

6 June 2023

To the Director of Environment and Planning at Central Coast Council,

RE: Comments from Shelter NSW on draft *Local Housing Strategy*

Shelter NSW thanks Central Coast Council for the additional opportunity to comment on the draft *Local Housing Strategy* prior to the June Council meeting.

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. With this in mind, our comments relate mostly to social and affordable housing matters. Overall, we are delighted with many actions in the draft Strategy, particularly the commitment to creating an Affordable Housing Contributions Scheme.

Please contact our Policy Officer, Kayla Clanchy (kayla@shelternsw.org.au), should you wish to discuss our comments in more detail.

Sincerely,

John Engeler

Chief Executive Officer, Shelter NSW

Kayla Clanchy

Policy Officer, Shelter NSW

Affordable dwelling targets

1. We support Strategy A3 being the adoption of “affordable dwelling” targets from the *Central Coast Regional Plan 2041* (seemingly originally sourced from Council’s own *Affordable and Alternative Housing Strategy 2020*):

Table 19: Central Coast affordable housing targets 2016-2036

Household income bracket	Small renting	Family renting	Small purchasing	Family purchasing
Affordable to very low income households	+1,900	+1,400	+500	+500
Affordable to low income households	+500	+900	+500	+600
Affordable to moderate income households	+100	+100	+200	+400

2. We note that in [our submission](#) to the Department of Planning & Environment last year on draft *Central Coast Regional Plan 2041* targets, we asked for clarity on (and seek the same clarity from Central Coast Council):
 - a. What is the baseline level of “affordable dwellings” that these targets are adding to (i.e. there will be an additional 7,600 affordable dwellings in the Central Coast, adding to **what** starting baseline for each category?)
 - b. What is meant by ‘affordable’ in the targets table? Does ‘affordable’ in this context include affordable rental, public, community, and/or Aboriginal housing?
 - c. Are the above targets a mix of social and affordable rental housing?
 - d. What proportion of the above targets will remain ‘affordable’ in perpetuity?
3. Further to Point 1 and 2, we note that the draft LHS for Strategy A3 states that “the dwelling type with the most acute needs is smaller rentals that are affordable to very low income households” – **we assert that the majority of this cohort will need to be accommodated by a big boost to public and Aboriginal housing stock.**
4. For clarity, Shelter NSW asks the following of the State Government (refer to [Appendix A](#) for raw numbers):
 - a. **Ensure social housing stock is commensurate with population projections**, by firstly restoring each LGA’s safety net of social housing stock to 5% of all dwellings in the short term and to 10% by 2041:

- i. By 2041, with 4.1% of the State's population residing in the Central Coast City region, at least 4.4% of the State's social housing dwellings shall also be located in the City Region
 - ii. By 2041, social housing dwellings in the Central Coast city region should be close to 19,200 in number (including 5,595 existing social housing properties)
 - iii. **By 2033, at a minimum, 2,050 additional social housing properties shall be built/acquired in the Central Coast City region.**
5. We assume that the affordable dwelling targets outlined above will work in tandem with a future Affordable Housing Contributions Scheme (which will be prepared and implemented per commitment under Action 7.2 in the LHS).
 - a. We are keen to understand whether the targets table above is still pinned to the 2036 timeline, or if the targets table will be folded into the LHS 20-year vision (to be monitored and delivered by 2043)?
 - b. Affordable Housing Contributions Scheme implementation is given a "medium term timeline" in the LHS. Is this 'medium term' in the context of affordable dwelling targets to 2036 or to 2043?
 - c. Are there interim measures to monitor affordable dwelling delivery against the targets table? Is a higher proportion of delivery expected post-Affordable Housing Contributions Scheme coming into effect?
6. With regard to tracking affordable dwelling targets:
 - a. **In order to adequately track ANY affordable housing targets**, government agencies (preferably centralised to the Department of Planning & Environment, Greater Cities Commission, or Urban Development Programs) **need to maintain and publish data on Affordable Rental Housing granted approval and created under the provisions of the *Housing SEPP*** (and former SEPP versions such as *ARHSEPP 2009* and *SEPP 70*):
 - i. This database/register shall track information on approval status, development status, timeframe status (ie housing being "affordable" in perpetuity from x date, or time-limited), and locations (suburbs) of Affordable Rental Housing made possible by the Housing SEPP. This includes housing built in accordance with Affordable Housing Contributions Schemes as well as Affordable Rental Housing reliant on provisions from Chapter 2 of the Housing SEPP.

- ii. In time, this register should be expanded to include data on affordable housing made possible by Voluntary Planning Agreements.

7. With regard to crafting an Affordable Housing Contributions Scheme:

- a. **Set an acceptable AHCS contribution rate (ie 10 percent)** in line with targets in the [GCC Six Cities Discussion Paper](#) and national best practice recommendations as outlined in the [Constellation Project](#) and lobby the Department of Planning & Environment to waive cumbersome viability justifications for contribution rates that are at or below this 10% threshold
- b. **Expand scope for mandatory inclusionary zoning to not just rezonings which deliver “housing uplift”** but any major rezoning activity which would generate significant commercial/industrial investment (or changes to planning rules for floor area and height of building controls in E-, B-, IN-, MU- zones) and induce local/regional demand for housing by new or augmented workforces.

Other planning matters

8. We support Action 7.5 of the LHS, being the potential rezoning of land to R1 or R3 within 400m or 800m of centres and railway stations. We assert, however, that **an Affordable Housing Contributions Scheme must be in place before such upzoning occurs**, to ensure that affordable rental housing requirements are built into the fabric of these accessible and desirable locations – funded by a portion of the planning uplift that would otherwise accrue to individual landholders.
9. We call upon Council to **commit to reviewing the long-term viability of certain land zone typologies (R2 low density and R5 large lot residential)** in light of urban planning goals to reduce sprawl, ecological and agricultural fragmentation, increase climate resilience of communities, and deliver more walkable and mixed use neighbourhoods.
10. We support Strategy C15, which may institute dwelling diversity (1 and 2 bedroom dwellings) in proximity to town centres and railway stations. We would argue that this initiative should go further, and **Council should create a subset of overlapping targets for new housing to be diverse AND infill AND affordable.**
11. Action 2.3 of the LHS is **a welcome starting point to knowing the size, scale, and fluctuating nature of whole-home conversions to the short term holiday letting market:**

Monitor levels of STRA takeup via the DPE STRA Register. If required, after reviewing the impacts on housing, tourism and local businesses, investigate applying additional limits on STRA for the Central Coast as per the Housing SEPP.

To support Council's information baseline, and in lieu of a publicly available and rigorous State register, we have compiled local data from [InsideAirbnb](#) on the growth of whole-home Airbnbs in the LGA and neighbouring LGAs. See **Appendix B** (additional data can be supplied upon request).

12. The inclusion of Action 2.3 under broader Action 2 of "Actively managing the housing pipeline" is applauded. We seek clarity on the specifics of this STRA monitoring – will it be within the remit of the Central Coast Urban Development Program or at least reported to the CCUDP?
13. Further to points 11 and 12, Shelter NSW notes the recent Independent Planning Commission's [Final Advice Report](#) to the Planning Minister on the matter of short term rental accommodation regulation for Byron Shire Council. This Final Advice Report included broader recommendations for the Planning Minister to consider in their treatment not just of the 'Byron case' but of all LGAs wishing to regulate whole-home holiday accommodation conversions more stringently than what is currently possible under the *Housing SEPP*. In this regard, we are pleased that many of our recommendations to the IPC have made it into the Final Advice Report, including:
 - a. Non-hosted whole-home holiday accommodation is a change of use from a "dwelling house", particularly in circumstances where the use occurs (or is proposed/likely to occur) for more than 60 days per calendar year
 - b. Require change of use DA consent from "dwelling house" to "tourist and visitor accommodation" ("serviced apartment") in circumstances where non-hosted whole-home holiday accommodation is or is likely to exceed the locally accepted cap (90, 60, 30 days).

The full suite of our recommendations to the IPC can be found in [our submission](#). We also pose questions to the Department of Planning & Environment about the monitoring, auditing, reporting, transparency, and enforceability of the State "STRA" register, noting grievances we have heard from Council compliance officers.

14. We support planning incentives (FSR, height bonuses) in the LEP to **reward accessibility provisions in new dwellings to at least the 'silver' standard** of The Liveable Housing Design Guidelines.

Appendix A – population/dwelling projections and existing social housing dwellings

*DPE data (https://www.planning.nsw.gov.au/Research-and-Demography/Population-Projections/Explore-the-data)				*Shelter asks	
Year	Location	Population	Implied dwelling demand (no. of total dwellings required to house projected population, all tenure types)	Restoring 5% of all housing stock as social housing	10% of all housing stock as social housing
2022	Central Coast City	349,249	160,288	8,014 (including approx. 5,595 existing social housing)	16,029 (inc. 5,595 existing)
2041		404,265	191,696	9,585 (inc. 5,595 existing)	19,170 (inc.5,595 existing)
2022	NSW Total	8,172,657	3,444,382	172,219	344,438
2041		9,872,934	4,329,475	216,474	432,948
Total % of population in NSW that will reside in the Central Coast City region by 2041				4.1	
Total % of NSW social housing dwellings that will be delivered in the Central Coast City region per Shelter's 10% of all housing stock ask by 2040				4.4	
Sector advocacy ask of addressing social housing backlog by “adding 5,000 social dwellings per year in the State for a decade” for this LGA (proportional to population share) by 2033 corresponds to...				2,050	

Table DWELLINGS.6: Dwellings, by local government area for public housing, SOMIH and community housing, 2021			
State/territory	Region Code	Region Name	Total housing
NSW	11650	Central Coast (C) (NSW)	5,595
2. Dwellings were assigned to LGAs (2019 boundaries) using a postcode to SA2 correspondence file and a SA2 to LGA correspondence file. This may lead to some minor inaccuracies in results.			
3. May not sum to totals presented in other tables due to rounding.			
Source: AIHW National Housing Assistance Data Repository, https://www.aihw.gov.au/getmedia/56788560-a30b-40c8-b5e6-4bd3677b2f57/AIHW-HOU-326-Data-tables-Social-housing-dwellings-2022.xlsx.aspx			

Appendix B – InsideAirbnb data on whole-home Airbnb growth and average occupancy

Whole-home Airbnb growth since 2018 (from spreadsheet supplied to Shelter NSW by Murray Cox of InsideAirbnb in February 2023):

LGA (2016 boundaries)	12mo to Nov 2018	12mo to Nov 2019	12mo to Nov 2020	12mo to Nov 2021	12mo to Nov 2022
Gosford	1428	1584	1516	1553	1874
Wyong	505	540	539	576	773
Lake Macquarie	344	425	389	411	503
Port Stephens	959	1316	1289	1336	1373

Average occupancy of whole-home Airbnbs in 12 months to November 2022 (LGA 2016 boundaries):

- a. Gosford, 55 days
- b. Wyong, 67 days
- c. Lake Macquarie, 84 days
- d. Port Stephens, 52 days