

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 week ⁹ 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 research ²² 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.

AHURI ²⁴ 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.

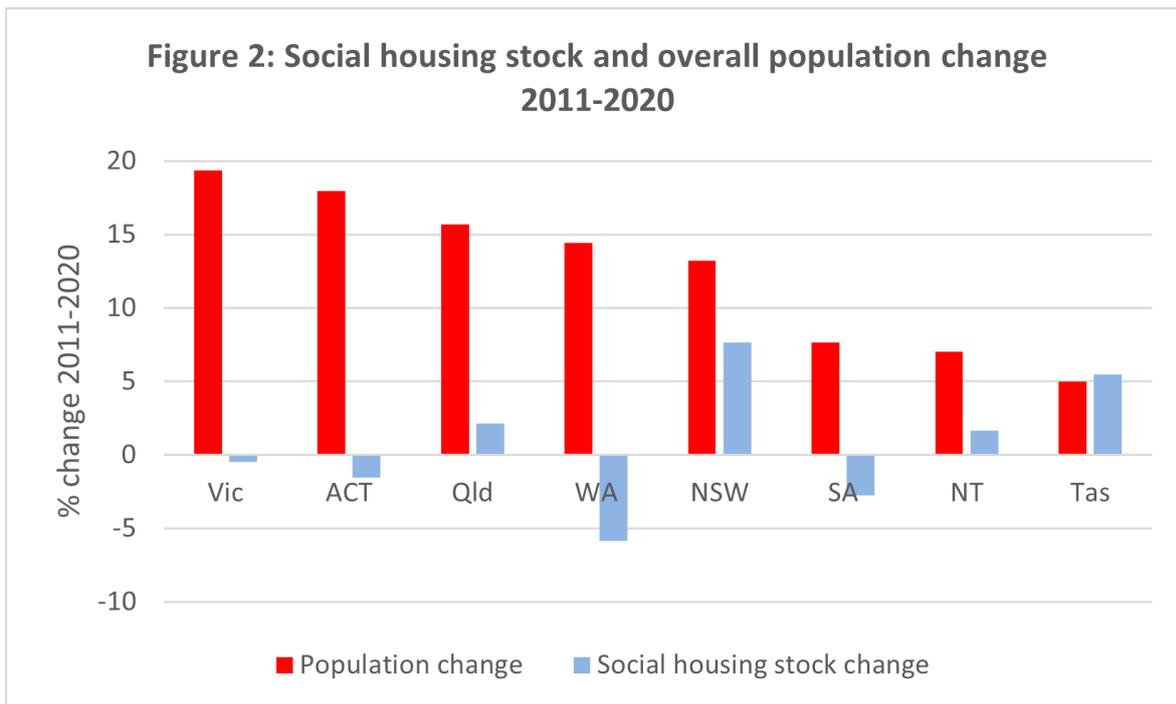
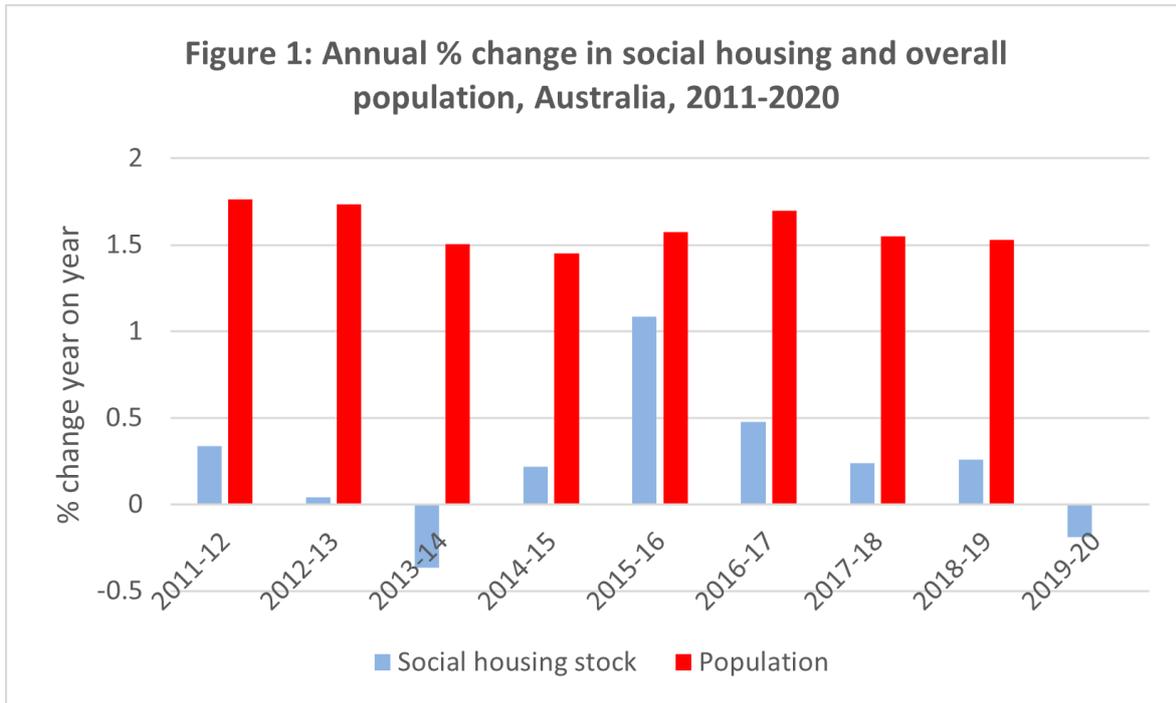
³⁶ Australian Government, Infrastructure Australia (Sept 2021) *Reform to meet Australia's future infrastructure needs* at p 19 available at [2021 Australian Infrastructure Plan \(infrastructureaustralia.gov.au\)](https://www.infrastructureaustralia.gov.au)

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](#)

³⁸ Pawson, H (2021), *Social Housing production continues to languish, while demand has soared*, [UNSW City Futures blog](#)



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



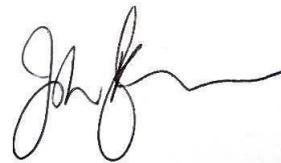
Damian Kelly
Acting Executive Director
Business Sydney



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

