



NSW Department of Planning and Environment

DRAFT NORTH COAST REGIONAL PLAN 2041

Shelter NSW submission

24 August 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.

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 everyday citizens. 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.

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
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	Physical and mental health	Urban heat
Financial and economic stability	Education access and attainment	Climate resilience and adaptation

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 deliver safe and affordable living outcomes for all, regardless of tenure type.

About our submission

Shelter NSW thanks the Department of Planning for the opportunity to comment on the draft *North Coast Regional Plan 2041* ('NCRP'). 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. Housing is now considered a financial product or a wealth-generating vehicle. 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.

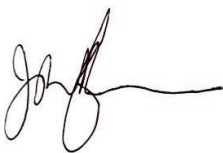
Given our firmly held position that the private market fails to provide enough quality, well-located, affordable housing, we call on governments to make an urgent and widespread investment in social housing acquisition and construction. A recent report jointly prepared by SGS Economics and Housing All Australians¹ has anticipated the cost to the economy of not investing now in social and affordable housing on a large-scale across Australia will be \$25,000,000,000 annually (in 2021 dollars) from 2051 onward. Further, the Regional Housing Taskforce's recommendations report to Minister Anthony Roberts calls for the NSW Government to "consider social and affordable housing as essential social and economic infrastructure"².

Shelter NSW has 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. Our investigation found that **Byron Bay, Coffs Harbour, Lismore, and Tweed LGAs are among the top ranked localities of concern** when it comes to housing pressures in regional NSW. We have outlined the implications of this needs-assessment in our submission.

We attended a Zoom community workshop on the NCRP on 11 August 2022. Our submission is generally in support of the intent of the Plan, although it must be more ambitious in **enshrining affordable and social housing targets, diverse (multi-dwelling) targets, inviting community groups to sit on housing affordability roundtables, safely locating critical social infrastructure out of harm's way, and addressing the housing impacts of short term rental accommodation.**

A summary of our recommendations is included on pages 15 and 16.

Sincerely,



John Engeler

Chief Executive Officer, Shelter NSW



Kayla Clanchy

Policy Officer, Shelter NSW

¹ SGS Economics & Planning, Housing All Australians. (June 2022). *Give Me Shelter: The long-term costs of underproviding public, social and affordable housing.* Retrieved from <https://housingallaustralians.org.au/wp-content/uploads/2022/06/Give-Me-Shelter.pdf>

² Fielding, G. (October 2021, p. 5). *Regional Housing Taskforce: Recommendations Report.* Retrieved from <https://www.planningportal.nsw.gov.au/regional-housing>

Context: Region of high housing need

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)³. 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. The North Coast is no different; it is anticipated that population growth will be highest in the 65+ year age group in the coming years for this region⁴.

Migration trends during the COVID-19 pandemic have contributed to a deepening regional housing crisis for NSW⁵. Single-parent families and households in mortgage or rental stress are overrepresented on the North Coast, compared to the rest of regional NSW⁶. This is particularly concerning, as the *SGS Economics Rental Affordability Index*⁷ found a single-parent family (with one child under five) receiving government parental payments supplemented with casual or part-time work faces "extreme" rental affordability constraints in Tweed. A single pensioner aged 65 or older seeking to rent a 1-bedroom dwelling in Coffs Harbour similarly faces "extreme" rental affordability constraints⁸.

The proportion of dwellings as social housing stock is less than 4 percent⁹ for Byron Bay, Tweed, Coffs Harbour, and Lismore and all these same LGAs – except for Coffs Harbour – have recorded a real decline in social housing stock numbers between 2011 and 2020. For instance, social housing stock in Lismore has decreased by 10.7% from 693 to 619 properties in that period¹⁰. Yet, there are more than 500 people on the general social housing waitlist waiting in excess of 5 years for all dwelling types in Lismore¹¹.

³ 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

⁴ Shelter NSW in partnership with Regional Australia Institute. (November 2021). *New South Wales Regional Housing Need Report*. Retrieved from <https://shelternsw.org.au/wp-content/uploads/2021/11/NSW-Regional-Housing-Need-Report.pdf>

⁵ 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

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

⁷ SGS Economics. (November 2021). *Rental Affordability Index: Key Findings*. Retrieved from <https://www.sgsep.com.au/sgs-lab/rental-affordability-index> [interactive map]

⁸ Ibid [interactive map]

⁹ Shelter NSW in partnership with Regional Australia Institute. (November 2021). *New South Wales Regional Housing Need Report*. Retrieved from <https://shelternsw.org.au/wp-content/uploads/2021/11/NSW-Regional-Housing-Need-Report.pdf>

¹⁰ NSW Parliament, Legislative Council. (1 March 2021, pp. 57 & 83). *Budget Estimates 2020-2021 Portfolio Committee No. 4 Industry: Answers to supplementary questions (Pavey)*. Retrieved from <https://www.parliament.nsw.gov.au/lcdocs/other/15376/Answers%20to%20supplementary%20questions%20-%20Pavey.pdf>

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

Meanwhile, thousands¹² of whole-home property investor Airbnbs sit idle in the North Coast region as locals sleep in tents in caravan parks or State and National Parks¹³.

Finally, a turbo-charged La Nina summer and autumn has wreaked havoc across the North Coast and Northern Rivers for most of 2022. What were once considered chronic, systemic housing issues are now acute and urgent housing crises for these and other towns in the region. As the recent report from the *NSW Select Committee into the Response to Major Flooding 2022* notes¹⁴, buyback and land swap schemes will need to be expeditiously implemented to provide certainty to many low-income mortgage holders with inadequate home insurance.

Due to the above factors (and other parameters outlined in our housing-need report), **Byron Bay, Coffs Harbour, Lismore, and Tweed are ranked second, joint-fifth, and sixth (respectively) out of all regional LGAs in our report on areas of high housing need**¹⁵. Shelter NSW is of the view that the most effective way of improving the housing situation in this region is through the rollout of:

- ambitious social and affordable housing targets, as well as multi-dwelling 'diverse' housing targets,
- an extensive social and affordable housing acquirement/construction program, located out of harm's way,
- Affordable Housing Contributions Schemes or fit-for-purpose and transparent Affordable Housing Planning Agreement Policies,
- meaningful engagement with grassroots community groups via housing affordability roundtables,
- mixed use, residential infill strategies targeting specific sites in established towns/cities and satellite villages,
- public land dedicated to non-market housing, and
- tighter regulations on short-term rental accommodation.

¹² Murray Cox. (n.d.). *Inside Airbnb*. Retrieved from <http://insideairbnb.com/get-the-data.html>

¹³ Sati, W for ABC Mid-North Coast. (21 August 2021). *Homeless in a bush camp, told to move on, but with a lack of affordable housing there's nowhere to go*. Retrieved from <https://www.abc.net.au/news/2021-08-21/lack-of-affordable-housing-for-those-in-homeless-bush-camp/100384898>; Oatway, L. and Shoebridge, J for ABC North Coast. (1 April 2022). *Flood victims told to leave emergency housing in Byron Bay to make way for Easter holiday-makers*. Retrieved from <https://www.abc.net.au/news/2022-04-01/flood-victims-told-to-leave-emergency-accommodation/100959270>

¹⁴ NSW Parliament, Select Committee into the Response to Major Flooding 2022. (9 August 2022). *Report No 1 - Response to major flooding across New South Wales in 2022*. Retrieved from <https://www.parliament.nsw.gov.au/committees/listofcommittees/Pages/committee-details.aspx?pk=277#tab-reportsandgovernmentresponses>

¹⁵ Shelter NSW in partnership with Regional Australia Institute. (November 2021, p. 16). *New South Wales Regional Housing Need Report*. Retrieved from <https://sheltersnsw.org.au/wp-content/uploads/2021/11/NSW-Regional-Housing-Need-Report.pdf>

2022 Floods

Shelter NSW sincerely hopes that the suite of recommendations and considerations from the Select Committee Flooding Inquiry will be incorporated into the final version of the Regional Plan. For instance, the Plan includes a case study of the Tweed Shire Voluntary Home Purchase Scheme for severely flood affected properties but no linked, specific actions are proposed for the Department to collaborate with other North Coast Councils in developing and funding their own Schemes. Indeed, from the Tweed Shire Council website¹⁶, it appears that funding arrangements for the existing Voluntary Home Purchasing Scheme is reliant on yearly grant applications and complex criteria – despite the Scheme intending to operate over many years and possibly decades.

Several submissions were made to the Select Committee Flood Inquiry with respect to land use planning and the need for a larger, safer stock of social housing in many localities (e.g. submissions from Homelessness NSW and Local Government NSW). **Land swaps, resettlement, and critical social infrastructure such as social housing and emergency accommodation should be built well above the 1% AEP flood planning level** and closer to being at or above the 0.2% AEP probable maximum flood level. This view appears to be consistent with the Technical Director of Flood Management Australia who presented at the Select Committee Flood Inquiry, as well as the submission by Insurance Council of Australia.

Recommendations

- Review and update the Regional Plan draft with respect to findings and recommendations of the NSW Select Committee into the Response to Major Flooding 2022
- Incorporate specific actions into the Plan for land swaps and buy back scheme models to be developed in collaboration with local Councils
- Consider strengthening the Regional Plan goals for resilience to include locating critical social infrastructure – such as social housing and emergency accommodation – close to or above the PMF (0.2% AEP).

¹⁶ Tweed Shire Council. (n.d.). Voluntary Home Purchase Scheme. Retrieved from <https://www.tweed.nsw.gov.au/property-rates/floods-stormwater/flood-studies-projects/voluntary-house-purchase-scheme>

Social and affordable housing

Affordable housing

The term 'affordable housing' is defined in the NSW planning system as:

*Housing for very low income households, low income households or moderate income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument.*¹⁷

Affordable housing is not necessarily public or community housing ('public' and 'community' housing both come under the umbrella of 'social' housing¹⁸). Affordable housing can be funded (and delivered) by local Councils, particularly where private development must contribute funds/land/dwellings for the purposes of affordable housing.

Affordable housing is nearly always affordable rental housing. A greater variety of households may be eligible for affordable rental housing than social housing. Indeed, income brackets for affordable rental housing eligibility tends to include key workers such as teachers, nurses, aged care workers, trade apprentices, and other industry workers who are essential to local communities. Providing more housing opportunities for these working cohorts is therefore imperative to advancing any region's economic growth goals.

The NSW Department of Planning can and should assist local Councils in scoping out the viability of creating Affordable Housing Contributions Schemes or Affordable Housing Planning Agreement Policies.

The Regional NSW Housing Taskforce initial findings report¹⁹ acknowledges that using the Department's viability tool for Affordable Housing Contributions Schemes can be cumbersome and that more training for regional planners is required to ensure the tool can be practically used. Additionally, the Department has a ministerial direction and practice note setting out the need for an underlying local Planning Agreement policy to be in place before negotiating any planning agreements²⁰. It is not known whether specific guidance and resources are provided by the Department to local Councils on crafting policies for Affordable Housing Planning Agreements.

¹⁷ NSW Government. (current version December 1, 2021). *Environmental Planning and Assessment Act 1979 No 203*, s1.4 Definitions. Retrieved from <https://legislation.nsw.gov.au/view/whole/html/inforce/current/act-1979-203>

¹⁸ NSW Government. (current version November 26, 2021). *State Environmental Planning Policy (Housing) 2021*, Dictionary="social housing provider". Retrieved from <https://legislation.nsw.gov.au/view/whole/html/inforce/current/epi-2021-0714>

¹⁹ Fielding, G. (September 2021, pp. 35 & 36). *Regional Housing Taskforce: Initial Findings Report*. Retrieved from <https://www.planningportal.nsw.gov.au/regional-housing>

²⁰ NSW Government. (February 28, 2019). *Ministerial Direction: Environmental Planning and Assessment (Planning Agreements) Direction 2018*. Retrieved from <https://www.planning.nsw.gov.au/-/media/Files/DPE/Directions/ministerial-direction-s7-9-environmental-planning-and-assessment-planning-agreements-2019-06-11.pdf?la=en> ; NSW Government. (February 2021). *Planning Agreements: Practice note*. Retrieved from <https://www.planning.nsw.gov.au/-/media/Files/DPE/Practice-notes/practice-note-planning-agreements-2021-02.pdf?la=en>

Social housing

The intent of both public and community housing (as subsets of social housing) is to accommodate people on very low, low, and moderate incomes in affordable housing.

Social housing renewal and augmentation is a State responsibility and in 2022, our ask of the NSW Government in this respect is to:

1. Fast track investment in social housing to prevent homelessness and support economic recovery across the state (including in regional areas):
 - a) Build or acquire 5,000 additional units of social housing each year for the next 10 years to address the current backlog and enable an effective response to the growing demand
 - b) Invest \$500 million in an expanded repairs and maintenance program for existing social housing stock. This would include upgrades to inefficient fixtures (water, heating and cooling) and improve the thermal performance of existing social housing stock
 - c) Build three new Youth Foyers in NSW providing integrated housing, education and employment support to vulnerable young people otherwise at risk of homelessness.

In addition to the above, Shelter NSW routinely advocates for at least 5% of all dwellings in all LGAs to be social housing.

Social and affordable housing targets

The Plan lacks specific numeric targets to increase social and affordable housing stock. By contrast, the recently exhibited *Draft Central Coast Regional Plan 2041* included the following affordable housing targets²¹:

Central Coast affordable housing targets

	Small renting	Family renting	Small purchasing	Family purchasing
Affordable to very low income households	8,000 (+1,900)	5,900 (+1,400)	2,100 (+500)	1,400 (+500)
Affordable to low income households	2,100 (+500)	3,800 (+900)	1,900 (+500)	2,300 (+600)
Affordable to moderate income households	500 (+100)	900 (+100)	800 (+200)	1,800 (+400)

²¹ NSW Department of Planning, Industry and Environment. (December 2021, p. 41). *Draft Central Coast Regional Plan 2041*. Retrieved from <https://dpe.mysocialpinpoint.com.au/central-coast-2041>

The NCRP includes this admission on page 26:

The Aboriginal Housing Office demand model forecasts an average 30% increase in Aboriginal housing demand across the North Coast from 2021 to 2031, or an additional 4,622 dwellings including 1,777 social housing properties to support low income households.

This huge increase in demand, paired with the baseline current stock of AHO dwellings in the region at 685 homes, does not seem to inform any specific Strategies or Actions in the Plan to massively increase the stock of social housing dwellings via new builds or acquisition. Given the significant housing challenges facing the North Coast, Shelter strongly suggests the North Coast Plan embed its own suite of targets in collaboration with Department of Communities and Justice, AHO, and local Councils.

Building on the above example from the *Central Coast Regional Plan 2041*, it would be useful for the Department to outline in conjunction with any affordable housing targets:

- what is meant by 'affordable' versus 'social housing' in the North Coast Regional Plan,
- whether any instituted numeric targets are a mix of social and affordable housing, and
- what proportion of the targets will remain 'affordable' in perpetuity.

It would be pertinent for the Implementation Plan linked to the North Coast Regional Plan to outline how/when these targets will be delivered and by whom.

Recommendations

- Embed an 'affordable housing targets' table in the Plan, similar to *Central Coast Regional Plan 2041*
- Make clear in the Plan what is meant by 'affordable housing' with reference to an embedded 'affordable housing targets' table
- Delineate the proposed mix of social and affordable rental housing in the targets table of the Plan, including social housing set aside for First Nations households
- State what proportion of 'affordable housing' will be affordable in perpetuity
- Include details in the Implementation Plan on how/when affordable housing targets will be reached and by whom
- Set an additional target of at least 5% of all dwellings in each LGA in the North Coast Region being social housing with a region-wide target of 10% of all dwellings being social housing by 2041
- Provide more hands-on assistance to local Councils in developing/implementing Affordable Housing Contributions Schemes and Affordable Housing Contributions Policies, and indeed make clear the difference between these two mechanisms in delivering affordable rental housing outcomes.

North Coast Urban Development Program ('NCUDP')

Shelter notes the intent of the Plan to establish a North Coast Urban Development Program. The proposed make-up of the Program members is not outlined in the Plan. The *Draft Central Coast Regional Plan 2041*²² is explicit in its proposed membership base, including that of the Darkinjung LALC. We are of the view that LALCs in the North Coast Region should similarly be invited onto the NCUDP.

Given the challenges facing the North Coast in planning and delivering well-located, affordable, and quality housing, **a housing affordability roundtable should report to the North Coast Urban Development Program Committee**. Such a roundtable is proposed in the Plan under Action 3, but it is not clear how the outcomes and actions of the roundtable will be fed through to a new NCUDP and other bodies:

Establish Housing Affordability Roundtables for the Mid North Coast and Northern Rivers subregions with councils, community housing providers, State agencies and the housing development industry to collaborate, build knowledge and identify measures to improve affordability and increase housing diversity.

Further, Action 3 does not explicitly include community organisations that are not CHPs. **Not including significant grassroots community groups in housing affordability roundtable(s) is a wasted opportunity**, particularly as the Plan includes a case study on innovative housing options being delivered in Bellingen (redevelopment of the Royal Freemasons' Benevolent Institution sites). The local Housing Matters Action Group was integral in bringing that case-study site to life. We propose any housing affordability roundtable:

- 1) Be established to inform the NCUDP
- 2) Include stakeholders from grassroots organisations such as the Housing Matters Action Group in Bellingen
- 3) Have the key remit of advising on a joint-delivery plan (government, not-for-profit, and private sectors) to meet affordable and social housing targets, which will elsewhere be stated in the NCRP and Implementation Plan.

Recommendations

- Release details on how membership to the Urban Development Program Committee was/is being decided
- Extend membership invitations of the NCUDP to LALCs
- Establish a subcommittee/roundtable on housing affordability which informs the NCUDP and commits to a joint-delivery plan on social, affordable, and alternative housing

²² NSW Department of Planning, Industry and Environment. (December 2021, p. 19). *Draft Central Coast Regional Plan 2041*. Retrieved from <https://dpe.mysocialpinpoint.com.au/central-coast-2041>

- Ensure any subcommittee/roundtable on housing affordability is populated with key community groups that have demonstrated their commitment to working with local government and other bodies to deliver meaningful outcomes in their communities (e.g. Housing Matters Action Group).

Publicly-owned land and innovative housing

Shelter advocates for inclusion of a specific Strategy or Action point for leveraging publicly-owned land, as is the case in the *Draft Central West and Orana Regional Plan 2041*:

*Facilitate pilot projects that test... the use of publicly-owned land to test new housing typologies in partnership with industry and community housing providers.*²³

We also note Strategy 4.3 of the *Draft Central Coast Regional Plan* seeks to:

*Support community driven innovative housing solutions, such as prefabricated and manufactured housing, 3-D printed housing, and tiny houses*²⁴.

We are of the view that, similarly, **the NCRP should tout examples of innovative non-market housing and pilot projects for publicly-owned land.**

The NSW Government's *Local Government Housing Kit* contains many case studies on innovative, non-market housing approaches²⁵ such as the 'Homes for Homes' initiative which relies on donations from property sales in a community to fund affordable housing projects²⁶. There is also the ACT Suburban Land Agency's rent scheme whereby purchase of land is not required in order to build a home on newly available allotments²⁷. In more recent times, Bellingen alongside Kempsey and Port Macquarie-Hastings Councils have established a community land trust to operate as a not-for-profit organisation, providing housing potentially through co-ownership or a 99-year lease model²⁸.

Recommendations

- Include a Strategy or Action point which makes specific reference to leveraging the use of publicly-owned land for non-market innovative housing.

²³ NSW Department of Planning, Industry and Environment. (2021, p. 50). *Draft Central West and Orana Regional Plan 2041*. Retrieved from <https://dpe.mysocialpinpoint.com.au/central-westorana-2041>

²⁴ NSW Department of Planning, Industry and Environment. (December 2021, p. 40). *Draft Central Coast Regional Plan 2041*. Retrieved from <https://dpe.mysocialpinpoint.com.au/central-coast-2041>

²⁵ NSW Department of Communities and Justice ('DCJ'). (2019). *Local Government Housing Kit: Module 5 case studies and resources*. Retrieved from <https://www.facs.nsw.gov.au/resources/nsw-local-government-housing-kit/chapters/Local-Government-Housing-Kits-Full-Kit-and-downloadable-modules>

²⁶ Ibid, p. 15

²⁷ Ibid, p. 6

²⁸ Housing Matters Action Group. (n. d.). *Current Projects*. Retrieved from <https://www.housingmatters.org.au/current-projects/>

Mixed use, infill residential development

Shelter supports Strategy 1.3 of the NCRP in championing infill development to meet minimum multi-dwelling targets:

Councils in developing their future housing strategies must prioritise new infill development to assist in meeting the region's overall 40% multi-dwelling/small lot housing target and are encouraged to work collaboratively at a subregional level to achieve the target.

Per our previous submission on the Tweed Regional City Action Plan 2036, we advocate for the target of multi-dwelling or non “dwelling houses” be increased to at least 50% of all new housing by 2036. Monitoring and reporting success against this target should be enshrined as a key action in the 2041 Plan.

We advocate for infill development to be a primary housing and urban renewal option in regional towns and cities. Greenfield estate development has long been on the Americanised trajectory of sprawling, detached, single-storey ‘McMansions’ with limited footpath infrastructure, heavy car reliance, and no minimum estate-wide targets for universally accessible design. Poorly designed suburban sprawl estates are incompatible with an ageing population, provision of cost-effective infrastructure, and climate change more generally. 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 dwellings²⁹.

Our submission to the Regional Housing Taskforce³⁰ in September 2021 included the recommendation for land use zoning typologies to be reimaged for regional and rural settings, with diminishing prevalence of land zones that promote sprawl in LEPs. In this vein, **we believe an action should be included in the NCRP to assess the viability of certain land zone typologies** (R2 and R5 zones at urban fringes when compared to R1, RU-, and Enviro zones) and increase preference for other land zone typologies (R3 and Mixed Use near commercial cores and employment hubs) in LEPs. This action should specifically mention the role of Local Housing Strategies (under development or review) in auditing land use zone typologies.

Infill development opportunities must be explored in conjunction with Department of Communities and Justice (‘DCJ’) and community housing providers, and incentives offered to private developers to dedicate affordable rental housing in these infill sites (either through Planning Agreements or Affordable Housing Contributions Schemes).

²⁹ 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>

³⁰ Shelter NSW. (September 2021). Regional Housing Taskforce submission. Retrieved from <https://sheltersnsw.org.au/wp-content/uploads/2021/09/Regional-Housing-Taskforce-Shelter-NSW-submission.pdf>

Recommendations

- Increase the target of multi-dwelling or non “dwelling houses” to at least 50% of all new housing by 2036. Monitoring and reporting success against this target should be enshrined as a key action in the 2041 Plan.
- Include numeric targets for social and affordable housing properties (with reference to dwelling types/sizes/numbers of bedrooms) in infill, mixed use strategies, to ensure new social and affordable housing stock is not relegated only to greenfield development areas
- Commit to reviewing viability of certain land zone typologies when furthering the objectives of mixed use development whilst cross-referencing the roles and outcomes of Local Housing Strategies.

Short term rental accommodation (‘STRA’)

Unfortunately, the Plan does not seem to adequately reflect the gravity of impacts short term rental accommodation is having on housing stock and availability in the Region. In fact, this extract from the Plan (p. 18) misrepresents short term holiday letting as a form housing, akin to diverse housing typologies such as seniors housing:

In addition to the quantum of growth, housing for particular needs must also be considered, including short-term holiday letting, seniors and people with a disability, affordable rental housing and students.

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 NSW Department of Planning’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 consolidated *Housing SEPP 2021*.

Increasingly in Australia, the type of STRA available on Airbnb is whole-house conversions of investment properties³¹ – 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 North Coast region:

³¹ 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>

LGA	Number of whole-house STRAs listed on Airbnb - Nov 2018 ³²	Number of whole-house STRAs listed on Airbnb - Nov 2021 ³³	Change in rental vacancy rate (%) between Nov 2018 to Nov 2021 ³⁴
Ballina	448	531	-0.5 (0.7 to 0.2)
Byron Bay	2294	2670	-0.9 (1.6 to 0.7)
Coffs Harbour	583	703	-0.6 (1.0 to 0.4)
Tweed Shire	967	1121	-0.5 (0.8 to 0.3)

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 Trading³⁵ and NSW DPIE³⁶ websites what the penalties will be for lack of compliance with the Code and not listing properties on the register. We are 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.

With reference to our assertion that "generous STRA planning rules" exist for hosts, we note that regional councils have to opt-in to the 180 day annual cap for regulating whole-home STRAs through a planning proposal, and the cap can be no lower than 180 days (potentially excluding Byron Bay as they work through their own lower-cap Planning Proposal). The justification for the 180-day arbitrary lower threshold has not been communicated to the public. **Opting-in to a day cap is an unnecessary administrative process for local councils to go through.** With keen regard to the domestic tourism boom, all LGAs should be opted into a 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 internationally³⁷ has shown that annual day-caps for STRA use are less efficient in returning dwellings to the long-term rental market than policies limiting the total number of STRAs per suburb. We suggest that the

³² Murray Cox. *Inside Airbnb*. Retrieved from <http://insideairbnb.com/get-the-data.html>

³³ Ibid

³⁴ SQM Research. (n.d.). *Residential vacancy rates by postcode*. Retrieved from https://sqmresearch.com.au/graph_vacancy.php

³⁵ 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>

³⁶ NSW DPIE. (n.d.). Short Term Rental Accommodation (STRA). Retrieved from <https://www.planningportal.nsw.gov.au/STRA>

³⁷ 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>

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 Tasmania³⁸, 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 sociospatial disadvantages of STRA use are well documented globally³⁹, 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.

Recommendations

- Recognise in the Plan the gravity of impacts short term rental accommodation is having on housing stock and availability
- Ensure short term holiday letting is not misrepresented as a 'diverse form of housing' in the Plan or subsequent Implementation Plans
- State on easy-to-access webpages and other media content of NSW Fair Trading and NSW DPE 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
- Fund and resource – through joint regional organisations or one-on-one liaison with local councils – compliance officers for implementing STRA reforms, particularly in the first two years of full regulatory commencement

³⁸ Tasmania Government. (n.d.). *Tasmanian Planning Reform: Short stay accommodation*. Retrieved from <https://planningreform.tas.gov.au/short-stay-accommodation-act-2019>

³⁹ 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>

- Remove the administrative step of requiring Councils to self-nominate for inclusion into the 180 day regulatory cap for non-hosted STRA
- Expand legislative reforms on STRA by pivoting 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.

Summary of recommendations

The recommendations peppered throughout this submission are collated below. Shelter NSW recommends the Department of Planning:

- Review and update the Regional Plan draft with respect to findings and recommendations of the NSW Select Committee into the Response to Major Flooding 2022
- Incorporate specific actions into the Plan for land swaps and buy back scheme models to be developed in collaboration with local Councils
- Consider strengthening the Regional Plan goals for resilience to include locating critical social infrastructure – such as social housing and emergency accommodation – close to or above the PMF (0.2% AEP)
- Embed an ‘affordable housing targets’ table in the Plan, similar to *Central Coast Regional Plan 2041*
- Make clear in the Plan what is meant by ‘affordable housing’ with reference to an embedded ‘affordable housing targets’ table
- Delineate the proposed mix of social and affordable rental housing in the targets table of the Plan, including social housing set aside for First Nations households
- State what proportion of ‘affordable housing’ will be affordable in perpetuity
- Include details in the Implementation Plan on how/when affordable housing targets will be reached and by whom
- Set an additional target of at least 5% of all dwellings in each LGA in the North Coast Region being social housing with a region-wide target of 10% of all dwellings being social housing by 2041
- Provide more hands-on assistance to local Councils in developing/implementing Affordable Housing Contributions Schemes and Affordable Housing Contributions Policies, and indeed make clear the difference between these two mechanisms in delivering affordable rental housing outcomes
- Release details on how membership to the Urban Development Program Committee was/is being decided
- Extend membership invitations of the NCUDP to LALCs

- Establish a subcommittee/roundtable on housing affordability which informs the NCUDP and commits to a joint-delivery plan on social, affordable, and alternative housing
- Ensure any subcommittee/roundtable on housing affordability is populated with key community groups that have demonstrated their commitment to working with local government and other bodies to deliver meaningful outcomes in their communities (e.g. Housing Matters Action Group).
- Include a Strategy or Action point which makes specific reference to leveraging the use of publicly-owned land for non-market innovative housing
- Increase the target of multi-dwelling or non “dwelling houses” to at least 50% of all new housing by 2036. Monitoring and reporting success against this target should be enshrined as a key action in the 2041 Plan
- Include numeric targets for social and affordable housing properties (with reference to dwelling types/sizes/numbers of bedrooms) in infill, mixed use strategies, to ensure new social and affordable housing stock is not relegated only to greenfield development areas
- Commit to reviewing viability of certain land zone typologies when furthering the objectives of mixed use development whilst cross-referencing the roles and outcomes of Local Housing Strategies.
- Recognise in the Plan the gravity of impacts short term rental accommodation is having on housing stock and availability
- Ensure short term holiday letting is not misrepresented as a ‘diverse form of housing’ in the Plan or subsequent Implementation Plans
- State on easy-to-access webpages and other media content of NSW Fair Trading and NSW DPE 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
- Fund and resource – through joint regional organisations or one-on-one liaison with local councils – compliance officers for implementing STRA reforms, particularly in the first two years of full regulatory commencement
- Remove the administrative step of requiring Councils to self-nominate for inclusion into the 180 day regulatory cap for non-hosted STRA
- Expand legislative reforms on STRA by pivoting 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.