



**NSW Department of Planning and Environment &  
Coffs Harbour City Council**

# **ARGYLL ESTATE, COFFS HARBOUR – PROPOSED REZONING**

**Shelter NSW submission**

15 March 2022



## 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.

The Australian 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. The private housing market in this country is consistently and persistently failing to provide secure, well-located, and affordable shelter, especially for the lowest 40 percent of income earners.

Shelter NSW is concerned about the housing crisis in NSW and the rising trends in homelessness; housing rental stress as well as the impacts of poor-quality housing, particularly on low-income households. Lower-cost properties are being steadily replaced with new ones at higher rents, and new concentrations of disadvantage have been created across our major cities (including regional cities) as low-income households are displaced.

Of course, our position was developed well before the economic impact of the Covid-19 pandemic took its toll and most certainly before the catastrophic March 2022 floods that have delivered a devastating blow to communities in the state's north.

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.

We have an established interest in the policies, practice and research around public housing estate renewal and associated property development and rely on that body of knowledge and experience to inform our responses to proposals such as that being considered at Coffs Harbour.

## Executive Summary

Shelter NSW thanks the Department of Planning ('the Department') and Coffs Harbour City Council ('Council') for the opportunity to comment on the proposal to rezone the Argyll Estate in Coffs Harbour. The proposal would see the current low-density majority social housing precinct (on public land) rezoned to allow redevelopment of the estate into a medium-density 'mixed-tenure' precinct.

We understand that the site in question includes Council and private land. Our main focus will be on the land owned by the NSW Government and the current 127 social dwellings (though we encourage Council to seriously consider its own capacity to support social and affordable housing on its own land).

We understand that the Government will apply its typical social estate renewal approach - which involves selling all or part of the site to private developers which commit to building new social housing for the Government's social housing developer Land and Housing Corporation ('LAHC'). This reflects LAHC's self-funding model of development— where rental income and LAHC owned property asset sales pay for new public housing construction.<sup>1</sup>

We observe that while the NSW Government appears to have ceased actively branding its social housing estate renewal programs as *Communities Plus*<sup>2</sup> projects, its general business model of selling public land to private developers in exchange for typically just 30% of social housing dwellings (and no requirement for Affordable Rental Housing<sup>3</sup>) in the resultant denser estate remains.

Consistent with our general position on housing in regional towns and cities, our submission supports the general aim to allow and encourage a more diverse and denser precinct. We also commend public commitments made by the NSW Government to ensure cultural sensitivity in the development and design of the new housing and community.

Therefore, we offer our conditional support to the proposed rezoning, with those conditions being that the NSW Government:

- ensure that the redevelopment of the Argyll Estate will in fact lead to a substantially greater number of social housing tenants being housed at the estate post the development.
- ensure that a proportion of 'affordable rental housing' be delivered in addition to any social housing (we recommend 20%) to assure genuinely affordable rents for essential and key workers such as those in aged care, childcare and early career nurses, teachers and police.
- support low-middle income first home buyers to secure housing from the new private housing stock.

Further to these requirements, we strongly encourage the NSW Government to:

- reconsider its traditional approach to social housing estate renewal and give serious consideration to alternate models of retaining ownership and the value of its land and housing assets, enabling a greater number of social and affordable dwellings to be

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<sup>1</sup> NSW LAHC (Nov 2021), *Local Area Analyses – Coffs Harbour* [Department of Planning website](#) at p8, accessed 14 March 2022

<sup>2</sup> [NSW Government website - communities-plus](#) accessed 14 March 2023 Note. A 'large scale \$22 billion building g program to renew the NSW Government's social housing portfolio'. Note that this Coffs Harbour estate renewal is one of many across NSW according to [Land and Housing - Regional](#) accessed March 14, 2022

<sup>3</sup> Where *Affordable Housing* describes housing that is appropriate for the needs of a range of very-low to moderate income households; rent at a discount to private market usually not exceeding 30% of household income; developed with the assistance of the State and/or Commonwealth Governments; usually managed by Community Housing providers (source [DCI Affordable Housing definition](#))

delivered (as per recent research).<sup>4</sup>

- actively seek the involvement and leadership of the not-for-profit Community Housing sector (including and especially, the Aboriginal Community Housing sector) in delivering this renewal program.
- adopt the *Compact for Renewal*<sup>5</sup> as a template for how to best engage with the current and long-standing Argyll Estate social housing tenant community (from this early stage right through to relocation and possible return). Noting that exceptional and active community engagement has been observed to fast-track estate renewal approaches.

In May 2021, we formally engaged the Regional Australia Institute ('RAI')<sup>6</sup> to undertake a review of every local government area (LGA) in regional NSW. Our investigation found that the Coffs Harbour LGA is ranked fifth amongst regional LGAs in terms of 'housing issues'. We are concerned that long-term housing private sector supply trends have not addressed the gap between housing supply, choice, affordability and need in regional towns and cities. Our RAI report reinforced our concern for the Coffs Harbour region, noted in August 2020, when we made comment on the draft *Coffs Harbour Regional City Action Plan*<sup>7</sup>. Back then, we raised concerns about the risk of 'urban sprawl'; the need for clustering dwelling patterns or medium density development connected to town centres (to produce a greater diversity of dwellings) and of course we also called on the NSW Government to increase the supply of social and affordable housing that is proportional to demand across regional NSW.

While Coffs Harbour is not located in the immediate impact zone of the Northern Rivers flood disaster area, it is likely that demand for social and affordable housing will rise right along the coast, compounding a large current unmet need for temporary and long-term housing in Coffs Harbour. This demand will not be easily resolved.

Shelter NSW does appreciate that the development of the Argyll Estate offers the opportunity to develop better-designed and constructed dwellings – with a great opportunity to improve the quality of life and cost-of-living for its tenants. But it remains

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<sup>4</sup> Murray, C & Phibbs, P (November 2020), *Reimagining the economics of public housing at Waterloo*. Research prepared for Shelter NSW [accessed from the Shelter NSW website](#). Research and Shelter NSW position also noted by Morton, R *Exclusive: leaked documents show public housing halved*, The Saturday Paper, March 5-11, 2022

<sup>5</sup> Shelter NSW, Tenants' Union of NSW & City Futures (June 2017) *Compact for Renewal – What tenants want from renewal* accessed from the [Shelter NSW website](#). This is the background work to a proposed Compact for Renewal between agencies undertaking urban renewal and social housing tenants affected by renewal. The Compact is the result consultations with social housing tenants under a project carried out by Shelter NSW, Tenants' Union of NSW and the City Futures Research Centre at UNSW

<sup>6</sup> Shelter NSW in partnership with Regional Australia Institute. (November 2021, p. 23). *New South Wales Regional Housing Need Report*. Retrieved from <https://sheltersnsw.org.au/wp-content/uploads/2021/11/NSW-Regional-Housing-Need-Report.pdf>

<sup>7</sup> Shelter NSW (August 2020) submission on the *Coffs Harbour Regional City Action Plan* accessed from [Shelter NSW website](#)

the case that the Argyll Estate social housing is currently located on wholly-owned public land; a valuable public and community asset.

Notwithstanding the desire to fast-track this rezoning process (from the usual three years to just 12 months) and with respondents to a 2021 *Expression of Interest* (EOI) process already shortlisted to progress to a select tender in Mid-2022<sup>8</sup> we implore the NSW Government to immediately review the plans for the estate.

We call on the Government to demonstrate innovative and flexible leadership and reimagine its traditional estate development model to ensure that an optimal number of social and affordable housing dwellings is actually delivered on this important piece of public land.

We call on the people of Coffs Harbour, the leaders and elected representatives of the Coffs Harbour City Council and relevant State and Federal Members of Parliament, to urgently seek assurances from the NSW Government that any approval to rezone and redevelop the Argyll Estate will actually deliver more diverse, genuinely affordable, culturally-sensitive and well-designed housing for lower income people who are currently being left behind by the private housing market.

For any queries regarding this submission please feel free to contact Cathryn Callaghan on 0407 067 587 or by email at [cathy@shelternsw.org.au](mailto:cathy@shelternsw.org.au).

Yours Sincerely,

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Chief Executive Officer, Shelter NSW

Cathryn Callaghan  
Senior Policy Officer, Shelter NSW

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<sup>8</sup> [Land and Housing website re Argyll-Estate](#) (18 Feb 2022) accessed 14 March 2022

## Our understanding of the proposal

We understand that the precinct currently includes 210 single storey cottage style homes located on large lots. These include approximately 80 privately owned properties, along with many social housing properties and vacant lots owned by the NSW Land and Housing Corporation, the Aboriginal Housing Office, and the Coffs Harbour and District Local Aboriginal Land Council. We further understand that the Council and Department are jointly considering a proposal to rezone the precinct to enable building heights of between 2 and 4 storeys. This would allow private land owners and the Land and Housing Corporation ('LAHC') to renew older cottages with a mix of new duplexes, terrace houses and units for private and social residents. Notably there is no explicit commitment to 'affordable rental housing' (as distinct from the aspirational idea that more supply will necessarily produce more 'affordable' housing)<sup>9</sup>.

## Context: Coffs Harbour LGA of high housing need

Coffs Harbour is facing multiple housing pressure points due to micro and macro social, economic, and environmental factors including demographic changes, COVID-19 impacts, short-term rental accommodation growth, and worsening climate change.

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 recommendation to increase in-home aged care by 80,000 new packages into 2022)<sup>10</sup>. 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. Coffs Harbour is no different; it is anticipated that population growth will be highest in the 70+ year age group in the coming years for this locality<sup>11</sup>.

The lack of diversified housing in regional centres is at odds with ABS data indicating the number of people per household in regional locations is more conducive to 1- to 2-bedroom dwellings<sup>12</sup>. The AHURI regional research<sup>13</sup> supports this observation, noting

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<sup>9</sup> Where *Affordable Housing* describes housing that is appropriate for the needs of a range of very-low to moderate income households; rent at a discount to private market usually not exceeding 30% of household income; developed with the assistance of the State and/or Commonwealth Governments; usually managed by Community Housing providers (source [DCJ Affordable Housing definition](#))

<sup>10</sup> 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](https://agedcare.royalcommission.gov.au/sites/default/files/2021-03/final-report-volume-1_0.pdf)

<sup>11</sup> Shelter NSW in partnership with the Regional Australia Institute. (November 2021, p. 23). *New South Wales Regional Housing Need Report*. Retrieved from <https://sheltersnsw.org.au/wp-content/uploads/2021/11/NSW-Regional-Housing-Need-Report.pdf>

<sup>12</sup> 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>

<sup>13</sup> AHURI. (August 2021, p. 69). *Final Report No. 362 Population growth, regional connectivity, and city planning—international lessons for Australian practice*. Retrieved from <https://www.ahuri.edu.au/sites/default/files/documents/2021-09/AHURI-Final-Report-362-Population-growth-regional-connectivity-and-city-planning.pdf>

that many growing regional towns are experiencing land use pressure and sprawl. LAHC's own analysis<sup>14</sup> acknowledges the need to prioritise construction of 1- to 2-bedroom dwellings that are well-located with respect to public transport and amenities in Coffs Harbour.

Migration trends during the COVID-19 pandemic have contributed to a deepening regional housing crisis for NSW<sup>15</sup>. Single-parent families and households in mortgage or rental stress are overrepresented in Coffs Harbour, compared to the rest of regional NSW<sup>16</sup>. The latest *SGS Economics Rental Affordability Index*<sup>17</sup> found a single-parent family (with one child under five) receiving government parental payments supplemented with casual or part-time work faces "severe" rental affordability constraints in all parts of the Coffs Harbour LGA. A single pensioner aged 65 or older seeking to rent a 1-bedroom dwelling similarly faces "severe" rental affordability constraints<sup>18</sup>.

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 for Coffs Harbour:

Region/Town	Number of whole-house STRAs listed on Airbnb (November 2018) <sup>19</sup>	Number of whole-house STRAs listed on Airbnb (November 2021) <sup>20</sup>	Change in rental vacancy rates between February 2018 and February 2022 <sup>21</sup>
Coffs Harbour	583	703	-2.2 (3.8 to 1.6 for Coffs Harbour)

Meanwhile, the proportion of dwellings as social housing stock is only 3.7 percent. At Shelter NSW we routinely advocate for **at least** 5 percent of all housing stock in each LGA to be social housing. The need for significantly more social housing is further demonstrated by the fact that there are approximately 735 people on the general social housing waitlist, waiting in excess of 10 years for all dwelling types<sup>22</sup> in Coffs Harbour.

<sup>14</sup> NSW Land and Housing Corporation. (November 2021, p. 14). *Coffs Harbour Local Area Analyses*. Retrieved from [https://www.dpie.nsw.gov.au/\\_data/assets/pdf\\_file/0005/481820/5-LAHC-Coffs-Harbour-LGA-Analysis.pdf](https://www.dpie.nsw.gov.au/_data/assets/pdf_file/0005/481820/5-LAHC-Coffs-Harbour-LGA-Analysis.pdf)

<sup>15</sup> Pawson, H., Martin, C., Thompson, S., & Aminpour, F. (2021, p. 45). *COVID-19: Rental housing and homelessness policy impacts*. ACOSS/UNSW Poverty and Inequality Partnership Report No. 12. Retrieved from [https://shelternsw.org.au/wp-content/uploads/2021/11/Covid-19\\_rental-housing-and-homelessness-impacts-in-Australia-24-Nov.pdf](https://shelternsw.org.au/wp-content/uploads/2021/11/Covid-19_rental-housing-and-homelessness-impacts-in-Australia-24-Nov.pdf)

<sup>16</sup> Shelter NSW in partnership with Regional Australia Institute. (November 2021, p. 23). *New South Wales Regional Housing Need Report*. Retrieved from <https://shelternsw.org.au/wp-content/uploads/2021/11/NSW-Regional-Housing-Need-Report.pdf>

<sup>17</sup> SGS Economics. (November 2021). *Rental Affordability Index: Key Findings*. Retrieved from <https://www.sgsep.com.au/sgs-lab/rental-affordability-index> [interactive map]

<sup>18</sup> Ibid [interactive map]

<sup>19</sup> Cox, Murray. (November 2021). *Data for Shelter NSW*. Inside Airbnb. Homepage retrieved from: <http://insideairbnb.com/index.html>

<sup>20</sup> Ibid (November 2021).

<sup>21</sup> REINSW. (2022). *Residential vacancy rate*. Retrieved from [https://www.reinsw.com.au/Web/Members/Property\\_data/Vacancy\\_Rates\\_Survey.aspx](https://www.reinsw.com.au/Web/Members/Property_data/Vacancy_Rates_Survey.aspx)

<sup>22</sup> Shelter NSW in partnership with Regional Australia Institute. (November 2021, p. 23). *New South Wales Regional Housing Need Report*. Retrieved from <https://shelternsw.org.au/wp-content/uploads/2021/11/NSW-Regional-Housing-Need-Report.pdf>

Safe, secure, and affordable homes are one of the strongest social tools we have in adapting to worsening climate change impacts<sup>23</sup>. Recent catastrophic rain events and flooding on the north coast continue to highlight the imperative nature of planning for and delivering well-located, well-designed, non-market or below-market housing. Those most vulnerable to climate change impacts and homelessness are oftentimes low-income earners who are increasingly locked out of the private rental market.

In August 2020, Shelter responded<sup>24</sup> to the draft *Coffs Harbour Regional City Action Plan 2036*. One of our core recommendations was for the Department of Planning to: *Commit to an increase in the supply of social and affordable housing that is proportional to demand across regional NSW...using its planning instruments, surplus land and development corporations to support an economic infrastructure pipeline of affordable housing.*

In that same submission we raised concerns about the risk of poorly planned ‘urban sprawl’ recommending that any new residential developments in regional NSW should be based on clustering dwelling patterns or medium density development connected to town centres (to produce a greater diversity of dwellings).

As the housing situation since mid-2020 has become ever more dire in Coffs Harbour, we reiterate the need for a net increase in social and affordable rental housing of varying dwelling sizes (predominantly being universally-accessible designed 1- to 2-bedroom homes) but acknowledge that there remains a need for larger family homes, particularly those that can accommodate and flexibly respond to cultural needs.

## Social housing estate renewal – the NSW Government’s *Communities Plus* model (the 70:30 model)

As previously noted, we assume that the Argyll Estate renewal redevelopment is applying the *Communities Plus* business model of selling public land to private developers in exchange for more housing, with typically just 30% of social housing dwellings required (and no requirement for Affordable Rental Housing<sup>25</sup>).

Shelter NSW welcomes any increase in social housing dwelling numbers but has a

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[Report.pdf](#) ; Department of Communities and Justice. (June, 2021). *Expected waiting times*. Retrieved from <https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times>

<sup>23</sup> Intergovernmental Panel on Climate Change. (February 2022). *IPCC Sixth Assessment Report*. Retrieved from <https://www.ipcc.ch/report/ar6/wg2/>

<sup>24</sup> Shelter NSW. (August 2020). *Submission on Draft Coffs Harbour Regional City Action Plan 2036*. Retrieved from <https://shelternsw.org.au/wp-content/uploads/2020/11/Shelter-NSW-Submission-Draft-Coffs-Harbour-Regional-City-Action-Plan-2036.pdf>

<sup>25</sup> Where *Affordable Housing* describes housing that is appropriate for the needs of a range of very-low to moderate income households; rent at a discount to private market usually not exceeding 30% of household income; developed with the assistance of the State and/or Commonwealth Governments; usually managed by Community Housing providers (source [DCI Affordable Housing definition](#))



number of concerns about the ‘one size fits all’ application of the 70:30 rule. Specifically, we are concerned that what started as a ‘rule-of-thumb’ has become orthodoxy – effectively acting as a cap on the NSW Government’s ambition for increasing the net stock of social housing dwellings (while completely ignoring the requirement for Affordable Rental Housing) within local government areas like Sydney and Coffs Harbour with large and persistent social housing waiting lists.

Given the cost and stress on existing social housing tenant communities and loss of public assets, we have consistently asked whether the people of NSW are getting a decent return on these redevelopments.

There are currently five projects within the City of Sydney LGA<sup>26</sup>. As an example, the NSW Government is planning to redevelop an existing social housing estate of 46 dwellings in Explorer Street, South Eveleigh in Sydney’s inner city<sup>27</sup>. The redevelopment proposes an eventual 430 dwellings including 120 social dwellings (applying the 70:30 Private:Social formula). This amounts to a net social dwelling increase of 74 dwellings. 120 social dwellings are indeed more than the current 46, but we and the inner Sydney community have asked how we can be assured that 120 smaller dwellings (housing fewer tenants per dwelling) are enough to justify the effective privatisation of what is currently public land, used solely for social housing.

Darcy and Rogers<sup>28</sup> note that a target of 70% private and 30% public dwellings has become an *accepted standard for public housing renewal projects in several Australian states*. The majority private ownership is said to be necessary to *counter stigma and the supposed demotivating impacts of concentrated disadvantage*. They argue, on the contrary, that each housing estate has its own unique profile, within its own local context (whether it be a suburb or town). How can a standard ratio be applied to every estate being renewed? And as to the social engineering goals of creating an ideal ‘social mix’, we wonder why Affordable Rental Housing is not included as a necessary part of the social mix. Darcy and Rogers further report that rather than the mix of housing type and tenure, it is the mix of ages, incomes and family types amongst social housing tenants and the delivery of other community programs that are more important in securing positive outcomes for low-income households.

Shelter NSW has just released an important piece of research<sup>29</sup> that calls on people interested in sound public policy to ‘reimagine the economics of public housing’. While the paper looks at the proposals for the large Waterloo South social housing estate

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<sup>26</sup> Note: Redfern (600 Elizabeth Street, Redfern); Waterloo South; Glebe and South Eveleigh

<sup>27</sup> Shelter NSW [Submission-Explorer-St-Eveleigh](#) (Nov 2020) – South Eveleigh Social Housing Estate Renewal

<sup>28</sup> Darcy, M. & Rogers, D. (October 2019), *Finding the Right mix in Public Housing Redevelopment: Review of Literature and Research Findings*, The University of Sydney. Accessed [accessed 15 March 2022](#)

<sup>29</sup> Murray, C & Phibbs, P (November 2020), *Reimagining the economics of public housing at Waterloo*. Research prepared for Shelter NSW [accessed from the Shelter NSW website](#). Research and Shelter NSW position also noted by Morton, R *Exclusive: leaked documents show public housing halved*, The Saturday Paper, March 5-11, 2022

renewal project as a case study it has broader applications; including for the Argyll Estate.

The paper observes that in NSW, investment in new public housing has been considered as a cost only. But even lay people would see housing (even public housing) as an asset that generates a return over time in the form of rental income and capital gains. Why can't the NSW Government?

Murray & Phibbs argue that *ignoring these asset returns is a key economic issue with the LAHC self-fund development model... [it] privatises long-term returns on real estate assets, which are the source of value that funds public housing redevelopment.*

The paper calls for more *elegant economic and financial designs*. This would include *mimicking private sector behaviour, such as using leverage during redevelopment periods, retaining market risk and return during the development process, and retaining long-term ownership of as much of the real estate asset base as possible.*

The paper looks at the Waterloo Estate renewal and explores a model whereby 50% of new dwellings are social housing, 25% are retained by LAHC as build-to-rent housing at market prices, and 25% are sold by LAHC to the private market. This scenario uses low-cost leverage to generate positive cashflow, and maximises exposure to long-term capital gains for LAHC.

Shelter NSW calls on the NSW Government to explore all possibilities at the Argyll Estate to secure a better deal for lower-income people – whether in social or private rental housing or as prospective homeowners in the new precinct.