risks**
- **A focus only on maximizing supply would compromise the value of planning in shaping productive, liveable and sustainable cities and towns.**
- **Measures to reduce demand for housing assets are important – but realistically won’t progress.**
- **Substantial non-market supply of social/affordable housing is needed for lower income earners.**
- **Planning facilitates diverse and affordable housing through the regulatory system - and by strategic planning for population growth and change.**
- **Costs arising from mandating affordable housing can be absorbed in the price of land.**
- **The absence a coherent housing market strategy has major productivity and social implications.**

PIA Context

The Planning Institute of Australia (PIA) appreciates the opportunity to make a submission to the House of Representatives Standing Committee on Tax and Revenue. Our recommendations are in **Section 8**.

PIA is the national body representing urban and regional planners and the planning profession. We represent approximately 5,500 members and connect with more than 10,000 planners annually through workshops, events and professional development.

PIA has members in private sector who facilitate development, members in government who set and assess development applications – but all have a common interest in being advocates for the public interest. PIA has no pecuniary interest in the recommendations made by the Committee.

The housing construction sector, as part of the broader built environment and development sector, is critical to economic wellbeing of the country. It creates the living conditions of our cities and towns that are recognised around the world.

Planners understand the depth of community concern about housing affordability, the seriousness of this public policy issue, and the basic human need for shelter. Housing needs to be available in diverse forms, that are affordable across the income spectrum – and which reduce living costs by enabling easy access to work and services.

A genuine conversation about housing affordability requires us to unpack what is influencing unaffordability – including the market demand drivers, tax setting and property development practices.

Planners play a role ensuring urban policy settings and development approval processes don't restrict supply. Planning schemes will direct supply in the long-term public interest – based on adopted strategy in order to reduce infrastructure costs and boost availability and access to services.

It is clear that superheated demand factors swamp any price impact of delivering housing supply into the market. This is having an impact on the ability to buy a home - as well as the ability of lower income earners to access affordable rental property. Historic and international examples (Eslake 2017; Phibbs and Gurrin 2021) show us that housing affordability is most successfully improved when investment demand drivers are reigned in - and the government plays a role providing and enabling affordable housing delivery.

Terms of Reference

The inquiry is to address the “*contribution of tax and regulation on housing affordability and supply in Australia*” – via **terms of reference** to:

- “(i) Examine the impact of current taxes, charges and regulatory settings at a Federal, State and Local Government level on housing supply;”
- “(ii) Identify and assess the factors that promote or impede responsive housing supply at the Federal, State and Local Government level; and”
- “(iii) Examine the effectiveness of initiatives to improve housing supply in other jurisdictions and their appropriateness in an Australian context.”

The ToR focus entirely on the impact of housing ‘supply’. This is not sufficient to address affordability.

PIA’s response to the ToR is summarised in **Attachment A**. The structure of the submission is set out below:

| | CONTENTS | PAGE |
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Definitions and clarifications

Supply and affordability

The terms housing supply and affordability are used loosely and mean different things, PIA urges the inquiry to distinguish what they are reporting on:

- whether affordability refers to home purchase price - or the cost of rent
- whether in relation to access to housing by lower income earners
- whether living costs are taken into account
- whether supply is considered as a rate - or static number
- whether supply is total stock, new stock or stock that may be for sale at any time

PIA regards the cost of rent as the true cost of access to housing as 'shelter' .-. However, the purchase price of housing also reveals its value as an investment asset and reflects the capitalisation of rental income – this component is becoming more prominent and is most sensitive to strong housing demand factors (Gurran et al 2015). Prospective owners (investors) are buying a future rental stream¹ and an asset with strong tax advantages and prospects of capital gain.

Housing being for the purpose of both shelter and an investment asset – has led to deep misunderstanding and confounded public policy.

2. The housing unaffordability problem

Housing is becoming more unaffordable to buy cross all markets, while access to rental is squeezed for lower income earners.

The REIA Housing Affordability Report (2021) notes that mortgage repayments for owner occupiers have increased by 180% over the last 20 years, well in excess of average wage growth (113%). The proportion of household income required to service an average mortgage has grown from 27.2% to 35.7% over the same period. Yates (2017) finds that since the 1970s Australia's median house prices have quadrupled while wages have only doubled in real terms.

The 'problem' has been largely framed in terms of declining access to first home ownership - or inadequate rates of new housing production (Phibbs and Gurran 2021). Whilst these elements are important over the long term, they do not relate to the fundamental problem that housing is becoming less available to people who need it. If you are low income earner your choices of where and what you live in (rent or buy) in becoming much more restricted.

¹ Or avoided the cost of paying rent (being an owner).

In general, Australia does not have a housing supply problem - we have an affordability problem. Housing supply is currently a success story across many of Australia's cities. In 2018, Australia had one of the highest dwelling completions rates in the developed world. Except for South Korea, Australia produced housing faster than other OECD nations at 8.2 completions per 1000 persons, up from 6.8 in 2010, – at 37,000 dwellings a year. In 2018, Sydney produced more dwellings than London, despite having a population less than half the size. At the end of 2016, there were more cranes (528) servicing apartment construction down the east coast of Australia than in major cities across North America including New York, Boston, Chicago, San Francisco, Los Angeles and Toronto (419 cranes) (Brockhoff 2018).

The evidence shows a conundrum, housing production has reached record levels but purchase prices in the largest markets has continued to grow even faster as investor demand swamps new supply. Phillips and Joseph (ANU 2017) highlight evidence that in many parts of Australia – house building has been running well ahead of local household growth for much of the last 30 years (except post GFC) and especially recently since 2015. There is no accumulated shortage², but purchase prices have continued to increase. For example, in the City of Sydney, overall median apartment prices rose by 52% in the five years to 2017 in an area oversupplied relative to population.

The cessation of international travel since the outbreak of the Covid 19 pandemic has resulted in zero net overseas migration since early 2020. Despite this drop in demand house prices have continued to soar.

It is important to note that new supply is a small fraction of the total stock of dwellings (about 2% in Australia) – while in 2018 it got as high as 3% in Sydney (DPIE 2019). Prices are set by the total housing market - most of which already exists in the form of established homes or apartments. ABS data via RBA (2017) show annual turnover rates (amount sold annually as a proportion of total stock) to tracking around 5% for the decade.

Alongside the obvious difficulties for middle income earners affording homeownership, there is a more insidious effect on access to rental markets exposing lower income earners. Nominal rents have not increased as new housing supply has expanded the middle portions of the private rental sector³. However Ong et al (AHURI) 2017) and (Hulse et al 2019) show the availability of lower priced rental property has not improved. While the SGS Rental Affordability Index (SGS 2020) shows steady widespread geographic contraction towards only the lowest amenity suburbs in Australia's major cities.

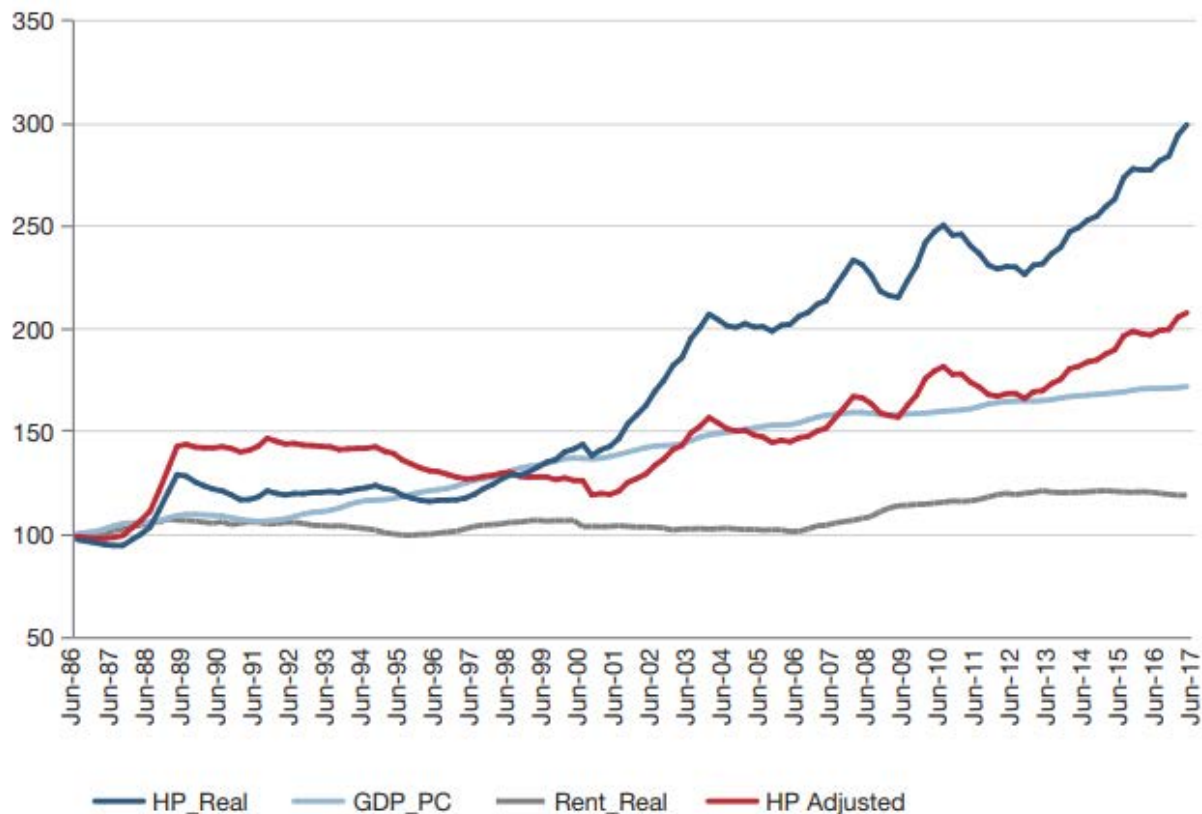
3. Housing unaffordability can't be solved by supply in the market

Bank of England researchers Lewis and Cumming (2019) have constructed a twenty-year model which shows that “relative scarcity of housing has played almost no role at the (UK) national level since 2000” in rocketing prices. The same insight is available from Australian researchers. The local evidence shows that changes in the price of housing is decoupled from changes and growth in supply (Phillips and Joseph 2017) (see Figure below).

² Based building completions/ demolitions, population and household occupancy (Phillips and Joseph 2017)

³ At rental prices serving middle income earners often unable to buy (Ong et al 2017)

Figure 1. House price growth, rents and GDP, Australia (index, 1986=100)



Source: ABS Residential Property Price Indexes, ABS National Accounts, RBA standard variable rate, author calculations

Phillips and Joseph (ANU) 2017

Central banks (see Youel 2020) are aware that the market for housing does not perform like one for consumable products like bananas – for one thing when house prices go up consumption often goes up too. But it has proven inconvenient for the Central banks to explain the difference. One reason is that the ‘cupboard is bare’ of politically palatable demand side solutions dealing with monetary policy (Hutchins 2021), tax and other financial measures (Eslake 2017).

It should not be up to planners to explain this predicament - but we bring a clearer insight on what is being traded and ‘consumed’ in the housing market. Dwellings persist as stock in the market and are added to with new supply (growing ~2% every year). But in any year only a small proportion of the total (~5%) are available on the market to be bought. The small proportion of new supply created and traded as a proportion of total stock means that it is hard for additional supply to reduce prices rapidly and deeply. As a result residential developers are ‘price takers’ - not ‘price makers’.

These observations are borne out by empirical research by Ong et al (2017) that supply and price are not responsive to each other. A 1% increase in the level of real housing prices is estimated to produce a 4.7% pa increase in new house supply - and less for units. Ong et al note these price gains translate into very small increases in housing stock which will do little to keep up with demand pressure. The work also highlights that the growth in supply that has been taking place has been in the mid to high price segments

– and that there seem to be structural impediments to the trickle down of more stock available for lower income earners.

The figure below (from Ong et al (AHURI) 2017) highlights the relative increase in supply of higher price units and moderate price houses – while supply which may be affordable to the lower income earners is less available in the market.

New housing supply, by value segment



There are highly localised examples of intense supply shortages impacting purchase price such as in booming mining / tourist towns - but this does not undermine the macro proposition that new supply is not able to grow fast enough to substantially affect price. Supply will not grow fast for several reasons:

- **Finance limitations** - residential development financiers actively manage risk and would restrict lending where there is evidence of a potential for oversupply and the security of their returns to be threatened.
- **Labour and construction materials** - the construction sector has limited capacity to scale up and down quickly. The HIA (2021) Trades Report recorded the biggest trade shortages since 2004 , with many skills and materials (eg bricklayers, carpenters, tiling, roofing and specifically timber) being hard to access. The HIA note that the easing of these constraints will take time and the re-establishment of international supply chains.
- **Commercial decisions to build land banks take time** – commercial decisions to purchase and maintain substantial land banks are strategic and not able to be rapidly changed.
- **Market absorption rates dictate delivery** – Private actors in the market behave rationally to maximise profit and bring their new stock to market at a speed/amount that the market will absorb without having to discount price. This can result in drip feeding the market to avoid depressing prices – so long as holding costs are less than the prospects of future price growth. Murray (2019) notes that major property developer’s annual reports reveal their rational intention to supply housing at a flexible/slow rate to maximise shareholder return.

All private sector actors respond to the rate of housing absorption – either by restricting access to finance to reduce risk exposure or by controlling the flow of sales in the market. This is rational behaviour to maximise profits but is not widely understood or disclosed (Phibbs and Gurran 2021, Murray 2020).

Murray (2021) notes that dwelling development is an “asset reallocation decision, not a production quantity decision”. Therefore, choices to develop new housing are tied to asset market factors, not production factors, such as construction cost. Undeveloped land also remains an asset, earning a potential return in the form of capital gain regardless of a developer’s decision and timing to construct.

4. Housing unaffordability could be improved by easing demand incentives – but it won’t happen

The literature discusses the overwhelming influence of factors that superheat housing demand and make it relatively more attractive as an investment asset (Phibbs and Gurran 2021, Daley and Wood 2016, Rowley et al 2020). The main factors include:

- low interest rates
- access to mortgage finance
- tax advantages to housing investment (eg Negative Gearing, Capital Gains Tax Discounts/Exemptions and means testing of pension excluding home)
- first home owner’s bonuses / subsidies

The ‘hyper-commodification’ of housing as an asset has divorced it from conventional market behaviour (Madden and Marcuse 2016). The price of housing no longer reflects its value as a ‘roof to live under’.

Commentators such as John Daley (2021) and Saul Eslake (2017) express little hope that while a majority benefit from elevated house prices the political economy won’t shift to allow a wind back of these strong and more rapidly acting influences on demand. If demand incentives are not wound back, the challenge to supply social and affordable housing off market will increase.

5. Planning for housing supply is important – just not for affordability

Roles of planning

Housing supply enables economic activity and jobs across the property and construction sector. Enabling supply and promoting conditions where development is viable and can fulfil a place outcome is central to planning. Rowley et al (2020) demonstrated that “*proactive local planning for growth (outer ring) and or urban renewal (inner ring) was also a key factor driving supply*” – alongside integrated infrastructure planning.

But planning processes are designed for more than being a housing ‘sausage machine’. Planners have a key role in housing supply, but are one of many who provide services to develop communities. Planners provide capabilities to :

- undertake strategic planning, forward thinking, plan for land that is suitable and ensuring links with infrastructure and transport;
- improve liveability in growing and changing urban areas by setting quality, diverse, sustainable building and place outcomes;

- translate land use strategy into spatial plans via rezoning, considering and making trade-offs among local community views and broader stakeholders; and
- manage the development assessment process on behalf of the public to assure alignment between proposals and adopted community outcomes.

Planning housing for long-term population growth and change

Although more housing supply is shown to not have a rapid or deep effect on house price, the provision of new and well-suited supply is essential to house a future growing population with changing dwelling needs and means. PIA (2016) published a discussion paper on planning for Australia towards 50 million outlining the megatrends impacting the housing and city making task.

Making provision for long-term growth and change is a key role of strategic planning. It requires the preparation of land supply pipelines supported by integrated funding and delivery of infrastructure in greenfields and existing urban areas. PIA has set out the value of a National Settlement Strategy (PIA 2018, Brockhoff 2018) and developed planning parameters to align infrastructure for this purpose.

Planning housing for liveable communities – integrated with infrastructure and services

The availability of zoned and serviced land aligned with infrastructure strategy de-risks urban development decisions and frees up the flow of investment vital for economic activity across the sector and the fulfilment of strategic plans that will deliver value for the broader community (Brockhoff and Spiller 2019).

The essential purpose of planning (and its regulation) is to maximise the aggregate (measurement) of liveability for all members of the community. This is achieved by the Government allocating monopoly rights for the use of land according to a plan that balances the needs of the individual against the living conditions sought by all in the community. The Government makes a spatial expression of these conditions by engaging the community and endorsing the trade-offs in a land use plan.

The outcome of a well-planned settlement is reduced living costs to access facilities, work or services and enjoy some amenity (The CIE 2012). These avoided costs need to be considered alongside the price of renting or mortgaging a dwelling.

Planning is a pre-requisite for cost-effective housing delivery

Having a sequenced plan with knowledge of where patterns of housing growth and activity can be located is a pre-requisite for cost effective infrastructure delivery. Integrated planning reduces headworks costs, utilises spare capacity and focuses human activity where there are clustered services and transport choices. Infrastructure Australia (2021) highlight the economic value of this place-based approach in their discussion paper *Planning Liveable Cities* and the *Australian Infrastructure Plan* (IA 2021).

The planning and zoning tools which enable orderly sequencing of development and maximise the public's return on infrastructure are the same that enable housing supply.

Rowley at al (2020) notes that while the planning system can create opportunities for desired development, decisions about whether and when to submit applications and construct are ultimately made by the development industry and reflect market factors. Ultimately housing supply is driven by

market conditions and the ability of a developer to deliver an acceptable return. Variations in market conditions and the availability of quality development sites at different stages along the pipeline drive uneven patterns of supply.

The planning profession is constantly engaged in improving the pattern and flow of supply aligned with land use and infrastructure investment strategy. This involves each level of government; investing in major infrastructure provision and upgrades; coordinating land-supply processes and making available developable sites; and streamlining development approval processes for projects that meet local planning requirements, including expectations for diverse, sustainable, well designed and affordable housing options.

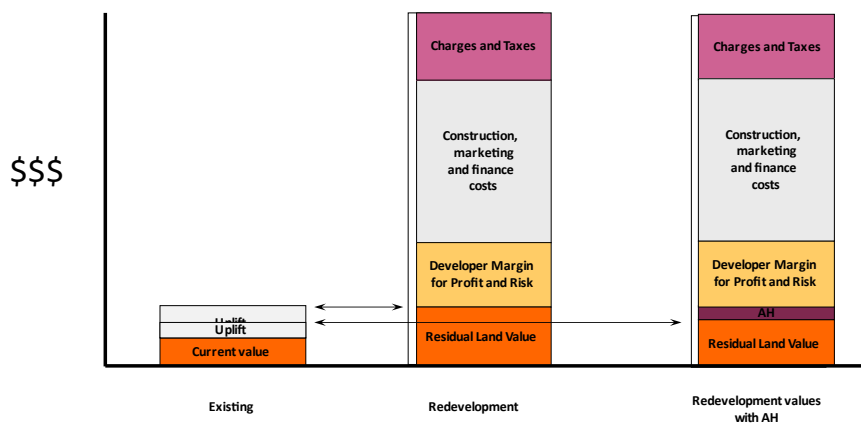
Planning for housing supply includes community expectations for improved amenity and liveability

Many private and public costs on new housing development and construction are integral to achieving the living conditions expected by the community through their planning strategy.

A suite of infrastructure costs is shared and levied through contributions plans - and cover items such as access roads and drainage. PIA's *Infrastructure and its Funding Position and Discussion Paper* sets out the rationale for attributing sharing these costs between the developer and the community.

Planning regulation also sets an expectation for the quality and sustainability of construction – and set requirements for the delivery of more diverse housing types and affordable housing units. Where these costs are predictable, they become an element of the total viability equation. Ultimately, these costs can be passed back to the price of the land assuming the purchase price was reckoned accordingly. There is literature on the extent to which infrastructure charges and affordable housing contributions work against speculation and operate as user charges and inclusionary requirements (Spiller, Mackvecius and Spencer (SGS) 2018) and Spiller 2021). The figure below (extract Spiller et al 2018) sets out the rationale for known affordable housing/ inclusionary zoning costs being passed back to the land owner.

Economics of inclusionary zoning



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6. Planning regulation or zoning is not a brake on supply

The Inquiry terms of reference and [media release](#) highlight “restrictive planning laws as a major cause of shortages in supply”. This ignores the unresponsiveness of housing price and misunderstands the positive role of planning shaping housing supply.

What does planning regulation (and zoning) do?

A functioning planning system is about translating goals for a place into policy and regulation that best achieves this intention - with least cost and delay. Zoning is one of the tools at the disposal of city managers to curate a valuable place outcome. Zoning is the spatial representation of where different development decision-making criteria should be used. It shapes land uses and locates buildings to enable sustainable growth aligned with strategy. Importantly, planning and zoning does not regulate when and how fast dwellings are built.

Together with codes and other tool, zoning enables development to continue to deliver public value (Brockhoff and Spiller 2019). Marcus Spiller estimated the cumulative net benefit of a plan for Melbourne at over \$25 billion. In Sydney, The CIE (2012) estimated the savings from different urban structures for Sydney at between \$2K and \$10K every time a new house is built under the metropolitan plan.

Achieving valuable outcomes is worth the regulatory complexity involved. Planners agree planning tools and zoning can be improved. Planners understand that housing and business reallocation is always occurring and that the planning system must ensure that the right settings for emerging enterprises are available. However, reform should only be targeted towards that regulation which is in excess of the rules and incentives needed to achieve a strategic plan outcome. This is an area where PIA continues to be positively engaged in partnership with Government and industry.

Australian jurisdictions have already progressed substantial planning regulatory reform and offer a ‘light touch’ (Phibbs and Gurrán 2021). The adoption of housing targets, standard instruments, growth of ‘code assessable’ development pathways (up from 2% to >40% by 2016, NSW Government (2017) - and the use of independent panels are examples from most jurisdictions.

Modelling regarding a ‘zoning effect’ is wrong

RBA authors Kendall and Tulip (2018) (using models based on Glaeser and Gyourko (2003), have made misleading claims that not only is zoning a barrier to supply but it is responsible to considerable additional costs (+73%) on the price of supplying housing. The authors incorrectly ascribe the difference in average price of housing and the marginal cost of supplying them to a ‘zoning effect’. However, their static modelling methodology is incapable of attributing the results to planning regulation or anything else with the potential to limit capacity. By not taking into account the ‘market absorption rate’⁴ in a dynamic model, their conclusions are irrelevant. At best, the ‘costs’ they attribute to a ‘zoning effect’ reflect amenity value and access to jobs and services in a well-planned city.

PIA and academic economists (Phibbs and Gurrán, 2021 and Murray, 2021) have pointed out these serious concerns to the Productivity Commission and to RBA authors of *‘The Apartment Shortage’* and

⁴ Rate at which stock can be sold into the market while maintaining price.

'The Zoning Effect'. It is unfortunate that the publishers did not take an opportunity to test the method and implications of the work among a balanced professional audience prior to publication. Unfortunately, these misleading studies continue to be quoted by property interests and the NSW Productivity Commission (2019, 2020).

Why zoning is a 'lane marker' not a 'road block' to supply

The 'market absorption rate' is also a critical factor in considering whether planning and zoning controls are on the 'critical path' for housing delivery and act as a delay or substantial cost. Murray (2021) points out that many sites will remain undeveloped even though the price of housing assets exceeds development costs, but the constraint is economic - not regulatory. Murray notes that the rate at which new dwellings are sold into the market is dictated by the speed at which successive new sales impact market price. This asset market's appetite for buying new dwellings will determine the overall rate of new supply, the absorption rate, regardless of planning regulations. While planning does regulate location, form and density - it does not regulate the speed at which development is taken up in the market.

Rowley et al (2020) indicate that only 68% of all approvals in NSW (75% in Victoria) actually resulted in a completed building (period 2006-2016).

Data on development delivery since the 1990s (Phillips and Joseph ANU 2017) offers compelling evidence on the sustained high levels of throughput and how accommodating planning systems around Australia are shown to be in servicing the high asset demand for housing.

Rates of development approvals (as a proportion of applications) have also remained high and relatively steady (Sneesby 2020). Review by Phibbs and Gurran (2021) indicate that major Australian markets like Sydney have been responsive to demand and delivered 44,000 dwelling completions in 2018 alone.

Interestingly during periods when approvals have fallen, approval rates remained the same. Sneesby (2020) points out in shorthand: "No one is buying, so no one is building, so no one is putting in applications, so there is less to approve."

The data suggests that the planning system can respond to changing dwelling demand and has becoming increasingly responsive due to extensive planning reform and integrated strategic land use and infrastructure planning. In fact, the data would suggest that there are more, bigger, better, dwellings per capita in Australia now compared to any point in history (Murray 2021).

7. Improving housing affordability will require investment in social and affordable housing

PIA's submission illustrates that there are structural reasons - unrelated to planning, why the private land and housing market is not allocating affordable supply to lower income earners in the market. The persistence of demand factors driving up the asset value of housing works against market delivery of affordable housing.

PIA continues to support a housing vision that supports security, comfort, independence and choice for all people at all stages of their lives. To achieve this large-scale non-market delivery will need to augment the private market. PIA (2016) supports:

- Advocating and facilitating the delivery of the social infrastructure necessary to support affordable, accessible and appropriate housing for vulnerable members of the community, including low income families, people with special needs.
- Considering infill and urban renewal precincts as areas for value capture to provide essential property and social infrastructure and affordable housing.
- Promoting the implementation of innovative planning policies that support affordable housing (including mandatory inclusionary zoning)

8. Conclusion and recommendations

1. *Abandon the ‘supply myth’*

The misunderstanding of powerful demand drivers in an investment asset market for housing confounds any public policy response to address affordability of housing for shelter - and dispel the ‘supply myth’.

PIA agrees with Maclennon et al (2021) who note “there is a substantial capacity deficit - of skills, institutions and governance structures – to both understand the housing system and construct a coherent housing market strategy and the policies to deliver it.”

This inquiry demonstrates that we have a poor understanding of both housing in the macro economy and how it shapes our cities. It is vital that public decisions regarding stimulus of the property sector and improving pathways to ownership respond to the broader role of housing in shaping cities and providing needed shelter.

Recommendation 1: Establish a standing ‘commission’ on housing strategy - with a broad base of skills (including planners) to provide a source of truth and coherent policy in the public interest.

2. *Nurture effective planning and development systems*

Planning continues to be important shaping liveable communities, sustainable buildings and enabling orderly housing supply and cost-effective infrastructure delivery as population grows and changes. Strategic planning, zoning and development assessment processes are among the tools of the trade – and we apply these with close community and stakeholder involvement in the outcomes.

The findings of this inquiry must not prejudice the value provided by good planning. Unsophisticated attempts to fast track supply by eliminating planning processes do not work. UK experience (since the Letwin Inquiry) demonstrate that not only does planning not control the rate of supply, but that simplistic planning reforms are resulting in poor urban outcomes and lack of support. PIA continues to pursue nuanced planning reform that reduces transaction costs while achieving the outcomes of strategic planning.

Recommendation 2: Do not recommend misguided and simplistic planning reform responses based on the prevailing misunderstanding of how planning operates in the housing market.

3. *Promote integrated strategic planning*

A key role of planning in enabling housing supply is the coordination, sequencing, funding and delivery of growth infrastructure. Infrastructure contributions and value capture are an equitable component of the funding. With clear and consistent planning these costs are passed back to the land owner rather than act as a cost on development.

Recommendation 3: Recognise the critical role of integrated strategic land use and infrastructure planning (and funding) in creating liveable cities.

4. *Deliver social and affordable housing at scale*

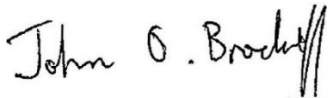
Powerful demand drivers of the housing market as an asset are locked-in and access to housing as for lower income earners will remain tight. It will be necessary to significantly increase the availability of non-market social and affordable housing – as well as new initiatives to diversify housing choices. Planning has a small but enabling role for diverse housing types - as well as enabling infrastructure contributions and the dedication of land, space and funds via mandatory inclusionary zoning for affordable housing.

Recommendation 4: Recognise the significant and growing need for social and affordable housing forms to be available at scale – and support measures that fund or facilitate delivery.

PIA has addressed in summary the issues arising from each term of reference in **Attachment A**.

PIA will remain engaged with the Federal Government on the role of planning in housing markets. Please do not hesitate to contact myself or our CEO David Williams, if we can be of assistance.

Yours sincerely



John Brockhoff
PIA National Policy Manager

ATTACHMENT A : PIA RESPONSE TO Terms of Reference

“(i)...Impact of current taxes, charges and regulatory settings... on housing supply”

| Factor | Impact |
|---|--|
| Collective impact of demand incentives: CGT (exemptions / discounts) / Negative gearing / Pension means testing (excluding home) / first home buyer subsidies | Increased demand for housing as an asset (relative to other assets) – simultaneously increasing supply <u>and</u> purchase price. (Note – factors superheating demand would have a negative feedback on supply through: <ul style="list-style-type: none"> • incentivising speculation and increasing costs associated with less integrated planning / infrastructure / approval pathways. • Incentivising land banking and drip feeding the rate of supply to the market – because the potential for future yield or price could be greater. |
| Interest rates (sustained low) | As above – improves access to capital and drives demand for housing assets. |
| Lending controls which reduce financial risk exposure | Impacts cost/availability of capital. Reduced access to finance – resulting in less capacity to deliver supply (especially in those industry sectors most reliant) |
| Stamp duty | As a transfer tax, they penalise movement among property and prejudice the most economic use (and supply) of land and buildings. |

“(ii) Identify and assess factors that promote or impede responsive housing supply...”

| Factor | Impact (Promote / Impede) |
|---|--|
| Integrated strategic planning and funding | Promotes supply - enabling an orderly housing supply pipeline – with infrastructure delivered most cost-effectively. |
| Infrastructure charges | Developers are typically ‘price takers’. Where the quantum is known and predictable – the impost can be passed back to the price of land following a period of readjustment. The delivery of infrastructure via these charges can benefit amenity, reduce living costs - and potentially feed back into land value. The outcome can enable infrastructure, build public value and promote supply. |
| Aligned planning assessment pathways | Where assessment regulation (land use decision criteria) is clear and favours development aligned with strategic outcomes it promotes supply and build public value. |
| Planning / zoning regulatory settings | Does not affect the rate of development – but contributes to public value as well as the quality, amenity and reduced living costs – and potentially feedback into land value. |
| Housing (quantum) targets in planning strategy | Promotes supply by offering an incentive for long term integrated strategic land use and infrastructure planning for orderly growth (an aid in overcoming NIMBYism). |
| Planning codes streamlining assessment for development – or for specific / innovative housing forms (eg medium density / co-living etc) | Promotes supply as it can de-risk development and potentially improve access to finance. |

| | |
|--|---|
| Mandated housing diversity requirements | Ultimately promotes supply that better meets community shelter needs. Reinforces community expectations for development meeting actual shelter needs. Can have an impact on the availability of capital – but is an essential obligation and effectively a ‘licence’ to participate in the market and receive development rights. |
| Mandatory Inclusionary Zoning (MIZ) for affordable housing | As above (see infrastructure charges) – noting that MIZ requirements once established can ultimately be passed back to the price of land. |
| Value capture measures – (eg windfall gains at rezoning) | The public hold the monopoly of development rights and can retain windfall where mechanisms exist. The existence of value capture measures can dampen speculation and the impacts it has on the behaviour of the market. |
| Building quality and sustainable design controls | An expectation as part of the licence to operate. Reduces risk, promotes access to finance and promotes supply accordingly. |
| Land supply via public development corporations | Promotes counter-cyclical supply and sustain industry capacity, can de-risk difficult sites and |
| Non-market housing supply - public /NFP housing supply and rent subsidy of social and affordable housing | An essential element of housing supply (needed at scale) to address unmet shelter needs. |

“(iii) Examine the effectiveness of initiatives to improve housing supply in other jurisdictions and their appropriateness in an Australian context.”

| Initiative | Appropriateness to Australia |
|--|--|
| UK large scale social housing delivery | Highly appropriate as the private asset market fails to deliver sufficient stock as shelter for lower income earners. |
| UK affordable housing requirements (% of new units) | Highly appropriate. MIZ is necessary to increase the scale and viability of the CHP sector. Highly appropriate as an inclusionary requirement – delivery of AH is part of the licence to develop. |
| UK (Letwin report) zone simplification reforms’ assumption of sustainable development’ | This is a confusing report – after learning the obvious that private landowners / developers do not voluntarily flood the market to depress prices – the report does not recommend any policy reform addressing this. The findings relating to supply are inappropriate and destructive. It denies the public value of well aligned strategic planning and cost-effective infrastructure delivery. It works against achieving strategic place outcomes. UK is now retreating from flagged zoning / approval process reforms. |
| UK (Letwin report) compulsory housing delivery targets for councils | Ineffective – as the councils cannot be accountable for development behaviour and rate of their delivery of approved dwellings. |
| US (zoning reform – racial integration objective) | Not relevant - US zoning has had a different context and is seen as entrenching racial exclusion. Current reforms are a distinct social initiative. |
| US (rent control) | Australia has typically had forms of rent control (eg AH in perpetuity) or rent subsidy (eg NRAS) – they are an important driver of the AH sector. |
| NZ supply / land release focus / merit assessment initiatives | Being abandoned – as NZ moves towards a demand side focus to address housing affordability. NZ is also moving away from an ‘effects based’ planning system. Brockhoff and Spiller (2020) comment on this pro-market reform has generated a risk laden, transaction cost heavy system of planning. The NZ Government is now turning its attention to reinstating a ‘vision based’ model. |

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17 September 2021

Mr Gary Fielding
 Chair, NSW Regional Housing Taskforce
 C/O
 regions.coordination@planning.nsw.gov.au

Dear Gary,

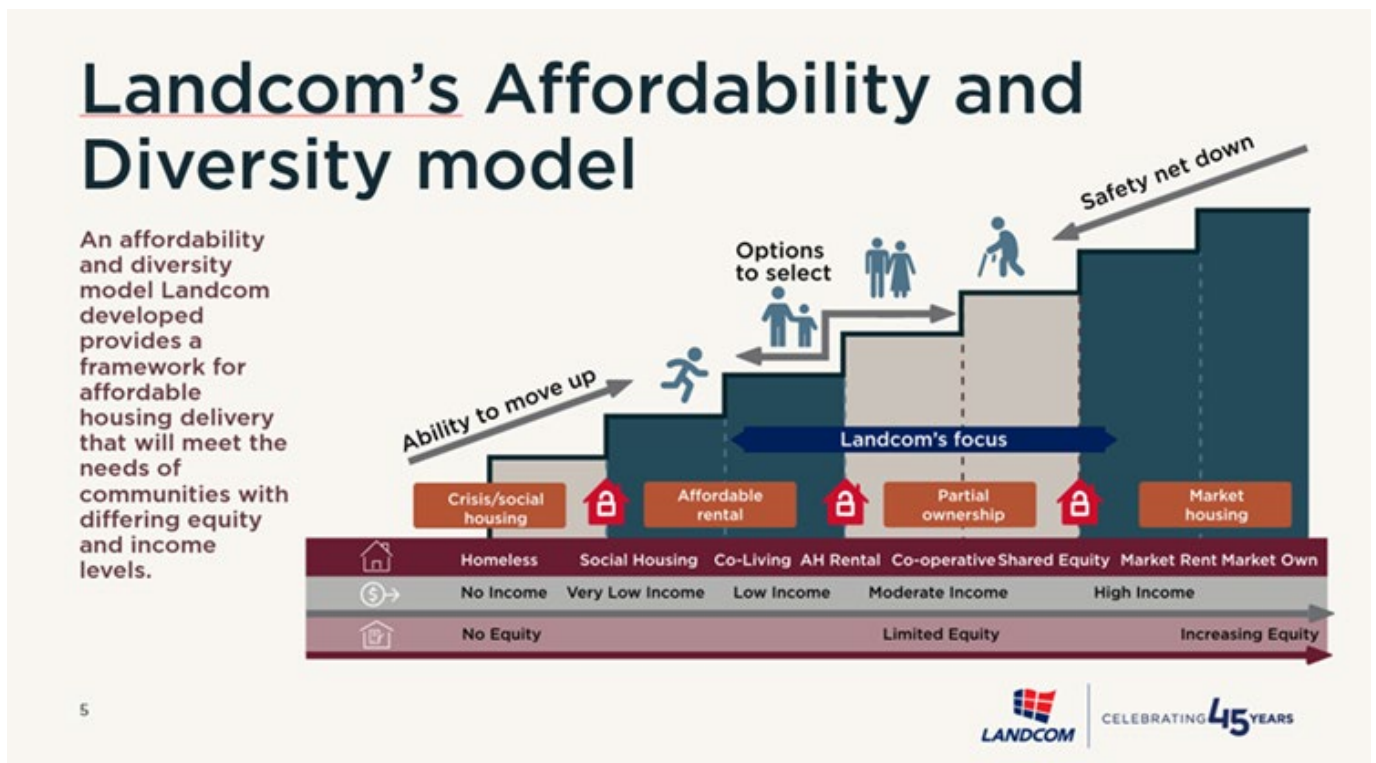
Regional Planning Taskforce - opportunities for more housing diversity and affordability in the regions.

Thank you for meeting with myself and Matthew Beggs on 5 August 2021.

This is such a timely investigation by Government and welcomed. Landcom has been working in recent times with several regional located councils to better understand the need for diverse and affordable housing, the barriers and importantly, how Landcom may assist in the delivery of these housing outcomes in the regions.

Landcom’s Affordability and Diversity housing model

Landcom has developed an affordability and diversity model that seeks to optimise the delivery of housing with the focus primarily between social and market housing on the housing continuum.



Landcom is working with several Local Councils, including regional Councils, to identify specific housing need. These discussions have led to identifying five (5) projects with Councils on Council owned land to deliver diverse and affordable housing projects.

Characteristics of regional areas

This engagement with regional councils has led Landcom to a greater awareness of the unique and nuanced characteristics of regional towns and centres. Each community has their own ecosystem of social, environmental, and economic drivers that form the identity of that place.

These communities have been experiencing changes in their demographic character, whilst at the same time, regional migration rates have increased, largely because of:

- The health concerns of Covid 19 particularly in urban areas and a desire to move to more remote or regional locations;
- The change in work-place arrangements including the opportunity for more working from home arrangements as a result of Covid 19;
- People taking advantages of significant price growth in the Sydney housing market, selling and moving to the regions; and
- The increasing affordability issues associated with housing in Sydney forcing many to seek home ownership in regional locations.

The Regional Australia Institute's 'Regional Movers Index' of June 2021 stated the rise of remote working, sparked by the coronavirus pandemic, is allowing more people to live outside our capitals, with the **net regional migration rising by 66%** in the March quarter from a year earlier.

The increased migration into the regions coupled with less people from the regions leaving, has reduced housing supply, increased the dwelling values, and reduced rental vacancy rates. CoreLogic estimate the value of dwellings in **Regional NSW has increased by 22.9%** (July 2020-July 2021) demonstrating an almost 5% higher increase in dwelling values than Sydney.

The regions have their own unique economic drivers and industry often aligned with rural production, mining, service centres and tourism amongst other things. Yet increasingly these towns and regions are attracting new residents and with that, new expectations of services and housing. This often has the effect of introducing two speed economies and housing affordability issues.

Regional Housing Task Force Roundtable Number 3 - Development and Construction Industry

Thank you for the invitation to be part of the roundtable engagement for the development and construction industry held on 10 August, 2021. This session provided the opportunity to hear a range of issues impacting housing in the regions, with one participant noting:

"Regional housing markets are complex and unique, and there could be a whole range of factors driving housing constraints and we need to unpack those so we can deliver new housing opportunities for our regional communities."

The planning system provides both a statutory and strategic framework to guide the management of land use planning. Recent planning reforms around a clear line of sight from the strategic to statutory process provides for economic trends and demographic shifts to be incorporated into Strategic Planning Statements and ultimately, Environmental Planning Instruments.

However, this framework sometimes fails to deal with the complexities of a dynamic and comprehensive eco system effected by many externalities including finance, tax implications, demographic patterns and trends, jobs, pandemic's, immigration and migration.

What was evident at the roundtable discussions was the planning system is often slow to deal with these complexities and more simply, it is difficult to align housing need with development outcomes.

These discussions highlighted issues that impact development generally in NSW but also the nuances of regional development noting:

- The delays associated with the design and forecasting of enabling infrastructure;
- Uncertainty around biodiversity offsets;
- Impact and in some cases, relevance of the draft Housing SEPP;
- The lack of planning certainty that stifles development;
- Context of density for many regional towns;
- Locational criteria and its relevance in the regional context; and
- Bonuses do not generally work in the same way in regions as in metropolitan areas and do not support the intended outcomes.

Landcom's response to the questions from Roundtable Number 3 - Development and Construction Industry

The roundtable groups were asked to consider several questions, namely:

1 What are the critical housing issues you see in the community and what are the key elements contributing to these issues?

From Landcom's experience, the critical issues remain around incentivising development to support the local regional economies. Several Councils told Landcom that their economic prosperity was increasingly resting on the ability to supply housing. Businesses in some rural locations were simply unable to expand because there was not enough, or the right type of housing to attract workers and their families.

The critical issue is that unless these housing outcomes are achieved, businesses cannot expand, and jobs leave regional NSW. For some regional communities located on state borders these residents and jobs leave the state of NSW all together. To date regional councils have been very willing to work with Landcom and potentially use their land to address this critical need. Councils clearly see the interrelationship between housing supply and economic prosperity.

Landcom is well-placed to work with Councils and the community housing sector to deliver projects in regional NSW. To address this targeted supply of regional housing, the planning system can support this by facilitating Landcom/Government/Community Housing sector to secure the appropriate planning pathways with the necessary planning bonuses and dispensations to increase yield and a reduce development standards to achieve financially viable housing outcomes. This does not result in poor quality development, rather it provides the flexibility to ensure each project can achieve the optimal housing and financial outcomes. It is suggested that the pathways are available to government and the Community Housing sector.

Landcom can achieve regional development outcomes if supported by these targeted planning pathways to deliver diverse and affordable housing outcomes particularly on NSW Government and local government land.

2 What are the main barriers to delivering housing, including diverse and affordable housing?

There are many barriers to delivering housing in the regions, and each local government area is unique in nature with a range of forces influencing its ability to deliver housing need. These local government areas experience somewhat different barriers including those:

- Located relatively close to expanding centres, for example Newcastle and the impact of large centres expanding and the coordination of housing supply and service obligations;
- Experiencing unprecedented growth, for example Byron and the Tweed LGA, and the impact of Short Term Rental Accommodation (STRA) such as Airbnb, tourism and influx of permanent residents; and
- Experiencing moderate growth caused by employment opportunities eg. Snowy Monaro and Western NSW LGA's effected by the expansion of the mining sector.

Often a health check is undertaken by Council, through the housing strategy, to see if there is adequate land zoned for residential purposes. Whilst land maybe zoned, there are numerous reasons why that is not translating into supply, diversity, or affordable housing outcomes. Some of the reasons can be around two speed economies driven through mining, tourism, and/or significant government expenditure.

It has been Landcom's experience that specific intervention is required because generally the market will not take on risk or a lower return to develop housing that is more diverse or affordable in nature.

A specific barrier to Landcom in its continuing work with Local Government is the ability for Landcom to partner with Local Government in the delivery of affordable housing on Council owned land.

The Local Government Act 1993 (LGA) currently precludes and/or restricts Landcom from entering various commercial arrangements (eg. joint ventures and project delivery agreements) by virtue that Landcom is not the Crown under s55, s358 and/or s400B of the LGA. This has the effect of limiting Landcom's ability to deal with Councils and deliver affordable housing on Council owned land in the most effective way.

Landcom has requested the Act be amended and the suggested changes are explained at **Attachment 1**.

3 What are the challenges for development feasibility? Are there challenges that are unique to regional contexts?

In a regional context, developers require a higher margin or returns to compensate for added risk. These risks include:

- Planning uncertainty - time/cost/uncertainty involved in getting planning approvals;
- Planning constraints -limiting yield (e.g. impose yield limits, minimum areas etc.);
- Sales rates - are often slow which means that it is difficult to pay down peak debt; and
- Housing prices are generally much lower than Sydney despite many costs being the same.

Further the ability to deliver housing diversity or affordable housing is challenged because:

- In rural areas where land cost is much lower, the “highest and best” land use is generally house and land with the house construction the primary cost. The dwelling is often single storey because it is cheaper to construct and there is not the same pressure to deliver compact housing forms, resulting in less diversity; and
- In more sub/urban areas, residential flat buildings are almost always the highest and best use from a land value perspective. If residential flat buildings are permissible in the R3 zone, then there is little incentive to deliver other housing forms or diversity. This is generally not the case in smaller regional towns because land can be less expensive and there is not the need to achieve density.

Consequently, many bigger developers see regional markets as either too risky and/or of insufficient scale and avoid them all together. Many smaller local developers are content with developing standard dwellings with no need to innovate or provide diversity.

Landcom is well placed to work in this space to target the appropriate type of diverse and affordable housing. Work undertaken by Landcom provides important insights into the financial modelling and the optimal product type. The commercial and legal structures that we create are important to ensure the optimisation of the project outcomes.

4 *What challenges do you face in the planning system when it comes to delivering more housing and what opportunities are there for improvement?*

Many of the challenges of the planning system have been outlined in this submission but the ‘big ticket’ items for larger scale rezoning’s include; biodiversity mapping, negotiation and offsets, certainly on the appropriate planning pathway and the coordination of enabling infrastructure. There are many reports and studies required to undertake these large-scale rezonings and they are expensive and time consuming without producing certainty.

Once the rezoning is achieved, there remains delays because the infrastructure is not available, or the ecologist has differing opinions to the point that there is excessive avoidance and credits which can impact the project’s viability. The biodiversity offset system needs resolution to provide certainty so projects can be appropriately scoped and costed.

The Development Application process is another comprehensive and complex planning exercise with Councils increasingly seeking details that may not ordinarily be required at this stage of the process. This is done to ensure those outcomes are tied to the approval if the project continues down a complying pathway.

Impact of the draft Housing SEPP on both diversity and affordable housing in the regions also requires careful consideration. There are several elements of the draft instrument that impact diversity and affordability in the regions including:

- Ability to deliver seniors housing in R2 land;
- The impact of ‘non heritage’ land and flood prone land effectively precluding development Opportunities without pathways for design solutions;
- How affordable housing thresholds are defined in the regions, and more specifically in sub regions;

- Prescriptive controls for boarding houses and the limitations that provides to a typology that can address a range of housing needs, such as key workers and women over the age 55;
- Requiring the use of boarding houses developed by Community Housing Providers into perpetuity, which has an impact on financial viability;
- The proposed larger minimum dwelling sizes impact on cost for Community Housing Providers, with one estimating a potential 30% increase in costs for 1 and 2 bedroom dwellings: and
- Appropriateness and relevance of locational criteria.

In reviewing several projects that Landcom is working on in regional NSW, the application of the draft SEPP prevents the housing outcome required to deliver affordable and diverse housing.

The planning system plays an important role in delivering housing supply. There is considerable room for improvement to incentivise outcomes that benefit the broader community, economic prosperity and to protect the social fabric of these communities. To that end clearer planning pathways that encourage, through bonuses and dispensations, the housing product that is needed by the community. The market is will not address these needs without appropriate risk/reward.

The housing continuum requires a range of housing needs and price points to be addressed.

5 *What can the NSW Government and local Government do to better support housing delivery and to help bring supply to the market faster?*

Landcom is well placed to work with the NSW Government and local government to support the policy outcomes necessary and to target and deliver diverse and affordable housing opportunities for regional NSW.

The housing issues that face regional NSW are complex and nuanced and only partially resolved through amendments to the NSW planning system. The planning system can however support Landcom/Government/Community housing sector to secure more yield and a reduction in development standards to ensure projects are more financially viable. Having targeted planning pathways and dispensations available would assist the projects that Landcom is currently undertaking with regionally located Councils and the Community Housing sector.

Further, grants to support these outcomes make a considerable difference to the project's financial viability and therefore delivery. With targeted funds or grants, Landcom could deliver many more projects that may not otherwise be financially viable and make a considerable impact in the economic and social wellbeing of rural and regional communities. These initiatives would assist Landcom establish a regional development program supported by targeted planning pathways to deliver diverse and affordable housing outcomes on local government land.

Landcom thanks you and your team for undertaking this engagement process. I have also attached several brochures that highlight the work that Landcom has been undertaking with the Community Housing Sector and Local Government.

If there are other questions or issues, please feel free to reach out to myself, Matthew Beggs on 0413 004 884 or Nicole Woodrow on 0402 956 891.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "John Brogden". The signature is stylized with large, sweeping loops and is positioned above the printed name.

John Brogden
Chief Executive Officer

Attachment 1 – Landcom’s request to amend the Local Government Act 1993

Rationale

Landcom seeks to partner with Local Government in the delivery of affordable housing on Council owned land. The Local Government Act 1993 (LGA) currently precludes and/or restricts Landcom from entering into various commercial arrangements (eg. joint ventures and project delivery agreements) by virtue that Landcom is not the Crown under s55, s358 and/or s400B of the LGA. This has the effect of limiting Landcom’s commercial ability to deal with Councils and deliver affordable housing on Council owned land in the most effective way.

Landcom seeks to enter into contracts with Council for the delivery of a development that includes an affordable housing component without inviting tenders and without the arrangement being an ‘entity’ restricted under [section 358 of the Local Government Act 1993](#)

Amendment

To that end, Landcom offers for consideration the following amendments to the LGA and/or the LGA Regulations to enable these partnerships with Local Councils.

Option 1: Amend [section 55\(3\) of the Local Government Act 1993](#) to include:

(r) a contract or arrangement with Landcom (ABN 79 268 260 688) relating to the delivery of a development that includes an affordable housing component,

(s) if a council has entered into a contract or arrangement with Landcom relating to the delivery of a development that includes an affordable housing component – a contract entered into by the council for the purposes of carrying out that development (but only to the extent that the contract is part of that development).

Option 2: Amend [regulation 163\(1A\) of the Local Government \(General\) Regulation 2005](#) to include:

(iii) Landcom (ABN 79 268 260 688) but only in the case of a contract relating to the delivery of a development that includes an affordable housing component,

(iv) if a council has entered into a contract with Landcom relating to the delivery of a development that includes an affordable housing component – any third party but only for the purposes of carrying out that development and only to the extent that the contract is part of that development.

Both options: Amend [regulation 410\(1\) of the Local Government \(General\) Regulation 2005](#) to include:

(g) an arrangement between a council and Landcom (ABN 79 268 260 688) relating to the delivery of a development that includes an affordable housing component.

Additional definitions: The following additional definition would be required to be inserted into the relevant instrument:

affordable housing has the same meaning it has in the *Environmental Planning and Assessment Act 1979*.

Key information

In accordance with its mandate to take a lead role in the delivery of affordable housing in NSW, Landcom is seeking to partner with Councils to deliver affordable housing on their land.

Objective:

There are various measures which could be implemented to allow Landcom to partner with Councils more effectively to maximise the delivery of affordable housing on their land.

There are 3 broad ways that Landcom could partner with Councils:

1 Delivery Management – Under this structure, Council would engage Landcom to perform development management services to deliver affordable housing on their land. Landcom would effectively be a contractor and s55 of the LGA would apply to their engagement.

Delivery Options:

2 Partner (Project Delivery Agreement or Joint Venture) – Under these structures, Council would contribute the land and Landcom would partner with the CHP sector to fund and deliver the project, with a potential land uplift payment to Council. Sections 358 and Chapter 12, Part 6 of the LGA is relevant for these arrangements.

3 Direct Sale/Lease – Under these structures, Council would either sell or lease their land to Landcom and/or a CHP for them to deliver affordable housing on the land.

Option 1:

Delivery Management (s55 of LGA)

Section 55 of the LGA would apply to any Delivery Management contract Council entered into with Landcom, requiring a tender process. Landcom is not the Crown for the purposes of s55 of the LGA and therefore is governed by its provisions.

For any contracts less than \$250,000 (s55(3)(n)), Council would be permitted to engage Landcom directly without a tender process.

For contracts over \$250,000, Council is required under s55 of the LGA to invite tenders before engaging Landcom to perform the services.

Given the size of development projects and Landcom's likely role, in nearly all cases the value of the contract will be above \$250,000 requiring a formal tender process.

Recommendation: Given Landcom will be providing services which are unique, it would be helpful if Landcom could be engaged directly without the need for a costly and time-consuming tender process.

Section 358 of the LGA provides that a Council must not form an entity (meaning a partnership, trust, joint venture) with any entity except with the consent of the Minister or as provided under the LGA (i.e. the public-private partnership provisions in Chapter 12 (Part 6)).

Option 2:

PDA/JV

**(s358, Ch12 (Pt 6)
of LGA)**

Section 400B provides that Chapter 12 (Part 6) is to apply to PPPs (arrangements between Council and a private person to provide public infrastructure or facilities). However, Landcom is not a private person (as State owned corporations are specifically excluded).

Therefore Chapter 12 (Part 6) does not apply to Landcom, meaning that Landcom does not enjoy the exemption referred to in Section 358. Hence, s358 of the LGA applies to restrict Council forming a partnership etc. with Landcom unless Ministerial consent has first been obtained.

Recommendation: Given these structures are likely to be the most efficient means to deliver affordable housing, it would be helpful if Council and Landcom could engage on this basis.

Option 3:

Direct Sale/Lease

Sections 55(3)(d) and (e) specifically excludes s55 of the LGA applying to the sale or lease of Council land (except a lease for more than 5 years of community land to a body that is not a not-for-profit).

The general provisions of the LGA that apply to the sale/lease of Council land would continue to apply.



We believe

everyone
deserves
a place to
call home

Landcom's approach to housing
affordability and diversity

August 2021



Creating more affordable
and sustainable communities

“Income and savings alone are not enough anymore. Unless you already have a property that has grown in value with the market it is nearly impossible to keep up.”

Eliza Owen,
Head of Research, CoreLogic

The challenge to finding home

Housing affordability is one of the most significant issues facing Australians. Safe, secure and affordable housing is essential to the wellbeing of individuals and adds to the vibrancy of our communities.

Housing costs have risen disproportionately to household incomes and this has had the most significant impact on those households in the very low, low and moderate income brackets.

Spending more than 30% of a household income on rent or mortgage repayments may place people at risk of housing stress.

This growing inequality reduces the capacity for these households to share in community prosperity.

Unfortunately, the current housing market for rental and home ownership is unaffordable to a growing number of people.



↑16.1% National*

Between July 2020 and July 2021, the value of dwellings nationally increased by 16.1%. This is the fastest pace of national annual growth since February 2004



↑18.2% Sydney ↑22.9% Regional*

Between July 2020 and 2021, the value of dwellings in Sydney increased 18.2% and in Regional NSW increased 22.9%



1.4 Million people*

are living in housing stress in NSW

*Source: CoreLogic Hedonic Home Value Index 2021

Who is being impacted?

Low to moderate income households are especially feeling the impact of securing affordable housing. These households include many key workers who provide essential services to our community such as nurses, retail workers, police, paramedics and childcare workers.

Quality of life for many key workers is decreasing due to long commute times caused by the lack of affordable housing within reasonable travel time to their workplace.

Securing affordable housing across the population for young people right through to retirees is becoming more challenging.

Research from the Grattan Institute indicated that in the early 1990s it would take 6 years to save a 20% deposit for an average home and today it takes

10 years. House prices have risen sharply relative to household incomes, meaning Australians are spending a greater share of their lifetime earnings paying off their home.

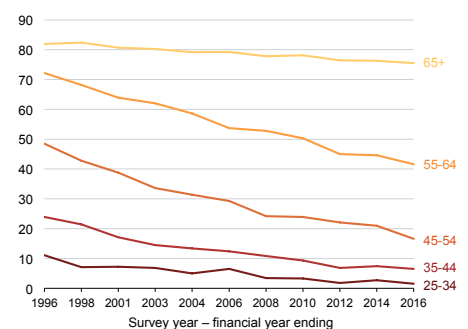
Over the past 25 years, there are now fewer Australians of any age that own their own home. And the number of people over the age of 55 owning their home has decreased by 30%.

The decrease of home ownership for retirees and those entering retirement with a mortgage reduces their living standards in retirement.

Landcom’s focus on low to moderate income households. Whether in affordable housing rentals, partial ownership models or market housing, recognises people’s circumstances change depending on their income levels,

household structure and specific living needs. Providing a diversity of housing options is paramount to contributing to affordability and other social benefits.

Percentage of Australian households that own their home outright, by age group

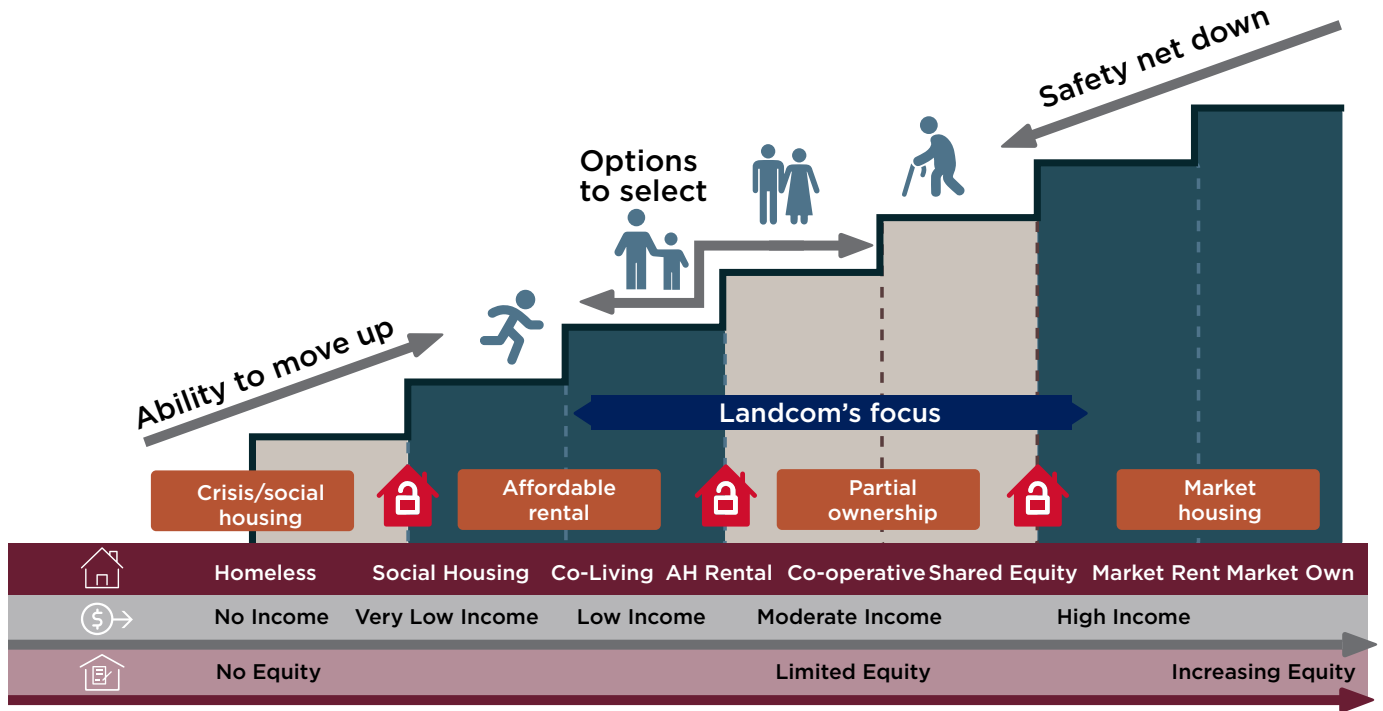


Notes: by age of household reference person. Chart shows data from all available surveys. Data for 65+ for 2005-06, 2007-08, 2009-10, 2011-12 is estimated using population shares of five-year age groups due to lack of data.

Source: ABS (2007), ABS (2011c), ABS (2013b) and ABS (2015d).

Source: Housing Affordability: Re-imagining the Australian Dream By John Daley & Brendan Coates (Grattan Institute).

Landcom Affordability and Diversity Model



Copyright © 2020 Landcom

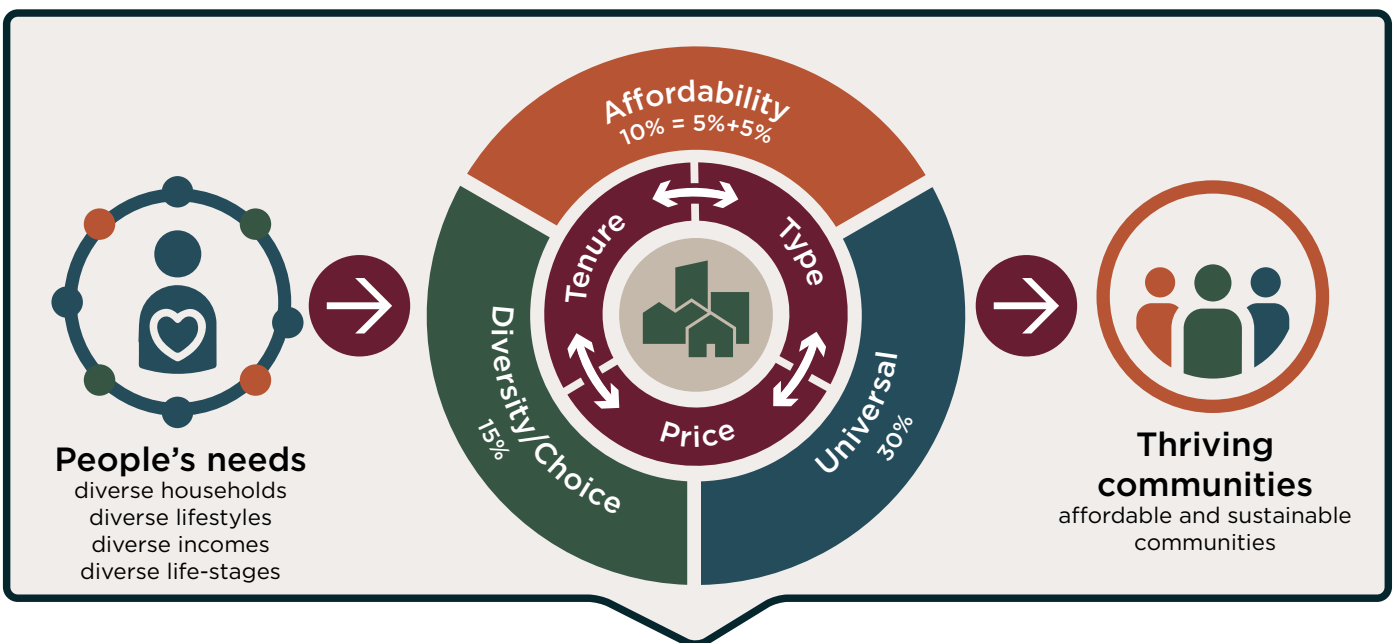
Landcom's focus on low to moderate income households whether in affordable housing rentals, partial ownership models or market housing recognises people's circumstances change depending on their income levels, household structure and specific living needs.

Landcom Housing Policy

Landcom's Housing Policy describes how Landcom will contribute to meeting NSW's housing needs. It identifies our commitments to ensure that the communities we deliver demonstrate leadership, showcase innovation, and contribute to ensuring that everyone in NSW has access to safe, secure and affordable housing.

“Providing a diversity of housing options is paramount to achieving greater affordability.”

John Brogden,
CEO, Landcom



Delivering Quality Places

Demonstrate

Advocacy and advice

What is affordable housing?



Affordable housing is housing that is appropriate for the needs of very low to moderate income households. It is priced (whether mortgage repayments or rent) so these households are able to meet their other essential living costs.

“There’s a shortfall of more than 200,000 social and affordable homes in NSW right now, and 50,000 households waiting for social housing.”

Mark Degotardi, CEO, NSW Community Housing Association



Affordable housing is not, cheap, or, poor, in its quality and design and should deliver the same standard of liveability as other homes. Well planned affordable housing is close to transport, education and employment and has easy access to shops, services and green and safe public open spaces.

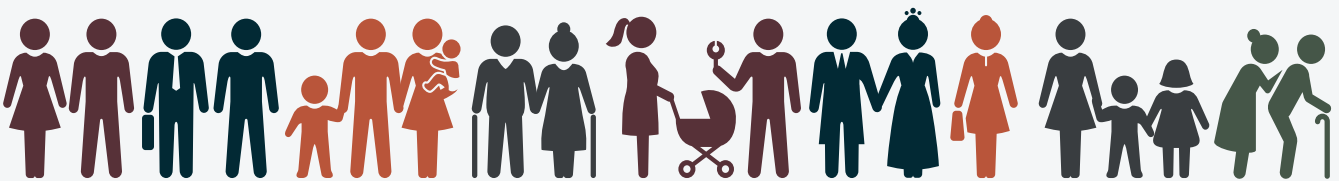
Pictured left are the UDIA NSW Crown Group Awards for Excellence 2020 Affordable Development Finalists.

Diverse housing for a diverse community

As we move through life’s different stages our housing needs and financial circumstances can change. Landcom’s aim is to provide greater choice for people by way of locations, housing types and tenure models.

Providing the right mix of housing enables choice for people to downsize or upsize without leaving their neighbourhood and the people and places they know. Diversity enriches neighbourhoods and communities.

Diverse communities include single people, couples with and without children, extended families, retirees and downsizers.



Working in partnership

Delivering affordable and diverse housing is complex and needs a collaborative approach across government, industry and the community. At Landcom, we have been increasingly focussed on working in partnership with others including Local Councils, Community Housing Providers and Local Aboriginal Land Councils.

Through these partnerships, we are leading the change that needs to happen to create more affordable and diverse communities across NSW.

Delivering affordable housing with Local Government



Creating more affordable
and sustainable communities

We believe everyone deserves
a place to call home.

A place that is safe and
affordable, where individuals,
families and communities
can thrive, seek comfort
and enjoy.

We want to share what we
know and learn from others
so more people in NSW can
choose to live not just reside.

We seek new opportunities,
choose to embrace resilience
and create pathways through
this new landscape.

**Landcom will be there with
you as partners, we are on
this journey together.**

Introduction

We understand that your community feels strongly about the need for greater housing affordability. At Landcom we share this sentiment and are keen to work with you to explore opportunities to increase access to affordable housing for your local area.

It has been increasingly difficult to achieve the provision of affordable housing through Business as Usual. Landcom believes a new approach, through partnerships, offers the best opportunity to make meaningful changes to increase the supply of affordable housing.

Alignment

No one understands the needs of their communities better than Local Government.

At Landcom we share with Local Government values of equity, empathy, openness, transparency, efficiency and collaboration. The Integrated Planning and Reporting Frameworks that directs the work of Local Government are strongly embedded with a commitment to community engagement.

Landcom's work is also guided by principles of community engagement, a desire for innovation and the need for accountability in delivering to our communities. We understand and acknowledge the demands of Local Government balancing the delivery of strategies developed to meet the aspirations and expectations of your communities.

“We recognise and value the enormous contribution Local Government make to their local communities across the state. Landcom has delivered over 95,000 homes across NSW over the past 40 years. Together with Local Government we see the opportunity for partnerships that can achieve even greater outcomes for the community, by delivering more affordable housing.”

John Brogden
Chief Executive Officer
Landcom



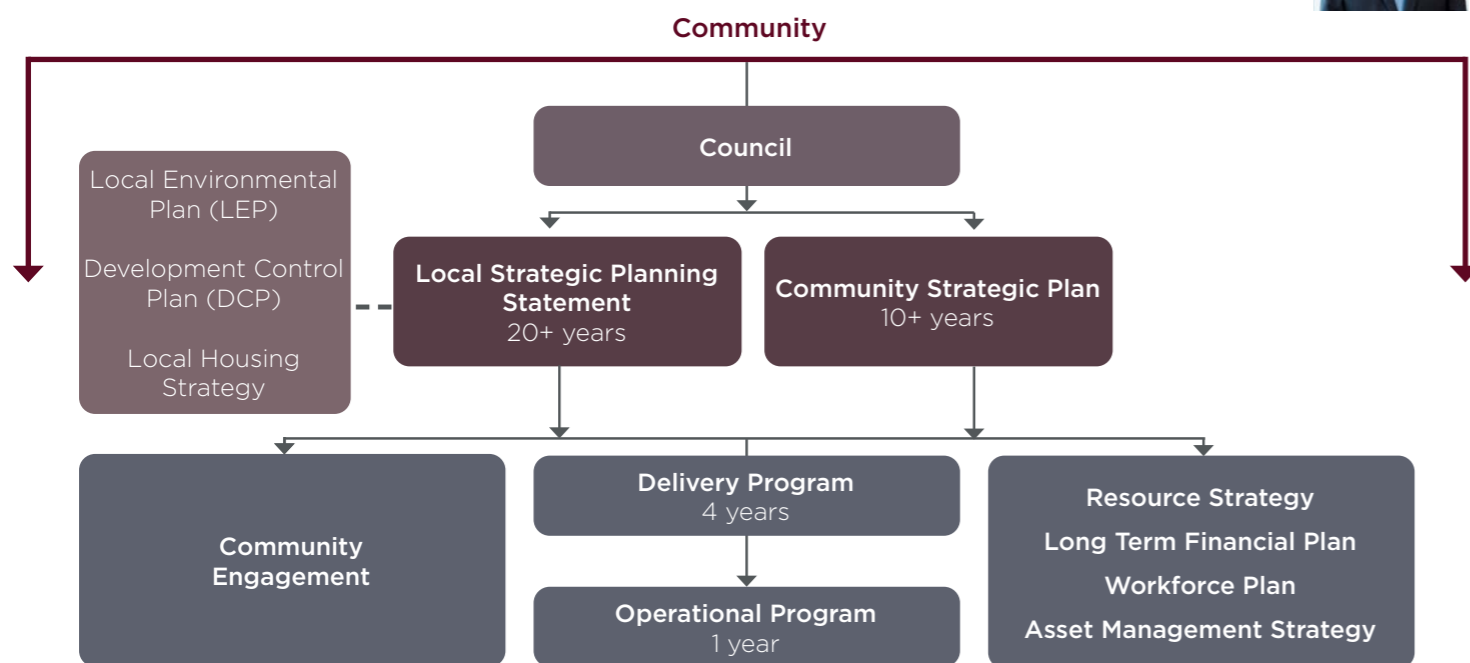
Delivering affordable housing

Landcom represents an attractive proposition to Local Councils who want to develop affordable housing on their land.

Our approach, driven by innovation and partnerships, provides a comprehensive and workable range of development options and models to deliver housing affordability for people on low to moderate incomes, including “key workers”.

We have developed financial models and structures along with the preferred dwelling type and planning pathway, to optimise the outcomes for your community's needs and resources.

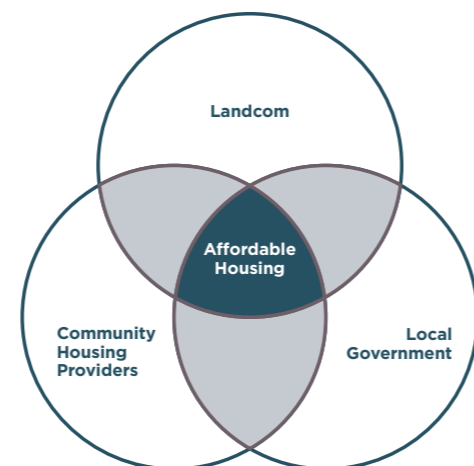
Our affordable housing models focus on low to moderate income households. These households can include “key workers” such as nurses, childcare workers, police, paramedics, teachers and retail workers. Communities with a greater diversity in its people and housing, are more flexible and adaptable. The participation of a diversity of people such as “key workers”, enriches both the social fabric and economic capability of local communities.



Partnerships

The task of delivering more affordable housing is complex and requires a collaborative approach. This is why at Landcom, we have been increasingly focussed on partnership delivery models.

The relationships we are building with Community Housing Providers (CHPs) and the National Housing Finance and Investment Corporation (NHFIC) are already advanced. We see Local Government as a significant stakeholder and key partner in delivering greater housing affordability.



Opportunity

Landcom can align Council's financial drivers with local targeted housing need and work with you to optimise the outcome for each site. In line with your community's housing need and the expectations identified in your Local Strategic Planning Statement, Landcom will assist Council find the necessary balance between financial outcomes and community benefits in delivering affordable housing.

Councils have differing circumstances and communities have a range of needs and priorities. Our work with Local Government will be guided by each of these unique sites and situations, delivering bespoke affordable housing solutions.



Agree Site Objectives

Landowner and Landcom work together to agree the objectives (e.g. financial returns, Affordable Housing) and optimal outcome for the site.

Select Preferred Structures

Landcom selects preferred structure(s) that best meet the objectives from the suite of potential affordable and diverse structures Landcom has developed.

Agree Site Objectives

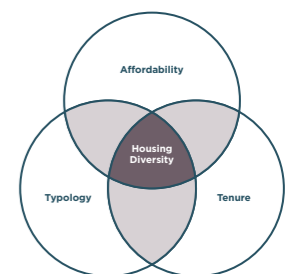
Landcom's financial model tests the financial feasibility of the preferred structure(s) for the landowner, developer, CHP and future residents.

Agree Site Objectives

Landowner and Landcom agree on the preferred structure and process for selection of a partner to deliver affordability and diversity on the site.



- Landowner
- Developer
- CHP
- Residents

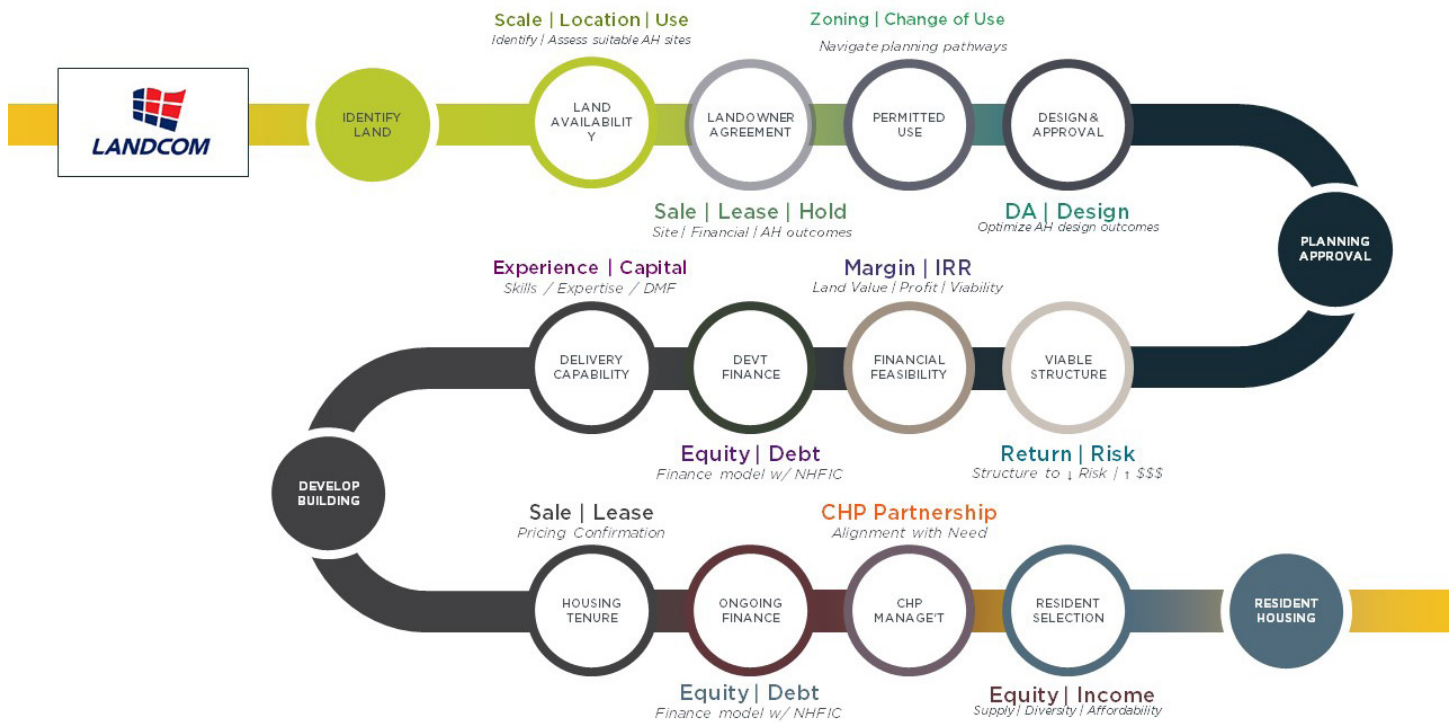


Proposal

Landcom has a suite of structures and models available to determine the optimal structure and affordable housing mix that best meets Council's objectives, finding the necessary balance of financial outcomes with community benefit.

Using a 12-step process, Landcom partners with Council to select a CHP delivery partner and work collaboratively to optimise the planning, design, financing and housing delivery outcomes for all stakeholders.

Affordable Housing: 12 steps to delivery



Agreement

Our flexibility enables us to work collaboratively with you, from advisor, partner, facilitator to development and construction manager. We are able to quantify financial measures, provide options on financial return and offer degrees of involvement and control on individual projects.

Contact

Landcom welcomes the opportunity to meet and discuss these opportunities in detail and to learn more about developing bespoke affordable housing projects on land owned by your Council.

Matt Beggs

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Change
Manor homes
Terraces
Market Shares
Studios
Flexibility
Affordability
Co-equity
Solutions
Co-living
CHPs
Housing Dwellings
Councils
Manor homes
Typologies
Affordability
EOI
Diversity
Studios
Strata
Co-operative
Replicability
Market
Housing Studios
Dwellings
Ownership
Innovation
Rental
Apartments
Work in progress
Freehold
CHPs
Strata
Typologies
Partnerships
Collaborations
Change
Councils

“At Landcom we are committed to work with our partners in the innovation and delivery of more diverse and affordable housing. Together we can make a difference.”



John Brogden
Chief Executive Officer
Landcom

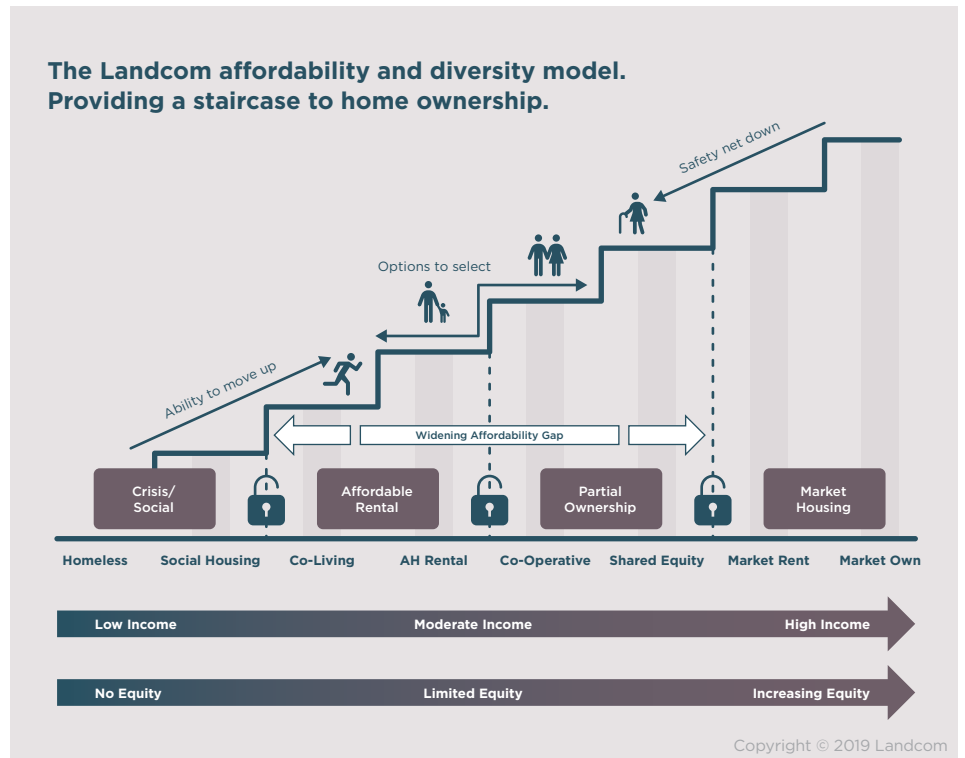
Landcom has developed an innovative and targeted approach to housing affordability.

The approach provides a comprehensive and workable solution to the problem of housing affordability for people on low-moderate incomes.

It features a range of housing options for people with differing equity and income levels.

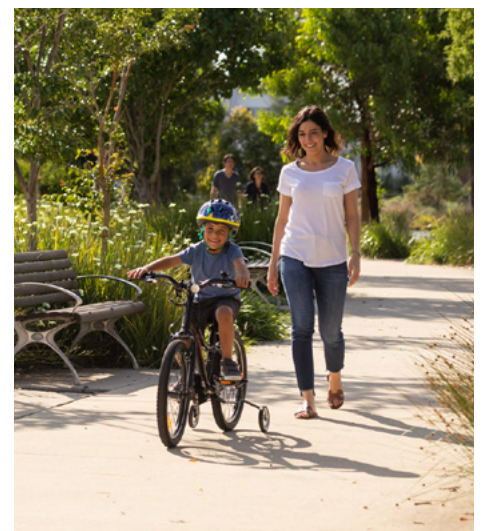
Opening pathways

Landcom recognises that safe and secure housing is increasingly difficult to obtain. At the same time our housing needs and preferences are changing. We need to find new and alternate options for residents, both in terms of rental, partial ownership and full ownership models. Once these options are more readily delivered residents have the ability to staircase through the housing continuum with housing options that address their needs and preferences.



Partnering with landowners and CHPs to create housing diversity

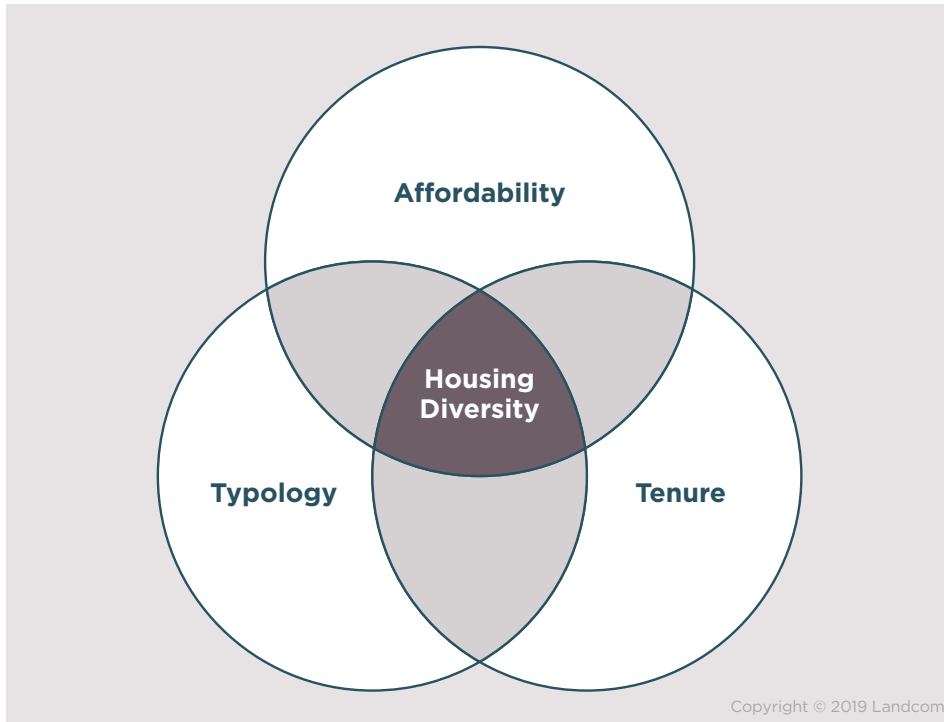
Landcom is actively seeking to deliver housing that matches demand. Housing that addresses the diversity of its population by considering its affordability, typology and tenure.



Housing Diversity

True housing diversity incorporates 3 components:

- 1. Affordability:** Housing that is affordable to people on a range of incomes (e.g. moderate income “key workers”).
- 2. Typology:** A diverse mix of dwelling types and designs (e.g. terraces, compact dwellings, manor homes).
- 3. Tenure:** Flexible living options (e.g. community living, partial equity, company title).



“Partnerships are critical in leveraging housing **diversity** and **affordability** outcomes”



Matthew Beggs
Executive General Manager
Partnerships & Business
Development
Landcom

Working with landowners to optimise outcomes

In addition to developing Affordable Housing on sites that Landcom already owns, Landcom would like to partner with other landowners to deliver the optimal affordable and diverse outcome on their sites.

Landcom’s approach is to work collaboratively with landowners to align each site (with its development potential, preferred use and underlying market/tenant demand/need) with the models and structures that Landcom

has developed to deliver the optimal outcome for the site. That outcome is derived holistically reflecting the preferred financial and risk appetite of the landowner, developer, CHP and ultimately the residents.

A collaborative process... Leading to the optimal site outcome...

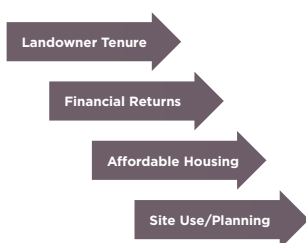


Agree Site Objectives
Landowner and Landcom work together to agree the objectives (e.g. financial returns, Affordable Housing) and optimal outcome for the site.

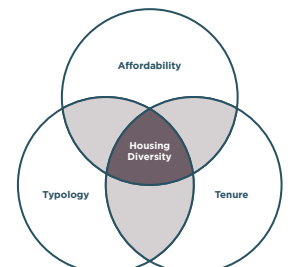
Select Preferred Structures
Landcom selects preferred structure(s) that best meet the objectives from the suite of potential affordable and diverse structures Landcom has developed.

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Landcom’s financial model tests the financial feasibility of the preferred structure(s) for the landowner, developer, CHP and future residents.

Agree Site Objectives
Landowner and Landcom agree on the preferred structure and process for selection of a partner to deliver affordability and diversity on the site.



- Landowner
- Developer
- CHP
- Residents



Working together to improve affordability and diversity



Collaborative Co-Design

To ensure that the built form best meets the needs of the residents and management by CHPs



Flexible Financial Terms

Open to capital efficient payment terms to assist CHPs with managing capital and cashflow constraints



Development Management

Provide access (if required) to the development management and place-making expertise of Landcom



Cutting-Edge Innovation

Be at the forefront of innovation in the delivery of Affordable Housing in Australia



Genuine Partner with Aligned Values

Landcom is committed to delivering affordable and sustainable communities for all people.



Access to Sites

With sites owned by Landcom and in partnership with other Landowners, Landcom has a pipeline of sites available

Landcom has a pipeline of projects ready to roll out

Landcom has sites identified suitable for Affordable Housing and is seeking partners to assist with delivery over the next couple of years. Each site will provide the opportunity to deliver a range of affordable and

diverse products through Landcom's structures and models. Landcom, in the first instance will seek CHP partners to work through the details of these projects. The estimated timing of these projects are:

| Project | 2020 | | | | 2021 | | | |
|--------------------------------|----------------|----|----|----|------|----|----|----|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Lachlan's Line, Macquarie Park | EOI | | | | | | | |
| Northern Beaches | EOI | | | | | | | |
| Schofield's | | | | | EOI | | | |
| Future Metro sites | -----> ONGOING | | | | | | | |

^ Project timeline represented in calendar years and indicative only



Lachlan's Line

Address: 117, Lachlan's Line, Macquarie Park

LGA: Ryde City Council

Site: Infill

Owner: Landcom

Yield: 96 Affordable Housing units (approx)



Northern Beaches

LGA: Northern Beaches Council

Site: Adaptive re-use of disused building

Owner: Landcom

Yield: 32-38 units mixture of studio & 1 bedroom

Contact us

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Sharyn Lindtner

Senior Manager Business
Development

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Liz Collyer

Communications
and Engagement Program

E lcollyer@landcom.nsw.gov.au

Project resources

www.landcom.nsw.gov.au

From: noreply@feedback.planningportal.nsw.gov.au on behalf of [Planning Portal - Department of Planning and Environment](#)
To: [DPE PSVC Regions Coordination Mailbox](#)
Cc: [DPE PS ePlanning Exhibitions Mailbox](#)
Subject: Webform submission from: Regional Housing Taskforce
Date: Friday, 27 August 2021 6:22:49 PM

Submitted on Fri, 27/08/2021 - 18:22

Submitted by: Anonymous

Submitted values are:

Submission Type

I am submitting on behalf of my organisation

Name

First name

Brendan

Last name

Frawley

I would like my submission to remain confidential

No

Info

Email

Brendan.Frawley@mymomentum.org.au

Suburb/Town & Postcode

2485

Submission

Momentum Collective provide this contribution to the New South Wales (NSW) Regional Housing Taskforce in support of the Community Housing industry Association NSW (CHIA NSW) 'Submission to the Regional Housing Taskforce'.

About Us

Momentum Collective (Momentum) is a for-purpose organisation with 500+ employees and over 40 years' experience supporting people with mental health, disability, domestic family violence and community housing services. Our breadth of extensive experience and our dynamic organisational model sets us apart from others, uniquely positioning us to deliver services that support the varied and often complex and diverse needs of our clients. With over 40 locations in Tweed, Byron, Ballina, Lismore, Casino, Kyogle, Grafton, and Coffs Harbour, our reach extends from the Mid North Coast of New South Wales to South East Queensland. Last year we assisted over 5,500 clients and families in our communities.

We operate an integrated network of community programs that provide social support and residential care across a diverse range of services, which include mental health and disability support services; crisis support to victims of family and domestic violence; and community drop-in centres.

Momentum also operates several successful social enterprises and manage a large portfolio of properties providing social and affordable housing. As a nationally registered community housing provider, we currently manage approximately 595 clients across our portfolio, including:

- Social housing
- Affordable housing
- Specialist disability accommodation
- Boarding and lodging arrangements
- Crisis & transitional accommodation

The current tenant profile of the Momentum property portfolio highlights and demonstrates our commitment to assisting and then sustaining the tenancies of those most vulnerable and those with the greatest and most complex housing needs. More than 40% of all Momentum tenants live with a disability.

Our Contribution

At Momentum we believe that every person in Australia, no matter their situation, should have access to a safe and suitable place to stay. But this has been difficult due to the critical shortage of social housing and the current housing affordability crisis. Therefore, in line with the CHIA NSW submission recommendations, we provide the following focused contribution:

Improving strategic planning

Regional planning strategies should be developed and reviewed by local councils (LGA's) to include uniform zoning allocations and policy incentives to encourage compact (small lot), multi-unit and rental accommodation. Additional incentives could be provided where developments are in partnership with a CHP to ensure the property is managed in accordance with rent setting models and other industry standards.

Zoning controls for small group homes is unnecessarily prohibitive in most residential areas. Zoning controls for Disability Day Services are unnecessarily prohibited in most zones. Similarly, definitions are outdated and have inbuilt generic assumptions, which unnecessarily prohibit establishing uses in large areas. The requirement for parking ratios geared to bed spaces is an example that is not applicable in most circumstances.

Requirement of some LGA's (Tweed as an example) for on-site flood refuge to be provided, renders a large percentage of the GFA redundant and

adds significant capital and operational cost to a development.

LGA's should develop and maintain a current Housing Strategy that sets goals and targets and supports supply and delivery of Community Housing.

Ensuring a supportive policy framework

Momentum supports the further development of State Environmental Planning Policies (SEPP's) that support the establishment of higher density and affordable developments.

Momentum would welcome amendments to SEPP's that minimise cost and timeframes and maximise yield and outcomes, such as:

- Land use zoning, allocations and requirements to deliver developments with mandated integrated community housing.
- Reduced development contributions that recognise value of community development.
- Establish more effective and efficient referral agency dealings, particularly with TMS and other State departments, that can slow down the otherwise expedited process.
- Support the development of a diverse mix of housing and tenure types, such as Boarding House accommodation and secondary dwellings that can provide a valuable solution as a pathway to securing long term accommodation. This facilitates the ability to exit and divert some clients away from long term social housing.

Facilitating delivery, including through land supply

Momentum supports the improved feasibility of developing greater numbers of Community Housing and Supported accommodation. Increase access to capital and decrease cost of debt. Develop policy frameworks and lending to facilitate collaboration between government, CHP's and commercial developers.

Policy frameworks should recognise the value that CHP's and NFP's deliver through their outcomes focussed activities that often deliver an overall economic benefit and saving to Government.

Momentum would also welcome state government reforms that better identify, allocate and provide access to state owned and controlled land. Access to land through meanwhile use and other models such as build, own operate transfer and Private Public Partnership.

Providing direct capital subsidy

There are still significant barriers to accessing capital and affordable debt, given constrained returns associated with subsidised housing. NHFIC is no doubt an option in the future once complexity and transaction costs can be navigated and justified. At present the complexity raises consideration and concern for returns on value for money, time and effort required for this option. Additionally, the size and scale of development that would justify the effort is often out of sync with the size and scale of development that mid-tier providers such as Momentum are seeking to advance, which are often smaller scale developments in regional towns. Larger scale development would often raise viability and unacceptable risk in a small less mature housing market.

Competitive tendering processes with short response timeframes often place unreasonable requirements on smaller scale CHP's. The need for shovel ready projects often requires capital investment and early works that need to be funded from very finite resources.

This competitive process of delivering critical services is fundamentally flawed if the supply chain breaks down and fit for purpose accommodation is not provided or services are withdrawn. A more collaborative process and integrated response from government, CHP's and service providers is needed to address this issue and deliver the required end outcomes.

Contribution Summary

Momentum understands the critical need for increasing housing in regional NSW. Whilst there is an expectation that CHPs continue to monitor and evaluate their operations and projects including achieving agreed milestones and KPI's with government and industry, we assert that there also needs to be recognition that CHPs require ongoing support via government planning and framework to maintain their corporate and social responsibilities.

We therefore support and recommend the CHIA NSW submission to this taskforce to ensure CHPs can maintain their financial sustainability and viability, providing a financial and social return of investment to the people we support in NSW communities.

I agree to the above statement

Yes