

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 Tenure forms and rights Housing types and sizes	Proximity to jobs and services Access to public transport Accessibility and adaptability	Amenity and aesthetics Energy and environment Standards and maintenance
Productive cities and regions	Poverty-free communities	Protected neighbourhoods
Access to jobs and services Housing costs and consumption Financial and economic stability	Housing stress and homelessness Physical and mental health Education access and attainment	Energy use and consumption Urban heat 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 *South East & Tablelands Regional Plan 2041* (‘SETRP’). 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 **Queanbeyan-Palerang is 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.

Our submission calls for the Plan to enshrine **affordable and social housing targets**, seek meaningful **community input into the proposed Urban Development Program**, better **utilise publicly-owned land**, create **multi-dwelling and infill housing targets**, adequately address the **housing impacts of short term rental accommodation**, and provide more pragmatic **assistance to local Councils when dealing with workforce accommodation challenges**.

A summary of our recommendations is included on pages 17 to 19.

Sincerely,

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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

Queanbeyan-Palerang is ranked joint-ninth position out of all regional LGAs in our report on areas of high housing need³. Other LGAs in the South East & Tablelands region were not far behind.

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)⁴. 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 South East & Tablelands is no different; it is anticipated that population growth will be highest in the 65+ year age group in the coming years for this region⁵.

Migration trends during the COVID-19 pandemic have contributed to a deepening regional housing crisis for NSW⁶. Single-parent families and households in mortgage or rental stress are overrepresented in the region, compared to the rest of regional NSW⁷. This is particularly concerning, as the *SGS Economics Rental Affordability Index*⁸ found a full-time hospitality worker faces "severe" rental affordability constraints in Jindabyne. A single parent working casual/part time seeking to rent a 2-bedroom dwelling in Batemans Bay similarly faces "severe" rental affordability constraints⁹.

The proportion of dwellings as social housing stock is less than 5 percent¹⁰ in each LGA in the region and **all these same LGAs have recorded stagnant or real decline in social housing stock numbers between 2011 and 2020**. For instance, social housing stock in Eurobodalla has decreased by 11.5% from 410 to 363 properties in that period¹¹ - see Table on following page for more locations:

³ Shelter NSW in partnership with Regional Australia Institute. (November 2021, p. 43). *New South Wales Regional Housing Need Report*. Retrieved from <https://shelternsw.org.au/wp-content/uploads/2021/11/NSW-Regional-Housing-Need-Report.pdf>

⁴ 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

⁵ 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>

⁶ 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

⁷ 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> (spreadsheet with all relevant LGA metrics can be supplied upon request)

⁸ SGS Economics. (November 2021). *Rental Affordability Index: Key Findings*. Retrieved from <https://www.sgsep.com.au/sgs-lab/rental-affordability-index> [interactive map]

⁹ Ibid [interactive map]

¹⁰ 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>

¹¹ 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

LGA	Ranked housing need (out of 96 regional LGAs) ¹²	Total no. of social housing properties (whether managed by DCJ or other) 2011-12 FY	Total no. of social housing properties (whether managed by DCJ or other) 2019-20 FY	% change in social housing stock ¹³
Queanbeyan-Palerang	9	703	664	-5.5
Wingecarribee	13	454	454	0.0
Eurobodalla	16	410	363	-11.5
Bega Valley	19	378	372	-1.6
Yass Valley	21	92	90	-2.2
Snowy Monaro	22	153	151	-1.3
Hilltops	22	188	186	-1.1
Snowy Valleys	27	227	207	-8.8
Upper Lachlan	28	22	21	-4.5

Yet, there are more than 1,000 people on the general social housing waitlist waiting in excess of 5 years for all dwelling types in the broader South East & Tablelands region¹⁴.

Meanwhile, thousands¹⁵ of whole-home property investor Airbnbs sit idle in the South Coast region as locals sleep in tents in caravan parks or State and National Parks¹⁶.

Lastly, South Coast communities are still recovering from the devastating effects of the 2019-20 Black Summer bushfires. Supply-chain and workforce issues during the pandemic have further delayed rebuild efforts for homes and communities¹⁷. The eastern seaboard of Australia is on the precipice of a third-consecutive La Nina spring and summer, with many households living in makeshift accommodation not adequately protected from enduring damp and flood risk.

<https://www.parliament.nsw.gov.au/lcdocs/other/15376/Answers%20to%20supplementary%20questions%20-%20Pavey.pdf>

¹² 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> (spreadsheet with all relevant LGA metrics can be supplied upon request)

¹³ 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>

¹⁴ NSW DCJ. (2021). *Expected wait times*. Retrieved from <https://www.facs.nsw.gov.au/housing/help/applying-assistance/expected-waiting-times>

¹⁵ Murray Cox. (n.d.). *Inside Airbnb*. Retrieved from <http://insideairbnb.com/get-the-data.html>

¹⁶ Olumee, F. (18 June 2022). *Campground residents battle cold winter as they struggle with homelessness on NSW South Coast*. ABC South East NSW. Retrieved from <https://www.abc.net.au/news/2022-06-18/homeless-winter-campground-nsw-south-coast/101159332>

¹⁷ McKnight, A. (31 December 2021). *Two years after Black Summer bushfires, the Bega Valley continues to rebuild*. About Regional. Retrieved from <https://aboutregional.com.au/two-years-after-black-summer-bushfires-the-bega-valley-continues-to-rebuild/>

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 housing targets,
- Affordable Housing Contributions Schemes or fit-for-purpose and transparent Affordable Housing Planning Agreement Policies,
- meaningful engagement with community groups via housing affordability roundtables,
- mixed use, residential infill strategies targeting specific sites strategic centres and strategic clusters,
- public land dedicated to non-market housing,
- tighter regulations on short-term rental accommodation, and
- more hands-on assistance to under-resourced and under-staffed local Councils.

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.¹⁸

Affordable housing is not necessarily public or community housing ('public' and 'community' housing both come under the umbrella of 'social' housing¹⁹). 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

¹⁸ 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>

¹⁹ 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>

working cohorts is therefore imperative to advancing any region's economic growth goals.

The Plan appears to derogate the role that dedicated affordable rental housing can play in providing secure homes for low-income households (p. 86):

Low-cost housing types can be achieved in the conventional housing market without the need for ongoing management and without impacting the financial feasibility of other development. Low-cost housing types also remain relatively low cost in perpetuity, unlike some affordable housing dwellings, which revert to market rates after a period of time (usually, 10 years).

Affordable rental housing, delivered through an Affordable Housing Contributions Scheme, is affordable in perpetuity as part of that Scheme delivered by or on behalf of local Councils. Furthermore, changes to housing products in the Housing SEPP have made boarding houses affordable in perpetuity and other typologies (such as "infill affordable housing") must be affordable for at least 15 years²⁰. **Shelter asserts that relying on market-rate housing – whether built at "low cost" or not – to deliver secure, affordable rental housing specifically for low-income households is a fanciful notion in the Australian housing market.**

The NSW Department of Planning & Environment 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 report²¹ 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 agreements²². 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.

²⁰ NSW Government. (12 August 2022, cl. 21 & 26). *State Environmental Planning Policy (Housing) 2021*. Retrieved from <https://legislation.nsw.gov.au/view/whole/html/2022-08-12/epi-2021-0714>

²¹ Fielding, G. (September 2021, pp. 35 & 36). *Regional Housing Taskforce: Initial Findings Report*. Retrieved from <https://www.planningportal.nsw.gov.au/regional-housing>

²² 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. Strategy 18.1 calls for strategic planning to “include minimum social and affordable housing targets” and identify “opportunities to renew social housing stock”. The preamble to this Strategy is that Department of Communities and Justice (‘DCJ’) is working on a 20-year plan to address social housing need in the region. By contrast, the recently exhibited draft *Central Coast Regional Plan 2041* included the following affordable housing targets²³:

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)

²³ NSW DPE. (December 2021, p. 41). *Draft Central Coast Regional Plan 2041*. Retrieved from <https://dpe.mysocialpinpoint.com.au/central-coast-2041>

As outlined earlier in our submission, social housing stock has stagnated or suffered real decline in the past decade in the South East & Tablelands region. **Given the known demand for social housing in the region at more than 1,000 applicants and waitlists exceeding 5 years, it is inappropriate to defer inclusion of social and affordable housing targets in the 2041 Plan.**

To this end, Collaborative Action 18.1 should be enhanced with specific reference to baseline targets and:

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

Recommendations

- Embed an 'affordable housing targets' table in the Plan, similar to *Central Coast Regional Plan 2041*
- Enhance Collaborative Action 18.1 with specific reference to baseline targets and by making plain:
 - what is meant by 'affordable' versus 'social housing'
 - what is meant by 'minimum standards for social and affordable housing'
 - whether any instituted numeric targets are a mix of social and affordable housing, and
 - what proportion of the targets will remain 'affordable' in perpetuity
 - the proposed mix of social and affordable rental housing in the Plan, including social housing set aside for First Nations households
- 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 South East & Tablelands 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.

Urban Development Program ('UDP')

Shelter notes the intent of the SETRP to establish an Urban Development Program under Action 21.1. The proposed make-up of the Program members is alluded to on page 111. The draft *Central Coast Regional Plan 2041*²⁴ is explicit in its proposed membership base, including that of the Darkinjung Local Aboriginal Land Council. We are of the view that LALCs in the South East & Tablelands Region should similarly be invited onto the Urban Development Program.

Given the challenges facing the Region in planning and delivering well-located, affordable, and quality housing, **a housing affordability roundtable should report to the Urban Development Program Committee**. Such roundtables are proposed in various other Regional Plans to 2041 (such as New England North West and North Coast).

Membership of housing affordability roundtables should include not just industry and government stakeholders, but also on-the-ground community groups such as the CWA. We propose any housing affordability roundtable:

- 1) Be established to inform the UDP
- 2) Include stakeholders from community organisations such as local CWA branches
- 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 SETRP and Implementation Plan.

Recommendations

- Release details on how membership to the Urban Development Program Committee was/is being decided
- Extend membership invitations of the UDP to LALCs
- Establish a subcommittee/roundtable on housing affordability which informs the UDP 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. local CWA branches).

²⁴ NSW DPE. (December 2021, p. 19). *Draft Central Coast Regional Plan 2041*. Retrieved from <https://dpe.mysocialpinpoint.com.au/central-coast-2041>

Publicly-owned land and innovative housing

Priorities for strategic centres and strategic clusters in the Plan tend to indicate an appetite for better utilising publicly owned land (pp. 32 & 33), but these sentiments are not linked to any specific Strategies or Action points:

Priorities for [Bega strategic centre] [Batemans Bay strategic cluster]: Investigating opportunities for the re-purpose of NSW Government and Council owned land assets.

The pilot project currently underway for delivering key worker and affordable housing on Crown Land in/near Cooma is absent from the Plan's discussion²⁵. As such, there are no actions in the Plan that build upon the criteria or memorandum of understanding between various agencies and stakeholders that facilitated this pilot project.

Shelter advocates for inclusion of specific actions 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.*²⁶

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*²⁷.

We are of the view that, similarly, **the SETRP 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 approaches²⁸ such as the 'Homes for Homes' initiative which relies on donations from property sales in a community to fund affordable housing projects²⁹. 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 allotments³⁰. In more recent times, Bellingen alongside Kempsey and Port Macquarie-Hastings Councils are undertaking a scoping exercise to implement a community land trust, operating as a not-

²⁵ NSW Crown Lands. (9 February 2022). Housing unlocked in Cooma, creating blueprint for housing delivery across regional NSW. Retrieved from <https://www.crownland.nsw.gov.au/news/housing-unlocked-cooma-creating-blueprint-housing-delivery-across-regional-nsw>

²⁶ NSW DPE. (2021, p. 50). *Draft Central West and Orana Regional Plan 2041*. Retrieved from <https://dpe.mysocialpinpoint.com.au/central-westorana-2041>

²⁷ NSW DPE. (December 2021, p. 40). *Draft Central Coast Regional Plan 2041*. Retrieved from <https://dpe.mysocialpinpoint.com.au/central-coast-2041>

²⁸ NSW 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>

²⁹ Ibid, p. 15

³⁰ Ibid, p. 6

for-profit organisation and providing housing potentially through co-ownership or a 99-year lease model³¹.

Recommendations

- Include Strategies or Action points which make specific reference to leveraging the use of publicly-owned land for non-market innovative housing.

Mixed use, infill residential development

Shelter supports Action 17.3 of the SETRP in championing infill development targets to be included in strategic centre masterplanning. **We are of the view that linking minimum multi-dwelling targets to infill development opportunities should be outlined in SETRP**, per other Regional Plan actions:

*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.*³²

In addition, we advocate for a target to be included in SETRP of at least 50% of all new housing by 2041 in key locations being multi-dwelling or non “dwelling houses”. Key locations – being strategic centres and strategic clusters – have already been identified for their importance in delivering “medium density housing” in the Plan (p. 20). Monitoring and reporting success against this target should be enshrined as a further 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, agricultural land protection, 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 dwellings³³.

Our submission to the Regional Housing Taskforce³⁴ in September 2021 included the recommendation for land use zoning typologies to be reimagined for regional and rural

³¹ Housing Matters Action Group. (n. d.). *Current Projects*. Retrieved from <https://www.housingmatters.org.au/current-projects/>

³² NSW DPE. (July 2022, p. 22). *Draft North Coast Regional Plan*. Retrieved from <https://dpe.mysocialpinpoint.com.au/north-coast-2041>

³³ 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>

³⁴ 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>

settings, with diminishing prevalence of land zones that promote sprawl in LEPs. In this vein, **we believe an action should be included in the SETRP 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 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).

Recommendations

- Include the target of multi-dwelling or non “dwelling houses” to be at least 50% of all new housing by 2041 in key locations such as: Southern Highlands (Moss Vale, Bowral and Mittagong) strategic cluster, Batemans Bay (Bateman’s Bay and Moruya) strategic cluster, Bega strategic centre, Young strategic centre, Goulburn strategic centre, Queanbeyan strategic centre, and Cooma strategic centre
- Monitor and report success against the above multi-dwelling or non “dwelling house” target in the 2041 Plan and include this monitoring/reporting requirement as an Action in the 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, the Plan aspires for 24hr a day/365 days per year visitor economies to boost productivity in the Region, particularly through the Snowy Mountains Special Activation Precinct. The closest link that is drawn in the Plan between the impacts of STRA and the long term rental market is one sentence in the Bega Strategic Centre priority list in “addressing the availability of visitor accommodation and rental housing” (p. 32).

Whilst Shelter acknowledges the important role tourism plays in the Region, **significant investment in the tourism sector without a commensurate investment in housing**

for low-income and key worker households is short-sighted and at odds with the Vision of the 2041 Plan (p. 12).

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 properties³⁵ – 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 South East & Tablelands region:

Locality	Number of whole-house STRAs listed on Airbnb - Nov 2018 ³⁶	Number of whole-house STRAs listed on Airbnb - Nov 2021 ³⁷	Change in rental vacancy rate (%) between Nov 2018 to Nov 2021 ³⁸
Jindabyne/Snowy Rivers	747	932	1.9 to 0.4 for Jindabyne
Eurobodalla Shire	569	733	5.8 to 1.9 for Batemans Bay
Wingecarribee Shire	444	552	3.9 to 1.4 for Bowral

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 of DA proposals by local and state planners on the social impacts of resource industry proposals for accommodating DIDO/FIFO workforces is therefore required – please refer to the following section **Workforce accommodation and growth** in this submission.

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

³⁵ 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>

³⁶ Murray Cox. *Inside Airbnb*. Retrieved from <http://insideairbnb.com/get-the-data.html>

³⁷ Ibid

³⁸ SQM Research. (n.d.). *Residential vacancy rates by postcode*. Retrieved from https://sqmresearch.com.au/graph_vacancy.php

state-wide register. However, we note that it is not explicitly stated on public-facing NSW Fair Trading³⁹ and NSW DPIE⁴⁰ 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 internationally⁴¹ 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 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 Tasmania⁴², 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 globally⁴³, in that local residents are generally**

³⁹ 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>

⁴⁰ NSW DPE. (n.d.). Short Term Rental Accommodation (STRA). Retrieved from <https://www.planningportal.nsw.gov.au/STRA>

⁴¹ 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>

⁴² Tasmania Government. (n.d.). *Tasmanian Planning Reform: Short stay accommodation*. Retrieved from <https://planningreform.tas.gov.au/short-stay-accommodation-act-2019>

⁴³ 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>;

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
- Include specific Actions in the Plan for local Councils to consider housing stock attrition and initiatives to prevent housing stock attrition in Local Housing Strategies and Housing Monitors (from the conversion of dwellings to short term visitor accommodation)
- 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.

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>

Workforce accommodation and growth

It is encouraging to see acknowledgement in the Regional Plan on the affect that major infrastructure and other industrial investments have on the supply of housing for lower-income locals. There appears to be an admission that prior decision-makers have not routinely required major project proponents (particularly for State Significant Development) to undertake cumulative impact assessments on housing stock and affordability for locals (p. 87).

The draft *Central West & Orana Regional Plan 2041* on exhibition earlier this year included an Action which should be adapted for inclusion into the SETRP:

Investigate options to ensure new public and private infrastructure, mining and other major employment-related projects plan for workforce accommodation during the lifecycle of the project, by identifying:

- *the workforce required and their accommodation needs*
- *when the workforce will come to the region and how long they will stay*
- *housing, health, education and commercial needs for the workforce and their families*
- *how the project will impact tourism and how this impact will be addressed*
- *housing options to support the surrounding centres and community for the lifetime of the project, including construction and operational phases*
- *opportunities to retain project-related housing as community managed assets in the long term*
- *opportunities for new projects to provide a financial contribution towards the provision of key worker accommodation⁴⁴*

We are of the view that the above itemised list of workforce accommodation considerations should be embedded in the Plan.

Special Activation Precincts, Regional Job Precincts, Health and Education Precincts, and proposed Renewable Energy Zones will add significant strain to councils when attempting to plan and accommodate new and temporary industry workforces. Physical and human resources may need to be deployed to the South East & Tablelands (planners, building certifiers, environmental health officers, and other assessors). The following Initiative (p. 87) does not go far enough in providing practical assistance to Councils:

Prepare planning guidance for councils to enable and manage affordable and seasonal workers housing

We recommend the **Regional Flying Squad of Planners trialled earlier this year as part of the Regional Housing Taskforce Recommendations be extended indefinitely**. The eligibility criteria for suitable DAs to go to the Flying Squad should also

⁴⁴ NSW DPE. (2021, p. 53). *Draft Central West & Orana Regional Plan 2041*. Retrieved from <https://dpe.mysocialpinpoint.com.au/central-westorana-2041>

be pared back⁴⁵ to ensure less 'front-loading' of housing and temporary worker accommodation assessments fall to under-resourced local planners, building surveyors, and environmental health officers.

Recommendations

- Incorporate workforce accommodation consideration points from Action 6 of the draft *Central West & Orana Regional Plan 2041* into the SETRP
- Extend the Regional Housing Flying Squad assistance program for DA assessment beyond 2022
- Revisit the stringent criteria for DAs that can be referred to the Regional Housing Flying Squad to ease impacts on local council officers in having to perform the bulk of upfront development assessments.

Summary of recommendations

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

- Embed an 'affordable housing targets' table in the Plan, similar to draft *Central Coast Regional Plan 2041*
- Enhance Collaborative Action 18.1 with specific reference to baseline targets and by making plain:
 - what is meant by 'affordable' versus 'social housing'
 - what is meant by 'minimum standards for social and affordable housing'
 - whether any instituted numeric targets are a mix of social and affordable housing, and
 - what proportion of the targets will remain 'affordable' in perpetuity
 - the proposed mix of social and affordable rental housing in the Plan, including social housing set aside for First Nations households
- 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 South East & Tablelands 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

⁴⁵ NSW Government. (n. d). *Regional Housing Flying Squad*. Retrieved from <https://www.planningportal.nsw.gov.au/regional-housing-flying-squad>

- Extend membership invitations of the UDP to LALCs
- Establish a subcommittee/roundtable on housing affordability which informs the UDP 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. local CWA branches)
- Include Strategies or Action points which make specific reference to leveraging the use of publicly-owned land for non-market innovative housing
- Include the target of multi-dwelling or non “dwelling houses” to be at least 50% of all new housing by 2041 in key locations such as: Southern Highlands (Moss Vale, Bowral and Mittagong) strategic cluster, Batemans Bay (Bateman’s Bay and Moruya) strategic cluster, Bega strategic centre, Young strategic centre, Goulburn strategic centre, Queanbeyan strategic centre, and Cooma strategic centre
- Monitor and report success against the above multi-dwelling or non “dwelling house” target in the 2041 Plan and include this monitoring/reporting requirement as an Action in the 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
- Include specific Actions in the Plan for local Councils to consider housing stock attrition and initiatives to prevent housing stock attrition in Local Housing Strategies and Housing Monitors (from the conversion of dwellings to short term visitor accommodation)
- 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
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- 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

- Incorporate workforce accommodation consideration points from Action 6 of the draft *Central West & Orana Regional Plan 2041* into the SETRP
- Extend the Regional Housing Flying Squad assistance program for DA assessment beyond 2022
- Revisit the stringent criteria for DAs that can be referred to the Regional Housing Flying Squad to ease impacts on local council officers in having to perform the bulk of upfront development assessments.